



The Metropolitan District  
water supply · environmental services · geographic information

**PERSONNEL, PENSION & INSURANCE COMMITTEE  
REGULAR MEETING  
WEDNESDAY, JANUARY 25, 2023  
4:00 PM**

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**Location**

Board Room  
District Headquarters  
555 Main Street, Hartford

Dial in #: (415)-655-0001

Access Code: 43808661#

[Meeting Video Link](#)

**Commissioners**

Avedisian	Magnan
Currey (VC)	Pane
Desai	Patel
DiBella (Ex-Officio)	Salemi
Drake	Taylor (C)
Lester	

**Quorum: 6**

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1. CALL TO ORDER
2. PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS
3. APPROVAL OF MEETING MINUTES OF NOVEMBER 2, 2022
4. REPORT RE: EMPLOYEE BENEFITS UTILIZATION
5. REPORT RE: WORKERS' COMPENSATION
6. OPPORTUNITY FOR GENERAL PUBLIC COMMENTS
7. ADJOURNMENT



January 25, 2023

PERSONNEL, PENSION & INSURANCE COMMITTEE  
**METROPOLITAN DISTRICT**

Christopher Monroe | Andrea Faber  
[www.usi.com](http://www.usi.com)





# Metropolitan District Agenda Overview

- **2022 Plan Performance**
  - *Anthem Medical – Actives*
  - *Anthem Dental – Active & Retirees*
  - *Zenith Medical – Over 65 Retirees*
  
- **3-D Review USI**
  - *Preventive Care Adherence*
  - *Cancer Screening Adherence*
  - *Path Forward – HEP Program (January 1, 2023)*





## 2022 Plan Performance – Medical & Dental Active / Retiree Population



# Metropolitan District 2022 Plan Performance

# Actives

USI receives monthly loss reporting on MDC's self-insured medical and dental program. The data is then used to measure plan performance relative to the budget set at the start of our plan year – January 1<sup>st</sup>.

## Financial Metrics

- Plan Performance vs. Budget
- Per Capita Trend Line (Medical / Dental)
- Large Claim Impact within the Risk Pool
- 2022 Plan Performance vs. Budget** – positive plan performance on both the medical and dental drove a plan surplus for the MDC in 2022.
  - Medical - \$2.2M surplus on an estimated budget of \$16.5M.
  - Dental - \$142k surplus on an estimated budget of \$718k.
- 2022 Per Capita Trend Line** – medical trend is roughly 8% to 12% at a normative level.
  - Medical – 14.1% increase in per capita claim cost. **Elevated to the Norm.**
  - Dental – 3.6% decrease in per capita claim cost (vs. dental trend of 4.5%)

## Impact and Benefits:

- MDC has experienced stability within its risk pool.
- Prudent discipline around the budget setting process.
- MDC has beaten marketplace trend expectations over a long period of time – 6.1% year over year since 2017**
- Stability aside, the concern centers upon per capita outlay relative to the norm.

## Active Population – Plan Performance in 2022



# Metropolitan District 2022 Plan Performance

## Actives

- **2022 Large Claim Impact** – relative to the norm, the MDC continues to be an under-performer. A large claim is defined as any claim in excess of \$50k. Marketplace expectations are as follows.
  - A group similar in size should see 20 to 30 claims in excess of \$50k. Since 2018, the MDC has averaged roughly 57 large claimants (bad).
  - Per capita large claim spend is generally between \$100k & \$130k per claim. Since 2018, our per capita output came in at \$116k per claimant (good).
  - Results support the premise that the MDC has a volume issue as opposed to a claim severity issue.

In 2022, the numbers eroded versus 2021's plan performance.

- Total number of large claims stayed consistent – 56 (2021) vs. 58 (2022).
- Aggregate output jumped substantially - \$6.2M (2021) vs. \$7.2M (2022).
  - \$1.0M increase (15%) in aggregate large claim spend fueled MDC's 14.1% overall increase in per capita claim cost.
  - Saving grace centers upon those with claims under \$50k who saw their per capita increase by 10%

### Impact and Benefits:

- Large claimants typically “make or break” a plan year. The overall elevation in large claims is a continued concern.
- Large amount of aggregate spend is indicative of a population that struggles with chronic conditions.
- Focus on improving the risk profile of the active population.

