

Members

Elizabeth Dickenson,
Chairperson
Director, Risk Management
Oregon University System

Angie Patterson, Vice-
Chairperson
Business Operations
Manager
Department of Fish &
Wildlife

Nathan Allen
Administrator
Planning & Budget
Department of Corrections

Gayla Andresen
Manager
Safety & Health Unit
Department of Human
Services

Todd Brown
Manager
Health & Safety
Department of
Environmental Quality

Nancy Cody
Safety & Facilities Manager
Department of Consumer &
Business Services

Loren Collins
Chief Trial Counsel
Department of Justice

Julie Davie
Safety & Risk Manager
Department of
Transportation

Maynard Hammer
Deputy Superintendent,
State Hospital
Department of Human
Services

Kyle Knoll
Budget Officer & Risk
Manager
PERS

Vena McCoy
Internal Auditor & Risk
Manager
Department of State Lands

Sandy McDonnell
Manager
Administrative Services
Oregon Housing &
Community Services

Marc Williams
CIO/Deputy Director
Department of Justice

AGENDA
Risk Management Advisory Council



Meeting Date: June 3, 2009

Time: 8:30 a.m. – 10:30 a.m.

Location: ODOT, Region 2, Building B, Mt. Jefferson Conference Room
455 Airport Road, Salem OR 97301

Facilitators: Elizabeth Dickenson & Angie Patterson
Risk Management Advisory Council Chair and Vice-Chair

Recorder: Deb Bogart

Timekeeper: Teresa Boes

ITEM	PRESENTER	TIME	ACTION, NOTES
Education			
Enterprise Risk Management	Pam Valencia Kyle Knoll Q & A	8:00 a.m. 8:10 a.m. 8:20 a.m.	
Call to Order			
Welcome and Approval of Recap	Elizabeth Dickenson	8:30 a.m.	
Information			
Introduction and report on Advisory Council Planning Group	Angie Patterson	8:35 a.m.	
Action			
1. Ex Officio	Elizabeth Dickenson	8:40 a.m.	
2. Action Plan Status Reports • Issue 1 – Claim Expense Reduction	Loren Collins	8:50 a.m.	
3. Issue Selection and Prioritization Summary	Deborah Fifield	9:05 a.m.	
4. ERM Program Plan • RMIS Update	Teresa Boes	10:00 a.m.	
Action			
Summary and Adjournment	Elizabeth Dickenson	10:25 a.m.	

Teleconference: (877) 214-5010

Participant Code: 433283

Meeting Dates:

July 15, 2009
August 26, 2009
October 07, 2009
November 18, 2009
December 30, 2009
February 10, 2010

Time:

8:30am-10:30am
8:30am-10:30am
8:30am-10:30am
8:30am-10:30am
8:30am-10:30am
8:30am-10:30 am

Location:

DOF, 2600 State St., Till.Rm.
1225 Ferry St. SE, Mt. Mazama
DOF, 2600 State St., Till.Rm.
TBD
1225 Ferry St. SE, Mt. Mazama
1225 Ferry St. SE, Mt. Mazama

Members

Nathan Allen
Administrator
Planning & Budget
Department of
Corrections

Gayla Andresen
Manager
Safety & Health Unit
Department of Human
Services

Todd Brown
Manager
Health & Safety
Department of
Environmental Quality

Nancy Cody
Manager
Safety & Facilities
Department of Consumer
& Business Services

Loren Collins
Chief Trial Counsel
Department of Justice

Julie Davie
Manager
Safety & Risk
Department of
Transportation

Elizabeth Dickenson
Director, Risk
Management
Oregon University
System

Maynard Hammer
Deputy Superintendent,
State Hospital
Department of Human
Services

Kyle Knoll
Budget Officer & Risk
Manager
PERS

Vena McCoy
Internal Auditor & Risk
Manager
Department of State
Lands

Sandy McDonnell
Manager
Administrative Services
Oregon Housing &
Community Services

Angie Patterson
Manager
Business Operations
Department of Fish &
Wildlife

Marc Williams
CIO/Deputy Director
Department of Justice

RECAP

Risk Management Advisory Council



Meeting Date: April 22, 2009

Time: 8:30 a.m.

