

BOARD OF DIRECTORS'

MEETING AGENDA

July 19, 2022



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

Public Meeting

Board of Directors

July 19, 2022, 10:00 a.m.

William P. Clements Building, Room 103

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 April 19, 2022, meeting
4. Presentation and discussion of Agency Operations Report
5. New business
 - 5.1 Presentation, discussion, and action on Fiscal Year 2023 assessment totals
 - 5.2 Discussion and possible action regarding the upcoming Legislative Appropriations Request
6. 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
7. Old business
8. Public comment*
9. Discussion and possible action on future meeting dates
10. Adjournment

Individuals who may require auxiliary aids or services for this meeting should contact Carolyn Regimand at (512) 936-1537 or carolyn.regimand@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. Regimand 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
William Brown	02/01/2027	San Antonio
Honorable Ricardo Galindo III	02/01/2025	San Antonio
Tomas Gonzalez	02/01/2023	El Paso
Gerald Ladner, Sr.	02/01/2027	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 April 19, 2022, meeting

Information

Attached are the minutes from the April, 2022, meeting.

Action Required

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



**Minutes of the Public Meeting
on
April 19, 2022**

<https://www.youtube.com/watch?v=qM9dlvH93pk>

The following Board of Directors meeting was a hybrid meeting conducted via Zoom and in-person

Board Members present via in-person were Lloyd Garland (Chair) and Gerald Ladner. Board Members present via Zoom were William Brown, Ricardo Galindo and Tomas Gonzalez.

Item 1. Board Chair Garland called the public meeting to order at 10:02 a.m. on April 19, 2022. Board Chair Garland recognized Members present. A quorum was established.

Deea Western (Chief of Legal Services and General Counsel) asked Board Chair Garland to address each member of the virtual Board Members to identify the county they are currently in as it pertains to the exception within Section 551.127 of the Government Code Open Meetings Act: Rick Galindo (Bexar County), William Brown (Bexar County), Tomas Gonzalez (El Paso County), Board Chair Garland (Lubbock County) and Gerald Ladner (Travis County).

Deea Western (Chief of Legal Services and General Counsel) explained the exception within Section 551.127 of the Government Code Open Meetings Act. Allows a video conference Board meeting when we do not have a quorum present with the Chairmen when there are three counties involved in the participation of the meeting. We do fall within that exception because we are represented in Travis County, El Paso County and Bexar County.

Opening Remarks Stephen Vollbrecht (Executive Director and State Risk Manager) introduced Shelby Hyman (Director of Public Relations and COOP Task Force Leader) to cover expectations during the Board meeting for those in-person and online.

Item 2. The board acknowledged the absence of the entire Board from the January 2022 meeting as they exercised their ability to miss one Board meeting per year. No action.

Item 3. Board Chair Garland asked for any comments or changes to the Minutes of the October 05, 2021, meeting. Hearing no changes, Board Member Ladner moved to accept. Board Member Brown seconded the motion, which carried without objection (3-0 vote).

Item 4. Agency Operations Report:

Stephen Vollbrecht (Executive Director and State Risk Manager) introduced the Agency Operations Report (AOR) highlighting status and upcoming reports on the Risk Management Information System (RMIS)

Todd Holt (Deputy Executive Director) and Keith Despain (Director of Project Management) presented an update on current activities with the transition to Origami. Mr. Holt introduced Shelby Hyman (Director of Public Relations and COOP Task Force Leader) to update the board on the role and responsibilities of the Public Relations department as they have evolved in response to COVID-19 and training needs, COOP update on Council conference in FY 23, and Public Relations outreach in partnership with the Department of Information Resources.

Stuart B. Cargile (Chief of Internal Operations) and Linda Griffin (Director of Talent Management) introduced new employees, provided a list of current vacancies, provided updates to turnover and additional approaches to recruitment efforts around DE&I (Diversity, Equity, and Inclusion) and the internal culture of SORM. 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 department support with a focus on the RMIS transition and current projects such as cybersecurity. DIR (Department of Information Resources) and OAG (Office of Attorney General) are working closely with SORM on cybersecurity updates and training for staff. Mr. Ramirez also updated the board on vulnerability awareness.

James Cox (Chief of Strategic Programs) presented an update on Risk Management on behalf of Marc Guyot (Director of Enterprise Risk) who is out today. Mr. Cox presented an update on visit counts, internal audits, and recruitment efforts, plus an update on the Statewide Insurance Program including participant lines, property renewals, notary applications, and insurance purchases. Mr. Cox introduced Lydia Scranton (Director of Claims Operations) to provide an update on current workers' compensation claims. Ms. Scranton detailed the COVID-19 legislation impact and expired exceptions with a claim overview.

Deea Western (Chief of Legal Services and General Counsel) presented information on Litigation Management, Benefit Review Conferences, Special Investigation and Recovery Services. Ms. Western introduced Janine Lyckman (Director of Medical Quality Assurance) to provide an update on cost savings, Network vs. Non-network counts, and prescription savings. Ms. Western introduced Tshau Todman (Regulatory Liaison) to present an update on indemnity files, compliance, and audits. Ms. Western introduced Kathy Cordova (Director of Compliance Management) to give an update on contracts for VPET (Vendor Performance Evaluation Tool), and cybersecurity insurance.

Item 5. New Business:

5.1 Board Member Ladner asked that each member of the Board reintroduce themselves due to technology connection issues and for the record. Presentation, discussion, and action on remaining Fiscal Year 2022 assessment totals. Lori Shaw (Director of Financial Management and Chief Financial Officer) reduces claims cost to \$37M, administrative cost stays the same at 45%, with Board approval. Board Member Ladner moved to accept proposal on remaining Fiscal Year 2022 assessment totals. Board Member Galindo

seconded the motion, which carried without objection (4-0). For the record per Executive Director Stephen Vollbrecht, Board Member Brown needed to step out for a meeting and should not be shown as present and cannot be counted as present, however quorum is still maintained.

5.2 Deea Western (Chief of Legal Services and General Counsel) presented information on the annual actuarial study and asked the Board to delegate authority to Executive Director, Stephen Vollbrecht to negotiate and execute a contract. Board Member Ladner moved to accept proposal. Board Member Galindo seconded the motion, which carried without objection (4-0). For the record per Board Chair Garland, Board Member Brown needed to step out for a meeting and should not be shown as present and cannot be counted as present, however quorum is still maintained.

5.3 Deea Western (Chief of Legal Services and General Counsel) presented information on ISO Claims Index where SORM reports workers' compensation claims. Per Executive Director Stephen Vollbrecht, Board Member Mr. Brown has rejoined the meeting. Asked Board to delegate authority to Executive Director, Stephen Vollbrecht to negotiate and execute a contract for the Claims Index. Board Member Ladner moved to accept proposal. Board Member Galindo seconded the motion, which carried without objection (4-0). Board Member Brown stepped away, but quorum still maintained.

5.4 Deea Western (Chief of Legal Services and General Counsel) presented information on the purchase of server infrastructure upgrade because the one-time purchase exceeds the \$30,000 threshold and needs Board approval. Asked Board to delegate authority to Executive Director, Stephen Vollbrecht to negotiate and execute the purchase of a new server. Board Member Ladner moved to accept proposal. Board Member Galindo seconded the motion, which carried without objection (4-0). Board Member Brown has rejoined the meeting. New thresholds will be provided by Deea Western (Chief of Legal Services and General Counsel) during the next Board meeting.

5.5 Kathleen Cordova (Director, Compliance Management) asked the Board for approval of administrative rule revision change title from Risk Management for Texas State Agencies to TERM (Texas Enterprise Risk Management Guidelines). Board Member Ladner moved to accept proposal. Board Member Galindo seconded the motion, which carried without objection (4-0).

5.6 Survey of Employee Engagement provided to the Board. Executive Director, Stephen Vollbrecht asked if the Board had any issues with the report. Board Chair Garland stated none; no action required.

Item 6 No Old Business

Item 7 No Public Comment

Item 8 Future Meeting Dates. Discussion on suggested dates for the next board meeting. Board Chair Garland set July 19, 2022 as the next tentative meeting date with a back-up of July 26, 2022.

Item 9 Board Chair Garland adjourned the meeting at 12:18 p.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 FY22Q3
TO THE
SORM BOARD OF DIRECTORS**

July 19, 2022



EXECUTIVE OFFICE

I. CONTINUING EDUCATION OPPORTUNITIES (CEUs)

The Office received feedback from the Survey of Employee Engagement that staff were interested in expanded training opportunities, including continuing education (CE) credit. Upon receiving this feedback, leadership conducted research and entered into an agreement with the Insurance Institutes to offer SORM staff the ability to enroll in 150+ insurance and risk management courses approved for Texas CE credits. The CEU Unlimited Access Program provides staff with the convenience of 24/7 online training designed by industry experts.

II. RECENT LEGISLATIVE CONVERSATIONS

Chief of Legal Services, Deea Western, testified before the Senate Committee on Business and Industry and provided an overview of workers' compensation claims filed under Senate Bill 22 and the compensability of COVID-19 cases pursuant to legislative intent. Chief of Strategic Programs, James Cox, also testified before the House Committee on Business and Industry on statewide cybersecurity and cyber liability insurance, assuring the committee that discussions are ongoing between SORM and the Department of Information Resources (DIR) to share in the vision to enhance cyber protections allowing for better business planning and continuity of operations.

III. LEADERSHIP TRANSITIONS

Recent leadership transition has allowed opportunities for advancement of existing staff and the onboarding of new staff. The Office is pleased to announce interim positions for the Chief of Internal Operations, Director of Financial Management, Director of Project Management, and Director of Enterprise Risk.

IV. INTERNATIONAL INSURANCE NEGOTIATIONS

In May 2022, Executive Director, Stephen Vollbrecht, traveled abroad to discuss the statewide insurance program with international stakeholders. Mr. Vollbrecht was able to successfully expand international relationships and obtain interest in the potential placement of a statewide cyber liability policy.

V. EXECUTIVE COMPENSATION

The compensation of the executive director, specifically the salary limits, creates salary compression and directly impacts the ability to market and recruit staff in the current market. Leadership has conducted initial research on executive compensation in various related state agencies with the intent to benchmark a pay structure that is representative of the responsibilities of the executive director position.