## Active Population – Plan Performance in 2022



# Metropolitan District 2022 Plan Performance

# Retirees

Consistent with the active population, USI receives monthly loss reporting on the Over-65 Medicare Supplemental program. The data is then used to populate a monthly claim report that measures similar metrics.

## Financial Metrics

- Plan Performance vs. Budget
  - \$68k budget surplus
- Aggregate Spend vs. Prior Year
- Per Capita Trend Line (Medical / Rx)
- 2022 Plan Performance** – positive plan performance on the retiree line.
  - Enrollment increased slightly – 673 (2021) vs. 700 (2022).
  - Medical spend remained unchanged - \$1.1M (2021) vs. \$1.1M (2022)
  - Pharmacy spend increased - \$1.8M (2021) vs. \$2.1M (2022).
  - Elevation in Plan “Offset” - \$537k (2021) vs. \$651k (2022).
  - Melded per capita spend highlights a 3.0% increase over 2021
    - Average increase year over year since 2017 – 2.1%.

## Impact and Benefits:

- MDC has experienced stability year over year within the Over-65 population.
- Need to focus on the marketplace value of the current offsets.
  - Part D Subsidy
  - Rx Rebate Share

## Retiree Population – Plan Performance in 2022



# Chronic Conditions Wellness Program – Impact



# Metropolitan District USI 3-D Utilization Review

USI measured plan performance over a rolling 36-month period. Claim progression over that period yielded the following observations/considerations.

## ▪ Preventive Care Access – Well Visits

- Adult Access to Preventive Care (Employees / Spouses) – 55% vs. 80% Expectation

## ▪ Preventive Care Access – Cancer Screenings

- Breast Cancer Screenings – 54% vs. 80% Expectation
- Cervical Cancer Screenings – 45% vs. 80% Expectation
- Colon Cancer Screenings – 33% vs. 80% Expectation (Misleading Due to Colon/Rectal Guidelines yet Still Poor)

## ▪ Diabetes & Livongo

- 120 Adults with Diabetes
- Livongo
  - Low Engagement
  - Throwing “Good Money after Bad”

## Impact and Benefits:

### ▪ Challenges

- Low Well Visit Engagement
- Low Cancer Screening Engagement
- Low Livongo Engagement

