

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF RISK MANAGEMENT**



**Fiscal Years 2018-2019  
Performance Oversight Hearing**

**Testimony of  
Jed Ross  
Chief Risk Officer and Director**

**Before the  
Committee on Government Operations  
Council of the District of Columbia  
The Honorable Brandon T. Todd, Chairperson**

John A. Wilson Building  
Room 120  
1350 Pennsylvania Avenue, NW  
Washington, DC 20004  
February 28, 2019  
2:00 PM

Good afternoon, Chairman Todd and members of the Committee on Government Operations. I am Jed Ross, the Chief Risk Officer and Director of the District of Columbia's Office of Risk Management (ORM). I am a long-time District resident and am an advocate of District government, believing wholeheartedly in the Mayor's initiatives for enhanced accountability, transparency, and openness in our government. Mayor Bowser's Fiscal Year 2018 budget made investments that supported our efforts to deliver on the promise of our shared DC values. These efforts included creating economic opportunity, making our neighborhoods safer, and providing more effective and efficient government services. ORM continues that effort as we work each day to fulfill our commitment to provide every District resident a fair shot at opportunity. To that end, I am pleased to have this opportunity to share the progress ORM made in Fiscal Year 2018, as well as our plans for the remainder of Fiscal Year 2019 and beyond.

Let me first begin by outlining ORM's mission, strategic objectives, and structure. Our mission is to reduce the probability, occurrence, and cost of risk to the District of Columbia government. To fulfill this mission, ORM works to institutionalize and systematize the practice of risk management within District government agencies, and to reduce the likelihood and severity of potential losses through the implementation of effective risk prevention and control strategies. We achieve these objectives by providing risk management leadership, guidance, and support to District agencies through ORM's four main divisions: the Public Sector Workers' Compensation Program, the Captive Insurance Agency, the Tort/Liability Division, and the Risk Prevention and Safety Division (RPS). Together, ORM's Divisions work to foster a culture of risk awareness and promote risk management across our government.

Fiscal Year 2018 proved to be a year of meaningful progress for ORM. I am proud to say that ORM successfully transitioned the Public Sector Worker's Compensation Program (PSWCP)

from a third-party administrator to direct District government control. This was a transition that will substantially improve our ability to provide the highest quality of care and customer service to our injured employees. In support of this transition, ORM acquired and developed ERisk, an enterprise risk management system that provides a robust claims management platform and powerful tools for collecting, integrating, and sharing risk data with key stakeholders throughout the District. In addition to ERisk, the passage of the Captive Insurance Agency Amendment Act of 2017 granted ORM the authority to procure vital insurance coverages for the District. As a result, our Insurance Division made several strategic policy investments -- most notably, procurement of cyber-insurance which transfers a significant amount of financial risk to third-party stakeholders. Additionally, with the support of the Council's Committee on Labor and Workforce Development, the Subrogation Fund Establishment Act of 2017 became law. The Act allowed ORM to begin collecting third-party subrogation monies and distribute those funds to District agencies as reimbursement for losses or to replace damaged District property. All these accomplishments furthered our ability to achieve our strategic objectives and improve the services we provide to our agency partners.

Assuming control of PSWCP was perhaps ORM's greatest achievement in Fiscal Year 2018. While being managed by a third-party administrator, the program suffered from systemic problems and inefficiencies that ORM was unable to address. After months of work to define and construct a claims management portal, ORM transitioned all historical claims data and workers' compensation processes to ERisk. ORM also brought all the third-party claims specialists working in ORM onboard as District government employees, which contributed greatly to the success of this transition. Now that ORM controls the program, we can leverage opportunities for continuous

improvement, create efficiencies within our processes, and create better benefits for our injured workers and the District as a whole.

