



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

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Third District

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MICHAEL D. ANTONOVICH
Fifth District

December 12, 2008

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Raymond G. Fortner, Jr.
County Counsel

RESPONSE TO NOVEMBER 5, 2008 MOTION REGARDING THE CREATION OF A LEGAL EXPOSURE REDUCTION COMMITTEE

On November 5, 2008, based on a motion by Supervisor Molina, as amended by Supervisor Antonovich, your Board directed the Chief Executive Office (CEO) and County Counsel to create a Legal Exposure Reduction Committee (Committee). This Board memorandum is in response to the motion's amendment by Supervisor Antonovich directing the CEO and County Counsel to describe what such a Committee would be doing, including anticipated outcomes in the upcoming fiscal year.

As indicated in recent CEO and County Counsel annual reports, the following has been accomplished:

- Identified departmental claim cost drivers and developed action plans to address their root causes as indicated in the CEO Risk and Needs Assessments;
- Conducted a comprehensive evaluation of the various types of department liability claims;
- Expanded the Corrective Action Plan program to include Summary Corrective Action Plans, and reviewed all existing Corrective Action Plans for compliance, closure, and effectiveness;

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- Provided departments a list of 2008-09 Management Appraisal and Performance Plan goals that would improve the County's risk management efforts and reduce costs and exposure to litigation;
- Provided a list of 34 recommendations for departments to improve their risk management processes and programs;
- Began assisting departments to calculate their Cost of Risk, establish departmental Cost of Risk goals, and prioritize departmental efforts to reduce their Cost of Risk;
- Established the County's Risk Management Coordinator Program;
- Implemented the Litigation Severity Index (LSI) and Management Protocols to assist in the management of all County litigation and to deploy resources according to the magnitude of the risk;
- Instituted training sessions for County Counsel attorneys, Third Party Administrator representatives, and CEO Risk Management Branch members to familiarize them with the LSI and to ensure coordination among all disciplines involved in litigation management;
- Established the General Litigation Protocol Unit to ensure that the various protocols related to the LSI are followed;
- Published the Litigation Management Handbook to serve as the primary reference source to assist and guide those members of County Counsel who either directly represent the County or oversee outside counsel in litigated matters;
- Commenced, on a quarterly basis, Client Review Meetings to brief the Deputies of the Board of Supervisors regarding the more serious litigated matters;
- Developed the Post-Trial Analysis Protocol to analyze the reasons for significant adverse verdicts or judgments and to identify recommendations to be applied to the management of existing and future litigated matters; and
- Created new Case Budgets, Appellate Budgets, and Budget and Invoice Time Guidelines to project the fees and costs expected to be incurred in each phase of litigation and to provide recommended time increments in order to formulate Budgets and review legal invoices.

The Committee provides an opportunity to enhance communication and cooperation among the CEO, County Counsel, and County departments in the effort to recognize, control, and mitigate County exposure to claims and litigation.

Committee Members

The creation of such a Committee will also bring together key departmental leaders who possess a wide variety of perspectives and have one common goal – to control and reduce the County's exposure to claims and litigation. The Committee will have the opportunity to study and evaluate prevailing trends and to formulate strategic measures which address "big picture" problems, and establish the baselines necessary to measure the effectiveness of strategic actions taken by departments to address countywide trends.

In addition to the County Risk Manager and a County Counsel representative, the following individuals have already expressed an interest in serving as Committee members:

Roberta A. Abner, Chief, Sheriff's Department
Philip L. Browning, Director, Department of Public and Social Services
Patrick V. DeChellis, Deputy Director, Department of Public Works
Michael J. Henry, Director of Personnel, Department of Human Resources
Dr. Robert G. Splawn, Interim Chief Medical Officer, Department of Health Services
Robert B. Taylor, Chief Probation Officer, Probation Department

Although membership may be expanded to accommodate the formation of sub-committees, the constitution of a Committee with the referenced members assures representation from each governance cluster and secures a representative from the departments with the most consistent and serious exposures.

Committee Actions

As indicated in the November 5, 2008 motion, the Committee shall meet at least quarterly and address:

- Establishing an annual countywide and departmental legal exposure reduction goal;
- Creating proactive County Counsel procedures to advise departments on various methods to reduce legal cost;

- Creating procedures to discuss areas of potential exposure, and develop and implement specific strategies calculated to prevent future claims and lawsuits;
- Providing updated training on new changes in laws and policies for each appropriate department to implement;
- Assessing the efficacy of Corrective Action Plans, review management training and implementation of County policies, review lessons learned, discuss areas of potential exposure, and develop and implement specific strategies calculated to prevent future claims and lawsuits; and
- Reporting annually to your Board on its progress and efforts.

In addition, a coordinated effort by the CEO, County Counsel, Department of Human Resources (DHR), and the Committee, shall facilitate:

- Developing recommendations to Department Heads to assist in the creation of Risk Management Appraisal and Performance Plans, which will decrease risk in their departments;
- Developing training to prepare employees to assume supervisory positions, and refresher training for line supervisors on personnel matters, including progressive discipline, documentation, accommodation, and other risk-related issues to supplement existing training provided by DHR and the Office of Affirmative Action Compliance;
- Evaluating classifications of departmental risk management staff and determine whether any changes should be made, given the level of risk in their respective departments.

The Committee's overriding goal will be to facilitate County departments' implementation of recommended and recognized legal and risk management principles. Doing so facilitates and accelerates process improvements, enables departments to better manage risk, and provides opportunities to reduce or avoid costs generated by claims and their litigation expenses.

Each Supervisor
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If you have any questions, your staff may call Rocky A. Armfield, County Risk Manager, at (213) 351-5346, or Steven H. Estabrook, Litigation Cost Manager, at (213) 974-1762.

WTF:RGF
ES:RAA:sg

- c: Executive Officer, Board of Supervisors
 - Leroy D. Baca, Sheriff
 - Roberta A. Abner, Chief, Sheriff's Department
 - Philip L. Browning, Director, Department of Public and Social Services
 - Gail Farber, Road Commissioner/Director of Public Works
 - Patrick V. DeChellis, Deputy Director, Department of Public Works
 - Michael J. Henry, Director of Personnel, Department of Human Resources
 - Dr. Robert G. Splawn, Interim Chief Medical Officer, Department of Health Services
 - Robert B. Taylor, Chief Probation Officer, Probation Department