### ▪ HEP Plan Implementation

### ▪ Shutting Down the Livongo Program

### ▪ Next 3D Review – April 2023





# Questions & Answers

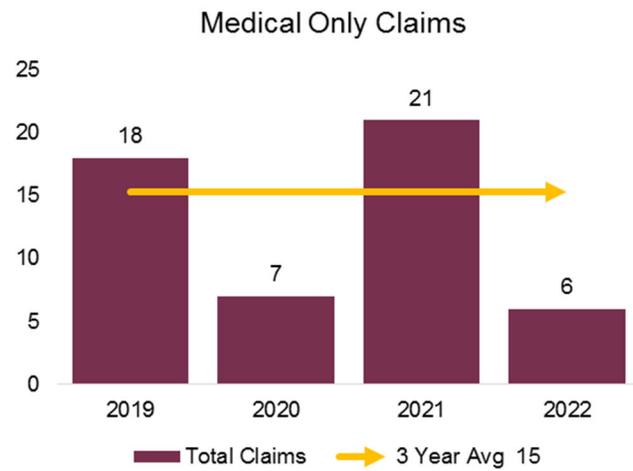
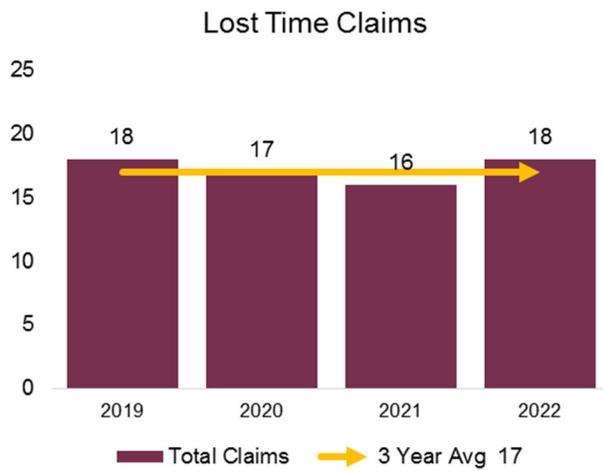
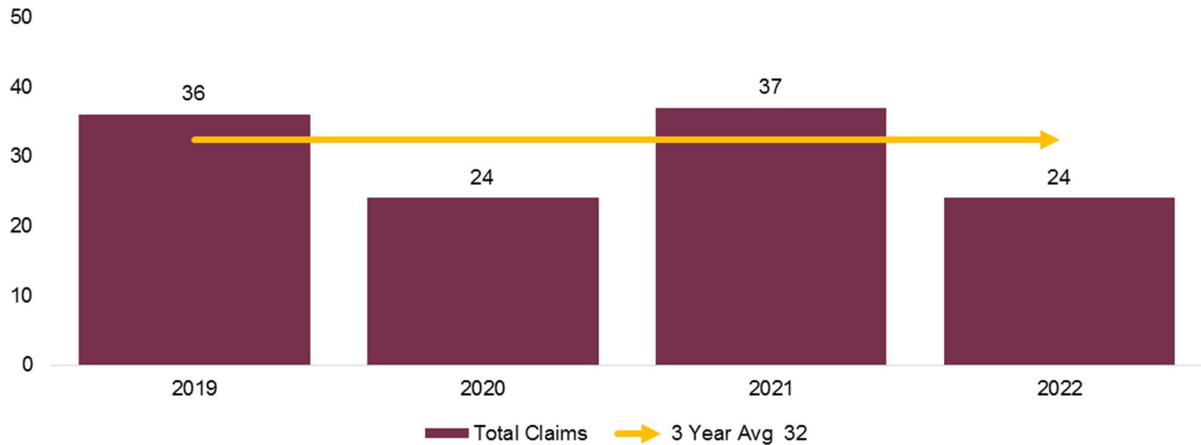
# THE METROPOLITAN DISTRICT

## EXECUTIVE SUMMARY

### WORKERS' COMPENSATION PROGRAM

The Trust has been providing Claim Administration, Managed Care and Loss Control Services to the Metropolitan District Commission since October 1, 2000. This summary contains policy year information frozen as of September of each policy year in order to give an apples-to-apples comparison.

