

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



Performance Oversight Hearing

Testimony of
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Chief Risk Officer and Director

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

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Room 123
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Good morning, Chairperson 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 want to begin by thanking Mayor Bowser for her investments in ORM, and the wider District Government, that further supports our efforts to deliver on the promise of our shared DC values. These efforts include creating economic opportunity, making our neighborhoods safer, and providing more effective and efficient government services across all eight wards. ORM supports these efforts as we work each day to fulfill our commitment to provide every District resident a fair shot at the pathway to the middle class. To that end, I am pleased to have this opportunity to share the progress ORM made in Fiscal Year 2019 (FY19), as well as our plans for the remainder of Fiscal Year 2020 (FY20) and beyond.

I will begin my testimony 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 Tort Division, the Public Sector Workers' Compensation Program (PSWCP), the Risk Prevention and Safety (RPS) Division, and the Captive Insurance Agency. Together, ORM's Divisions work to foster a culture of risk awareness and promote risk management across our government.

During FY19, one of the areas ORM focused on was increased subrogation collections. As you are aware, in Fiscal Year 2018 (FY18) ORM worked to establish a District-wide

Subrogation Fund allowing for funds recouped from third party negligence to be made available for the repair or replacement of District property damaged by at-fault third parties. In FY19 the Tort Division worked extensively to recover these funds, dedicating two full time FTEs and engaging partner agencies to integrate them into ORM's ERisk system. These efforts have led to double the subrogation recoveries between FY18 and FY19 (\$414,012 in FY18 / Over \$800,000 FY19). ERisk facilitated the recovery process by enabling efficient and accurate monitoring of subrogation claims. In addition to the efforts targeted at recouping monies, in FY19 the Tort Division also rolled out an in-house damage cost appraisal process to ensure that claims made against the District are evaluated and compared with accurate market rates, thereby ensuring that the District is not being over assessed for the cost of damages in resolving claims against the District.

FY19 was also a busy year for ORM's PSWCP, which completed the transition of bringing the public sector workers' compensation program in-house. This change has drastically improved all aspects of the Program. All District employees who utilize the Program are experiencing much better care and customer service. The newly created compensability team has improved the time it takes to provide a decision on a claim, and enhanced coordination with medical providers, such as Concentra, has expedited the time for injured District employees to get the treatment they deserve and need. PSWCP also established a Provider Relations component dedicated to approving, assessing, and building relationships with the Program's medical providers. This process has been successful and continues to monitor and assist in the medical care our Program's participants are receiving. To support these efforts, PSWCP also provided agency trainings to thirteen different agencies across the District, targeting agencies with the highest claim counts. These trainings covered the rules and regulations of governing

workers' compensation and included instructions on how to use the ERisk system, which has allowed the Program to store and manage data facilitating better customer service through the entire lifecycle of a claim.

I have referenced ERisk a couple of times already, and I would be remiss not to highlight how ORM, the District government generally, and District constituents have been well served by this system. As you know, ERisk has been a major endeavor for ORM over the past two years. In FY19, ORM successfully implemented two additional modules in the ERisk system: Risk Prevention and Safety and the District-Wide Incident Reporting functionality. These additions have drastically improved the reach of the system and the amount of data collected.

The RPS Division led the effort in designing and rolling-out the new Incident Reporting module in ERisk during FY19. The new module includes six new reportable incident types, in addition to expanding the PSWCP employee injury/illness incident reporting functionality.

These new reportable incident types are:

- 1) District Government motor vehicles,
- 2) District Government property loss,
- 3) Private motor vehicles,
- 4) Private property loss, and
- 5) Safety and health concerns.

To test and streamline these ERisk incident reporting functions and processes, the RPS Division conducted an incident reporting pilot program with the Departments of Parks and Recreation and Fire and Emergency Medical Services. On successful completion of the pilot, ORM began rolling-out ERisk incident reporting to other District government agencies and completed roll-

out to and training for 28 agencies in FY19. By the end of FY19, 1,175 non-PSWCP incidents were reported in ERisk.

Looking forward, the FY20 goals for ERisk are just as ambitious as in previous years. ORM will continue to refine ERisk incident reporting to streamline workflows and processes as well as to rollout incident reporting to the remaining District agencies by the end of FY20. These integrations include DC Human Resources' PeopleSoft and the Office of the Chief Financial Officer's SOAR via the Office of the Chief Technology Officer's SOA system. ORM seeks to integrate with Department of General Services' Archibus building data, the Office of Attorney General's new Abacus litigation management system, and the Department of Public Works' fleet inventory data. The agency is evaluating whether to also include select data from the Office of Unified Communications' (OUC) 311 system.

Before closing, I would like to highlight one more initiative: the Enterprise Risk Management Program. In FY19 the agency worked with OUC and the Department of For-Hire Vehicles (DFHV) to start a process of creating an Enterprise Risk Management Program framework for both agencies. This framework included thorough evaluations of the agency's risks and the development of mitigation strategies to monitor and curb impact. The feedback from this pilot program has been exceptional. The goal in FY20 is to finalize OUC's and DFHV's plans and to expand the pilot program to include OCP.

We appreciate the opportunity to discuss the great work ORM has done and will strive to do in the future. ORM 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, Chairperson Todd, for your partnership in these efforts. I am happy to answer any questions that the committee may have.