

CompControl



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The Official KMIT Member Newsletter

The Last PRINTED CompControl

This edition of **CompControl** is the **last one which will be printed and mailed out**. Starting with the next issue, **CompControl** will become a **digital-only publication**.

Most of you already read **CompControl** in its .pdf format, and digital is the method through which the overwhelming majority of 'news' is consumed in 2017. KMIT already continuously collects and maintains/updates many email addresses, mostly just so that we can email-distribute **CompControl** to a very large number of people (now approaching 900).

In the last year or so, it has become clear to us at KMIT that the time for the end of the paper version of **CompControl** has come.

Over the years (since KMIT's inception in 1994), **CompControl** has gone through a number of 'generational' modifications, and continues to evolve as times change.

We are now satisfied that the most effective, and efficient, way to periodically share information, stories and ideas with our ever-increasing audience, in 2018 and beyond, is to do it digitally-only. So, no more snail mail.

Please help us out **by sending us any/all email addresses** relevant to your city and its needs. We welcome all such addresses--for city managers, city clerks, HR and finance directors, other office staff, department heads and supervisors, AND, **of course**, your elected officials--we want to get **CompControl** to as many of your 'electeds' as possible; send their emails to us, and we'll get 'em on the list!

And, we all know that email addresses change all the time, so PLEASE send us your new ones when there ARE new ones (change in staff; following elections, etc.).

A VERY important ongoing goal for KMIT is to keep everyone who is a part of the '**KMIT Family**' absolutely as informed as possible, and to communicate in the best possible way with all of you. And, that is what this updated way of doing **CompControl** is all about.

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CompControl and City Safe are publications of the Kansas Municipal Insurance Trust for the purpose of educating and information cities about loss control methods and risk management. If you have any questions concerning KMIT workers' compensation or risk management that you would like to see answered in this newsletter, please direct those inquiries to:

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KMIT Year-in-Review

By Don Osenbaugh, KMIT Pool Administrator

As we say goodbye to 2017, I want to take a moment to look back over the 'KMIT Year'. It was a busy time...of changes and progress for our KMIT Family of Cities.

At the very start of 2017, KMIT got a new 'TPA' (Third Party Administrator) partner for claims management, when **TRISTAR** acquired the TPA portion of our services from IMA/CORnerstone. That major transition has been ongoing throughout the year, and especially during the first half of the year. KMIT will contract directly with TRISTAR starting in 2018.

The TRISTAR change has been a VERY good one for KMIT. TRISTAR VP **Jason Shultz** and his team are really a great bunch to work with. They are totally committed to the existing KMIT 'Culture'. **Gene Miller** remains the KMIT Claims Manager; a role he has performed extremely well for a number of years. **Andrea Neff** came on board as KMIT Claims Adjuster, and is a super addition to KMIT.

The other big change this year was the adoption of **Amended By-Laws** (which take effect January 1), by the General Membership, at the KMIT Annual Meeting in Wichita, in September. The new By-Laws now permit KMIT to admit any municipality in Kansas.

In 2017, KMIT and the **League of Municipalities** entered into a new **three-year agreement** for services and endorsement, which also takes effect on January 1; continuing their long and mutually-beneficial relationship.

This past year, KMIT expanded its supervisor trainings, up from four, to six sites, and the seminars were well attended.

The KMIT Board of Trustees met six times, in six different cities, this year, as they normally do. **Debbie Price** presided over the Board meetings as 2016/2017 President, until **Randy Frazer** was elected to be President in September. **Michael Webb** came on as a new Trustee to start the year, and **Greg DuMars** was elected to join the Board in September.

The KMIT Pool grew by five cities in 2017, welcoming in **Dodge City, Haven, Harper, Madison** and **Arma**; bringing the total membership of the Pool up to **160, an all-time high**.

Lastly, KMIT continues to be extremely stable financially, and will likely increase its year-end net worth position once again, to something over **\$6,000,000, which will also be an all-time high**.

BUSY Year. Good Year.



Better Data, Better Care

by Pete Dulin*

The workers' compensation market is a **\$70 billion industry**—one that's ripe for innovation.

Bardavon, a young company from Overland Park, is doing its part to increase efficiency and improve care for injured workers. It has created a suite of online tools that help employers better track the progress of injured workers' care. Its proprietary platform also gathers analytics to create "dashboards" that employers can use to monitor the effectiveness of their workers' comp program.