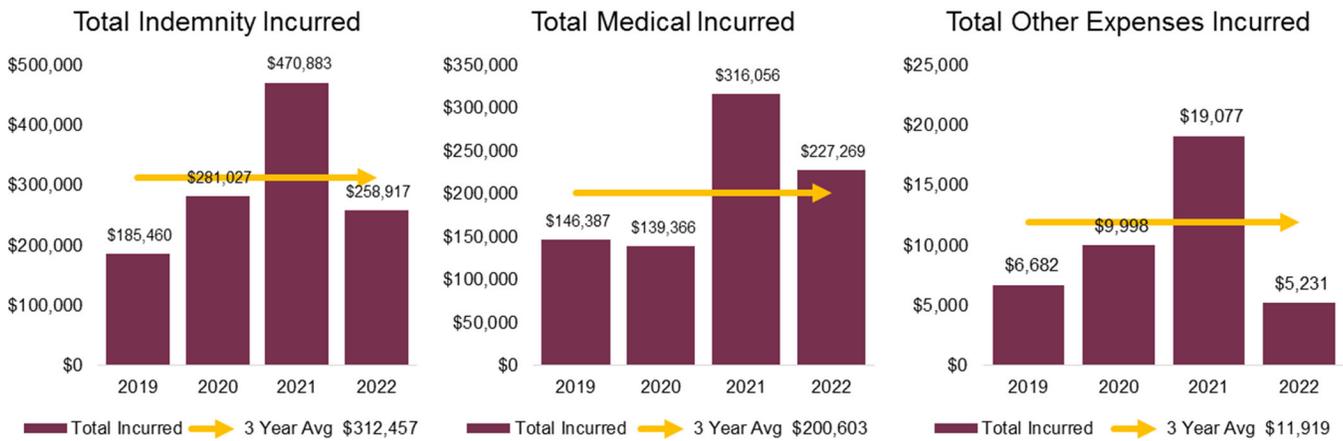
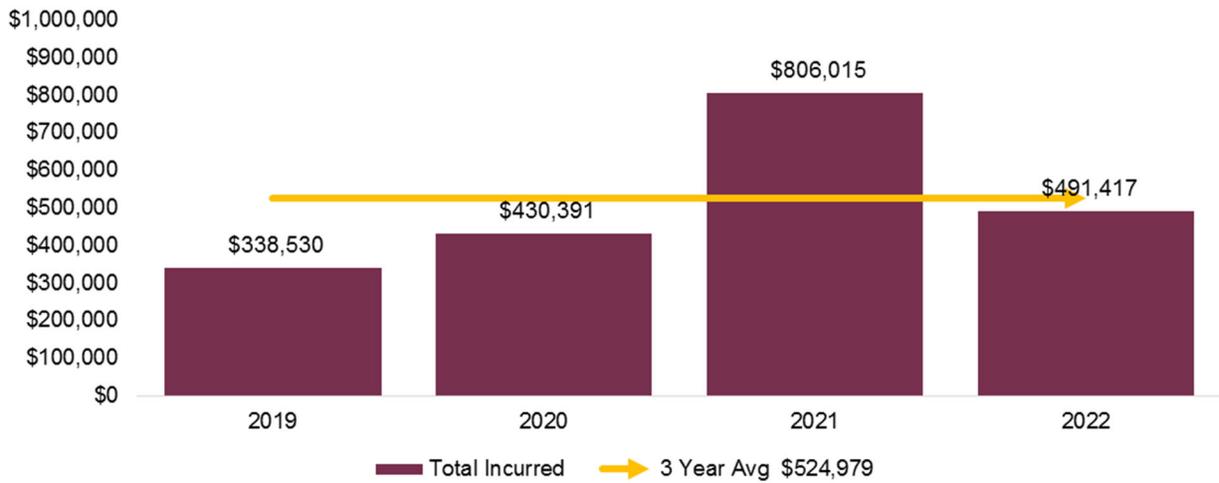
### Total Number of Claims - Policy Year Comparison



Claim Type	2018 - 2019	2019 - 2020	2020 - 2021	3 Year Avg.	2021 - 2022
Total Lost Time Claims	18	17	16	17	18
Total Medical Only Claims	18	7	21	15	6
<b>Grand Total</b>	<b>36</b>	<b>24</b>	<b>37</b>	<b>32</b>	<b>24</b>

**Total Claims frequency decreased 35%** from 37 in policy year 2021 to 24 in policy year 2022 and decreased 25% when compared to its three-year average. **Lost Time Claims frequency increased 13%** when compared to policy year 2021 and 6% when compared to its three-year average. **Medical Only Claims frequency decreased 71%** when compared to policy year 2021 and **60%** when compared to its three-year average.

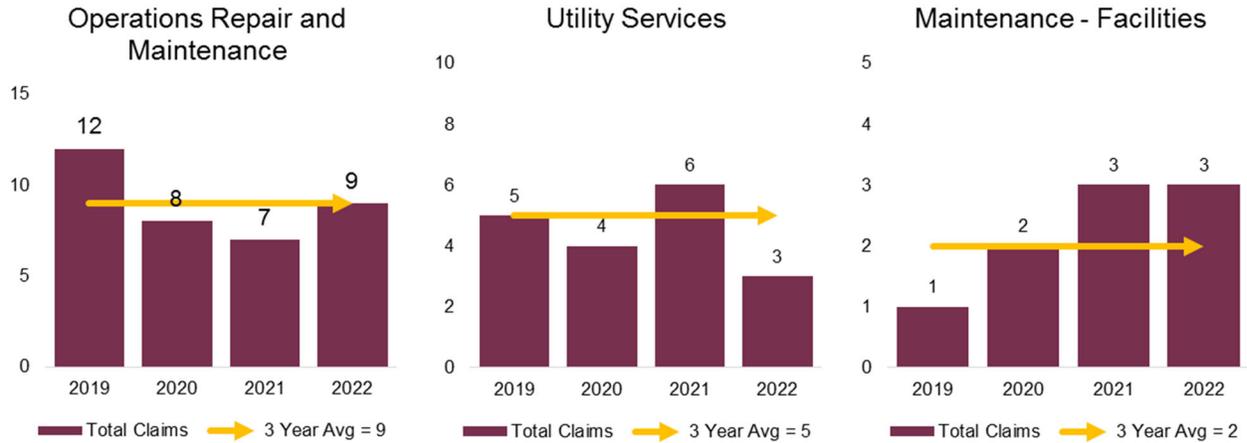
## Total Incurred - Policy Year Comparison