Before I go on any further, I would like to take a moment to thank the many people and offices that played a hand in the transition of ERisk; most notably, Mayor Bowser and her team, the City Administrator, Deputy City Administrator, the Budget Director, Policy Director, Mayor's Chief of Staff, and the dedicated Budget and City Administrator Analysts were instrumental in ensuring this massive undertaking was feasible and stayed on course. Finally, and of equal import, credit is due to the countless hours and efforts made by the ORM team to ensure the planning, implementation, and transition was a success. ORM has extremely hardworking and dedicated civil servants who come to work each day with the goal of delivering on the promise of better services to our constituents. We have a fantastic Public Sector Workers' Compensation Program Administrator, General Counsel, Deputy Director, Enterprise Architect, IT Specialist, Tort Liability Claims Manager, Insurance Program Administrator, Deputy General Counsel, Senior Attorney Advisor, Admin Officer, Performance Manager, Management Analysts, Data Analyst, Compliance Officers, Program Analysts, HR Advisor, Claims Administrative Manager, Admin/Intake Team, Nurse Management Team, Return to Work Specialist, Claims Supervisors, Claims Examiner Team, Medical Examiner Team, Legal Team, Tort Team, Customer Service Liaison, former Provider Relations Manager, Current Compliance and Provider Relations Team, Investigations Team, Contracting colleagues including Chief Procurement Officer Schutter, Human Resource colleagues including Director Gibson, Payroll Colleagues including Director LaCour, CFO colleagues including CFO DeWitt, PeopleSoft Partners, Applications Manager, former Interim Chief Technology Officer Krucoff, many other IT partners, our providers, and new contracting partners without whom ORM would have failed to continue to provide excellent

service to District injured workers. I would also like to thank our injured workers for their support, understanding, and partnership in working with the agency during our transition. During the last fiscal year we have had a significant increase in injured workers participating in electronic payments thanks to our Customer Service Liaison which has reduced confusion and unnecessary payroll mailing issues.

After over a year of planning and effort, we finalized the ERisk procurement contract with our vendor partner, Origami Risk (Origami), in February 2018 and immediately began system construction. Through significant efforts, the District's internal implementation team and Origami's team were able to launch the Workers' Compensation Claims Administration Portal within ERisk in July 2018. This task was very complex with hundreds of moving parts, including an extremely short development turnaround, so we very much appreciate our partnership with Origami and their implementation team. As system implementation progresses, we will continue to define, clarify, and improve our internal processes, as well as strengthen our relationships with other District agencies. By the end of Fiscal Year 2018, all tort/liability and internal legal processes were also migrated to ERisk, which now supports and stores all of ORM's claims and litigation activities. Construction of a District-wide Incident Reporting Portal is currently underway, as is development of parts of the Risk Prevention and Safety Management Platform. Once implementation of the Insurance Division's module is complete, all of ORM's core administrative and risk management activities will be live. ORM expects to complete ERisk module construction and process improvement over the next twelve month period.

As we move through Fiscal Year 2019, ERisk implementation remains a defining initiative. Construction is already in its final stages, with plans to go live District-wide by the end of the fiscal year. When complete, the reporting system will enhance our ability to track and respond to

incidents, such as workplace injuries, motor vehicle accidents, and property damage. Likewise, collection of historical incident data will improve our data analysis activities, such as incident trending and heat-mapping, that enable us to better identify problem areas and develop effective responses aimed at reducing the likelihood and severity of future incidents. Furthermore, incident data analysis will help us direct risk management efforts and resources where they will be most effective at reducing risk.

In preparation for the incident reporting system launch, ORM invited the Department of Parks and Recreation, the Office of the State Superintendent of Education, and FEMS to participate in an incident reporting pilot program beginning in March of this year. ORM will use this pilot program to assess additional needs, revise workflows, and gain buy-in from participant agencies. At the end of the pilot program, ORM plans to engage all District agencies in order to determine their incident reporting needs and to facilitate implementation of the District-wide reporting system.

