

**BOARD OF
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**Chief
Executive
Office.****COUNTY OF LOS ANGELES**

Kenneth Hahn Hall of Administration
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ACTING CHIEF EXECUTIVE OFFICER

Joseph M. Nicchitta

"To Enrich Lives Through Effective and Caring Service"

January 13, 2026

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF A NEW BOARD POLICY AND BOARD DELEGATED AUTHORITY –
COUNTYWIDE RISK MANAGEMENT POLICY AND COUNTYWIDE RISK MANAGEMENT
PROGRAM BOARD DELEGATED AUTHORITY
(ALL DISTRICTS) (3-VOTES)**

SUBJECT

Recommendation by the Chief Executive Officer to approve the new Board of Supervisors (Board) Policy and Board Delegated Authority to establish a Countywide Risk Management Policy and Countywide Risk Management Program Board Delegated Authority.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve the enclosed Board Policy and Board Delegated Authority to establish a Countywide Risk Management Policy and Countywide Risk Management Program Board Delegated Authority on issues related to Countywide risk management.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Chief Executive Office Risk Management Branch (CEO-RMB) developed a draft Board Policy (Enclosure A) as required by the Board Motion passed on July 9, 2024, which directed CEO-RMB to create and implement a County Risk Management Policy, to help centralize and better coordinate overall risk management authorities and responsibilities at the Countywide level. In addition, a Board Delegated Authority, Countywide Risk Management Program (Enclosure B), was developed to authorize the CEO-RMB, under the direction of the County Risk Manager, to perform Countywide risk management functions relating to claims management and risk mitigation on behalf of the Board. The proposed Board Policy and Board Delegated Authority will centralize and coordinate overall risk

management responsibilities and authorities at the Countywide level.

Implementation of Strategic Plan Goals

Approval of the proposed Board Policy and Board Delegated Authority supports the County's Strategic Plan North Star III, Realize Tomorrow's Government Today, by strengthening the County's risk management efforts by creating Countywide policy and delegating authority to the County Risk Manager to direct and coordinate the County's risk management functions.

FISCAL IMPACT/FINANCING

No fiscal impact.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Currently, there are no Countywide risk management policies in place.

The new Board Policy and Board Delegated Authority will have a positive impact on Countywide risk management efforts and programs. The Policy and Board Delegated Authority will become effective upon the Board's approval.

County Counsel reviewed the proposed Board Policy and Board Delegated Authority and concurred with their creation.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

No negative impact on services (or projects) is foreseen.

Respectfully submitted,



Joseph M. Nicchitta
Acting Chief Executive Officer

JMN:JG:DC
RUC:er

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Human Resources

ENCLOSURE A



Los Angeles County BOARD OF SUPERVISORS POLICY MANUAL

Policy #:	Title:	Effective Date:
0.000	Countywide Risk Management Policy	12/17/25

PURPOSE

Create and implement a County Risk Management Program to centralize and coordinate risk management responsibilities and authorities at the Countywide level.

REFERENCE

[Board of Supervisors Policy 8.020 – Procedures for Including Corrective Follow-Up Reports As Part of The Claims Settlements Presented To The Board](#)

[Board of Supervisors Policy 8.030 – Liability Cost Allocation Policy](#)

Board of Supervisors Board Delegated Authority 20.XXX – Countywide Risk Management Program

POLICY

As part of the Countywide Risk Management Program, County Departments must comply with all Federal, State, and local regulations and requirements. Each Department Head, or designee, is responsible for departmental compliance with all applicable Board of Supervisors' policies and procedures, the Countywide Risk Management Policy, departmental policies, and applicable laws and regulations.

The Chief Executive Office (CEO) Risk Management Branch, under the direction of the County Risk Manager, is authorized to perform on behalf of the Board, County risk management functions relating to claims management and risk mitigation. CEO Risk Management shall include, but not limited to, the following responsibilities and duties:

Communication on Risk Management Issues

Communication is a fundamental and essential component of risk management. Effective risk management includes communication with County Departments through various methods including email, written reports, memos and letters, in-person training and webinars on a regularly scheduled or as-needed basis. The content for CEO Risk Management Branch communication shall include, but won't be limited to, the following:

- New or revised Federal, State, and local legislation concerning claims management and/or risk mitigation.