Payment Type	2018 - 2019	2019 - 2020	2020 - 2021	3 Year Avg.	2021 - 2022
Total Indemnity Incurred	\$185,460	\$281,027	\$470,883	\$312,457	\$258,917
Total Medical Incurred	\$146,387	\$139,366	\$316,056	\$200,603	\$227,269
Total Other Expenses Incurred	\$6,682	\$9,998	\$19,077	\$11,919	\$5,231
<b>Grand Total</b>	<b>\$ 338,530</b>	<b>\$ 430,391</b>	<b>\$ 806,015</b>	<b>\$ 524,979</b>	<b>\$ 491,417</b>

**Total Incurred** decreased from 39% from \$806,015 in policy year 2021 to \$491,417 when compared to policy year 2021 and decreased 6% when compared to its three year average. Policy year 2021 total incurred is attributable to claims that required surgery (5-\$437,661) in contrast to policy year 2022 (3-\$86,354). **Total Indemnity Incurred**, **Total Medical Incurred**, and **Total Other Expense Incurred** decreased when compared to policy year 2021. **Total Medical Incurred** was the only payment type that increased when compared to its three year average. Details of all open claims are included in the Claims Status Report section.

## “TOP 3” Departments with Highest Number of Claims



Department	2018 - 2019	2019 - 2020	2020 - 2021	3 Year Avg.	2021 - 2022
Operations Repair and Maintenance	12	8	7	9	9
Utility Services	5	4	6	5	3
Maintenance - Facilities	1	2	3	2	3

The top three departments for frequency were Operations Repair and Maintenance, Utility Services and Maintenance-Facilities. **Operations Repair and Maintenance** frequency increased when compared to policy year 2021 however remained the same when compared to its three-year average. The number one accident type for Operation Repair and Maintenance was Manual Material Handling (4). **Utilities Services** claim frequency decreased when compared to policy year 2021 and its three-year average. **Maintenance-Facilities** claim frequency remained the same when compared to policy year 2021; however increased when compared to its three year average.

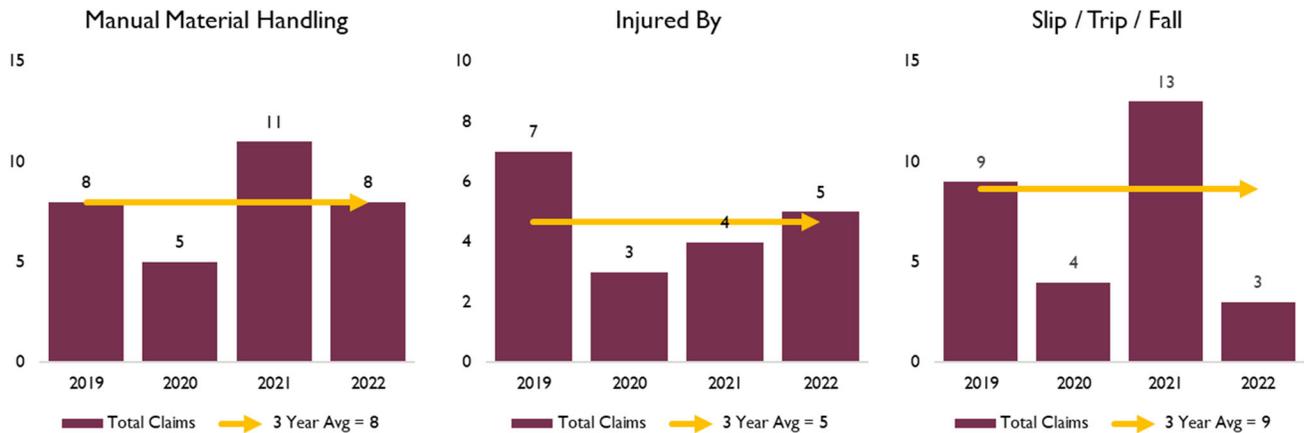
## “TOP 3” Departments with Highest Incurred