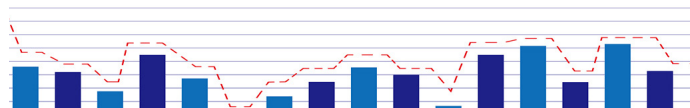
Bardavon was created by Matt Condon, the founder of the successful **ARC Physical Therapy+**. Condon made data analytics an integral part of ARC, which operates a network of physical and occupational therapy (PT/OT) providers that specialize in workers' comp treatment. By collecting data from more than half a million patient visits, ARC uncovered valuable insights that helped it improve its service.

Case in point: ARC discovered that the longer the time between injury and treatment, the longer the treatment time that patient would require.

This data-minded approach worked well for ARC, but the company was limited to the regions where its PT and OT clinics operated. Condon realized the potential of creating a cloud-based platform.

"We could scale that impact—identifying and supporting higher quality medical services through our data analytics platform—by deploying it seamlessly to the patient, provider and payor wherever they lived, via the internet," Condon said.

And that's how Bardavon was born.



Deploying Data

Bardavon better connects employer-clients with networks of PT/OT providers. The platform helps employers "to identify and support the right providers, giving the right care, at the right time, to the patients needing their expertise," said Condon.

Bardavon's solutions identify "best in class" providers in every location where its employer-clients are present. Injured workers receive the expertise they need. Medical care providers are held "accountable to true performance measures related to comprehensive claim success," said Condon. "If we identify clinicians in a given area that aren't providing value, then the employer can simply stop sending them patients."

Catalyst of Change

"We believe that the power of Bardavon's data can and will be a catalyst of change in the broader health care market as well," said Condon. "Undoubtedly, the 'fee for value' outcomes Bardavon is already driving in workers' compensation have enormous potential to influence this same evolution in the broader Medicare/Medicaid and commercial health care segments."

*Pete Dulin is a freelance writer based in Kansas City, Mo. He is also the author of *Kansas City Beer: A History of Brewing in the Heartland*, *KC Ale Trail*, *Last Bite: 100 Recipes from Kansas City's Best Chefs and Cooks*, and *Expedition of Thirst: Exploring Breweries, Wineries and Distilleries in Central Kansas and Missouri*. // www.petedulin.com

[Editor's Note: This article was recently posted to the Business Media, Inc. blog called *thinking bigger* (vol. 26; issue 9). Both Bardavon and ARC Physical Therapy+ are partners with KMIT's POET Program.]

ANNUAL PAYROLL AUDIT - START NOW!

The annual process of auditing the previous year's city payroll starts up again in January (actually with phone calls to cities in December). *This is a normal part of work comp insurance* (with a private insurer or with a self-funded pool, such as KMIT).

KMIT's contracted payroll audit firm is Legacy P&C Partners, Inc. (<http://legacypcpartners.com/>); our longtime auditor, **Carma Drehle-Neth**, will begin preparation by contacting all our member cities in the very near future.

ALL of the KMIT audits are completed by phone, email and fax.

This upcoming audit is to determine your actual **2017 payroll**. The 2017 premium each city paid a year ago was based on estimated payroll for the year. The annual payroll audit is to determine the exact amount of applicable 2017 payroll (adjustments are made by Carma for overtime, vacations and sick leave). Following the audit results, and a KMIT staff re-calculation of the city's 2017 premium (quote), either KMIT or the city will pay the other the difference in actual premium due (your city will get a check or an invoice). That reconciliation will take place sometime around April 1, 2018.

It is quite a task to complete all 160 KMIT member audits, and get all the final accounting done, but it all **MUST** be done in a couple of months, in order for KMIT to complete the required (by state statute) submission of its annual finances to the Kansas Insurance Department. **Please work with Carma to help KMIT get this important and necessary annual job completed well and on schedule.** Contact Carma or Kyle Johnston with any payroll audit questions or issues.



Greg DuMars, Elected as Trustee



Greg DuMars is the City Administrator of Lindsborg, Kansas, and has served in that capacity since 1998. During his tenure he has served on the boards of KACM and the executive committees of KMEA and KMU. He currently serves as the Chair of the KMU Advisory Board. In addition, he is on the APPA Legislation & Resolutions Committee. Greg was actively involved in the founding on the Smoky Valley Community Foundation and has served on several community boards. Greg has been married to his wife Kelly for 32 years and they have three grown children; Ryan, Michael and Danielle.

Randy Frazer Chosen as Next KMIT President

KMIT Executive Committee for 2017/2018

At its meeting in Wichita (immediately following the KMIT Annual Meeting), the KMIT Board of Trustees elected the **KMIT Executive Committee**, all of whom will serve through the October 2018 Annual Meeting:

President: Randy Frazer (City Administrator, Moundridge)

Vice President: David Dillner (City Manager, El Dorado)

Treasurer: Kerry Rozman (City Clerk, Clay Center)

With the term-limited departure of 2016/2017 KMIT President Debbie Price, **Tim Hardy** (City Administrator, Elkhart), will continue on the Executive Committee, in the role of **Immediate Past President**.

