The City of Las Vegas has a Workers' Compensation Program that is both self-insurance and self-administered. We are the only self-administered city government in Nevada. Clark County is not self-administered and neither are most of the counties in Nevada.

The City has 254 open claims as of June 30, 2013. We are self-insured for the first $1,000,000 per claim for non-public safety employees and for the first $4,000,000 per claim for public safety employees.

Average 3 year Annual Claims expenditure:	$ 5,433,294
Actual expenditure in FY 2013:	$ 5,914,337
Annual Administrative Expense: (salaries, etc.)	$ 440,000

This financial picture is affected by self-administration in several ways. We do not have the full complement of expertise on staff or contract.

Medical Review: We do not have a medical doctor reviewing claims decisions or working with providers to better vet claims, treatment plans and other medical decisions. We have a nurse case manager with expertise in occupational health but no process of routine review or protocol on certain types of cases.

Provider Panel: We have assembled a panel of medical doctors that accept the Nevada Worker's Comp fee schedule and have negotiated some individual arrangements with some of the providers. However, we do not buy access to a specific network for which performance standards are established. Our negotiation is home-grown, without market expertise. We have no negotiation leverage outside of Nevada, yet we have public safety retirees living out of state with open, life-long claims. We have injured employees who live in Nevada but who need care only provided outside the state. There are claimants frequently going to UCLA and affiliated hospitals along with specialty care in Texas and Utah.

Credentialing: The process of provider credentialing can be involved. We do not have credentialing expertise on staff. We are not current on verifying medical licensure or Board eligibility or certification. We do not confirm liability insurance of the physicians or provider practices that we use.

Hearings and appeals: We don't have the administrative expertise or the headcount to present cases to the Hearing Officers or the Appeals Officers. Instead, we use outside counsel. While he is competent and affordable, he is more than we need to have for many of the cases.

Functions outside of claims adjusting: There are a number of functions that require specific expertise to be completed effectively. Preparation and submission of subsequent injury claims, frequent submission of excess carrier claims, required reporting to outside agencies are tasks that can recoup significant amounts of money. We are not effective at these functions. To be successful, an additional staff person would be required, increasing our administrative expenses.

Other concerns with self- administration are not immediately financial but could be disruptive.

Analysis: We have very limited data analysis ability. iVos software continues to be expensive and limited in function. Reports for trending and predictive analysis are not available. The scanning process is cumbersome. There are limited internal controls for outgoing payments.

Dependence on specific staff: There are two claims adjusters who are fully competent as claims adjusters and are cross-trained on all the functions. However, the complexity and confidentiality of workers' comp claims makes it very difficult to train and maintain back-up staff in the event that one of the adjusters were to be out unexpectedly. This could cause regulatory deadlines to be missed and individual claimants to receive benefits late and providers to go unpaid. All that results in fines and additional fees. We also have to rely on them to be as up to date as possible on changing regulations and best practices.

Arms Length: There is additional pressure inherent in being self-administered. Denied claims create managerial pressure and employee unhappiness. The pressure could be an influence on the adjusters who work here and report to the same boss at the end of the day. There is also the possibility that an adjuster's personal opinion of a coworker could influence the claims management process. There are no concerns with the current adjusters and their professionalism. On paper, it has to be acknowledged that each of the adjusters have an immediate family member who also works for the City. It invites scrutiny even when none is necessary.