Department	2018 - 2019	2019 - 2020	2020 - 2021	3 Year Avg.	2021 - 2022
Operations Repair and Maintenance	\$86,419	\$59,538	\$150,113	\$98,690	\$216,785
Maintenance - Facilities	\$2,703	\$34,658	\$16,249	\$17,870	\$77,281
Utility Services	\$6,148	\$176,105	\$162,049	\$114,767	\$66,840

The top three departments for injury severity were Operations Repair and Maintenance, Maintenance-Facilities, and Utility Services. Both Operations Repair and Maintenance Treatment and Maintenance-Facilities injury severity increased when compared policy year 2021 and their respective three-year averages. **Operations Repair and Maintenance** top three accident types were Motor Vehicle (1-\$103,620), Manual Material Handling (5-\$82,217), and Injured by Bending (1-\$10,039). **Maintenance-Facilities** top accident type for severity was Manual Material Handling (1-\$66,306). **Utility Services** injury severity decreased 59% when compared to 2021 and 42% when compared to its three-year average.

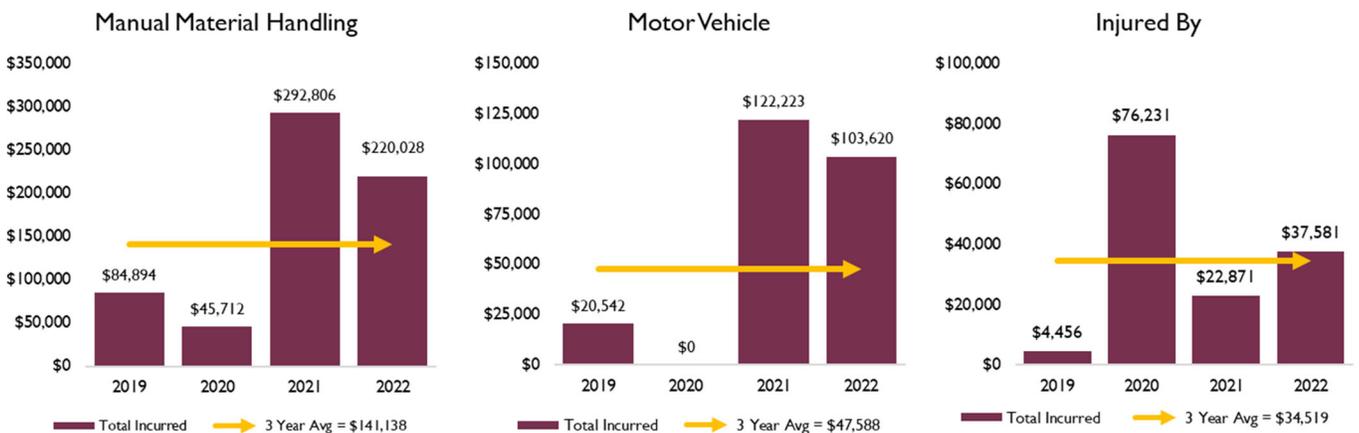
### “TOP 3” Accident Types with Highest Number of Claims



Accident Type	2018 - 2019	2019 - 2020	2020 - 2021	3 Year Avg.	2021 - 2022
Manual Material Handling	8	5	11	8	8
Injured By	7	3	4	5	5
Slip / Trip / Fall	9	4	13	9	3