- General and specific risk communication that addresses current, immediate, or emerging risk issues.
- Strategies to understand and manage risk.
- Best practices and industry standards on risk identification and mitigation for the public sector.
- Regulatory requirements for communication, posting and training.
- Opportunities for risk management personnel across County Departments to share information and engage with others to discuss risk, opportunities, and solutions.

Claims Management

Liability Claims Management and Recovery

The Liability Claims Management and Recovery unit oversees administrative services for incidents, claims, and lawsuits for automobile, employment, general liability, medical malpractice, and hospital liability matters. The unit will also:

- Oversee Third-Party Administrator (TPAs) contracts which provide incident and claims administration, as well as litigation management support services for automobile, social services, employment, general liability, medical malpractice, and hospital liability matters.
- Collaborate with County Counsel to ensure litigation management processes are operating efficiently.
- Participate in Claims Board meetings with Auditor-Controller and County Counsel to review proposed settlements above \$20,000 and up to and including \$100,000. If approved, proposed settlements exceeding \$100,000 are referred, with a recommendation for approval to the Board of Supervisors for final action.
- Organize joint meetings with involved departments and other involved parties to review facts and circumstances of an incident and evaluate if apportionment of responsibility should be revised, pursuant to Board Policy 8.030.
- Represent the County in Small Claims Court, prosecute small claims on behalf of the County, and act as the Small Claims Agent for the County, pursuant to Board Delegated Authority 20.080.
- Identify, analyze, and implement plans of action to pursue subrogation under contractual indemnification provisions, insurance contracts, contribution obligations, and identify, and pursue responsible parties for damages and costs.

Workers' Compensation Program

The Workers' Compensation (WC) program is responsible for administering WC claims through processes established under TPA contracts, Medical Management and Cost Containment contracts, and a Pharmacy Benefit Management Network. The WC program authorizes high-value settlements and payment transactions, performs fiscal reconciliation services, and acts as liaison between departments, defense counsel, and TPAs. The WC Program also:

- Oversees TPAs contracted to administer WC claims.
- Oversees Cost Containment bill review companies that reduce the cost of medical bills associated with injured workers under the WC program.
- Authorizes high-value settlements and payment transactions.
- Collaborates with County Counsel to mitigate costs associated with high exposure WC claims.

- Develops and implements plans of action to bring claims to a prompt and equitable resolution.
- Evaluates and influences WC legislation and regulations impacting the County WC program.

Risk Mitigation

Loss Control and Prevention

Loss Control and Prevention (LCP) provides risk analysis and consultative assistance to County Departments to find effective solutions for root causes of loss and training for all departments to ensure a safe and healthful environment for County employees and the public. LCP's efforts focus on departments with high-risk activities and provides assistance/support to all departments by:

- Establishing County loss control and prevention standards and assisting departments with their risk management related needs.
- Developing guidance documents, policies, model programs, and best practices on loss control issues, regulations, and emerging issues that affect the County.
- Providing risk management data and information to assist with statistical interpretation to identify loss exposure trends.
- Assisting and directing departments on compliance efforts, and liaise with local, state, and federal agencies that enforce employee health and safety regulations or standards.
- Providing guidance and partnership to departments on addressing complex, sensitive, or high-profile workplace environmental, health, and safety situations.

Risk Management Inspector General (RMIG)

RMIG is responsible for assisting County departments in the development and approval of Corrective Action Plans (CAPs) and Summary Corrective Action Plans (SCAPs), and it uses the information from CAPs and SCAPs to foster liability loss control measures. RMIG collaborates with departments, CEO Liability Claims Management and Recovery, and County Counsel to meet the mandates established by the Board of Supervisors. RMIG is also responsible for:

- Identifying settlements and verdicts that require CAPs and SCAPs, pursuant to Board Policy 8.020.
- Reviewing incident details to identify root causes that contributed to the occurrence of an adverse incident.
- Recommending corrective measures for consideration by County departments, through the identification and review of liability trends and efficacy of previously submitted corrective measures.
- Pre-approving all CAPs and SCAPs prior to submission to the County Claims Board or Contract Cities Liability Trust Fund Claims Board, and/or the Board of Supervisors to expedite settlement payments.
- Reviewing liability claims filed with the County and providing advance notice to departments of significant incidents likely to require CAPs and SCAPs.