VII. RMIS IMPLEMENTATION PROJECT

Lastly, with the incredible dedication of SORM staff and leadership, the Office successfully launched Phase I of the new RMIS Implementation Project and made progress in retiring legacy programs. This project was an enormous undertaking and required profound commitment and collaboration from the entire agency.

PROJECT MANAGEMENT

I. RMIS IMPLEMENTATION PROJECT UPDATE

A. PROJECT EXECUTION

We are excited to report that on May 2, 2022, the RMIS Implementation Project for Phase 1 moved to production. We are focused on stabilizing the production processes and working with Origami to complete the Warranty defects that have been identified.

B. PROJECT MONITOR AND CONTROL

We are actively managing our Scope, Budget, and Timeline utilizing our internal Project Monitor and Control processes.

In addition to the RMIS project, the Project Management Team is charged with facilitating other SORM project activity. The SORM project activity statistics are presented below. Our project numbers did increase in FY22Q3 from the prior quarter. Out of the 8 projects opened in FY22Q3, 6 are directly supporting the Origami system implementation.

Quarterly Statistics by Status

		Opened	Complete	Withdrawn	In Progress	On Hold	Pending Approval	Not Started
FY19	Prior to FY20Q1	7	0	1	1	0	0	0
FY20	Q1	56	6	9	4	8	0	1
	Q2	23	24	0	0	1	1	0
	Q3	21	17	1	1	1	0	0
	Q4	7	17	1	0	1	1	1
FY21	Q1	21	9	8	1	2	0	2
	Q2	9	7	0	1	0	2	1
	Q3	9	8	0	2	1	0	0
	Q4	13	10	1	3	0	0	0
FY22	Q1	4	5	0	0	1	0	1
	Q2	6	2	0	2	2	0	0
	Q3	8	14	0	6	0	0	0
TOTAL		184	119	21	17	17	4	6

Quarterly Statistics by Category

		External Audit Finding	Legislative Requirement	New RMIS	SORM Must Have	Other
FY19	Prior to FY20Q1	2	1	1	2	1
FY20	Q1	3	12	9	13	19
	Q2	0	2	0	12	9
	Q3	1	1	14	3	2
	Q4	0	0	3	1	3
FY21	Q1	0	1	6	5	9
	Q2	0	1	3	4	1
	Q3	0	0	5	3	1
	Q4	0	1	10	2	0
FY22	Q1	0	0	3	1	0
	Q2	0	0	3	0	3
	Q3	0	1	6	1	0
TOTAL		6	20	63	47	48

PUBLIC RELATIONS

I. TRAINING

As the Office shifted to offer key training on a regular basis, SORM training consultants noticed a marked increase in participation of Additional Duty Safety Officer (ADSO) Orientation during FY22Q3. This regularly scheduled open enrollment course provides participants a reliable schedule of one of our most frequently requested classes. In addition, the Workers' Compensation Claims Coordinator Training was finalized as a self-paced online course in FY22Q3 on our Learning Management System (LMS). This training was previously only offered once or twice a year but is now available year-round on the LMS as an independent study non-credit course. The online course was released on June 1, 2022, so training numbers for the class will be reported in the FY22Q4 Agency Operations Report.

Instructor Led Agency Training FY22Q3

Virtual Course Name	Classes Taught	Students
15 Passenger Van Safety	2	29
Additional Duty Safety Officer (ADSO) Orientation	2	89
Conflict Resolution	1	2
Driving Safety	7	280
Heat Stress and Heat-Related Illness	1	3
Lock Out/Tag Out	1	9
TOTAL	13	412

Self-Paced LMS Training FY22Q3

Virtual Course Name	Students
Driving Safety	204
TOTAL	204

II. STATEWIDE CONTINUITY OF OPERATIONS (COOP) PROGRAM

The agency continuity specialist completed revisions of the agency COOP plan and secured a new space for alternate location tech equipment. The Continuity Council continues to have engaging participation in monthly meetings and are targeting a continuity conference at the end of FY23 or beginning of FY24.

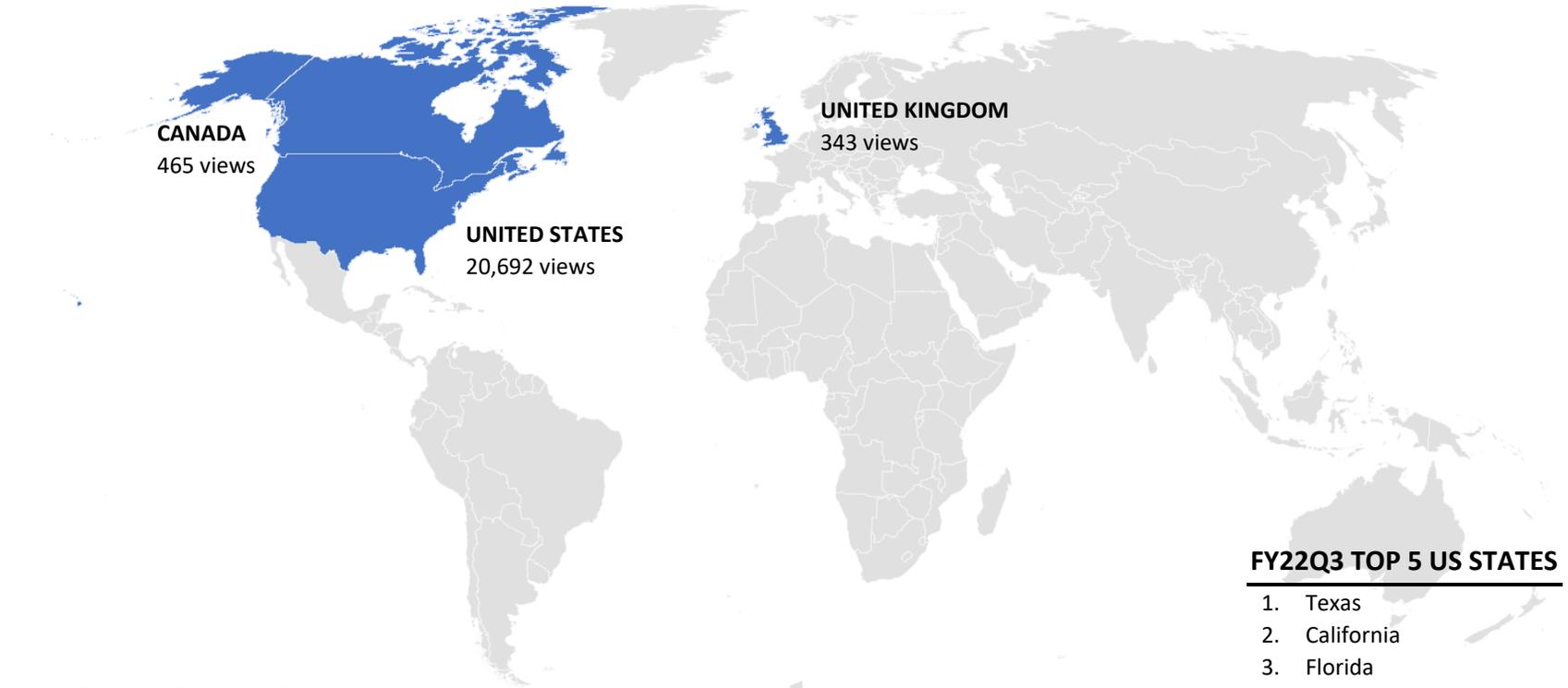
FY22Q3 COOP Activity

Plans Evaluated	8
Exercises Evaluated	2
Outreach/Presentations	4
Individual Consultations	6
Continuity Council and Committee Meetings	9
Internal SORM COOP Meetings	13

III. PUBLIC RELATIONS OUTREACH

During FY22Q3, the legislature invited SORM to testify during the interim on two issues related to the Office. The Office testified before the Senate Committee on Business and Industry on Senate Bill 22 which deals with COVID-19 workers' compensation claims. The Office also testified before the House Committee on Business and Commerce on statewide cybersecurity and cyber liability insurance. We will continue to work with legislative and other leadership on these issues through the interim as well as through the next legislative session.

IV. YOUTUBE ANALYTICS



FY22Q3 TOP 3 VIDEOS

How to Survive an Active Shooter	16,808 views
How to Prevent Heat-Related Illness	3,199 views
Same Level Slips, Trips and Falls	2,138 views

FY22Q3 TOP 5 US STATES

1. Texas
2. California
3. Florida
4. New York
5. Maryland

FY21Q3 TOTAL

Total views	27,342
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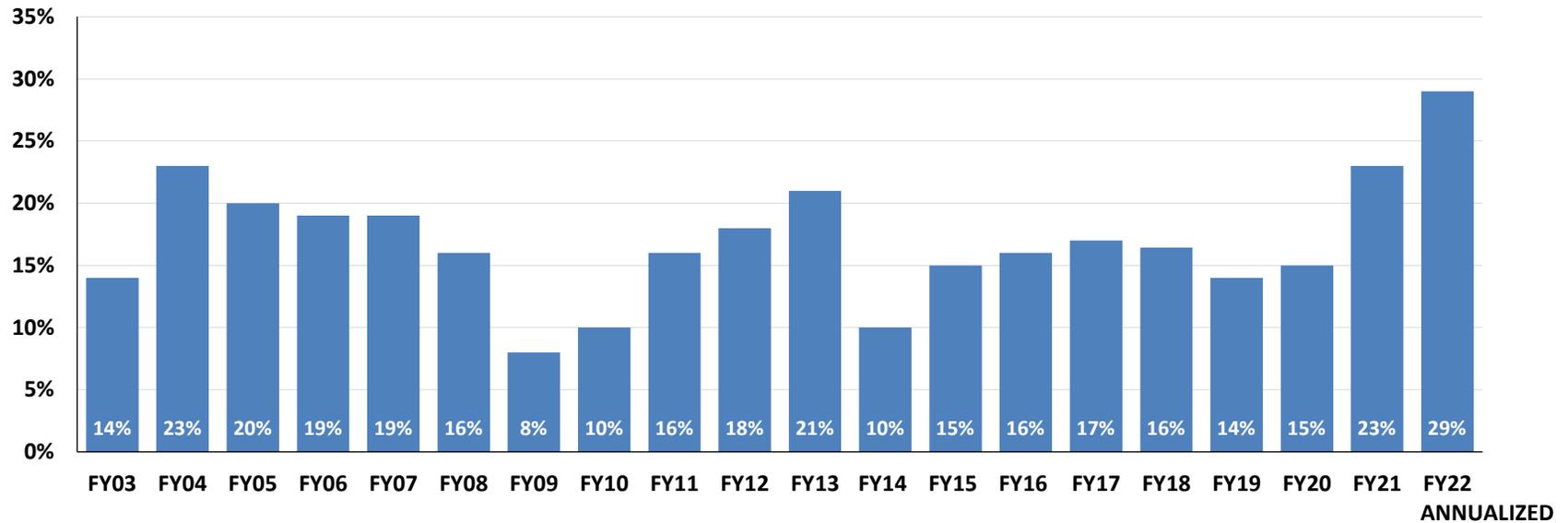


