

BOARD OF DIRECTORS MEETING AGENDA

April 27, 2021



State Office of Risk Management
300 W. 15TH, AUSTIN, TEXAS 78701 / P.O. BOX 13777, AUSTIN, TEXAS 78711-3777
(512) 475-1440, FAX (512) 370-9025 / WWW.SORM.TEXAS.GOV

Virtual Public Meeting

Board of Directors

April 27, 2021, 9:30 a.m.

William P. Clements Building, Room 604F
Austin, Texas

1. Call to order, roll call, and recognition of a quorum
2. Consideration and possible action to excuse previous board member absences
3. Approval of the minutes from the January 19, 2021, meeting
4. Presentation and discussion of Agency Operations Report
5. New business
 - 5.1 Presentation, discussion and action on remaining Fiscal Year 2021 assessment totals
6. Old business
 - 6.1 Presentation and discussion on leadership initiatives
7. Executive Session: Recess pursuant to Section 551.074, Government Code, to discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee
8. Reconvene in Open Session for possible action on matters considered in Executive Session
9. Public Comment
10. Discussion and possible action on future meeting dates
11. Adjournment

Individuals who may require auxiliary aids or services for this meeting should contact Audrea Blake at (512) 936-1564 or audrea.blake@sorm.texas.gov at least two days prior to the meeting so that appropriate arrangements can be made.

*All public comments must be emailed to Ms. Blake by noon the day prior to the meeting. In the subject line of your email, please include the meeting date and topic of your comment. All comments received by this deadline will be read or summarized at the meeting and included in full to the official record of the meeting.



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BOARD MEMBERS	DATES OF TERM	HOMETOWN
Lloyd Garland, M.D., Chair	02/01/2025	Lubbock
Honorable Ricardo Galindo III	02/01/2025	San Antonio
Rosemary Gammon, PAHM	02/01/2021	Plano
Tomas Gonzalez	02/01/2023	El Paso
Gerald Ladner	02/01/2021	Austin

1. Call to order, roll call and recognition of a quorum

Information

The Chair:

1. Calls the meeting to order;
2. Identifies the board members present.

Action Required

The Chair recognizes a quorum is established.



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2. Consideration and possible action to excuse previous board member absences

Information

Board member absences may be excused for good cause as determined by the Board.

Action Required

The Chair may entertain a motion for consideration and possible action to excuse previous absences, if any.



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3. Approval of the minutes from the January 19, 2021, meeting

Information

Attached are the minutes from the January 19, 2021, meeting.

Action Required

The Chair may entertain a motion for approval of the minutes, with any amendments.



**Minutes of the Public Meeting
on
January 19, 2021**

The following Board of Directors meeting was conducted via Zoom during the COVID-19 quarantine.

Board Members Lloyd Garland (Chair), Gerald Ladner, Rosemary Gammon, Ricardo Galindo, and Tomas Gonzalez.

- Item 1. Board Chair Garland called the public meeting to order at 9:31 a.m. on January 19, 2021. Board Chair Garland recognized Members present. A quorum was established.
- Item 2. No previous absences requiring action.
- Item 3. Board Chair Garland asked for any comments or changes to the Minutes of the October 6, 2020, meeting. Hearing no changes, Board Member Ladner moved to accept. Board Member Gammon seconded the motion, which carried without objection (5-0 vote).
- Item 4. Agency Operations Report:

Stephen Vollbrecht (Executive Director and State Risk Manager) introduced the Agency Operations Report (AOR) and provided an update to the Executive Administration section including the Risk Management Information System (RMIS), training compliance, status on Sunset recommendations, statutory reporting, department restructure, and the COVID-19 response regarding onsite staffing/task forces. Todd Holt (Deputy Executive Director) and Keith Despain (Director of Project Management) presented an update on project phases and current activities with the transition to Origami Risk. Mr. Despain also provided an update on project oversight outside of the RMIS. Mr. Holt introduced Shelby Hyman (Director of Public Relations) to update the board on recent external training, department partnership for internal training, videos, and creating content for the Learning Management System (LMS). Ms. Hyman also provided an update on the Continuity of Operations Plan program and introduced Janice McCoy (Public Relations Liaison) to discuss legislative tracking and focus for current session. Stuart B. Cargile (Chief of Internal Operations) and Linda Griffin (Director of Talent Management) introduced new employees, provided a list of current vacancies, updates to turnover, and internal transfers/promotions. Mr. Cargile introduced Lori Shaw (Director of Financial Management and Chief Financial Officer), to

present the administrative and claim budgets with projected costs. Mr. Cargile introduced Leo Ramirez (Director of Information Technology and Information Resource Manager) to give an update on current projects, including cybersecurity, vulnerabilities, anticipated activity, and RMIS. James Cox (Chief of Strategic Programs) with Nick Witkowski (Interim Director of Enterprise Risk) presented an update on Risk Management visit counts and recommendations made, plus an update on the Statewide Insurance Program. Mr. Cox introduced Lydia Scranton (Director of Claims Operations) to provide an update on current workers' compensation claims with a breakdown into different benefits. Ms. Scranton also provided an update on the data call requirement for COVID-19 claims. Deea Western (Chief of Legal Services and General Counsel) and Tshau Todman (Director of Indemnity Quality Assurance) presented an update on indemnity files and audits. Ms. Western introduced Janine Lyckman (Director of Medical Quality Assurance) to provide an update on vendor performance, Network vs. Non-network costs, and savings/medical fee disputes. Ms. Western then introduced Red Tripp (Director of Litigation) to provide an update on current litigation, fraud, and subrogation. Ms. Western introduced Rachel Victoria (Contract Administrator) to give an update on the Insurance Support Services Request for Proposal (RFP), handbook, vendor cybersecurity training, and vendor monitoring and performance reporting. Staff heard comments, tasks, and answered questions from the board.

Item 5. New Business:

5.1 Mr. Vollbrecht presented the board our current Board Governance Manual and suggested changes. Board Member Ladner moved to accept the changes as proposed. Board Member Gammon seconded the motion, which carried without objection (5-0 vote).

Item 6. Old Business.

Board Chair Garland asked if any outstanding items. Board Member Gammon thanked the team for information on gap areas in the Network vs. Non-Network report. Staff heard comments and answered questions from the board and will share data.

Item 7. No Public Comment.

Item 8. Future Meeting Dates. Discussion on suggested dates for the next board meeting. Board Chair Garland set April 27, 2021, as the next tentative Zoom meeting date with a back-up of April 20, 2021.

Item 9. Board Chair Garland adjourned the meeting at 11:16 a.m.



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4. Presentation and discussion of Agency Operations Report

Presentation of division reports

Information

Management will be available to summarize agency and division activities and provide additional information requested by the Board.

Board identification of key metrics or other components for inclusion or removal in subsequent reports.

Action Required

No official action required.



**AGENCY OPERATIONS REPORT FY21Q2
TO THE
SORM BOARD OF DIRECTORS**

April 27, 2021



EXECUTIVE OFFICE

I. RISK MANAGEMENT INFORMATION SYSTEM

- Initiative Progress: Completed vendor kick-off meeting and assigned implementation team. Resource allocation for IT-focused support is in place, as well as formal SORM Project Change Management process with authorities. Significant effort in focus on burn rates and resource allocations for meeting targets.

II. SELECTED PROJECTS

- Leadership Council (LC): Previously EC/DC now consolidated, with optional targeted meetings.
- Statutory Cybersecurity Training: +95% complete (as of AOR distribution).
- Risk Management Guidelines Advisory Council: On target for July 2021 for Board review and approval of the guidelines (final remaining Sunset recommendation). May need adjustment given current competing efforts.
- Internal sub-restructuring: All Divisions now comprised of Departments/Units/Teams, with consistent, identifiable nomenclature on redefinition of focus and purpose. EA concept deprecated and resources reallocated.

III. COVID-19 RESPONSE

- Return-to-Site: A staged transition plan was executed effective October 5, 2020 and expired on April 05, 2021. Current active monitoring and subject to revision and further notice. Telework options as appropriate will be retained and further process redesigns under active development in concert with system and infrastructure implementations. All safety protocols remain in full force and effect.
- Strategic Task Forces: Continued indefinitely, subject to reactivation based on operational conditions.
- Legislative Developments: Significant potential impact.

PROJECT MANAGEMENT

I. RMIS IMPLEMENTATION PROJECT UPDATE

A. PROJECT EXECUTION

The Project Execution Phase for Phase 1 is in progress. We are focused on data conversion, GAP assessments, security, and user profile configurations, as well as, development and configurations of file exchanges with our Careworks and myMatrixx vendors.

B. PROJECT MONITOR AND CONTROL

We are actively monitoring our scope, budget, and timeline. In addition, we continue maintenance and updates to our project artifacts in our project repository. Artifacts include but are not limited to:

- Meeting agendas and meeting minutes
- Project status reports
- Working project register which contains
 - Project roles and responsibilities
 - Key deliverables
 - Implementation schedule
 - Risk log
 - Issue log
 - Project change management log
 - Question log
 - Lessons learned & notes log

Project Management Quarterly Statistics

		Opened	Complete	Withdrawn	In Progress	On Hold	Pending Approval	Not Started
FY19	Prior to FY20Q1	7	0	1	0	1	0	0
FY20	Q1	58	6	6	11	9	0	7
	Q2	23	24	0	1	1	1	0
	Q3	21	17	0	4	1	0	0
	Q4	7	17	1	0	1	1	1
FY21	Q1	22	8	7	3	2	0	3
	Q2	11	5	0	5	0	3	1
	Q3	0	0	0	0	0	0	0
	Q4	0	0	0	0	0	0	0
Total		148	77	15	24	15	5	12

PUBLIC RELATIONS

I. TRAINING

During FY21Q2, Public Relations continued to work on providing virtual training to client agencies and creating content for the Learning Management System (LMS). The LMS is designed to host online training courses and will also replace RMIS for registration of future classroom-based training.