Risk Analytics

Risk Analytics is responsible for forecasting loss and detecting fraud, waste, and abuse, improving efficiency and reducing overall risk for the County in areas such as WC, vehicle and general liability, and medical malpractice. Risk Analytics also oversees the County's risk information management platform, creates loss run reports, and provides consultative services to departments on various risk matters and, also:

- Collaborates with vendors to develop and maintain risk management information platforms.
- Collaborates with vendors and departments to develop risk management reports and dashboards that allow the County to identify and assess risks.
- Supports departments with design and development of risk-related reports.
- Assists departments with interpretation of claim reports to make data-driven assessments of cost drivers, identify relevant trends, and forecast exposures.

Risk Audit and Compliance

Risk Audit and Compliance ensures compliance with ongoing analysis of the CAP implementation status for the most risk-vulnerable departments, continues CAP-efficacy determination, and assists in reviewing and re-designing the CAP process. The Risk Audit and Compliance also conducts data validation efforts for risk systems to identify waste and fraud in claims filed against the County and, also:

- Conducts audits, at the direction of the Board of Supervisors, CEO, and/or for those issues which RMIG deems appropriate.
- Reviews CAPs and SCAPs to identify corrective measures that have not yet been implemented.
- Ensures incomplete corrective measures are fully implemented by the anticipated completion date.
- Follows up with departments on all past-due corrective measures.
- Requests supplemental reports from departments, as needed, when all pending corrective measures included in the CAPs and SCAPs are completed.
- Provides statistics on the number of CAPs and SCAPs and corrective measures that are not fully implemented.

Risk Management Finance and Internal Audit

The Risk Management Finance and Internal Audit Unit provides accounting and internal auditing services for the various programs within CEO Risk Management which include budget, department billing, vendor request processing, warrant service requests, invoice payments, County fund transfers, and direct deposit assistance for vendors and claimants. The Unit also reviews and analyzes existing internal controls and processes within CEO Risk Management to ensure compliance with the County Fiscal Manual, County Codes, and State and federal laws and regulations and, also:

- Collaborates with WC TPAs and medical management companies to ensure payments are timely and accurately made to claimants.
- Assists County departments with recovery of funds intercepted by the Centers for Medicare & Medicaid Services.
- Provides various financial reports to management, Auditor-Controller, and all other County departments.

- Evaluates internal procedures and functions within the fiscal environment of CEO Risk Management to identify vulnerabilities and provide recommendations for improvement of operational processes.
- Performs various fiscal reviews to ensure financial accuracy and safeguard against financial loss.

Risk Transfer

Risk Transfer is responsible for purchasing commercial insurance Countywide, handling/issuing certificates of self-insurance Countywide, conducting insurance compliance reviews Countywide, and providing indemnification and insurance expertise to all County departments. Risk Transfer also:

- Procures all County departmental and Countywide insurance policies.
- Assists County departments in the review of contracts and agreements to ensure contractors, vendors, consultants, and others that enter into agreements with the County are adequately aware of the nature and extent of their obligation to indemnify the County for the risks associated with the products and services they provide.
- Collaborates with County Counsel to develop and maintain appropriate indemnification and insurance provisions required in County contracts and agreements.
- Consults with industry experts to develop and update best practices of risk transfer and risk funding to include, but not limited to, types and limits of commercial insurance, and alternate recovery fund resources for liabilities accrued by the County.
- Collaborates with County departments to determine the appropriate risk funding program(s) for protection of County assets.

RESPONSIBLE DEPARTMENT

Chief Executive Office

DATE ISSUED/SUNSET DATE

Issue Date: December 17, 2025

Sunset Date: December 17, 2029

ENCLOSURE B



Los Angeles County

BOARD DELEGATED AUTHORITY

Policy #:	Title:	Adopted Date:
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20.XXX	Countywide Risk Management Program	12/17/2025
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Department:

Chief Executive Office

POLICY

The Chief Executive Office Risk Management Branch, directed by the County Risk Manager, is authorized to perform risk management functions on behalf of the Board, specifically regarding claims management and risk mitigation.

REFERENCE

Board of Supervisors Policy XXXX – Countywide Risk Management Policy

RESPONSIBLE DEPARTMENT

Chief Executive Office

DATE ADOPTED/SUNSET REVIEW DATE

Adopted Date: December 17, 2025

Sunset Review Date: December 17, 2029