INTERNAL OPERATIONS

TALENT MANAGEMENT

New Hires	Vacancies
Chris Martin, Interim Director of Enterprise Risk	Chief, Internal Operations
Patrick Juren, Enterprise Insurance Account Manager	Director, Litigation Management
Helena LeFleur, Enterprise Risk Specialist	Systems Administrator
Jessica Castilleja Dunn, Senior Staff Attorney	Systems Support Specialist
Amy Norman, Senior Staff Attorney	Claims Adjuster (5)
Bhagheerathy Balakrishnan, Data Analyst	Lead Cost Containment Specialist
Anthony Bennett, Accountant	Medical Clean Bill Specialist
Isabel Leal, Document Specialist	Document Specialist
Christian Oliphant, Document Specialist	

Annual Turnover Rates



FINANCIAL MANAGEMENT

FY22 AGENCY (CONSOLIDATED) BUDGET MAY 31, 2022

Objects of Expense	Initial Budget:	Adjustments Transfers (+ In, - Out)	Revised Budget:	Expenditures Year to Date @ 5/31/22	Encumbrances @ 5/31/22	Remaining Budget @ 5/31/22	Unpaid Expenses Incurred	Percent of Budget Expended/Incurred	Percent of Fiscal Year Elapsed
Salaries & Wages	7,557,391	0	7,557,391	4,234,400	0	3,322,991	528,285	63.0%	75.0%
Other Personnel Costs	400,000	0	400,000	587,795	0	(187,795)	29,914	154.4%	75.0%
Professional Services	1,650,000	405,000	2,055,000	1,086,851	409,584	558,565	179,826	61.6%	75.0%
Consumable Supplies	40,000	0	40,000	20,290	5,487	14,223	15	50.8%	75.0%
Utilities	5,600	0	5,600	3,205	2,349	46	187	60.6%	75.0%
Travel	90,350	0	90,350	24,424	0	65,926	7,049	34.8%	75.0%
Rental of Space	720	0	720	540	0	180	0	75.0%	75.0%
Rental of Equipment	24,000	0	24,000	12,253	3,587	8,161	0	51.1%	75.0%
Operating Costs	3,024,916	(405,000)	2,619,916	1,193,842	261,249	1,164,825	206,881	53.5%	75.0%
Capital Expenditures	99,000	0	99,000	0	61,815	37,185	0	0.0%	75.0%
TOTAL	12,891,977	0	12,891,977	7,163,599	744,071	4,984,307	952,157	63.0%	75.0%

Objects of Expense	Initial Budget:	Adjustments Transfers (+ In, - Out)	Revised Budget:	Expenditures Year to Date @ 5/31/22		Remaining Budget @ 5/31/22		Percent of Budget Expended/Incurred	Percent of Fiscal Year Elapsed
Indemnity	19,390,817	0	19,390,817	13,659,164		5,731,653		70.4%	75.0%
Medical	21,176,933	0	21,176,933	11,259,707		9,917,226		53.2%	75.0%
Total Exps.	40,567,750	0	40,567,750	24,918,871		15,648,879		61.4%	75.0%
Subrogation and Restitution	(567,750)	0	(567,750)	(343,243)		(224,507)		60.5%	75.0%
NET TOTAL	40,000,000	0	40,000,000	24,575,628		15,424,372		61.4%	75.0%

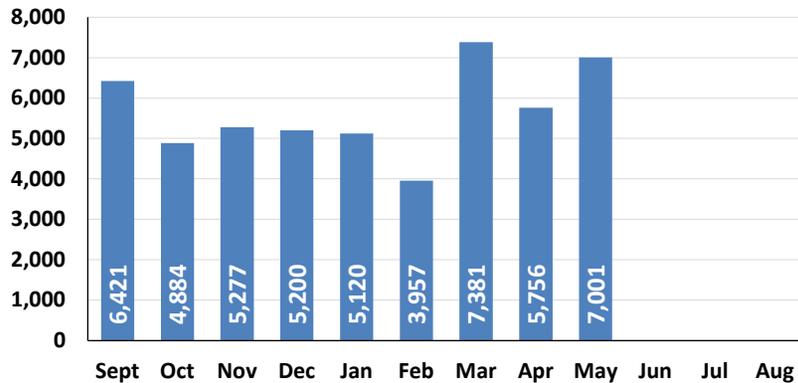
FY22 PROJECTION

Actual Costs as of 6/24/22 12 Months	Based on even distribution	Based on 15 year avg. (FY2007 - FY2021)	Based on 10 year avg. (FY2012 - FY2021)	Based on 5 year avg. (FY2017 - FY2021)	Worst Case Assumed
Indemnity	81.37%	81.65%	81.63%	81.51%	81.37%
Medical	81.37%	82.74%	83.16%	83.11%	81.37%
Recovery	81.37%	84.18%	79.76%	85.35%	100.00%

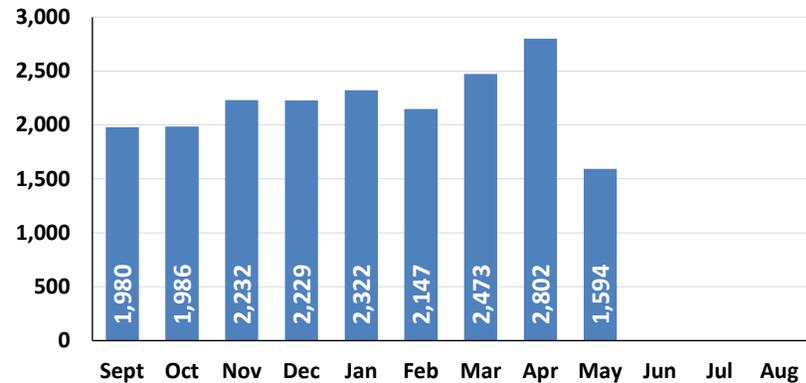
FY22 Projections

Indemnity	14,943,510	18,364,920	18,301,074	18,306,391	18,333,233	18,364,920
Medical	12,241,741	15,044,563	14,795,059	14,720,811	14,729,192	15,044,563
Recovery	(353,280)	(434,166)	(419,655)	(442,934)	(413,923.58)	(353,280)
	26,831,970	32,975,317	32,676,478	32,584,269	32,648,502	33,056,203
Average of four different projection bases and "worst case"						32,788,154
Gross costs only	27,185,251	33,409,483	33,096,133	33,027,203	33,062,425	33,393,904
Average of four different projection bases and "worst case"						33,200,946

Medical Bills Processed FY22
Total 50,997



Indemnity Bills Processed FY22
Total 19,769



INFORMATION TECHNOLOGY

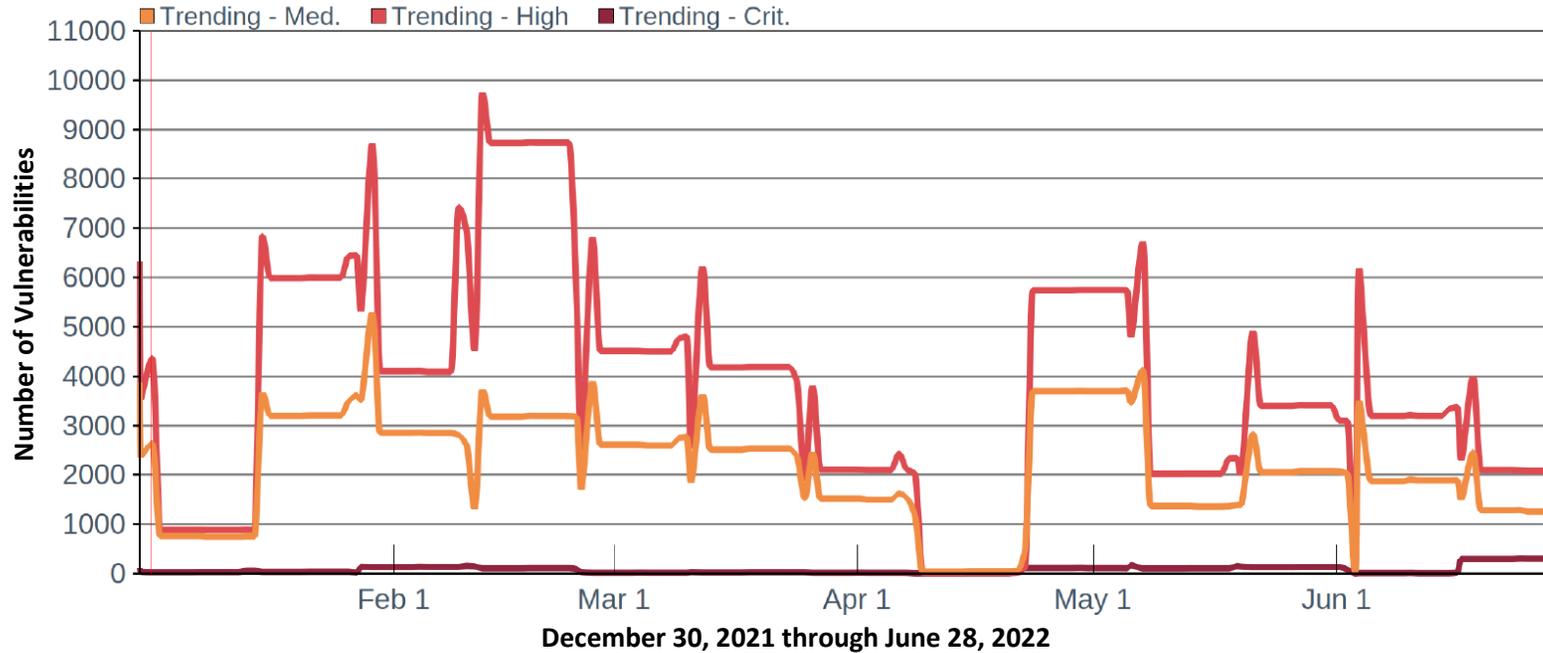
I. ONGOING AGENCY SUPPORT

Information Technology (IT) continues to support the agency operations through infrastructure support, processing, and reporting. Significant areas of activity in FY22Q3 include:

Area	Task
Equipment – Servers, desktops, laptops, and peripherals	<ul style="list-style-type: none"> • Moved the Disaster Recovery (DR) servers offsite to a DIR secure location • Replaced malfunctioned parts for servers and workstations • Managed and supported server and PC infrastructure
Software changes (mainframe, web, client/server, and PC applications)	<ul style="list-style-type: none"> • Created new computer programs for the new CAPPs Financials implementation, and coordinated with the Comptroller’s Office and OAG to test and validate • Completed code and process improvements for SORM applications • Updated web/mainframe development projects in Team Foundation Sever (TFS)
Origami Implementation	<ul style="list-style-type: none"> • Worked with OAG, Origami, and the Comptroller’s Office to migrate the payment processes and payment data to the new Origami RMIS system • Tested and documented user access, modules, and processes within Origami • Validated migrated SORM FileNet data in Origami • Went live with Phase 1 of Origami: Provided final data, updated computer processes, and validated both data and processes for readiness to Go-Live • Conducted post-Phase 1 implementation tasks, including validation of data and automated processes in Origami • Analyzed and migrated current reports and workflows to the new Origami RMIS system • Updated relevant documentation related to processes, procedures, and tasks related to the Origami implementation
Cybersecurity	<ul style="list-style-type: none"> • Completed and submitted to DIR the biennial Information Security Plan for SORM • Provided the annual security awareness training to all SORM staff and submitted the completion report to DIR • 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

Area	Task
Other Items	<ul style="list-style-type: none"> Completed and submitted the Information Resources Deployment Review (IRDR) to DIR Provided software, email, and application support to SORM staff Supported the external website server and/or database changes Supported Microsoft TEAMS and SharePoint, including the Intranet

Vulnerabilities Trending Per Month (6 Months)



Current Vulnerabilities

	Low	Medium	High	Critical
< 7 Days	0	4	0	7
8 - 14 Days	27	90	116	91
15 - 21 Days	0	10	6	3
22 - 30 Days	0	12	12	0

Mitigated Vulnerabilities

	Low	Medium	High	Critical
< 7 Days	0	0	2	2
8 - 14 Days	5	87	68	84
15 - 21 Days	0	1	5	6
22 - 30 Days	0	0	0	0

II. ANTICIPATED ACTIVITY

In addition to routine support functions congruent with operations for the Office, we anticipate the following activities during FY22Q4 and beyond:

- A. Provide post-implementation support to SORM staff for the new Origami RMIS system
- B. Complete Origami migration from Staging to Live environment
- C. Begin Origami Phase 2 Implementation
- D. Update computer hardware/software to improve our security posture post Origami implementation
- E. Build the new Employee Checklist with Talent Management as the champion
- F. Continue supporting external website and intranet server/database
- G. Continue supporting the new Learning Management System (LMS) server/database



STRATEGIC PROGRAMS

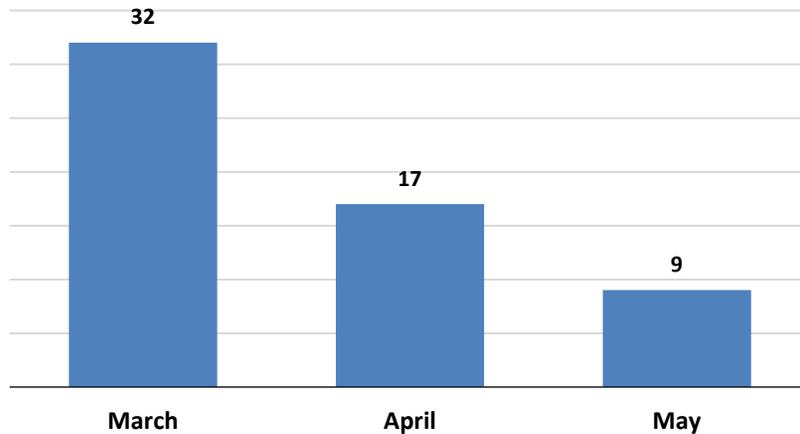
ENTERPRISE RISK

I. STATEWIDE RISK MANAGEMENT PROGRAM

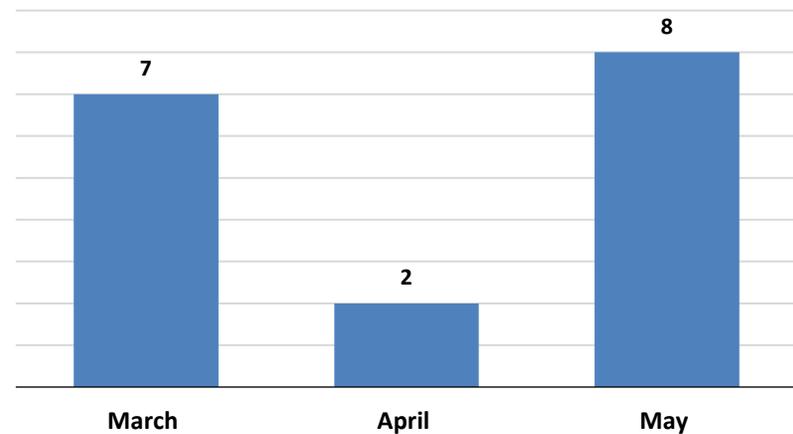
On-Site Consultations (OSCs) and Risk Management Program Reviews (RMPRs)

	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
OSCs	20	18	15	9	14	13	31	30	15	72% of annual goal of 229 OSCs
RMPRs	0	0	2	1	0	2	3	2	2	56% of annual goal of 25 RMPRs

Recommendations Given FY22Q3



Closed Recommendations FY22Q3

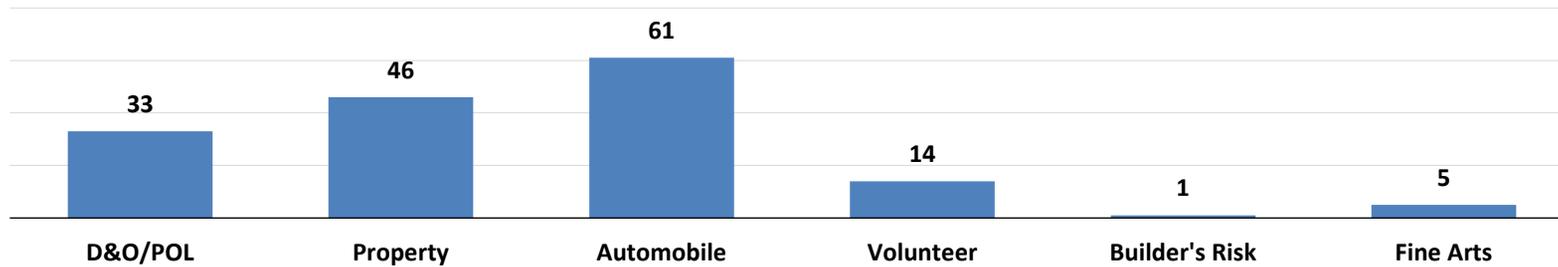


Category of Recommendations FY22Q3

COOP	0
Environmental	1
Insurance	3
Risk Management	9
Safety	41
Policy/Procedure/Training	4