Kyle Johnston Named KMIT Administrative Manager

Kyle Johnston has been named as the new KMIT Administrative Manager. Kyle is a Wichita native and Kansas Newman graduate; he has been working 'behind the scene' on various KMIT pool projects and processes for some time, and thus comes in very much acquainted with our Pool.

Kyle succeeds Deanna Furman, who was with KMIT for over nine years (starting in September 2008), during which time she was a highly-valued member of the KMIT team. We wish Deanna all the best in her new career.

KMIT has also changed its 'official' address from Topeka to Wichita, and Kyle works out of the Wichita offices of CORnerstone (IMA).

There is no change in any KMIT process as a result of this move, Kyle will do essentially the same job that Deanna has been doing. Cities should expect this to be a seamless transition.

Kyle's direct line is 316-266-6233, and his email address is Kyle.Johnston@corisksol.com.

Please contact KMIT Pool Administrator Don Osenbaugh if you have any further questions.





Winter 2017

Provided by: Kansas Municipal Insurance Trust

2017 KMIT Loss Prevention Certification Program

Gold-Level Cities



(101 Cities)

Abilene	Edgerton	Independence	Peabody
Altamont	Edwardsville	Jetmore	Pittsburg
Andale	El Dorado	Johnson City	Roeland Park
Andover	Elkhart	Kingman	Rose Hill
Arkansas City	Ellsworth	La Cygne	Russell
Atchison	Florence	Larned	Satanta
Augusta	Fort Scott	Leoti	Sedgwick
Baldwin City	Fowler	Lincoln Center	Sharon Springs
Basehor	Frankfort	Lindsborg	Smith Center
Bel Aire	Fredonia	Maize	Spring Hill
Belle Plaine	Garden City	Marion	St. Francis
Benton	Glasco	Marysville	St. John
Beverly	Goessel	Medicine Lodge	Stafford
Blue Rapids	Goodland	Melvorn	Sterling
Brewster	Grandview Plaza	Minneapolis	Stockton
Chapman	Great Bend	Montezuma	Tipton
Cheney	Greeley	Moundridge	Tonganoxie
Cherryvale	Halstead	Neodesha	Turon
Clay Center	Hamilton	Newton	Ulysses
Clearwater	Harper	Oakley	Valley Center
Conway Springs	Haven	Osage City	WaKeeney
Council Grove	Hays	Osawatomie	Wamego
De Soto	Haysville	Oswego	Wellington
Dodge City	Hiawatha	Palco	
Douglass	Hillsboro	Paola	
Eastborough	Hoisington	Parsons	

Gold-level cities receive a 5% safety discount on next renewal (2018).

Silver-Level Cities



(19 Cities)

Belleville	Glen Elder	Ransom
Bird City	Hill City	Reading
Bonner Springs	Kinsley	Scranton
Concordia	Lucas	Spearville
Esbon	North Newton	Walton
Ford	Oberlin	
Girard	Princeton	

Silver-level cities receive a 3% safety discount on next renewal (2018).

2017 Supervisor Seminar Tour Recap

Each year, the KMIT 'Training Troupe' travels around Kansas at several times during late-spring through early-fall on its annual 'World Tour', the purpose of which is to share work comp concepts, ideas, procedures and Best Practices with KMIT member-city supervisors. We know of no other similar effort, in ANY industry.

'Covering' the 200x400 miles of Kansas is a challenge, and one which KMIT thrives on and enjoys. We attempt to make reasonable regional access available to every city at least once every-other-year; by including six cities on the tour during each training season.

In 2017, those six stops were in **Marysville, Parsons, McPherson, Atchison, Edgerton** and **Cheney**. A total of 222 KMIT supervisors from 56 KMIT cities attended, as did eight other guests.

Next year (2018), the World Tour features a 'Spring/Summer Leg', with stops in **Dodge City** (April 26), **McPherson** (June 28) and **Edwardsville** (August 23); followed by a 'Early Fall Leg', including the cities of **Hays** (September 19), **Augusta** (September 20) and **Ft. Scott** (September 27). All of the 2018 seminars will be 1-4 PM.

To register, contact KMIT Administrative Manager Kyle Johnston. There is NO CHARGE to attend these trainings.