Location: Mt. Mazama Conference Room – Basement
1225 Ferry Street SE, Salem, OR 97301

Attendees: Nathan Allen, Gayla Andresen, Nancy Cody, Loren Collins, Julie Davie, Elizabeth Dickenson, Maynard Hammer, Kyle Knoll, Vena McCoy, Sandy McDonnell, Angie Patterson, Marc Williams, Jan Dean, Jeanette Fish, Deborah Fifield, Teresa Boes, Deb Bogart, Sue Praegitzer

Guests: Carolyne Burnell, Angie Sifuentez, Robert Salinas, Joyce Fred

Call to Order
<p><u>Welcome and Introductions:</u> The Council and guests were welcomed by Chairperson Elizabeth Dickenson. Round table self-introductions were made.</p> <p><u>Action:</u> None</p>
Information
<p><u>Discussion:</u></p> <ol style="list-style-type: none"> Introduction and report on Advisory Council Workgroups <ul style="list-style-type: none"> Vice-chairperson Angie Patterson asked for a review and adoption of the January 28, 2009 meeting minutes. There was no discussion and the consensus of the Council was to adopt the minutes as drafted. Angie presented the amended draft of the Risk Management Advisory Council Charter and Operating Guidelines and recommended changes be adopted. There was no discussion and the consensus of the Council was that the Charter and Operating Guidelines be adopted as amended. SSD/Risk Shared Vision and Strategic Plan <ul style="list-style-type: none"> State Services Division (SSD) Administrator Jan Dean and Deputy Division Administrator Jeanette Fish presented the Division’s document “SSD Vision 2015”. Jan reviewed the development process of the document expressing it was a collaborative effort involving all Division employees. Highlights of the presentation included: <ul style="list-style-type: none"> Reviewing the Three Elements of SSD Vision 2015 that sights developing an SSD culture of respect, productivity and

learning; producing excellent results and the establishing partnerships and relationships.

- Establishing an advisory council for each service area.
- Creating a customer pledge.
- Conversing with staff regarding components of the Vision.
- Establishing a Leadership Development Program for managers.
- Developing meaningful performance measures.
- Aligning the strategic plans for DAS, the Division and the Division's Programs.

3. DAS Risk Management Overview

- Risk Manager Deborah Fifield assessed the current program as being a progressive risk management model and aspired to move toward an enterprise risk model.
- Deborah presented a series of slides that illustrated the current status of Risk's costs, claims and data interpretations for the state agencies.
- Highlights of the presentation illustrated:
 - The largest group of claims is general liability.
 - The longer a claim is open, the more it costs.
 - Legal costs are a large proportion of claim costs.
 - A closer look at general liability and employment claims is needed.
- Unanswered questions:
 - What are the best practices?
 - How do we reduce claim lag times?
 - What are the precedent-setting claims?
 - What are the tort claim trends?
 - What are the cause drivers?
 - What are we doing about these things?

Actions:

- Consensus of the Council was:
 - To approve minutes for the January 28, 2009 Risk Management Advisory Council Meeting as drafted.
 - To approve the Risk Management Advisory Council Charter and Operating Guidelines dated January 28, 2009 as drafted.

Action

Discussion:

1. Shared Vision for the RM Advisory Council

- Deborah explained that Advisory Council's role in Risk Management's strategic plan was to prioritize enterprise wide risk initiatives; questioning processes; and working at a policy level.
- Deborah described the leverages that would assist in this movement:
 - Installing a new information system.
 - Revising Risk's webpage.