Agency Training for FY21Q2

Virtual Course Name	Classes Taught	Students
Additional Duty Safety Officer (ADSO) Orientation	1	35
Driving Safety	11	357
Personal Safety and Situational Awareness	1	102
TOTAL	13	494

II. STATEWIDE CONTINUITY OF OPERATIONS (COOP) PROGRAM

The Director of Public Relations continues to support the continuity of operations program as the COOP Task Force Leader. During an evaluation of the overall health of the program, the Director of Public Relations introduced an initiative called the COOP Program Reset (CPR) to identify opportunities for improvement with the program, as well as reestablish policies, procedures, workflows, and strategies to support the foundation of the program and relationships with external stakeholders. Nine SORM staff also received their Professional Continuity Practitioner (PCP) designations.

COOP Activity for FY21Q2

COOP Plan Evaluations	11
COOP Exercise Evaluation	4

COOP Recommendations for FY21Q2

Administrative	1
Backup Strategies	1
Continuity Standards	1
Essential Functions	3

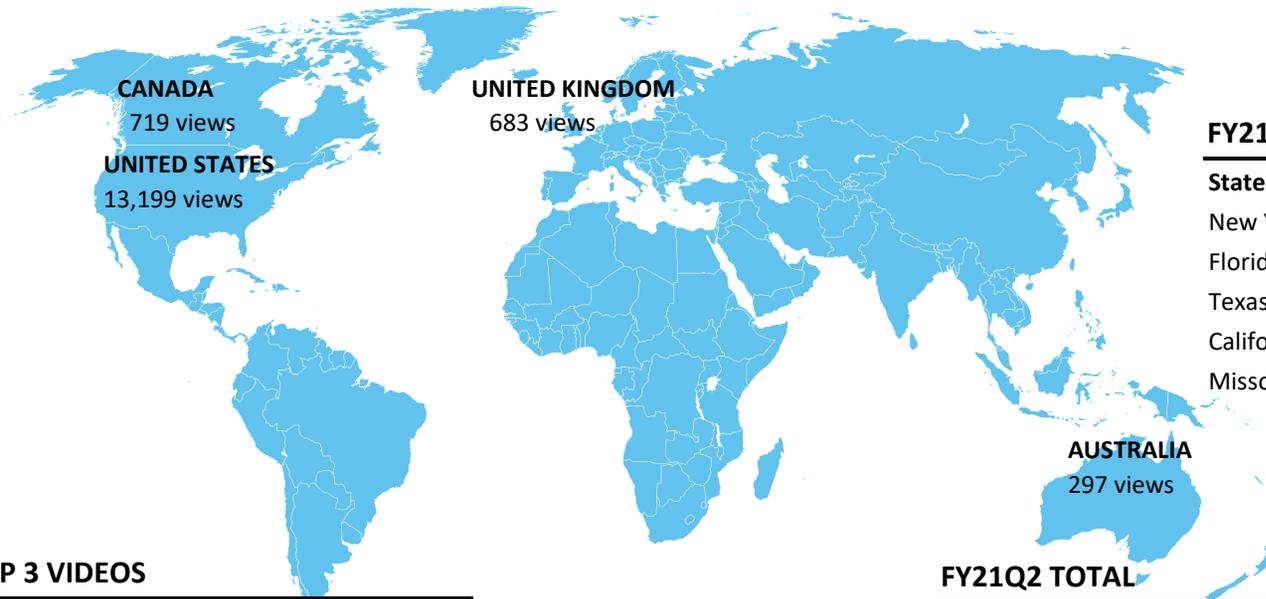
III. PUBLIC RELATIONS OUTREACH

The Office is continuing to monitor the 87th Legislative Session including bills that impact the workers' compensation system, risk management, and agency operations. During the last week of March, the Executive Director registered as a resource witness, but was not called to testify, on several workers' compensation bills being heard by the Senate State Affairs Committee and the House Business and Commerce Committee. As of April 27, 2021, there are 35 days left in the Legislative Session. The Office has not received any media inquiries during this quarter.

Legislative Bills Monitored

COVID Presumption	16
Workers' Compensation	44
Risk/Public Safety	46
Insurance	25
Agency Operations (public meetings, etc.)	103

Of the above 234 bills, we are actively monitoring 55 bills. The CFO has provided fiscal impact to LBB on 10 bills, 2 committee substitutes, 18 pending requests (no bill hearing date yet).



FY21Q2 TOP 5 US STATES

State	Views
New York	1,222
Florida	616
Texas	406
California	150
Missouri	72

FY21Q2 TOP 3 VIDEOS

How to Survive an Active Shooter	9,230 views
Same Level Slips, Trips and Falls	1,768 views
Office Ergonomics – Quick and Fun Guide	1,554 views

FY21Q2 TOTAL

Total views	19,132
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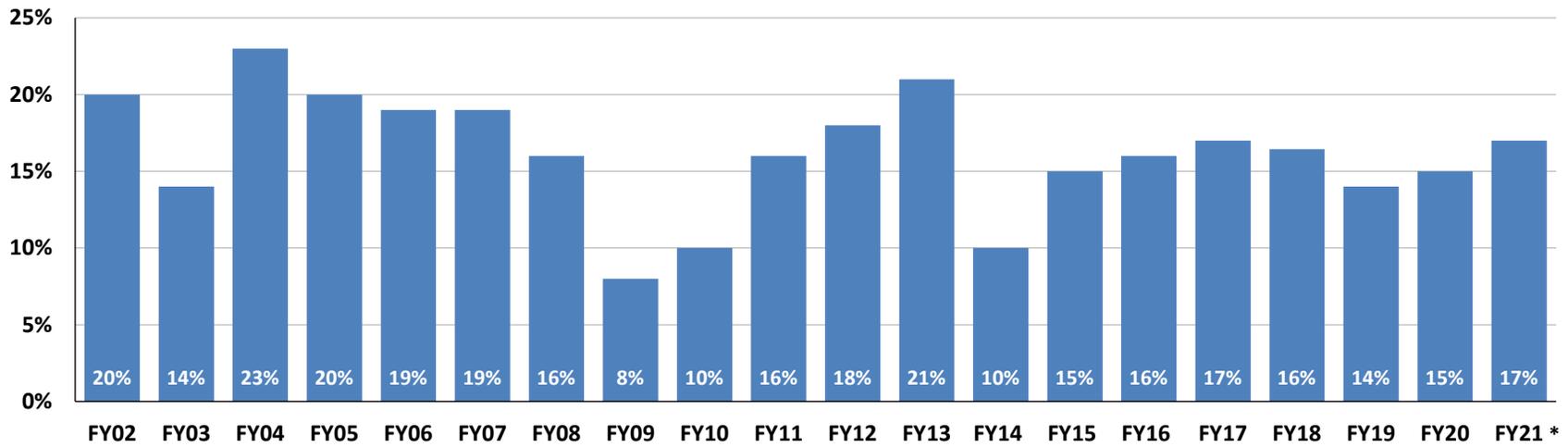


INTERNAL OPERATIONS

TALENT MANAGEMENT

New Hires	Vacancies
Mary Ann Gonzales, Medical Clean Bill Analyst	Director of Compliance Management
Christina Garcia, Medical Quality Assurance Specialist	Director of Enterprise Risk
Brandon Murphy, Document Specialist	Director of Litigation Management
Caroline Nauert, Receptionist	Enterprise Risk Specialist, Risk Manager
	Enterprise Risk Specialist, Continuity Operations
	Enterprise Data Analyst
	Managing Attorney
	Legal Assistant
	Programmer
	Adjuster

Annual Turnover Rates



* ANNUALIZED

FINANCIAL MANAGEMENT

FY21 AGENCY (CONSOLIDATED) BUDGET

February 28, 2021

Objects of Expense	Initial Budget:	Adjustments Transfers (+ In, - Out)	Revised Budget:	Expenditures Year to Date @ 2/28/2021	Encumbrances @ 2/28/2021	Remaining Budget @ 2/28/2021	Unpaid Expenses Incurred	Percent of Budget Expended/Incurred	Percent of Fiscal Year Elapsed
Salaries & Wages	7,557,391	0	7,557,391	2,897,236	0	4,660,155	572,961	45.9%	50.0%
Other Personnel Costs	250,000	0	250,000	122,818	0	127,182	23,281	58.4%	50.0%
Professional Services	1,750,000	(250,000)	1,500,000	350,716	727,514	421,770	159,597	34.0%	50.0%
Consumable Supplies	38,434	0	38,434	11,816	8,741	17,878	0	30.7%	50.0%
Utilities	6,058	0	6,058	1,704	3,109	1,245	418	35.0%	50.0%
Travel	125,000	0	125,000	4,338	0	120,662	1,475	4.7%	50.0%
Rental of Space	720	0	720	150	0	570	180	45.8%	50.0%
Rental of Equipment	24,000	0	24,000	5,245	14,000	4,755	3,497	36.4%	50.0%
Operating Costs	1,977,341	(773,594)	1,203,747	938,762	17,937	247,048	15,433	79.3%	50.0%
Capital Expenditures	250,000	1,547,188	1,797,188	637,776	155,767	1,003,645	0	35.5%	50.0%
Total	11,978,944	523,594	12,502,538	4,970,562	927,068	6,604,908	776,841	46.0%	50.0%

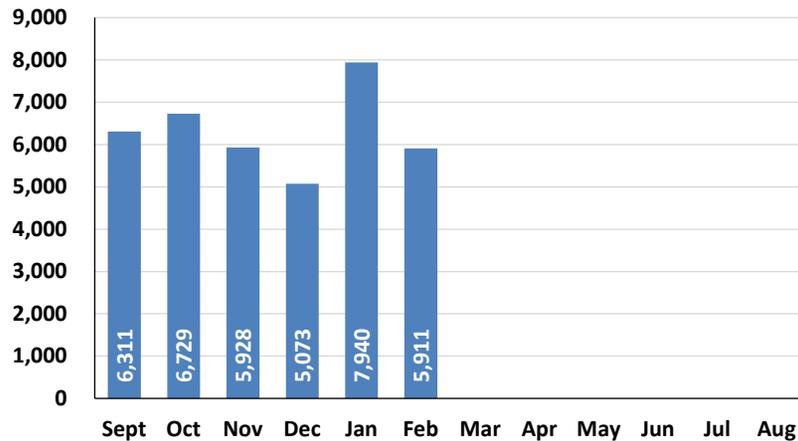
Objects of Expense	Initial Budget:	Adjustments Transfers (+ In, - Out)	Revised Budget:	Expenditures Year to Date @ 2/28/2021	Remaining Budget @ 2/28/2021	Percent of Budget Expended/Incurred	Percent of Fiscal Year Elapsed
Indemnity	19,148,834	0	19,148,834	8,105,039	11,043,794	42.3%	50.0%
Medical	21,418,916	0	21,418,916	9,210,635	12,208,281	43.0%	50.0%
Total Exps.	40,567,750	0	40,567,750	17,315,675	23,252,075	42.7%	50.0%
Subrogation and Restitution	(567,750)	0	(567,750)	(315,585)	(252,165)	55.6%	50.0%
Net Total	40,000,000	0	40,000,000	17,000,090	22,999,910	42.5%	50.0%