ORM continues to realize opportunities for strengthening relationships and forging new partnerships with other District agencies as the ERisk project matures. ERisk offers unprecedented connectivity and data integration capabilities that allow ORM to source and share real-time information with other District agencies and their data management platforms. For example, ERisk connected to DCHR's PeopleSoft personnel management platform through OCTO, giving ORM the ability to link worker's compensation program activities directly to the injured worker's employment record; as well as, the ability to ensure program participants continue receiving accurate and timely benefit payments. Currently, ORM is working to enable systems integration with partner agencies across the District; including, OCTO, the Office of Unified Communications 311 system, and the Department of General Services. Systems integration with these and other

District partners will deliver the seamless transfer of vital information, reducing communication delays, improving productivity, and informing better decision-making.

Finally, as part of its strategic goal to institutionalize risk management throughout District government, ORM is pursuing the broader application of enterprise risk management (ERM) principles across all District agencies. ERM is a holistic risk management approach that integrates risk management practices into policies and processes at every level of an organization. In January of this year, ORM began groundwork for an ERM pilot program that seeks to educate partner agencies about risk and effective risk management. Through the pilot program, ORM will collaborate with participating agencies to help them develop the skills to identify, assess, evaluate, respond to, and monitor risk within their organization. As part of ORM's efforts to expand risk management functions district-wide, this ERM initiative will provide the means to reduce potential future losses as well as minimize exposure to the District at-large.

With passage of both insurance and subrogation legislation, the Council provided ORM with tools to better serve the interests of District's agencies and residents. In Fiscal Year 2018, ORM acquired two new insurance policies for the District: (1) coverage for cyber-related incidents and protection against the loss of or damage to the District's electronic data; and (2) fine art coverage that mitigates potential losses stemming from the District's extensive and valuable art collections. Our Insurance Division continues to explore insurance solutions, particularly coverage for automotive, environmental, and medical malpractice liabilities. In addition to insurance procurement, our Insurance Division works to educate District stakeholders on how to best protect the District through its contract review and insurance procurement services. In Fiscal Year 2018, the Insurance Division reviewed over 3,000 agency partner contracts to ensure proper coverages and protections for the District. Moreover, given the number of high-profile special events that

occur in the District, ORM partners with District stakeholders to procure special event insurance coverages to protect the District against potential lawsuits or claims.

In contrast, establishment of the Subrogation Fund enables ORM to better serve District agencies when they experience unanticipated losses due to the actions of a third-party. In Fiscal Year 2018, ORM's subrogation efforts collected over \$400,000 in monies owed the District through an at-fault third-party. Before creation of the Subrogation Fund, recovered monies would go into the District's General Fund, preventing an agency from recovering their losses and leaving the agency to find other resources to replace or repair damaged property. Now, recovered subrogation monies go into the Fund administered by ORM, which allows District agencies to request resources for the repair or replacement of damaged District property. Since its enactment, ORM continues to experience increased agency participation in the subrogation program.

In addition to the already mentioned accomplishments and plans for Fiscal Year 2019, ORM will continue its partnership with the District Department of Transportation to support the Mayor's Vision Zero initiative and looks forward to launching the Vision Zero online driver training and safety program for District employees later this fiscal year. This defensive driving online training program seeks to reduce transportation fatalities and serious injuries to all travelers in the District. Vision Zero training aims to raise driver safety awareness, reducing preventable collisions, and increasing on-the-street safety for pedestrians and bicyclists. Once fully implemented, the Vision Zero driver training will be available for all District employees driving on District government business.

ORM realized watershed moments in Fiscal Year 2018 and will continue to fulfill its mission by partnering with other District government agencies, interested members of the public, and the Council, to reduce and mitigate risk across the District. Thank you, Chairman Todd, for



your leadership and support. We appreciate you allowing us the time to discuss the great work ORM has done and will continue to do in future fiscal years. As always, ORM will ensure that the channels of communication with you and your staff remain open and productive. I am happy to answer any questions you may have.