- Establishing benchmarks that include a reduction in the cost of risk and other issues that come forward.
 - Moving away from a primary focus on insurance and claims and moving towards establishing partnerships in risk identification and management.
 - Developing new tools as decisions are made.
 - The Council expressed excitement about moving forward with Enterprise Risk concepts.
 - Councilperson Maynard Hammer expressed a caution about truly reducing the cost of risk and not just shifting costs.
 - DAS Chief Auditor Pam Valencia-Strobel explained a correlation between the work of the Council and House Bill 3139 that requires internal auditors to review risk management standards. Of interest was a common desire to excite management to establish a mindset to continuously know and review risks.
 - Chairperson Dickenson brought attention to the Council's handout "Enterprise Risk Management for Dummies" and recommended it as a source of good bullets in Risk Leadership.
2. Issue Selection and Prioritization
- Deborah Fifield reviewed the "Risk Management Advisory Council Draft Issue Selection and Prioritization" document included in the meeting package.
 - Highlights of the process overview included:
 - Three possible tracks for issue intake.
 - Triaging incoming issues into Risk, assisting the client and recording a summary for the Council;
 - Sending issues directly to the Council and the Council accepts;
 - Sending issues directly to Council and the Council doesn't accept.
 - Subsequent actions include:
 - Incorporating accepted issues as part of the Council's Action Plan.
 - Tracking all issues systematically and providing in an aggregate report.
 - Issue selection was tested using the draft issue paper, "Reducing Claim Costs", and the document, "Risk Management Issue Paper Preliminary Screening Criteria".
 - Key triggers for issue selection included:
 - System wide vs. local impact
 - Severity
 - Resource commitments
 - Agency-specific answers on the form would be "no" answers.
 - The issue paper "passed" the pre-screening test.
 - Issue paper discussion included:
 - Agencies drafting these at a high level.
 - Agencies not needing to do the research.
 - In reference to the issue paper "Reducing Claim Costs",

Councilperson Marc Williams asked what the trigger was for DOJ assignment to a claim. Deborah Fifield answered it was determined by the adjuster and workgroup discussion on this issue was appropriate.

3. Action Plan

- Council membership (14th) person
 - There was brief discussion regarding the need for a representative of a very small agency.
 - No decision by the workgroup was made.

4. Workgroup selection

- The Council identified the following considerations for identifying workgroup selection:
 - Having Risk determine who has interest.
 - Receiving suggestions from Council members and Risk claims adjusters.
 - Appointing a diverse group that includes a mix of agency sizes, areas of expertise, etc.
- The Council decided to experiment with a workgroup prior to adopting a standard selection process.

Actions:

- Consensus of the Council was:
 - To try using the Issue Paper Selection forms before adopting them by:
 - Each Councilmember drafting and submitting an issue paper to Deborah Fifield using the “Draft Risk Management Issue Paper” template.
 - Using the “Risk Management Issue Paper Preliminary Screening Criteria” and “Risk Management Advisory Council Draft Issue Selection and Prioritization” forms to evaluate these issue papers.
 - To establish a workgroup to address “Reducing Claim Costs”.
 - To have Deborah Fifield draft an Action Plan for the Council’s review for the next meeting.
 - To table the discussion regarding the workgroup selection process pending feedback from the new workgroup.
- The Council’s Claim Costs Reduction Workgroup selection was made by the volunteer process (except Nathan) and included:
 - Leader: Chief Trial Counsel Loren Collins, DOJ
 - Leader: Deborah Fifield, DAS RM
 - Elizabeth Dickenson, OUS
 - Julie Davie, ODOT
 - Carolyne Burnell, DHS
 - Nathan Allen, DOC

Adjournment

Actions:

- Action items were reviewed:
 - Each member of the Council is to draft an issue paper and

- submit to Deborah Fifield.
- Risk Management will post the issue paper template to the website.
 - Deborah Fifield will draft an Action Plan for the next meeting.
 - The Claim Costs Reduction Workgroup will provide best practices feedback to the Council regarding a standard workgroup selection process.
 - The meeting was adjourned at 10:30 a.m.

Next meeting:

Date: June 3, 2009
Time: 8:30 a.m. – 10:30 a.m.
Location: 455 Airport Road, Building B.

Risk Management Advisory Council

Issue Paper # 1: Reduce Claim Cost
June 3, 2009

Context

Issue # 1 – Reduce Claim Cost

Selected as an issue to be addressed by the Risk Management Advisory Council at the April 22, 2009 meeting

Goal: Develop policy recommendations

Reduce liability claim report lag time (the number of calendar days from the date of event to the date reported to DAS Risk Management)

Reduce liability claim management lag time (the number of calendar days from the date the claim is reported to DAS Risk Management to the date the claim is closed)

Definitions

Tort is defined by statute as the breach of a legal duty that is imposed by law, other than a duty arising from contract or quasi-contract, the breach of which results in injury to a specific person or persons for which the law provides a civil right of action for damages or for a protective remedy (key requirements emphasized).