FY21Q2 PROJECTION

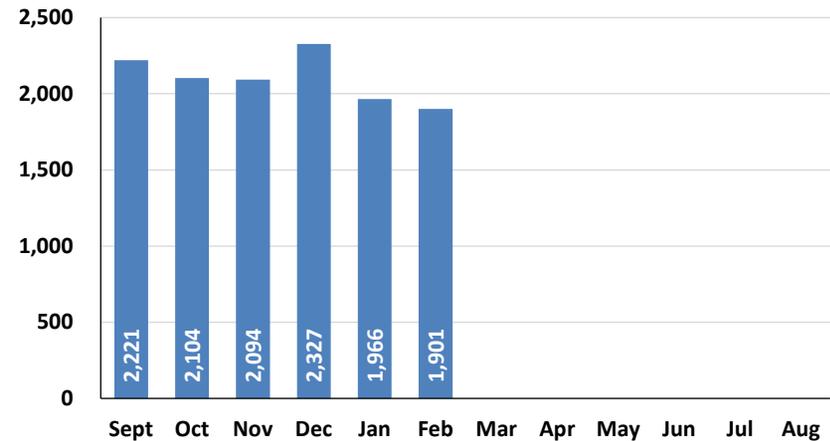
	Actual Costs as of 04/02/21 12 Months	Based on even distribution	Based on 15 year avg. (FY2004 - FY2018)	Based on 10 year avg. (FY2009 - FY2018)	Based on 5 year avg. (FY2014 - FY2018)	Worst Case Assumed
indemnity		58.63%	59.68%	59.49%	58.98%	58.63%
medical		58.63%	60.37%	61.21%	61.79%	58.63%
recovery		58.63%	64.22%	60.25%	64.49%	100.00%

FY 2020 Projections						
indemnity	9,575,215	16,331,558	16,044,734	16,095,776	16,235,027	16,331,558
medical	11,010,982	18,780,413	18,239,476	17,989,331	17,818,997	18,780,413
recovery	(412,168)	(702,997)	(641,827)	(684,060)	(639,159)	(412,168)
	20,174,028	34,408,974	33,642,384	33,401,048	33,414,865	34,699,803
				Average of four different projection bases and "worst case"		33,913,415
gross costs only	20,586,197	35,111,971	34,284,211	34,085,107	34,054,024	35,111,971
				Average of four different projection bases and "worst case"		34,529,457

**Medical Bills Processed FY21
Total 37,892**



**Indemnity Bills Processed FY21
Total 12,613**



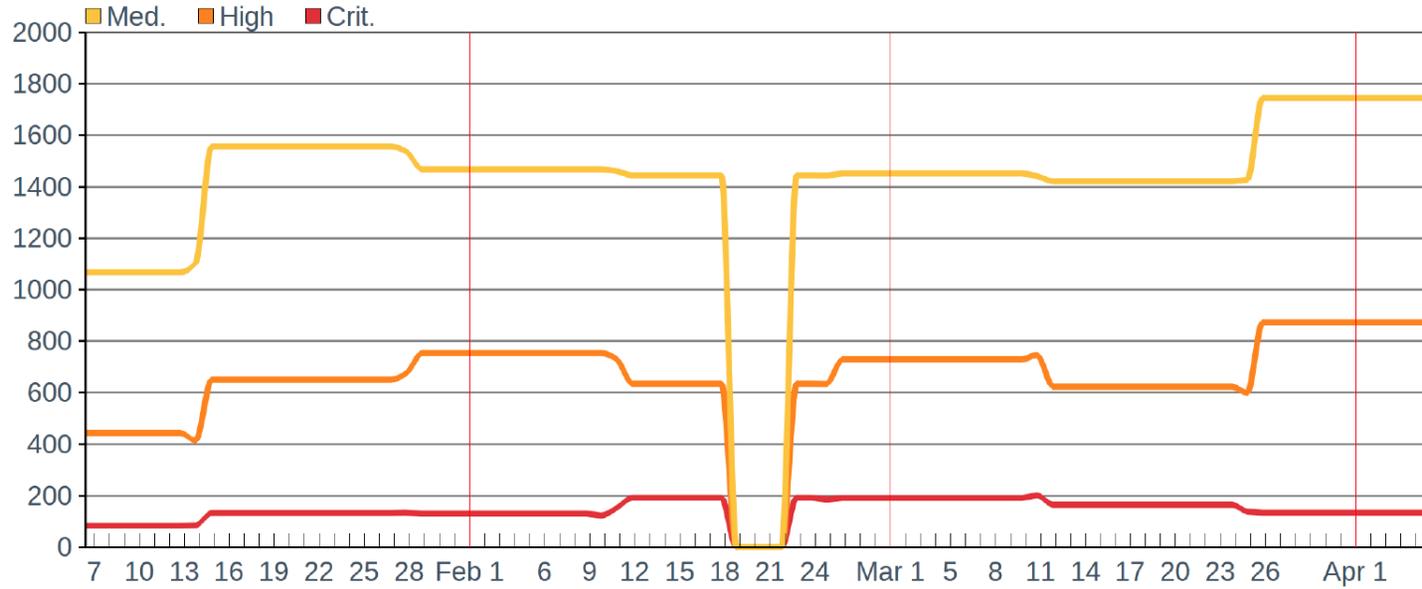
INFORMATION TECHNOLOGY

I. ONGOING AGENCY SUPPORT

Information Technology (IT) continues to support the agency operations through infrastructure support, processing, and reporting. Significant areas of activity in FY21Q2 include:

Area	Task
Equipment – Servers, desktops, laptops, and peripherals	<ul style="list-style-type: none"> • Monitored SORM’s server room and all the systems during the winter storm, and maintained the room and the system’s temperature at an adequate level during our building’s air conditioning outage • Replaced malfunctioned parts for servers and workstations
Software changes (mainframe, web, client/server and PC applications)	<ul style="list-style-type: none"> • Implemented the WebHelpdesk Ticket System to keep better track of tech support requests • Completed code and process improvements for SORM applications • Updated web/mainframe development projects in Team Foundation Sever (TFS)
Projects for Business Owners	<ul style="list-style-type: none"> • Identified and documented the processes, procedures, tasks, and effort necessary to extract, prepare, and deliver relevant SORM data to Origami • Extracted and converted data from multiple repositories to transmit to Origami as part of the project implementation • Assessed the current high capacity scanners and options to upgrade them with devices and software compatible and consistent with Origami • Conducted a review and analysis of recording solutions to update our current recorded statement process to work with Origami • Rewrote the EOR Parser program for better usage and security • Updated the Inventory System to better functionality
Cybersecurity	<ul style="list-style-type: none"> • Deployed cybersecurity training for all SORM staff to comply with Government Code Section 2054.5191 • Worked on the Cybersecurity Policy Initiative • Reviewed scheduled Vulnerability Scan Reports for SORM computers and servers <ul style="list-style-type: none"> ○ Installed updates on computers and servers to address vulnerabilities and comply with cybersecurity standards • Met with OAG’s Cybersecurity team to assess current and future vulnerabilities and plan for addressing possible cyber threats <ul style="list-style-type: none"> ○ SORM vulnerabilities continue decreasing at a steady rate for all our devices, including desktops, laptops, tablets, and printers
Other Items	<ul style="list-style-type: none"> • Provided desktop, email, and application support to SORM staff • Managed and supported server and PC infrastructure • Supported the external website server and/or database changes • Supported Microsoft TEAMS and SharePoint, including the Intranet

Number of Vulnerabilities



January 6, 2021 – April 6, 2021

* System offline for maintenance 02/18-22

New Vulnerabilities

	Medium	High	Critical
< 7 Days	3	3	0
8 - 14 Days	103	97	30
15 - 21 Days	0	0	0
22 - 30 Days	28	25	8

Mitigated Vulnerabilities

	Medium	High	Critical
< 7 Days	0	0	0
8 - 14 Days	37	45	46
15 - 21 Days	0	0	0
22 - 30 Days	32	12	53

II. ANTICIPATED ACTIVITY

In addition to routine support functions congruent with operations for the Office, we anticipate the following activities during FY21Q4 and beyond:

- A. Continue providing data, updating processes, and coordinating and collaborating with Origami, OAG, and other entities to complete the RMIS Implementation
- B. Continue creating/updating security policies
- C. Build the new Employee Checklist with Talent Management as the champion
- D. Update PHP frameworks to improve our security posture
- E. Coordinate with OAG DR Server options for SORM
- F. Continue supporting external website and intranet server/database
- G. Continue supporting the new Learning Management System (LMS) server/database