II. STATEWIDE INSURANCE PROGRAM

A. PARTICIPANTS IN STATEWIDE INSURANCE LINES FY22Q3



B. MONITORING

537 notary applications were processed during FY22Q3

C. INSURANCE PURCHASES

SORM 201s processed: 6
 SORM 201s approved and premium paid: 6 for \$143,248

SORM 201s FY22Q3

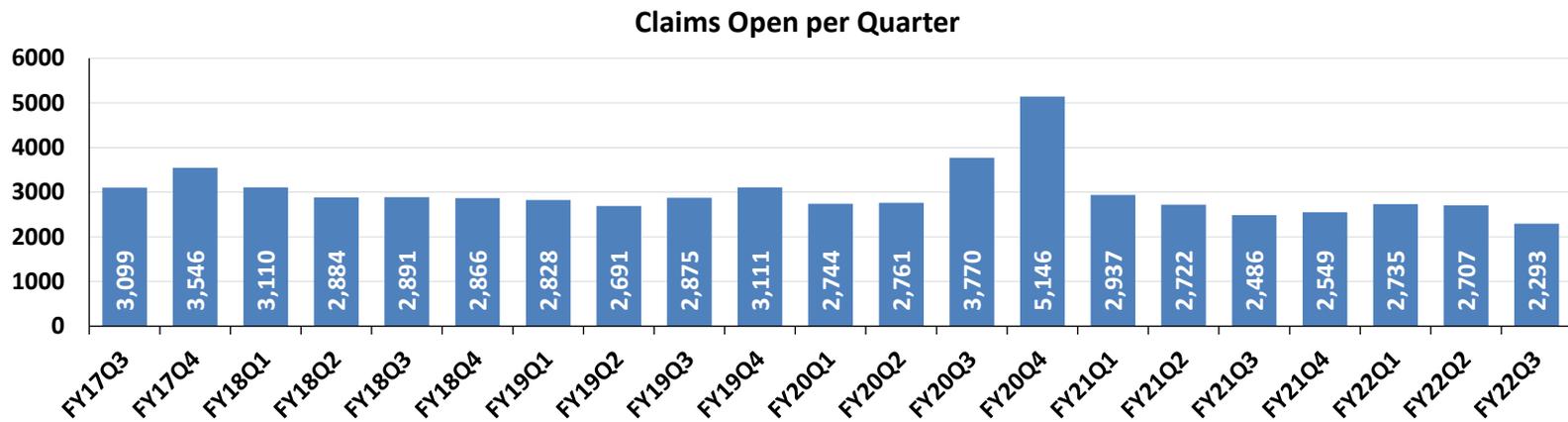
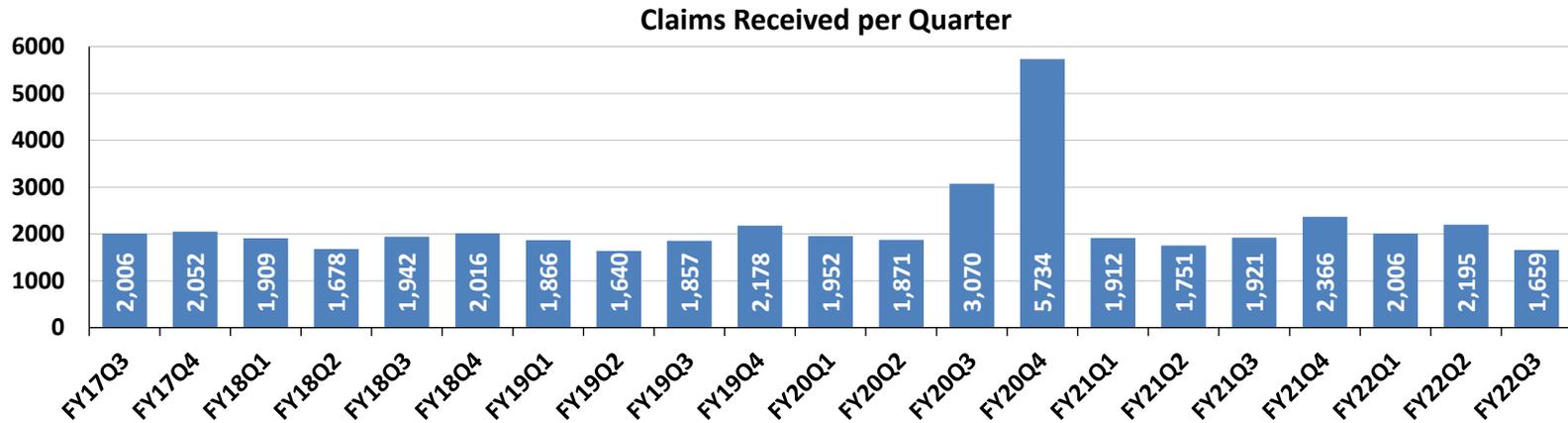
Line of Insurance	Approved	Comments	Premium
Cyber	✓	The policy transfers some of the risk related to covering expenses, such as notification and forensics, if there is a privacy event, security incident, or breach.	\$36,858
Inland Marine	✓	This coverage is to protect a unique collection, while on display and in storage.	\$56,418
Hull, Protection & Indemnity	✓	Commercial hull, protection and indemnity (P&I) coverage protects the vessel owner against legal liabilities arising out of negligence in the operation of a vessel.	\$36,050
Hull, Protection & Indemnity	✓	Commercial hull, protection and indemnity (P&I) coverage protects the vessel owner against legal liabilities arising out of negligence in the operation of a vessel.	\$3,367
Cyber	✓	The policy transfers some of the risk related to covering expenses, such as notification and forensics, if there is a privacy event, security incident, or breach.	\$9,946
Sports Camp Accident	✓	This policy provides coverage for children's summer camp activities conducted on the agency's campus. This protects the agency against liability claims for bodily injury.	\$609
TOTAL			\$143,248

CLAIMS OPERATIONS

I. CLAIMS OPERATIONS ACTIVE WORKLOAD FY22Q3

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

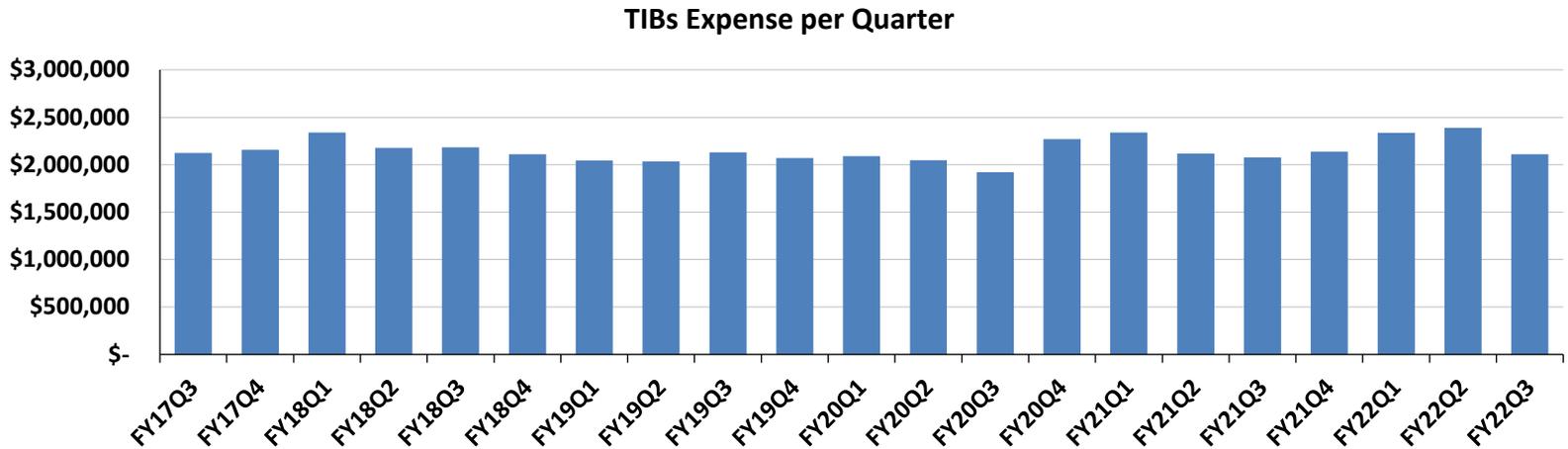
- A. SORM received 1,659 injury reports (claims) in FY22Q3, a decrease from the number of injury reports received in FY22Q2 (2,195)
- B. 1,029 claims were accepted
- C. 1,655 claims were inactivated
- D. SORM had 2,293 open claims at the end of FY22Q3



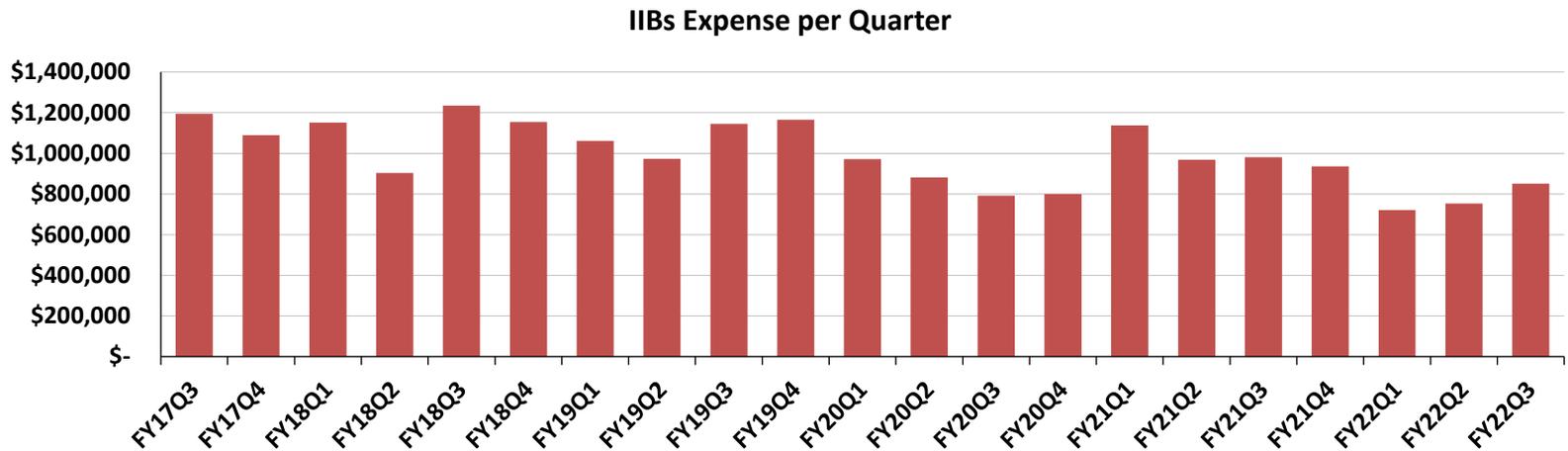
II. ANALYSIS OF INCOME BENEFITS EXPENSES FOR FY22Q3

- A. FY22Q3 reflects a slight decrease in TIBs indemnity costs from FY22Q2
- B. TIBs payments were \$2,108,490 and IIBs payments were \$850,847 in FY22Q3
- C. At the end of FY22Q3, there were 495 TIBs, 150 IIBs, 23 SIBs with payment, 11 LIBs, and 104 DIBs claims open

Temporary Income Benefits (TIBs) expenditures for FY22Q3 totaled \$2,108,490 on 495 claims

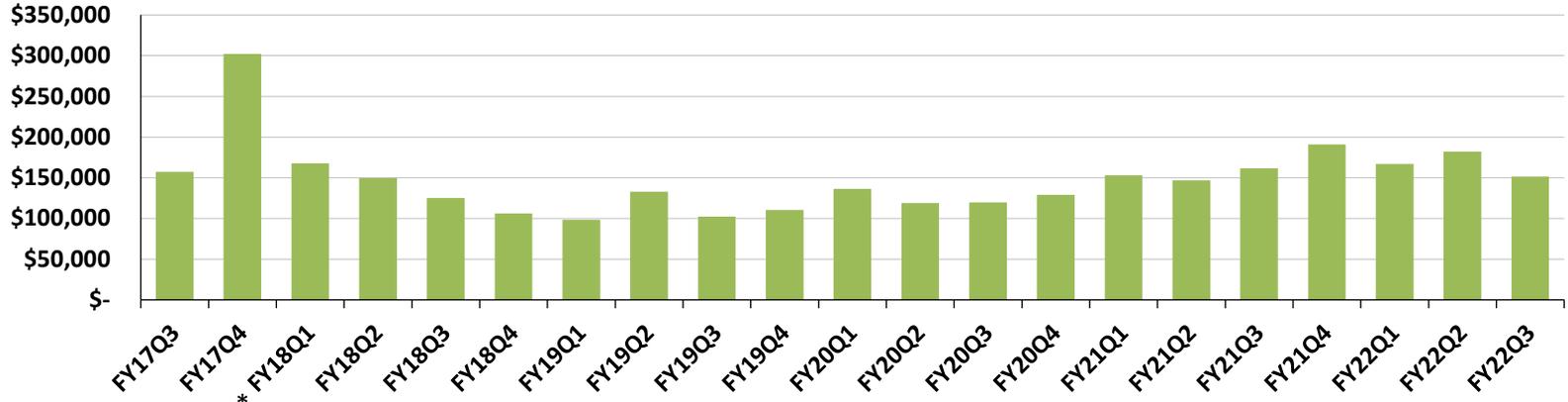


Impairment Income Benefits (IIBs) expenditures for FY22Q3 totaled \$850,847 on 150 claims



