



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Violet Varona-Lukens, Executive Officer
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Chief Administrative Officer

At its meeting held December 7, 2004, the Board took the following action:

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Rocky Armfield, Risk Manager, Chief Administrative Office, made a verbal report on the Los Angeles County Citizens' Economy and Efficiency Commission's study entitled: "Addressing Workers' Compensation Fraud in Los Angeles County," as requested by Supervisor Knabe at the meeting of September 28, 2004.

After discussion, Supervisor Molina made the following statement:

"Workers' Compensation costs are an enormous drain on our tax dollars. Last fiscal year we spent over \$320 million on workers' compensation costs, plus over \$50 million on payouts related to public safety employees under the State Labor code. These funds could be better used for police on the street, parks, hospital beds and other public services.

"As noted in a November 19, 2004 report, the Chief Administrative Office is taking a number of steps to reduce workers' compensation costs in the County. We must track the success of each of those efforts and identify exactly where our money goes. For example, we should know which Departments, facilities and managers incur the most costs, and why, and what is being done to reduce those costs. In addition, the Chief Administrative Officer should compare Los Angeles County's costs to those of other comparable entities. Since statistics show that many entities have lower costs, we should investigate if lessons can be learned from other jurisdictions.

"Particular focus should also be placed on getting workers back to work in an expedient, supportive and efficient manner. This is an area that is critical in reducing costs."

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Therefore, on motion of Supervisor Molina, seconded by Supervisor Yaroslavsky, unanimously carried, the Chief Administrative Officer was instructed to take the following actions:

1. Report back to the Board within 30 days with the following:
 - A plan to track in detail the effectiveness of each effort to reduce workers' compensation costs in Los Angeles County;
 - A statistical analysis of how Los Angeles County compares to other entities in California in reducing workers' compensation costs;
 - A plan to ensure that corrective actions are taken after each incident in the County to prevent further incidents and claims;
 - A detailed work plan demonstrating how each of the efforts listed in the Chief Administrative Officer's attached November 19, 2004 report will be implemented; specifically, who will be responsible for implementation, how it will be monitored, what the relevant milestones are, and how success is being measured; and
2. Provide an annual report detailing all of its efforts to reduce workers' compensation costs and track effectiveness, as well as all of its other efforts in managing risk in the County.

Later in the meeting, David Hernandez addressed the Board.

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Attachment

Copies distributed:

Each Supervisor

County Counsel

Executive Director, Los Angeles County Citizens'

Economy and Efficiency Commission