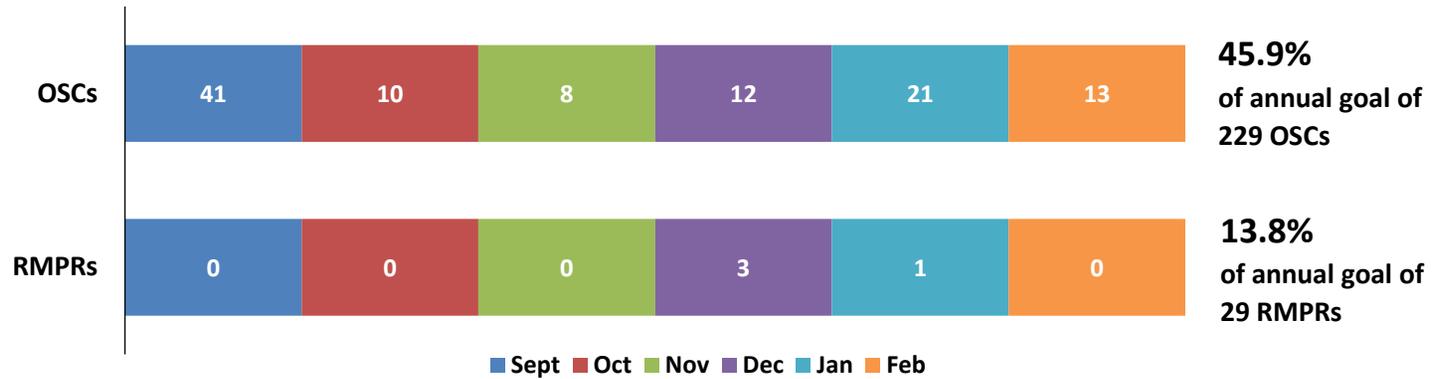


STRATEGIC PROGRAMS

ENTERPRISE RISK

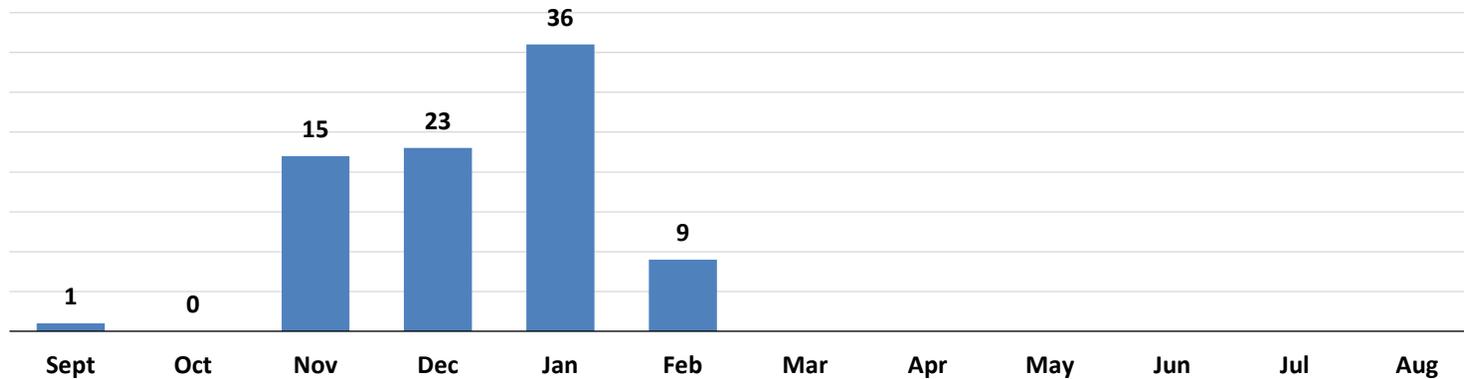
I. STATEWIDE RISK MANAGEMENT PROGRAM

ON-SITE CONSULTATIONS (OSCs) AND RISK MANAGEMENT PROGRAM REVIEWS (RMPRs)

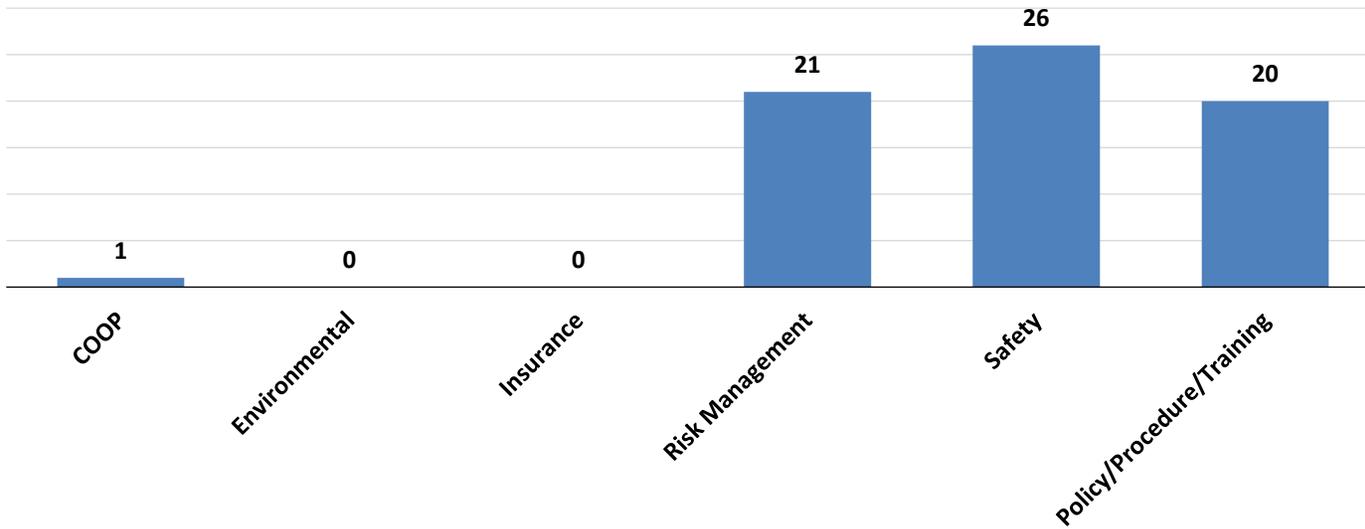


Recommendations Given FY21Q1 - FY21Q2

Total: 84

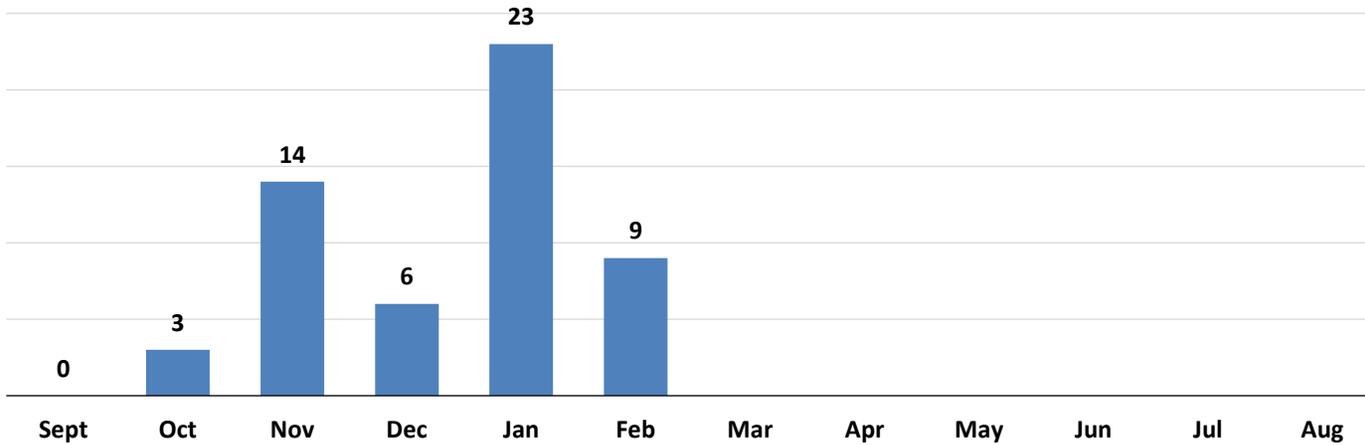


Category of Recommendations FY21Q2



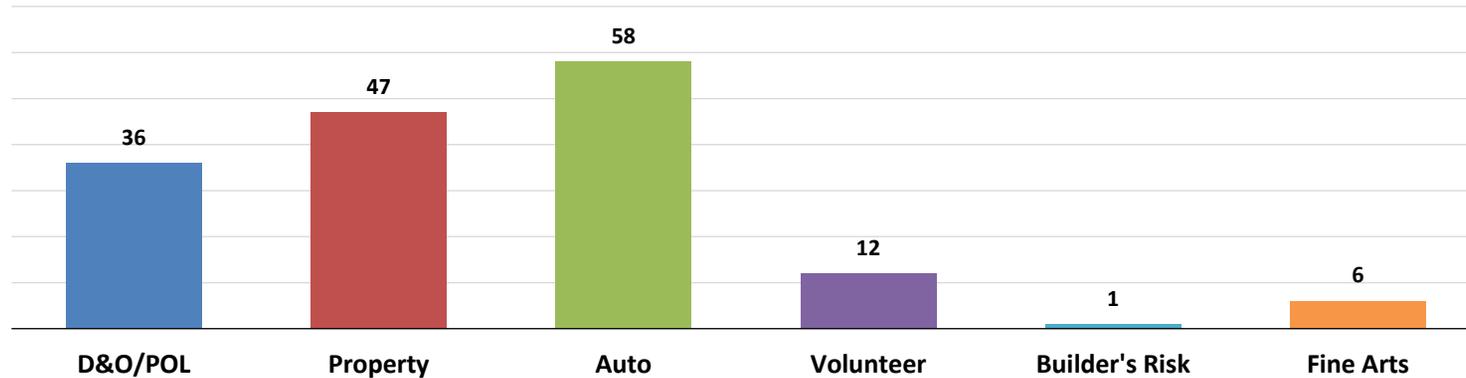
Closed Recommendations FY21Q1 - FY21Q2

Total: 55



II. STATEWIDE INSURANCE PROGRAM

A. PARTICIPANTS IN STATEWIDE INSURANCE LINES FY21Q2



B. MONITORING

530 notary applications were processed during FY21Q2

C. INSURANCE PURCHASES

Number of SORM 201s processed: 5
 Number approved and premium paid: 5 for \$58,173

SORM 201s FY21Q2

Line of Insurance	Approved	Comments	Premium
Cyber Liability	Y	Cyber security risks have become more significant in the last few years as critical financial information is increasingly stored in electronic form.	\$13,113
Inland Marine	Y	This policy covers a specialty laser.	\$7,749
Aviation	Y	This policy covers unmanned aircraft (drones).	\$27,096
Inland Marine	Y	This policy covers a food service trailer.	\$9,565
Animal Mortality	Y	This policy covers death or theft of livestock.	\$650
TOTAL			\$58,173