Definitions

Claim means a formal assertion that you or your staff harmed someone by committing a tort. All claims cost money to investigate and resolve even if they are false or unfounded.

Occurrence means an accident, incident, or a series of accidents or incidents arising out of a single event or originating cause and includes all insured losses.

30.275 Notice of Claim

No action arising from any act or omission of a public body or an officer, employee or agent of a public body within the scope of ORS 30.260 to 30.300 shall be maintained unless notice of claim is given as required by this section.

30.275 Notice of Claim

Notice of claim shall be given within the following applicable period of time, not including the period, not exceeding 90 days, during which the person injured is unable to give the notice because of the injury or because of minority, incompetency or other incapacity:

- (a) For wrongful death, within one year after the alleged loss or injury.
- (b) For all other claims, within 180 days after the alleged loss or injury.

Tort Claim Trends

Tort Claim Data Used:

- Auto
- General Liability
- Employment
- Medical Malpractice

No property or workers compensation claims

Discussion

Agencies need easy access to information on reported claims. The next phase of RMIS implementation includes agency access and training.

- DAS Risk Management will provide regular updates on agency access and training dates.

Discussion

Agencies need to be made aware of the importance of early reporting of claims. Clear definitions and guidelines to set expectations are needed.

Discussion

Continued discussion of fast track claim handling, authority for early settlement and guidelines that would need to be in place to support resolving claims at the lowest level is needed.

Report Lag Time Closed Liability Claims Valued as of 4/30/2009

BN 2003-2005 Auto Report Lag Time

Calendar Days	# Claims	% Claims	Total Incurred	Incurred Legal
≤ 31	377	80.9	1,175,273	215,674
32-60	37	7.9	70,116	10,941
61-90	27	5.8	20,962	-
91-120	12	2.6	20,932	10,393
121-150	7	1.5	15,655	11,522
151-180	3	.6	13,200	-
181-270	3	.6		
271-365	0	0	-	-
> 365	0	0	-	-

1,316,138

248,530

Report Lag Time Closed Liability Claims Valued as of 4/30/2009

BN 2005-2007 Auto Report Lag Time

Calendar Days	# Claims	% Claims	Total Incurred	Incurred Legal
≤ 31	342	65.6	900,301	65,051
32-60	82	15.7	163,743	7,448
61-90	38	7.3	40,017	-
91-120	15	2.9	43,637	3,328
121-150	12	2.3	7,331	-
151-180	16	3.0	56,635	13,999
181-270	8	1.5	-	-
271-365	4	.8	1,067	-
> 365	4	.8	34,147	22,275

1,246,878

112,101

Report Lag Time Closed Liability Claims Valued as of 4/30/2009

BN 2003-2005 General Liability Report Lag Time

Calendar Days	# Claims	% Claims	Total Incurred	Incurred Legal
≤ 31	1,841	44.7%	2,266,370	1,143,440
32-60	629	15.2%	806,647	325,393
61-90	439	10.6%	1,306,530	691,786
91-120	300	7.3%	980,424	440,064
121-150	214	5.2%	256,313	128,662
151-180	293	7.1%	278,934	221,162
181-270	267	6.5%	1,305,398	255,376
271-365	92	2.2%	264,238	259,111
> 365	42	1.0%	236,207	91,757

7,701,061

3,556,751

Report Lag Time Closed Liability Claims Valued as of 4/30/2009

BN 2005-2007 General Liability Report Lag Time

Calendar Days	# Claims	% Claims	Total Incurred	Incurred Legal
≤ 31	1435	32.4%	1,177,319	472,905
32-60	792	17.8%	604,005	253,542
61-90	604	13.6%	364,381	204,855
91-120	315	7.1%	342,513	157,585
121-150	231	5.2%	422,619	215,741
151-180	404	9.1%	1,199,550	469,678
181-270	316	7.1%	1,271,894	255,979
271-365	186	4.2%	1,601,087	966,090
> 365	147	3.3%	603,364	513,418