Notice: KMIT Minimum Premium is \$750

About a dozen of KMIT's smallest member-cities are annually billed for the MINIMUM PREMIUM possible with KMIT, which is \$750. If your city received a 2018 invoice for KMIT for \$750, please know that your quote worksheet may not calculate to the minimum premium possible.

Safety Culture: Six Factors

According to a study* cited in a Safety Compliance Alert newsletter several years ago, the safest workplaces have established a positive '**Safety Culture**', and tend to share six common traits:

1. "It **starts at the top**: Corporate (city) leaders demonstrate safety is a value to them;
2. The system **supports the right safety behaviors**;
3. Employees **behave safely consistently**, by their own choice;
4. Employee engagement in **safety is active**, people are encouraged to make valuable contributions;
5. **Conditions allow safe performance**, housekeeping is impeccable; and,
6. People have positive **perceptions of themselves**, their co-workers and the organization; they tend to go beyond the call."

* The study was conducted by Safety Performance Solutions of Blacksburg, VA, and was presented at an annual meeting of the American Society of Safety Engineers (ASSE) by Anne French.

New: KMIT Advisory Board

A KMIT Advisory Board was created and authorized by the KMIT Board of Trustees, at its meeting on August 25.

The Advisory Board now exists to aid in the 'Institutional Memory' of the pool, and to provide a pathway for experienced input over the lifetime of KMIT. [KMIT Trustees are term-limited to three 2-year terms.]

The Advisory Board is comprised of former KMIT Trustees, appointed by the President of KMIT. Debbie Price (2016/2017 KMIT President) and current (2017/2018) KMIT President Randy Frazer have made the initial appointments to the KMIT Advisory Board, and those are:

Steve Archer (now retired), 2006-2010

Toby Dougherty (Hays), 2007-2011

Lana McPherson (De Soto), 2004-2011 [President 2007/2008]

Mac Manning (now retired), 2009-2012

Bobby Busch (Neodesha), 2007-2013 [President 2010/2011]

Carol Eddington (Oswego), 2001-2007 [President 2003/2004]

Larry Paine (Hillsboro), 2007-2014 [President 2012/2013]

Herb Llewellyn (now retired), 2009-2014 [President 2013/2014, representing El Dorado]

Daron Hall (Pittsburg), 2009-2012 [President 2011/2012, representing Ulysses]

Jay Byers (Pittsburg), 2015/2016

Debbie Price (Marysville), 2011-2017 [President 2016/2017]

2018 Renewal Invoices



KMIT mailed out its 2018 Renewal Notices during the first week of December. The notices include a quote, premium-due invoice and certificate of coverage. KMIT invoices are due and payable when received, and are considered past due after January 31. The coverage period begins on January 1, 2018.

Please review your information when you receive it, and contact Kyle Johnston, at 316-266-6233 or Kyle.Johnston@corisksol.com, should you notice any irregularities, or have any questions concerning your quote or statement. The best time to resolve issues is as soon as possible.

Be sure to remember:

1. Checks are to be made payable to 'KMIT';
2. Checks MUST be mailed in care of KMIT's special lockbox:
KMIT
P.O. Box 541
Shawnee Mission, KS 66201-0541

Please check to see if your vendor/address is current; this address changed a number of years ago, but some checks still seem to get mailed to our 'old' bank.



By the Numbers

KMIT Injury Stats by Department Totals (From 1/1/17 to 12/1/17)

Department Name	Severity	Frequency
Police	\$484,919	201
Fire	\$297,820	93
Electric	\$242,672	24
Public Works	\$194,829	56
Water	\$172,786	55
Maintenance	\$161,882	40
Parks	\$152,439	72
Street	\$118,182	66
Sanitation	\$69,712	33
Municipality	\$53,002	5
Emergency	\$36,285	7
Animal Control/Shelter	\$36,210	17
Administration	\$26,227	25
Miscellaneous	\$25,111	29
Cemetery	\$22,061	10
Library	\$21,802	3
Zoo	\$2,806	9
Housing Administration	\$1,691	1
Power Plant	\$1,302	2
Golf	\$1,302	3
Plant Operator	\$1,300	2
Village Cafe	\$1,300	1
Senior Center	\$1,300	1
Totals	\$2,126,938	755

KMIT Nature of Injury Totals (From 1/1/17 to 12/1/17)