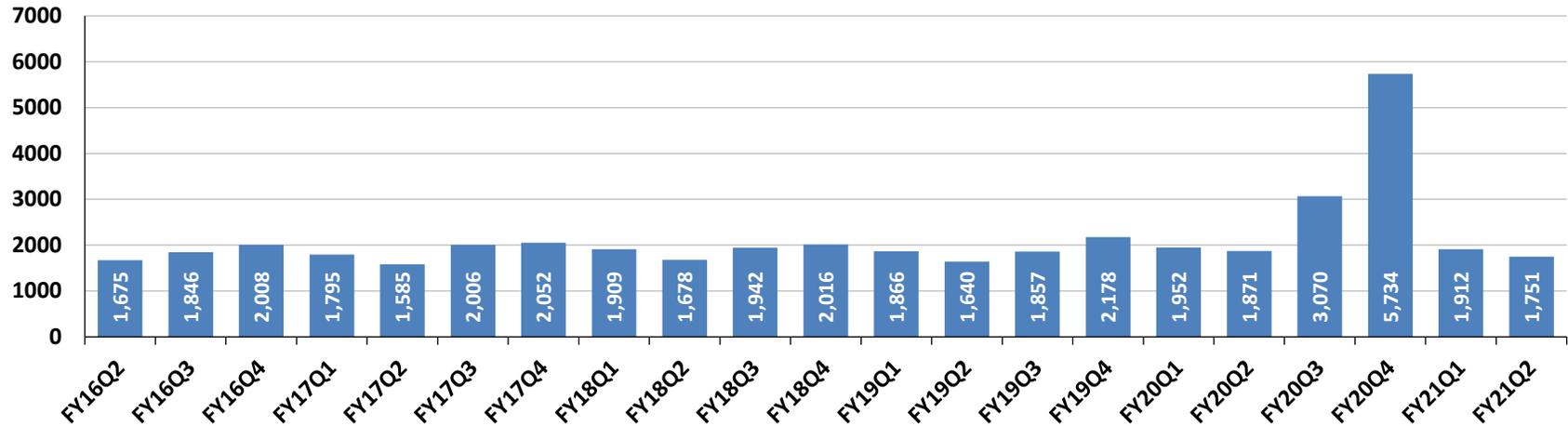
CLAIMS OPERATIONS

I. CLAIMS OPERATIONS ACTIVE WORKLOAD FY21Q2

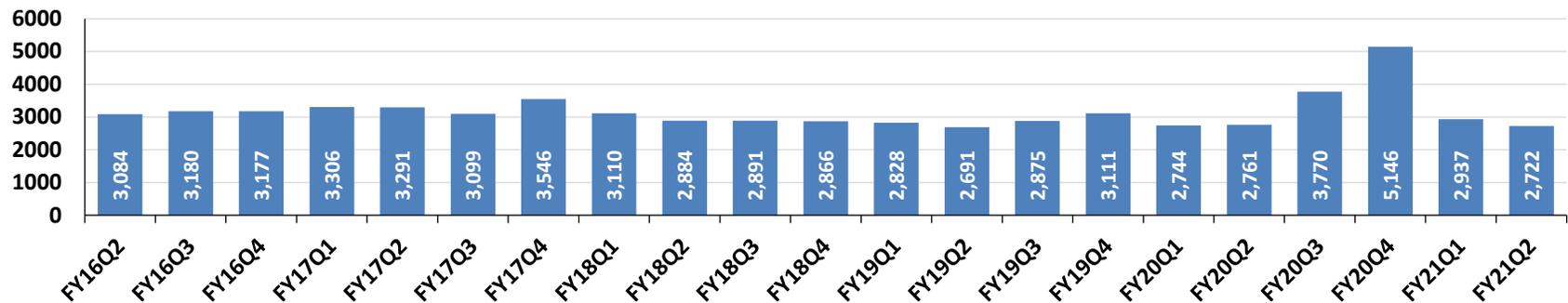
Claims Operations continues to conduct thorough investigations in the initial stages and focuses on maintaining active follow up.

- A. SORM received 1,751 injury reports (claims) in FY21Q2, a decrease from the number of injury reports received in FY21Q1 (1,912)
- B. 1,200 claims were accepted
- C. 1,897 claims were inactivated
- D. SORM had 2,722 open claims at the end of FY21Q2

Claims Received per Quarter



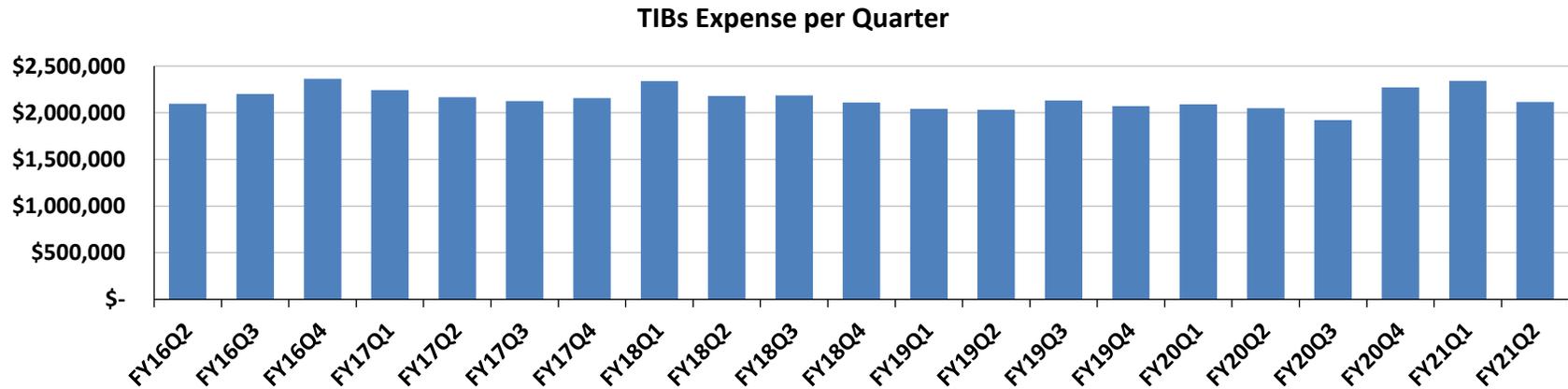
Claims Open per Quarter



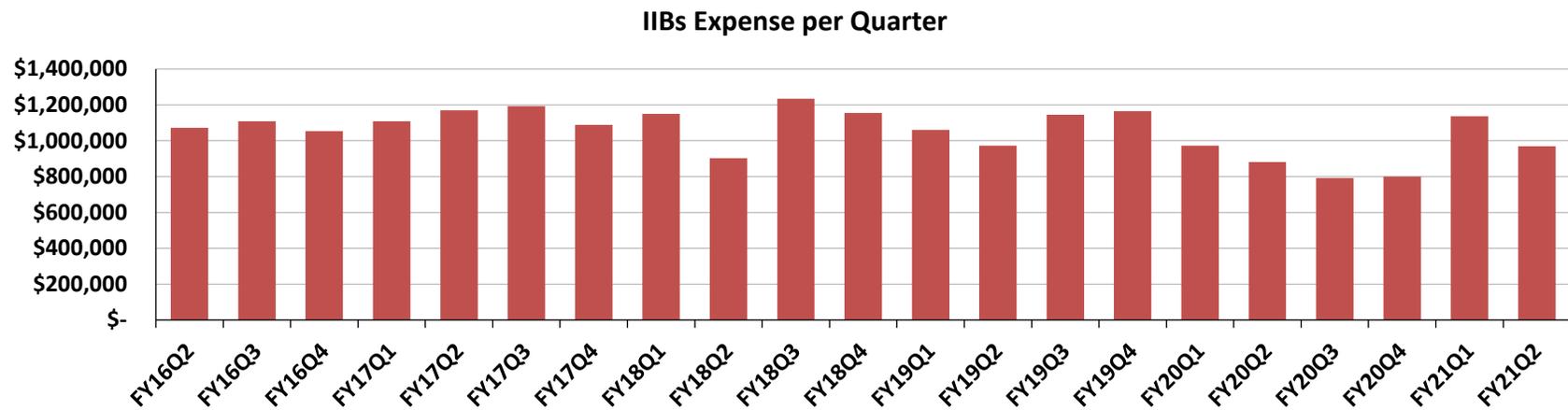
II. ANALYSIS OF INCOME BENEFITS EXPENSES FOR FY21Q2

- A. FY21Q2 reflects a slight decrease in TIBs indemnity costs from FY21Q1
- B. TIBs payments were \$2,116,624 and IIBs payments were \$968,851 in FY21Q2
- C. At the end of FY21Q2, there were 511 TIBs, 191 IIBs, 26 SIBs with payment, 11 LIBs, and 68 DIBs claims open

Temporary Income Benefits (TIBs) expenditures for FY21Q2 totaled \$2,116,623 on 511 claims.

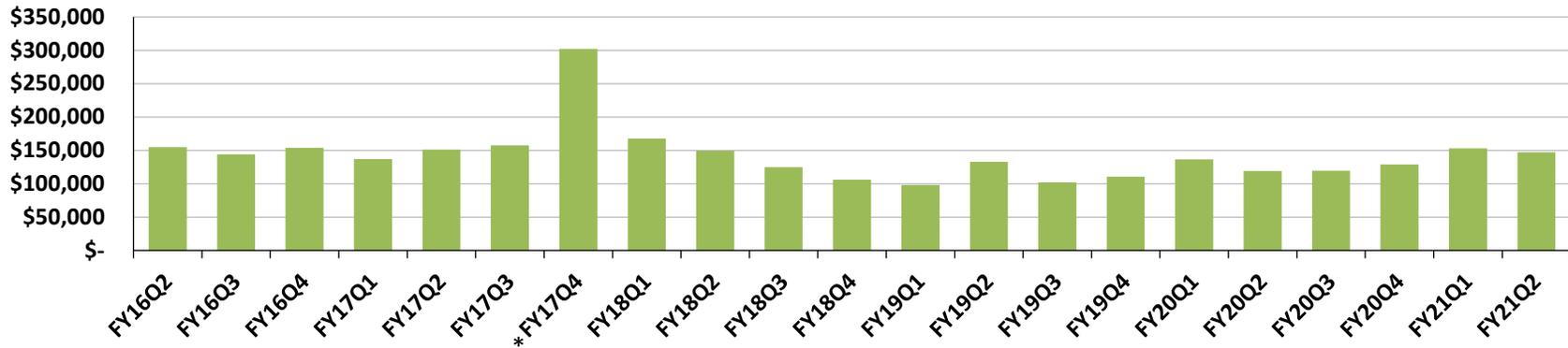


Impairment Income Benefits (IIBs) expenditures for FY21Q1 totaled \$968,851 on 191 claims.