7,586,732

3,509,793

Report Lag Time Closed Liability Claims Valued as of 4/30/2009

BN 2003-2005 Medical Malpractice Report Lag Time

Calendar Days	# Claims	% Claims	Total Incurred	Incurred Legal
≤ 31	55	23.6%	34,793	29,689
32-60	33	14.2%	204	89
61-90	21	9.0%	4,785	4,451
91-120	26	11.1%	96,258	38,494
121-150	19	8.1%	19,654	19,654
151-180	35	15.0%	56,142	54,122
181-270	31	13.3%	57,613	1,392
271-365	7	3.0%	1,392	-
> 365	6	2.6%	-	-

270,841

147,891

Report Lag Time Closed Liability Claims Valued as of 4/30/2009

BN 2005-2007 Medical Malpractice Report Lag Time

Calendar Days	# Claims	% Claims	Total Incurred	Incurred Legal
≤ 31	44	14.4%	5,844	5,844
32-60	45	14.7%	5,950	5,600
61-90	28	9.1%	257,790	65,228
91-120	26	8.5%	40,965	34,765
121-150	34	11.1%	1,162	1,162
151-180	49	16.0%	1,671	1,671
181-270	43	14.0%	44,857	44,857
271-365	16	5.2%	16,373	1,005
> 365	21	6.8%	17,079	17,079

391,691

177,211

Report Lag Time Closed Liability Claims Valued as of 4/30/2009

BN 2003-2005 Employment Liability Report Lag Time

Calendar Days	# Claims	% Claims	Total Incurred	Incurred Legal
≤ 31	34	19.4%	333,500	91,044
32-60	18	10.3%	311,766	134,702
61-90	17	9.7%	248,718	164,966
91-120	9	5.1%	117,645	75,855
121-150	17	9.7%	321,648	151,648
151-180	45	25.7%	963,896	686,078
181-270	26	14.8%	576,376	212,894
271-365	2	1.1%	16,426	16,426
> 365	7	4.0%	250,104	134,156

3,140,079

1,667,769

Report Lag Time Closed Liability Claims Valued as of 4/30/2009

BN 2005-2007 Employment Liability Report Lag Time

Calendar Days	# Claims	% Claims	Total Incurred	Incurred Legal
≤ 31	19	11.6%	1,003,198	153,788
32-60	9	5.5%	555,823	209,157
61-90	7	4.3%	255,346	60,846
91-120	16	9.8%	361,375	106,600
121-150	17	10.4%	248,817	131,481
151-180	34	20.8%	1,660,892	494,786
181-270	29	17.8%	443,169	209,583
271-365	10	6.1%	417,528	55,218
> 365	22	13.5%	208,182	132,520

5,154,330

1,553,979

Risk Management Advisory Council Work Group

Loren Collins, Department of Justice

Deborah Fifield, DAS Risk Management

Elizabeth Dickenson, Oregon University System

Nathan Allen, Department of Corrections

Julie Davie, Department of Transportation

Caroline Burnell, Department of Human Services

State of Oregon

Risk Management Advisory Council Issue Selection and Prioritization Summary

KEY:

- A Added to Risk Management Advisory Council Risk Mitigation Action Plan.
- 1 Agency actions addressed risk. Issue will not be addressed by Council.
- 2 Issue already subject of investigation, audit or similar review by external agency or entity, and Council review would interfere or duplicate that effort. Issue will not be addressed by Council.
- 3 Action Plan priorities preclude review at this time. Issue will not be addressed by Council.
- 4 Agency program not causally linked to issue. Issue will not be addressed by Council.
- 5 Although preliminary screening criteria met, upon assessment determined not to be a substantial loss. Issue will not be addressed by Council.

- 6 A review team is unlikely to identify strategies for reducing risk of future similar issue. Issue will not be addressed by Council.
- 7 Issue of a type substantially similar to other risk mitigation review. Issue will not be addressed by Council.
- 8 Other (accompanied by explanation).

Issue #	Issue Description	Date Submitted	Agency	Preliminary Screening Date	Council Review Date	Determination	Reason for Determination
1	Reduce Claim Cost	4/22/2009	DAS	4/22/2009	4/22/2009	A	
2	Employee Injury Data Collection	6/1/2009	ODOT				