Manual Material Handling, Injured By, and Slip/Trip/Fall were the top three accident types for frequency. **Manual Material Handling** top two accident type were Injured By-Lifting (4) and Injured by Push/Pull (3). **Injured By** top accident type was Injured By-Using Tool (2). **Slip/Trip/Fall** top accident type was Slip/Fall-Same Level (2),

### “TOP 3” Accident Types with Highest Incurred



Accident Type	2018 - 2019	2019 - 2020	2020 - 2021	3 Year Avg.	2021 - 2022
Manual Material Handling	\$84,894	\$45,712	\$292,806	\$141,138	\$220,028
Motor Vehicle	\$20,542	\$0	\$122,223	\$47,588	\$103,620
Injured By	\$4,456	\$76,231	\$22,871	\$34,519	\$37,581

The top three accident types for severity were Manual Material Handling, Motor Vehicle, and Injured By. **Manual Material Handling** top two accident types for severity were Injured By-Push/Pull (3-\$114,984) and Injured By-Lifting (4-\$38,063). Motor Vehicle-Collision with Vehicle is the only accident type for **Motor Vehicle. Injured By** top two accidents for severity were Injured By-Using Tool (2-\$10,650) and Injured By-Bending/Climbing (1-\$10,039).

### Other Noteworthy Facts about Metropolitan District Commission program

- MDC has a **Return-to-Work** program on a case-by-case basis. This has helped to reduce claim indemnity costs.
- MDC has added a **Medical Care Plan** in their workers' compensation program which has brought more control by limiting the network of medical providers and providing access to utilization review that helps control the medical costs and unnecessary medical procedures.
- **Trust TeleCare** has provided a method of reporting claims and providing medical triage services that have reduced the number of workers seeking outside medical treatment.

### Loss Control and Program Recommendations

In reviewing the losses, the Trust suggests program activities centered on reducing the risks outlined below. This will provide maximum impact on your overall program. Trust staff is available to assist in providing services or resources to accomplish this.

- Review manual material handling related injuries in greater detail to determine root causes. Provide engineering controls where applicable and provide back safety and lifting training.
- Review the incidents for Water Treatment and Supply admin, Operations Repair and Maintenance, and Utilities Services to identify job tasks which have led to injuries and identify controls to reduce/prevent the incidents and injuries.
- Review the effectiveness of the Accident Investigation program and modify where necessary. Utilize Triage Telecare reports as part of the investigation.

Over the years the Trust has added multiple facets to our claims handling and administrative process which has served to reduce the cost of claims both on the indemnity and medical side. We hope you find this summary helpful. The Trust thanks you for your business and looks forward to continuing to share our best practices with you.

Robert B. MacDonald, AIC  
Claims Manager

Diane M. Ritucci  
President & Chief Executive Officer

# **Program Activity**

## **2021 - 2022**

### **Annual**

- Compiled Executive Summary and reviewed at annual meeting with MDC staff
- Provided information to comply with Second Injury Fund reporting requirements
- Provided Excel Data Download to the Second Injury Fund
- Prepared Self Insurance renewal application for the State and followed through approval.
- Prepared 1099's of all medical payments made
- Provided financial information to Blum Shapiro

### **Monthly**

- Provide loss runs to excess carrier
- Provided COVID-19 case data to the Workers' Compensation Commission (ended 6/21)

### **Benchmarking Data**

- The DART and Incident Rate comparing MDC to both National rates and CT rates (where available) was provided for years 2018-2021.

### **Education**

- One person attended the webinar titled "Safety Workshop Series: Personal Protective Equipment (PPE) and Hazard Communication (Haz Com)"
- Two people attended the webinar titled "Recreational Marijuana and Vaccination Exemption Requirements"

### **Claims Review**

- **August 2021**
- **May 2022**

### **Excess Carrier Questionnaire**

- **Completed for the Assured Partners**

### **PPI Committee**

- **Presentation - February 9, 2022**
- **Follow-up information provided**

## **Claims Activity 2021 - 2022**

### **Hearing Activity**

- 66 informal hearings, 8 pre-formals, and 1 formal – MDC counsel attended those hearings