Supplemental Income Benefits (SIBs) expenditures for FY21Q2 totaled \$146,971 on 26 claims.

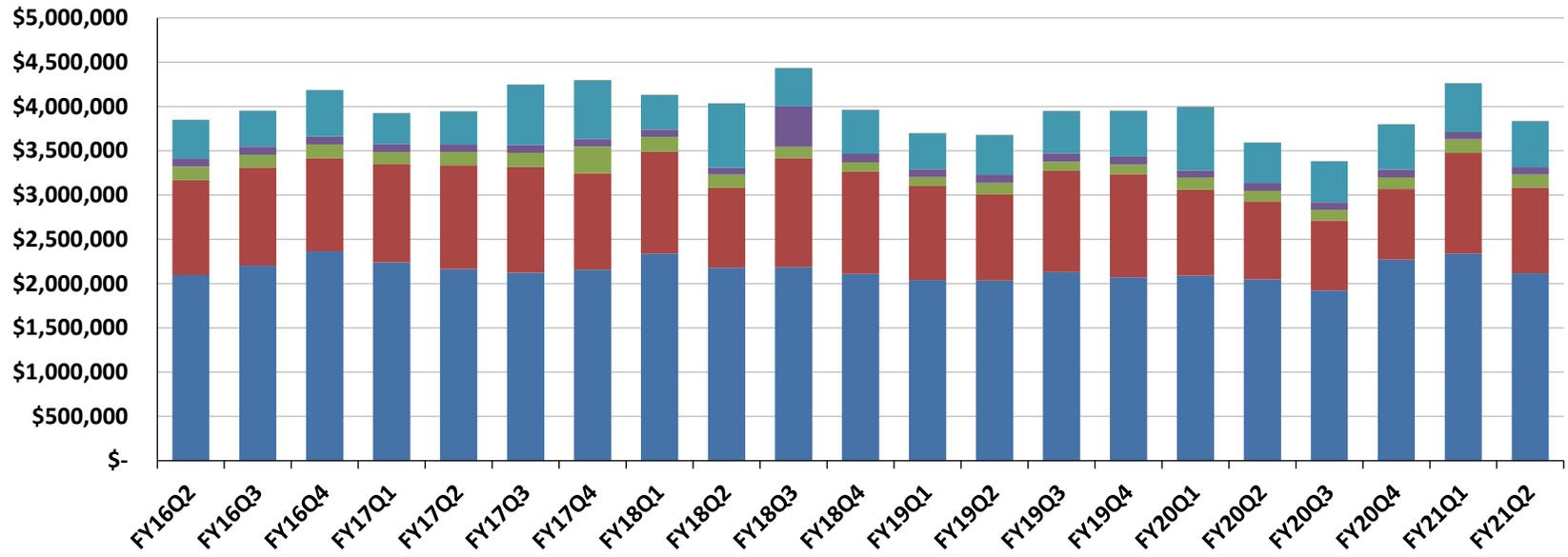
SIBs Expense per Quarter



*FY17Q4 – nine quarters paid due to CCH ruling

Combined indemnity expenditures for FY21Q2 totaled \$3,839,549 on 757 claims.

Combined Indemnity Expense per Quarter



- Temporary Income Benefits (TIBs)
- Impairment Income Benefits (IIBs)
- Supplemental Income Benefits (SIBs)
- Lifetime Income Benefits (LIBs)
- Death Income Benefits (DIBs)
- Old Law (OLW)

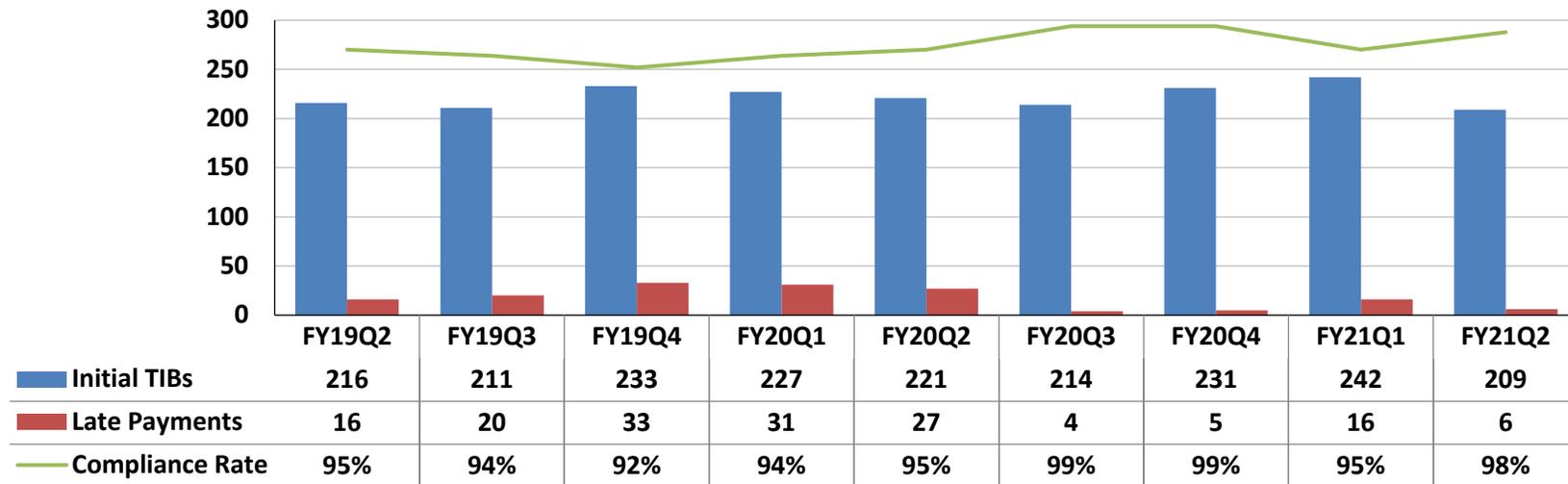
QUALITY ASSURANCE

I. INDEMNITY QUALITY ASSURANCE

A. TEMPORARY INCOME BENEFIT AUDITS

SORM must initiate temporary income benefits by the 7th day after the accrual date (8th day of disability) or the 15th day after notice of injury.

Initial TIBs Compliance Rate and Late Payments



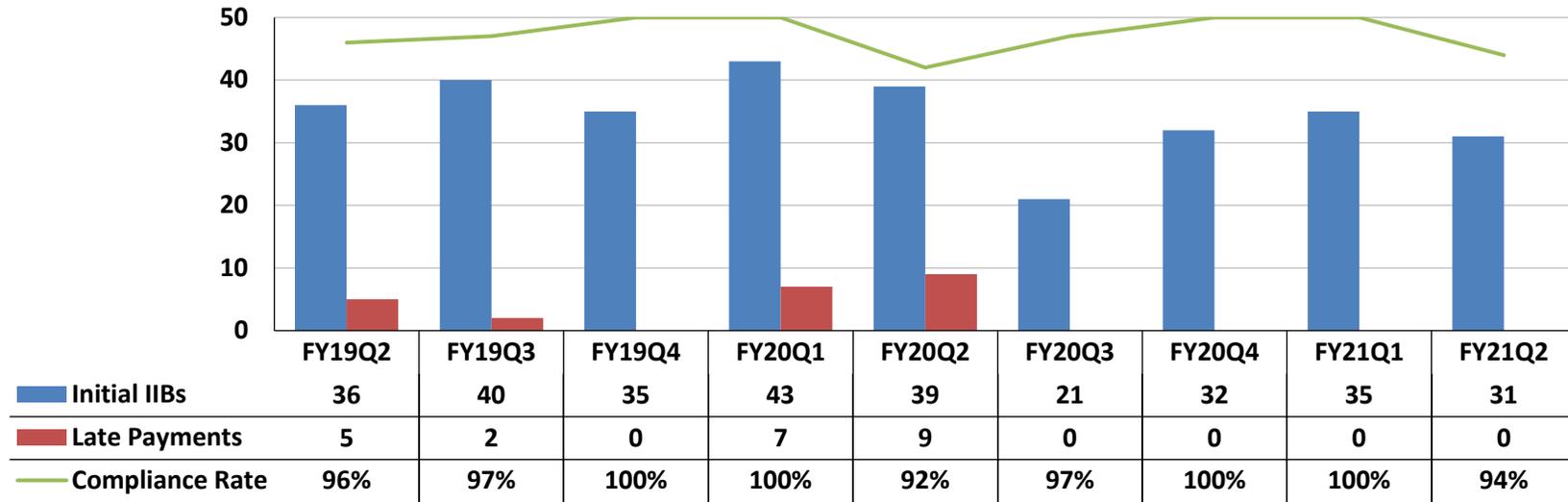
TIB Late Payments FY21Q2

Carrier	3
Employer	3
No Fault/Misc.	0
Physician	0

B. IMPAIRMENT INCOME BENEFIT AUDITS

SORM must initiate impairment income benefits by the 5th day after receiving a notice of medical evaluation indicating the injured employee has reached maximum medical improvement (MMI).