Supplemental Income Benefits (SIBs) expenditures for FY22Q3 totaled \$151,324 on 23 claims

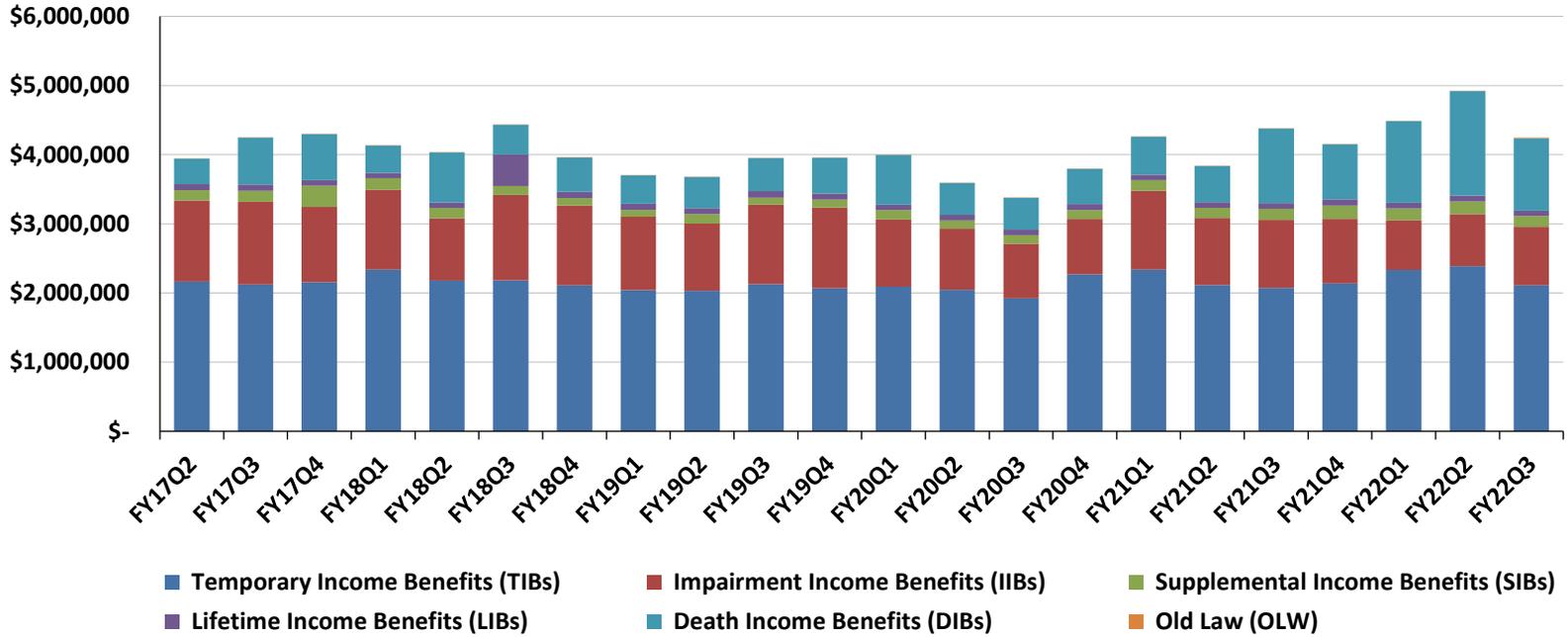
SIBs Expense per Quarter



*FY17Q4 – nine quarters paid due to CCH ruling

Combined indemnity expenditures for FY22Q3 totaled \$4,249,469 on 747 claims

Combined Indemnity Expense per Quarter





LITIGATION MANAGEMENT

I. BENEFIT DISPUTE RESOLUTION FY22Q3

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

Top 5 BRC Issues FY22Q3		Amount
Maximum Medical Improvement/Impairment Rating		17
Extent of Injury/Maximum Medical Improvement/Impairment Rating		12
Extent of Injury		10
SIBs Entitlement		5
Existence of Injury/Disability		3

Top 5 CCH Issues FY22Q3		Amount
Extent of Injury/Maximum Medical Improvement/Impairment Rating		9
Extent of Injury		8
Maximum Medical Improvement/Impairment Rating		4
SIBs Entitlement		3
Existence of Injury/MMI/IR/Disability		2

II. SPECIAL INVESTIGATIONS

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

FY22Q3	Pending	Opened	Closed	Criminal/Administrative Referrals
Fraud Investigations	8	6	6	0 Referrals

III. RECOVERY SERVICES

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.

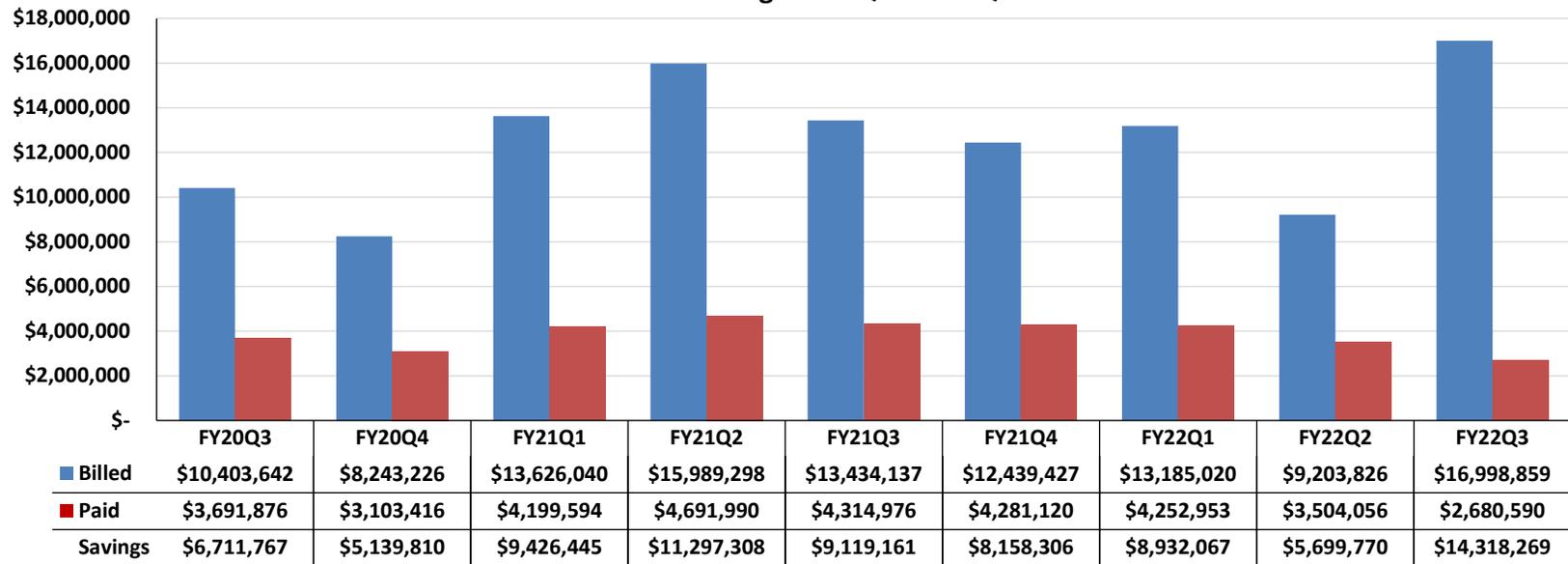
	FY22Q1	FY22Q2	FY22Q3	FY22Q4	YTD Total
TOTALS	\$63,150	\$150,080	\$130,013		\$343,243