### **Stipulated Cases**

- 1 case settled for \$98,100
  - reduction in exposure \$190,000+

### **Recoveries**

- 2 cases with recoveries from excess
  - reimbursed \$22,600+

### **Subrogation Cases**

- 0 cases identified for subrogation

### **Excess Cases**

- 2 cases reached excess retention levels

### **Surveillance Cases**

- 1 case assigned - surveillance did not reveal activity that could impact the status

### **Fraud Cases**

- There were no fraud cases identified

## **Loss Control Activity**

- Provided information to EH&S on OSHA temporary standards

## Managed Care Cost Containment Activity 2021 – 2022

### Medical Bill Review

**Eight Hundred and Forty (840)** outpatient, hospital and ASC medical bills were reviewed and repriced during this reporting period. Billed charges for these services totaled **\$838,316**. The total paid after review and applying the Trust's proprietary Preferred Provider Organization (PPO) arrangement including any associated fees was **\$392,743** which represents a **53% reduction**.

Savings resulting from this program = **\$445,573**

### Pharmacy Benefit Management Program (PBM)

**Fifty-Two (52)** prescriptions were processed during this reporting period. **100%** of those prescriptions or were processed as generic. Billed charges for these prescriptions totaled **\$4,733**. The total paid after processing the prescriptions through the Trust's PBM was **\$2,720** which represents a **43% reduction**.

Savings resulting from this program= **\$2,013**

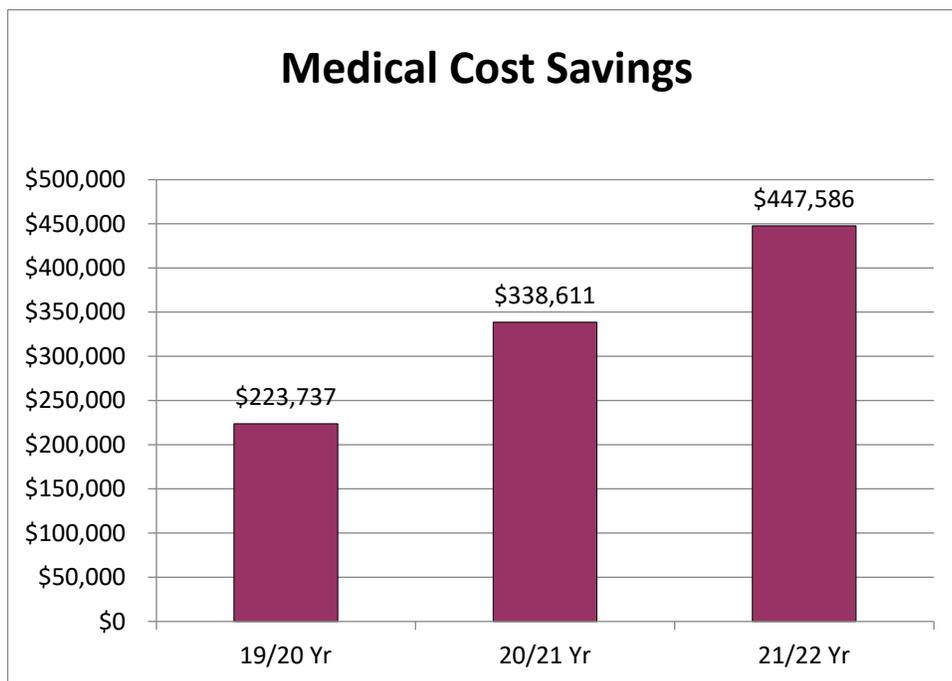
### Utilization Review Program

All requests were for physical therapy, formalized pain management, surgery & hospitalization and chiropractic care were reviewed for appropriateness. Requests were either denied for not meeting clinical guidelines or reduced through a negotiation process.

### Trust Telecare

- **32** calls were placed into Trust Telecare during the reporting period (100% penetration)
- **11** calls resulted in self-care with no claim
- Trust Telecare claim penetration rate =94%
- The service also potentially eliminated 11 OSHA recordable events depending upon the level of care received should the employee have sought formal medical care.

Savings resulting from the self-care events is conservatively estimated= **\$4,250**



Three Year Medical Cost Savings  
**\$1,009,934**