Initial IIBs Compliance Rate and Late Payments

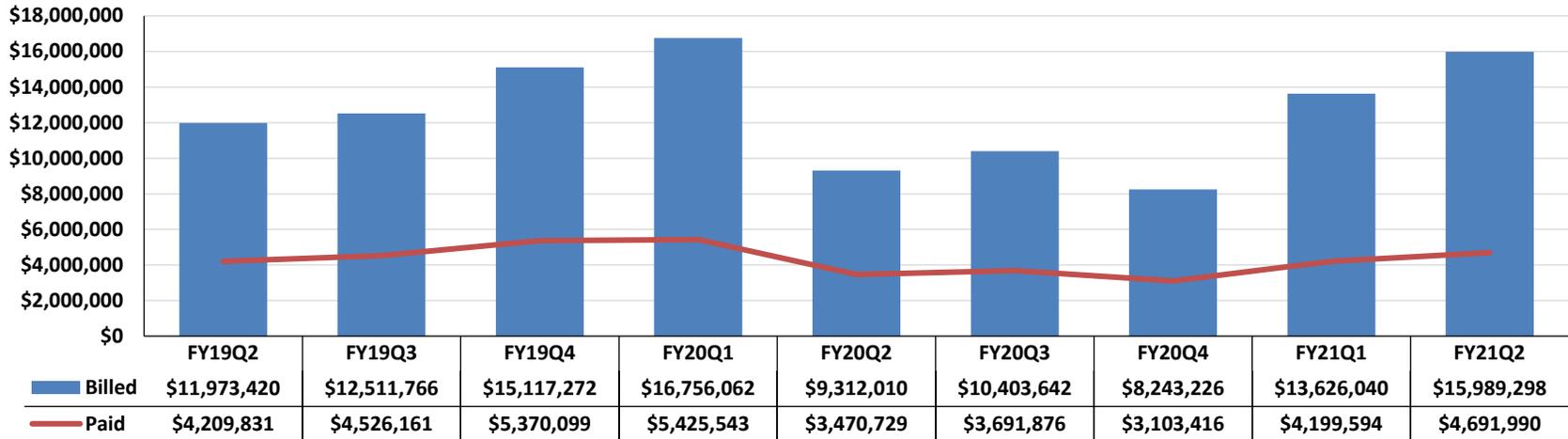


II. MEDICAL QUALITY ASSURANCE

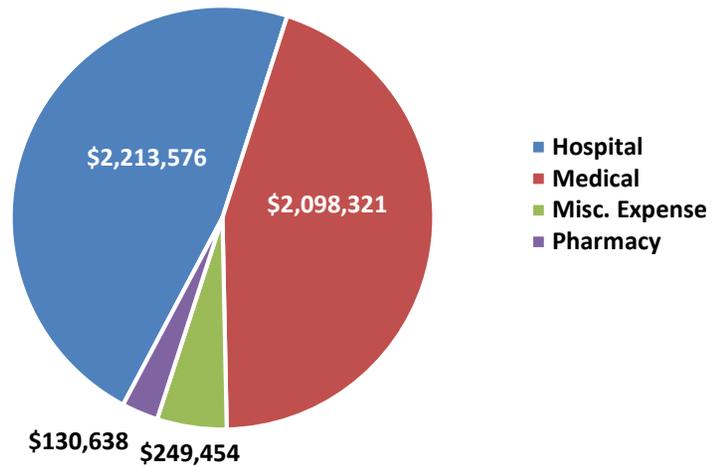
A. MEDICAL COSTS

Workers' compensation benefits include medically necessary treatment related to the compensable injury.

**Total Medical Cost Savings
FY19Q2 - FY21Q2**



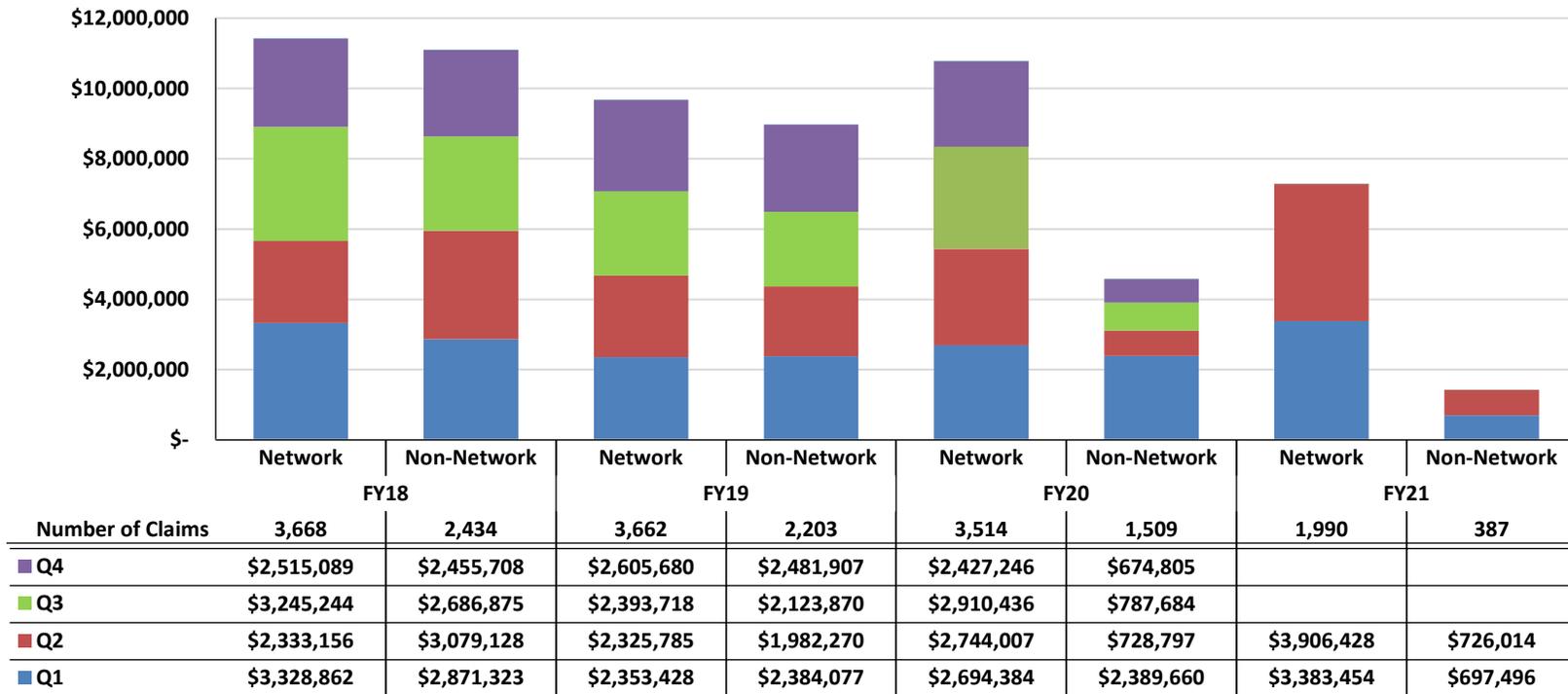
Medical Payments FY21Q2



B. NETWORK AND NON-NETWORK DATA

The following chart shows the number of network and non-network claims.