Accident Type	Severity	Frequency
Sprain	\$488,810	122
Strain	\$426,681	82
Contusion	\$198,903	91
Fracture	\$188,712	15
Mult Physical Injuries Only	\$180,448	58
All Other	\$162,375	119
Laceration	\$93,767	75
Puncture	\$49,966	47
Dislocation	\$49,456	4
Burn	\$35,488	11
Inflammation	\$34,947	8
Foreign Body	\$34,187	36
Electric Shock	\$31,900	3
Crushing	\$28,406	14
Cardiovascular Disease	\$23,300	2
Broken Tooth	\$18,300	2
Severance	\$16,859	1
Gunshot Wound	\$15,469	1
Chemical Exposure	\$14,200	8
Heat Prostration	\$9,600	6
Dermatitis	\$9,600	13
Abrasion/Scratch	\$9,164	29
Exposure To Bodily Fluid	\$6,400	8
Totals	\$2,126,938	755

KMIT Balance Sheet (As of 11/30/17)

Assets	
Checking Accounts	\$437,753
Investments	\$14,790,189
Accrued Interest	\$123,469
Accounts Receivable	\$378
Excess Premium Receivable	\$23,739
Specific Recoverable	\$326,387
Aggregate Recoverable	\$7,849
Prepaid Expenses	\$52,159
Total Assets	\$15,761,923

Liabilities & Equity	
Accounts Payable	\$(1,437)
Excess Premium Payable	—
Reserve for Losses	\$3,538,340
IBNR Reserve	\$5,300,827
Deposits on Premium	\$444,805
Accrued Taxes and Assessments	\$293,546
Total Liabilities	\$9,576,081
Total Equity (NET WORTH)	\$6,185,842
Total Liabilities and Equity	\$15,761,923

Immediate Reporting - A Good Thing!

A “Magic Bullet” To Reduce Workers’ Compensation Costs

Workers’ compensation is a “no fault” system. Every state has laws and regulations mandating the prompt reporting of all injuries and accidents. Most of these laws are in place to protect the rights and benefits of injured workers. What many employers do not realize is that **IMMEDIATE reporting of all injuries can actually be a ‘magic bullet’** that helps reduce their workers’ compensation costs.

Barriers to Reporting. A significant barrier to reporting of claims is the economics of workers’ compensation. Workers’ compensation claims are expensive. In some organizations, the losses can impact the company’s experience rating modification and coverage costs, impact the company’s risk management budget, reduce the profitability of the division or can impact the bonuses of the front-line supervisors and managers. As a result, ***an unintended message can be sent to workers that they are discouraged from reporting accidents.***

Economics of Delayed Reporting. Employers can face additional fines and penalties for late reporting, but that is not the only economic impact of delays. In a recent study, the National Council on Compensation Insurance (NCCI) showed that delayed reporting can increase workers’ compensation claims costs up to 51%. The study also reported that ***the longer a claim goes unreported, the more likely it will be to involve litigation***, also increasing overall claims costs.

Safety (Investigation). One of the most important benefits of immediate reporting is the ability to determine where there was a safety program failure and what could’ve been done to help prevent the accident. Forensic analysis of all accidents helps employers significantly reduce their claims frequency.

Compensability (Investigation). In workers’ compensation, few things are more vexing to employers than believing a claim is not legitimate, yet it is accepted as compensable. Delays in reporting of claims can make it significantly more difficult for the claims administrator to accurately determine if the claim is legitimate. As time goes by, potential witnesses may not be identified, witnesses’ memories become fuzzy, hard evidence can be spoiled. There are differing statutes of limitations in each state. If claims are not reported to the claims administrator immediately and denied within the appropriate timelines, it is possible that some will be considered compensable as an operation of law.

Improved Medical Control and Better Medical Outcomes. Immediate reporting of claims improves the timeliness and quality of medical care. This helps reduce the number of lost time days, as well as reduce the exposure for permanent disability. In many jurisdictions, it is possible that delays in providing care can void the employer’s control of medical care. Providing quality care at the right time also helps reduce litigation rates.

Prompt and Accurate Benefit Provision. Immediate reporting allows the claims administrator to provide prompt, accurate benefits to injured workers. This signifies to the workers that the employer cares about their health and safety and reduces the potential for litigation.

Subrogation. Immediate reporting allows the claims administrator to identify potential subrogation cases and preserve evidence involving a third party.

Best Practices

Establish A Precedent: Upon hiring, as part of the intake process, educate every employee that they are required to report all injuries immediately.

Message From The Top: The chief executive and management staff should regularly reinforce the importance of prompt reporting of all injuries.

Analyze Gaps: Any delayed reporting should be analyzed to determine if there is a gap in the education process. Treat these cases as an opportunity to educate.

(This article was originally published in the August 25, 2017 online newsletter *Sedgwick Connection*, and was written by William Zachry, Senior Fellow, Sedgwick Institute. It has been lightly edited for publication in *CompControl*.)