COST CONTAINMENT

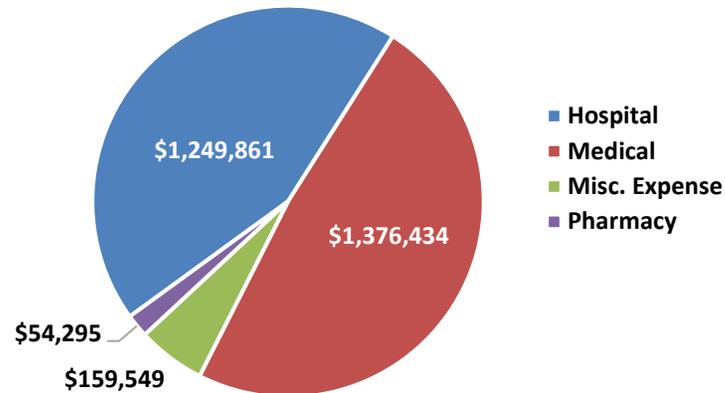
I. MEDICAL COSTS

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

Total Medical Cost Savings FY20Q3 - FY22Q3

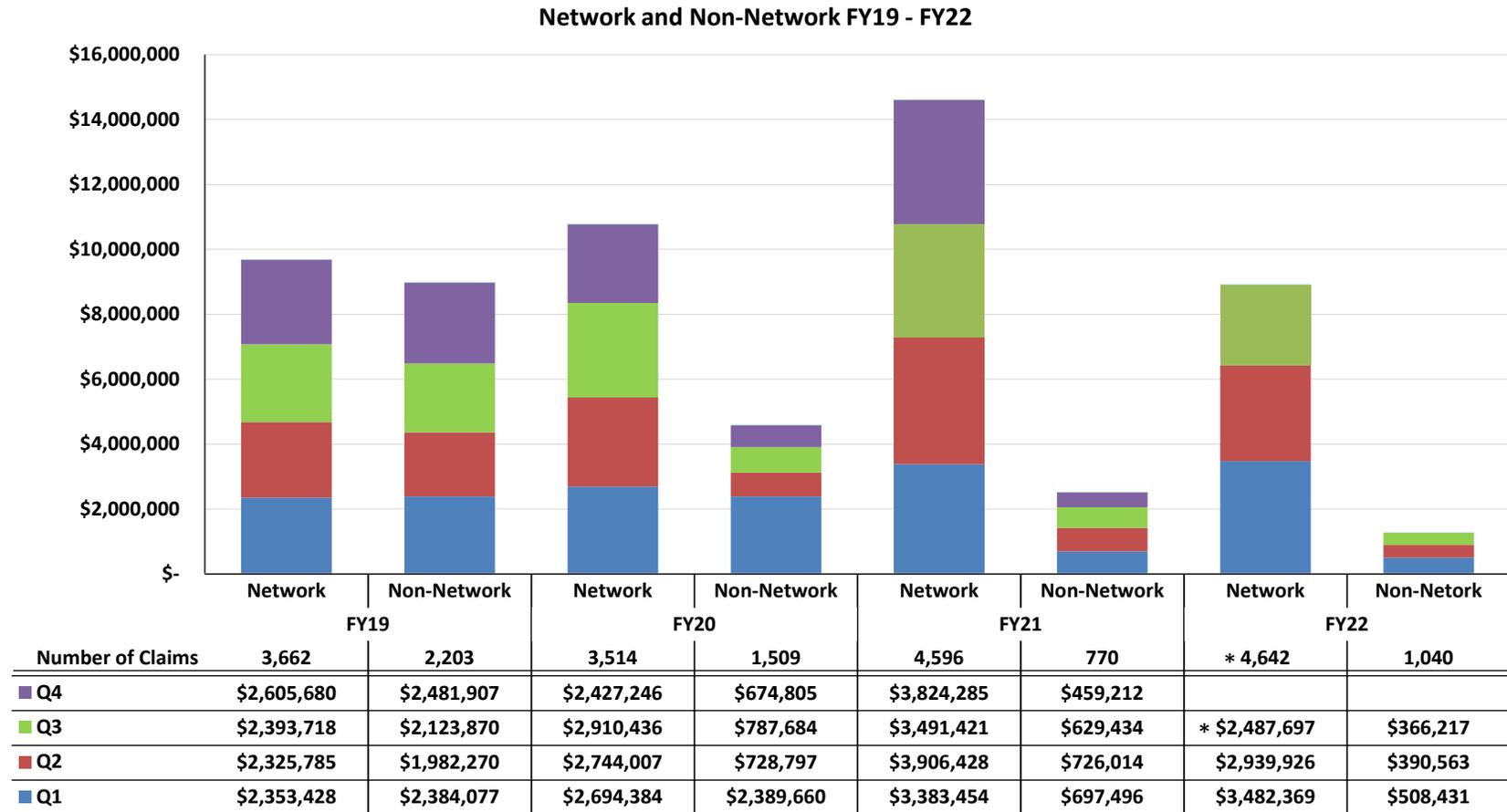


Medical Payments FY22Q3



II. NETWORK AND NON-NETWORK DATA

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

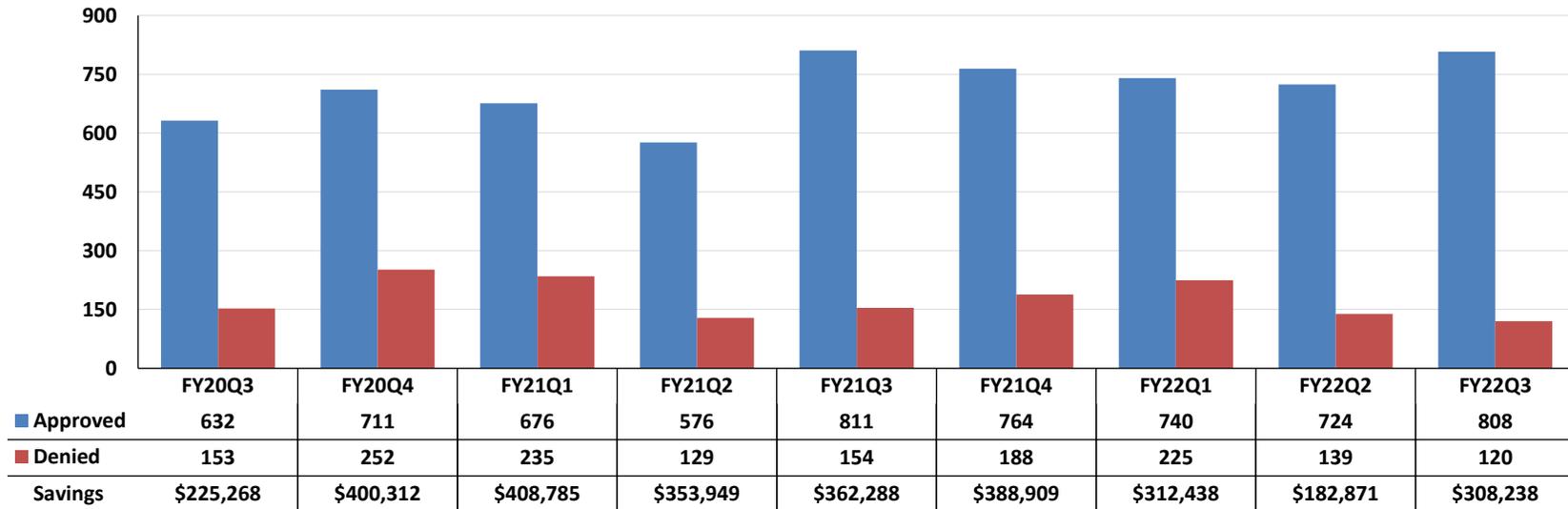


*This includes all bills identified in Origami that were processed for network and non-network claims during this quarter.

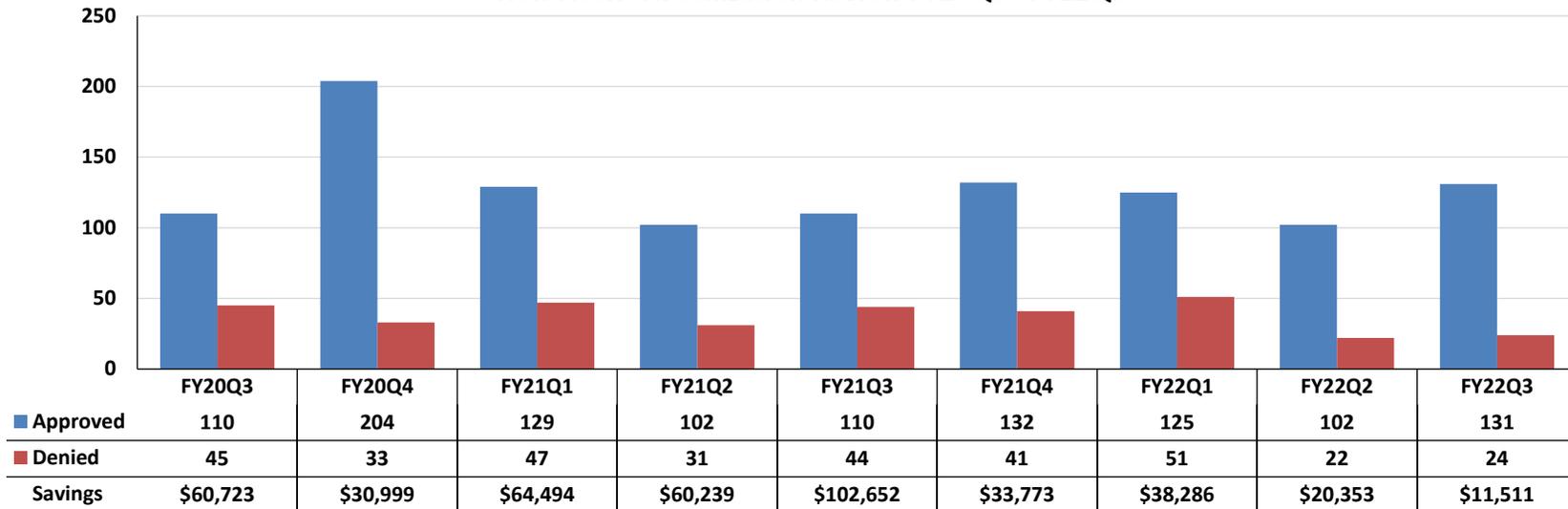
III. PREAUTHORIZATION

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 FY20Q3 - FY22Q3



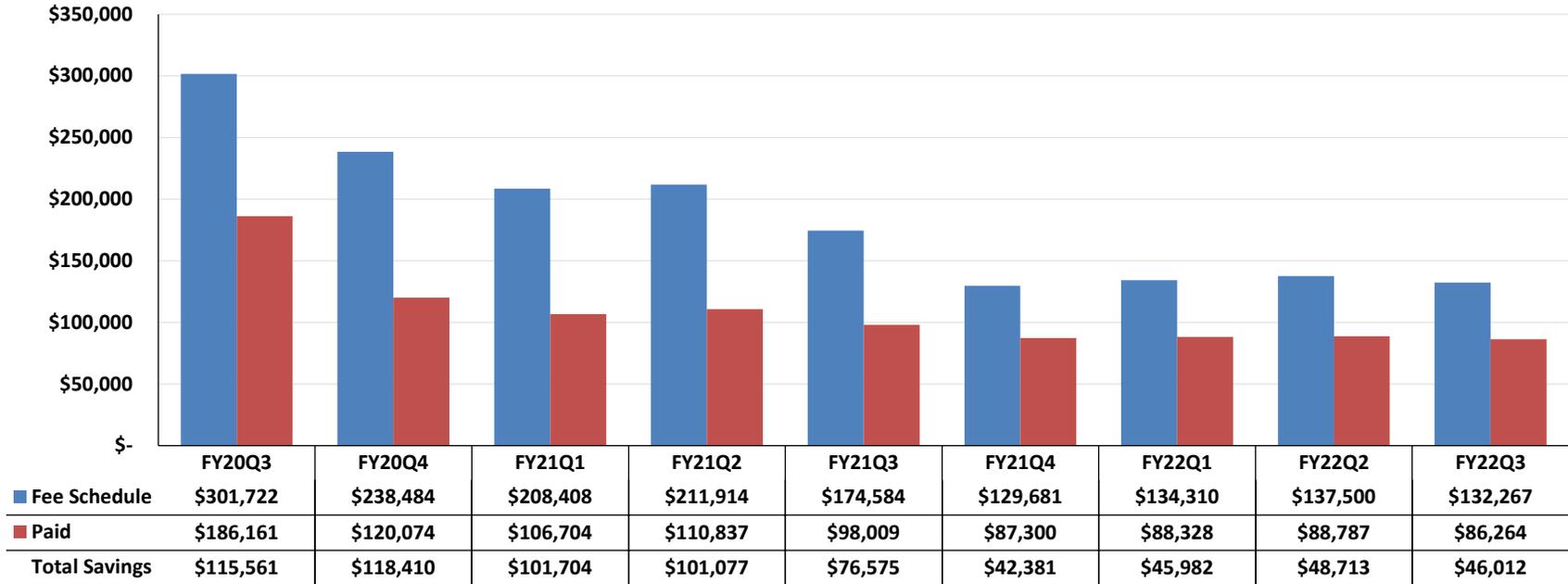
Non-Network Utilization Review FY20Q3 - FY22Q3