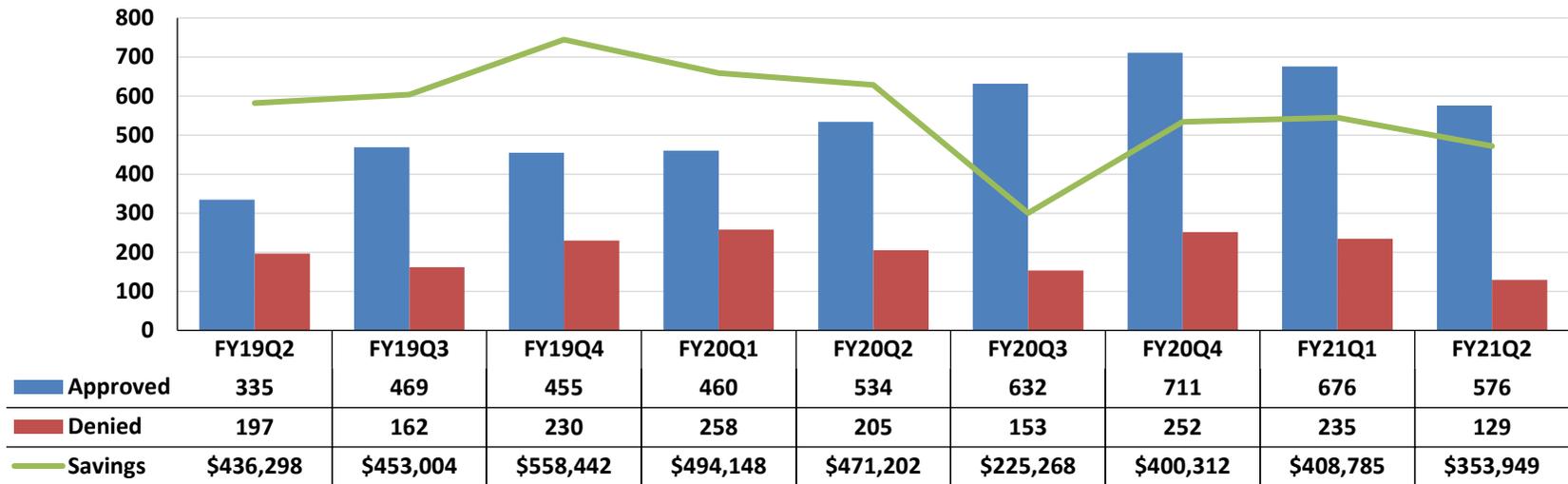
Network and Non-Network FY18Q1 - FY21Q2



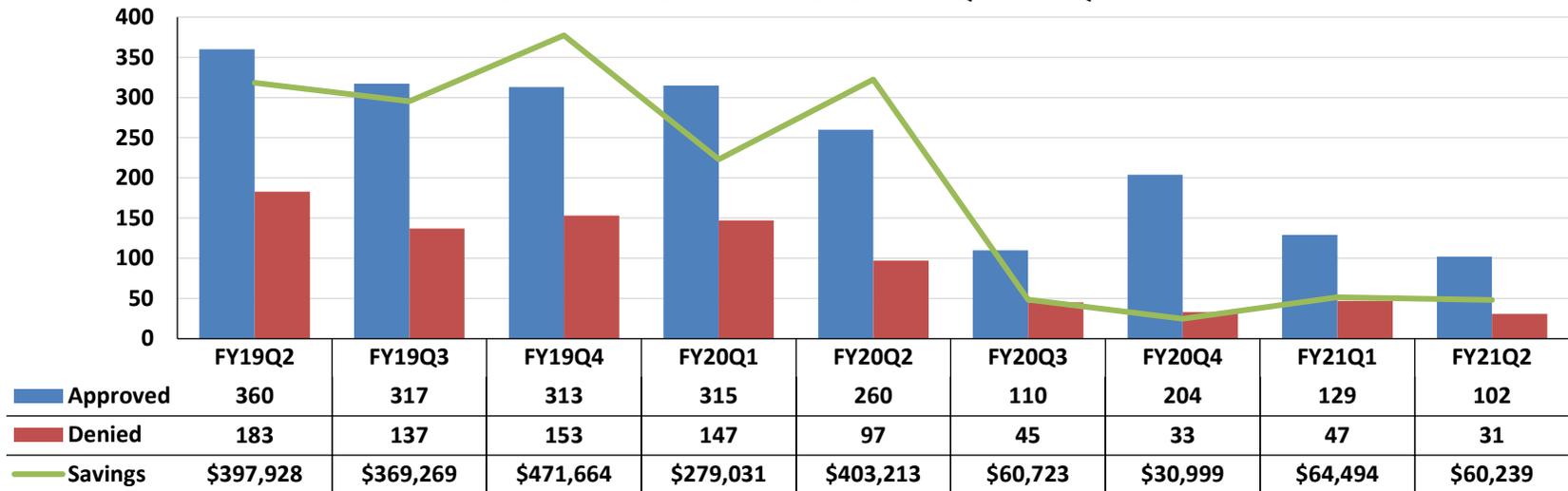
C. PREAUTHORIZATION

Certain types of health care services must be prospectively reviewed and preauthorized as medically necessary before the service is provided to an injured employee.

Network Utilization Review FY19Q2 - FY21Q2



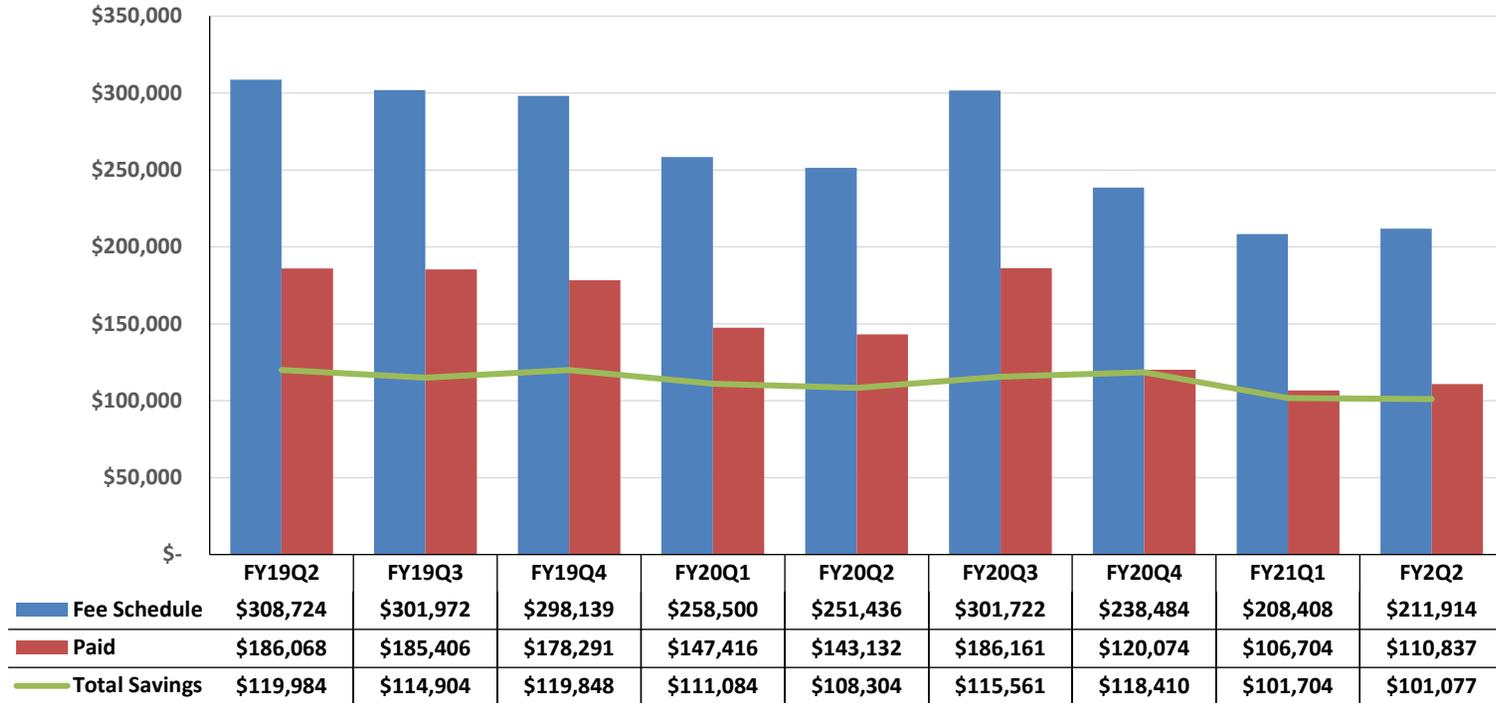
Non-Network Utilization Review FY19Q2 - FY21Q2



D. PHARMACY BENEFIT MANAGEMENT

Workers' compensation benefits include medically necessary prescription drugs and over-the-counter medication.

PBM Cost Savings FY19Q2 - FY21Q2



E. MEDICAL DISPUTE RESOLUTION FY21Q2

Medical dispute resolution is used to resolve disputes when an insurer reduces or denies payment of a medical bill or to determine the medical necessity of treatment for a compensable injury.

Medical Fee Disputes	4 Non-Network received
	5 Network received
Medical Necessity Disputes	1 Non-Network received
	1 Network received

LITIGATION MANAGEMENT

I. BENEFIT DISPUTE RESOLUTION FY21Q2

Disputes regarding compensability or eligibility for benefits can occur throughout the life of a workers' compensation claim.

Top 5 BRC Issues FY21Q2	Amount
Extent of Injury	14
Maximum Medical Improvement/Impairment Rating	12
Extent of Injury/Maximum Medical Improvement/Impairment Rating	11
Existence of Injury/Disability	10
Supplemental Income Benefits	3

Top 5 CCH Issues FY21Q2	Amount
Extent of Injury/Maximum Medical Improvement/Impairment Rating	16
Extent of Injury	11
Existence of Injury/Disability	4
Maximum Medical Improvement/Impairment Rating	4
Failure to Timely Dispute 1 st Valid Impairment Rating	3

II. FRAUD INVESTIGATIONS

SORM investigates and reports workers' compensation fraud committed by system participants.

FY21Q2	Pending	Opened	Closed	Criminal Referral
Fraud Investigations	8	1	5	3

III. SUBROGATION AND RECOVERIES

When a claimant’s injuries are caused by a third party, SORM can request reimbursement for benefits that have been paid by the state for the compensable injury. If a TDI-DWC interlocutory order or decision is reversed or modified in SORM’s favor, SORM can request reimbursement from the Subsequent Injury Fund for the overpayment of benefits.

	FY21Q1	FY21Q2	FY21Q3	FY21Q4	YTD Total
Restitution	\$6,681	\$193			\$6,874
SIF	\$0	\$48,082			\$48,082
Subrogation	\$152,706	\$107,923			\$260,629
Total	\$159,387	\$156,198			\$315,585

COMPLIANCE MANAGEMENT

I. CONTRACT ADMINISTRATION

Area	Task
Procurement	<ul style="list-style-type: none"> Insurance Support Services RFP Scanners
Contract Management	<ul style="list-style-type: none"> Controlled Correspondence Regarding CEU
Vendor Performance Monitoring	<ul style="list-style-type: none"> Vendor Performance Evaluation Tool (VPET) Business Owner Input Desk Reviews Issue Log
Vendor Performance Reporting	<ul style="list-style-type: none"> Expiration, Annually, and Renewals



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5. New business

5.1 Presentation, discussion, and action on remaining Fiscal Year 2021 assessment totals

Information

Lori Shaw, Director of Financial Management and Chief Financial Officer, will present recommendations for assessment funding pursuant to the General Appropriations Act, Article IX, Section 15.02(c), and Section 412.0123, Texas Labor Code.

Action Required

Board determination and approval of the final assessment.



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6. Old business

6.1 Presentation and discussion on leadership initiatives

Information

Board Member Gonzalez will present information on outside leadership initiatives for internal staff use.

Action Required

No official action requested, at this time.



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7. **Executive Session: Recess pursuant to Section 551.074, Government Code, to discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.**

Information

The Board will meet in executive session pursuant to Section 551.074, Government Code, for the purpose of discussing the implications created by the passing of HB 1, 84th RS, GAA, under authority and Section VI of the Board Governance and Policy Manual.

Action Requested

No official action required.



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8. Reconvene in Open Session for possible action on matters considered in Executive Session.

Information

The Board returns to public session and may deliberate and consider action on items discussed in executive session.

Action Requested

The Chair may entertain motions for consideration and possible action on relevant matters discussed in executive session, if applicable.



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9. Public comment

Information

It is the policy of the Board that members of the public shall be given the opportunity to appear before the Board during public meetings of the Board and to speak on any issue under the jurisdiction of the Board.

Action Required

No official action requested, at this time.



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10. Discussion and possible action on future meeting dates

Information

Tentative meeting dates are attached for discussion.

Action Required

Selection of future meeting dates.



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11. Adjourn meeting

The Chair:

1. Calls the meeting adjourned and announces time



Tentative Board of Directors Meeting Dates

Month	Day of Week	Date	Notes
July	Tuesday	13	
	Tuesday	20	Assessment amounts for next fiscal year due before 08/01/21
	Tuesday	27	

NOTES:

The Secretary of State requires a minimum of 7 days notice before publication in the Texas Register. Draft rules, revised rules, and final rules must be published in the Register for 30 days.

All dates shown are with notes on upcoming due dates and holidays that will affect the Office.