IV. PHARMACY BENEFIT MANAGEMENT

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

PBM Cost Savings FY20Q3 - FY22Q3



V. MEDICAL DISPUTE RESOLUTION FY22Q3

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	8 Non-Network Providers
Medical Necessity Disputes	2 Non-Network IRO
	0 Network IRO

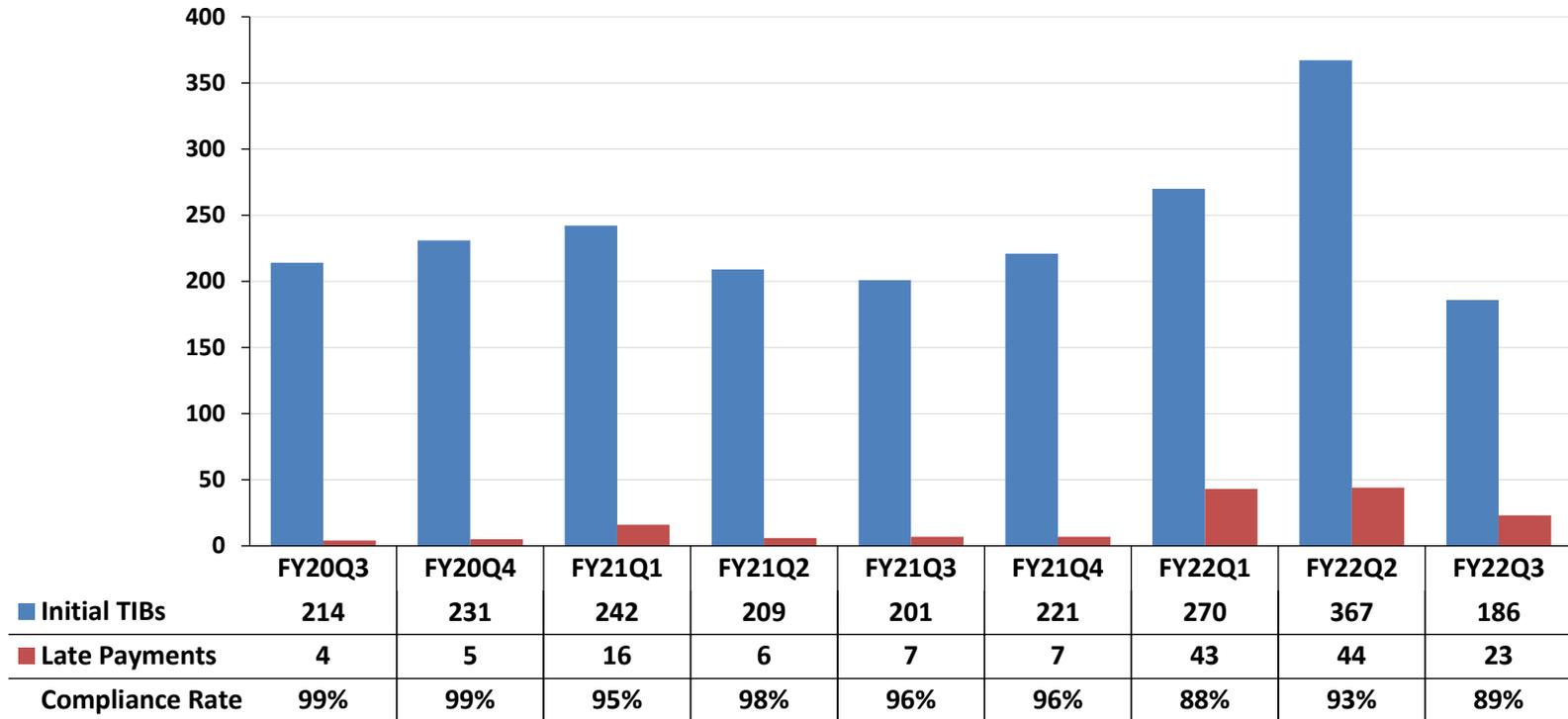
COMPLIANCE MANAGEMENT

I. REGULATORY COMPLIANCE

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 & Late Payments



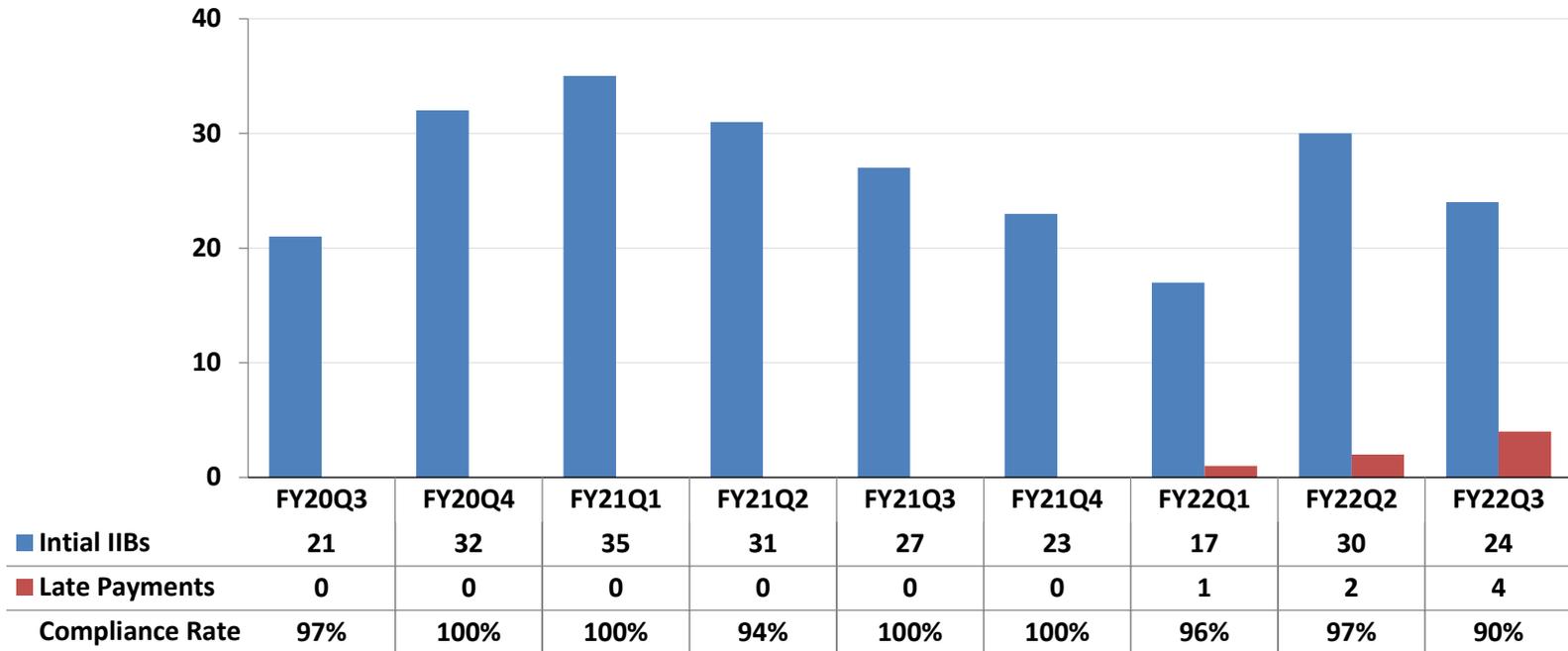
TIBs Late Payments FY22Q3

Carrier	19
Employer	4
System	0
No Fault/Misc.	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



IIBs Late Payments FY22Q2

Carrier	3
System	1
No Fault/Misc.	0

II. CONTRACT ADMINISTRATION

Area	Task
Procurement and Contracts	<ul style="list-style-type: none">• Update to Contract Management Handbook• CTCM Training Registration
Vendor Performance Monitoring	<ul style="list-style-type: none">• Certificates of Insurance• Cybersecurity Training
Vendor Performance Reporting	<ul style="list-style-type: none">• 3 Internal Annual Reports• 1 Annual Report to CPA



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5. New business

5.1 Presentation, discussion, and action on remaining Fiscal Year 2023 assessment totals

Information

Darwin Hamilton, Interim Director, Financial Management, 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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5. New business (continued)

5.2 Discussion and possible action regarding the upcoming Legislative Appropriations Request

Information

Darwin Hamilton, Interim Director, Financial Management will present.

Action Required

The Chair may entertain motions for consideration and acceptance.



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6. 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.

Action Required

No official action permitted.



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6. Executive Session (continued) 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 Required

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



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7. Old business

Information

Staff is available to address any questions or concerns from the previous meeting.

Action Required

No official action requested, at this time.



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8. 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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9. 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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Tentative Board of Directors Meeting Dates FY22Q4

Month	Day of Week	Date	Notes
October	Tuesday	4	
	Tuesday	11	
	Tuesday	18	
	Tuesday	25	

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.



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10. Adjourn meeting

The Chair:

1. Calls the meeting adjourned and announces time