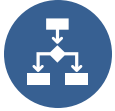# AGENCY OPERATIONS REPORT FY23Q1
TO THE
SORM BOARD OF DIRECTORS

January 17, 2023

EXECUTIVE ADMINISTRATION

EXECUTIVE OFFICE

I. AGENCY BIENNIAL REPORT

The agency Biennial Report has been filed in accordance with all legislative requirements. A copy has been provided to the members and is posted on the agency website. Notable recommendations for this session include self-insured retentions, a revisit of the state-owned property study, cyber risk, and air quality.

II. RECRUITMENT AND RETENTION INITIATIVE

The agency Recruitment and Retention Initiative was formally commenced by the agency Leadership Council. Primary recommendations have been received and reviewed by executive management, and execution is pending for all existing and potential staff. This will be the most significant agency-wide reinvestment in staffing resources since the last formal equity analysis in 2016, and will additionally include a focus on career growth opportunities, performance management, and operational frameworks. In addition, the agency has brought on board a new Performance Management and Recruiting Specialist.

III. PEOPLE AND CULTURE INITIATIVE

The People and Culture Specialist has started to formally develop the agency ABIDE Program (Accountability, Belonging, Inclusion, Diversity, and Equity) resources, after introducing the new agency culture statement unveiled at the last board meeting.

IV. EMPLOYEE DEVELOPMENT

Multiple efforts are underway to partner with several resources to provide educational and other advancement potentials for agency staff, including but not limited to management, operational training, and other certification opportunities.

V. INSURANCE NEGOTIATIONS AND DEVELOPMENT

Insurance negotiations are scheduled to occur from January 20 – 27. Further details on developments will be provided.

PROJECT MANAGEMENT

I.   RMIS IMPLEMENTATION PROJECT UPDATE

A.   PROJECT EXECUTION
The Project Management (PM) team completed one implementation in this quarter. In Origami, a portal was established for client agencies to submit claimant wage information. PM also established a steering committee to scope the requirements for client agency access to the Origami system in the future. PM staff are also working with Origami to strategically scope and plan the remaining phases of the Origami migration project.

B.   PROJECT MONITOR AND CONTROL
PM staff are using the Project Monitor and Control Process to actively manage scope, budget, and timelines in a consistent and measurable framework.

In addition to the Origami migration, PM facilitates, monitors, and reports on project activity across the agency. The SORM project activity statistics are presented below. Overall, project numbers showed a decrease from the prior quarter.

Quarterly Statistics by Status

		Opened	Complete	Withdrawn	In Progress	On Hold	Pending Approval	Not Started
2019	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	9	1	2	0	1
	Q2	9	7	0	1	0	2	1
	Q3	9	8	0	1	1	0	0
	Q4	13	10	1	0	0	0	0
FY22	Q1	4	5	0	0	1	0	1
	Q2	6	2	0	1	2	0	0
	Q3	8	14	0	2	0	0	0
	Q4	13	7	0	11	0	0	0
FY23	Q1	2	9	0	0	0	0	1
	TOTAL	199	135	22	23	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
	Q4	0	1	5	3	4
FY23	**Q1**	0	1	1	0	0
	TOTAL	**6**	**22**	**69**	**50**	**52**

AGENCY RELATIONS

I. TRAINING

During FY23Q1, Agency Relations began laying the foundation for new internal training and development initiatives designed to support Talent Management and employee growth. The newly assigned Internal Training Consultant, Courtney Page, successfully onboarded nine new hires and coordinated with Alliance Work Partners to offer leadership training in February 2023. In addition, Ms. Page is coordinating continuing education initiatives for staff to not only maintain current licensing, but to offer educational opportunities for career advancement. The Office continues to support and encourage employees to seek higher education and advanced certifications. Agency Relations also continues to develop new virtual training in the Learning Management System for both internal and external stakeholders.

Instructor Led Agency Training for FY23Q1

Course Name	Classes Taught	Students
15 Passenger Van Safety	2	25
Driving Safety	7	368
HazCom	1	108
TOTAL	**10**	**501**

Self-Paced Learning Management System Training FY23Q1

Virtual Course Name	Students
Driving Safety	168
Workers' Compensation Claims Coordinator Training	2
TOTAL	**82**

II. STATEWIDE CONTINUITY OF OPERATIONS (COOP) PROGRAM

In FY23Q1, the Continuity Council Committee worked with the Office to update the group's charter which now includes three sub-committees to help guide the state's efforts in continuity education and outreach: The Education Sub-Committee will create additional courses to supplement FEMA course offerings; the Recruiting Sub-Committee will ensure outreach to all levels of government, non-profit, and private industry; and the Programs Sub-Committee will ensure monthly meeting topics are responsive to the group's needs.

The Office also initiated cross-sector collaboration with fellow continuity coordinators and emergency managers where both groups can implement Incident Command System approaches to benefit Continuity and Emergency Management Programs.

Internal COOP initiatives include updating the COOP plan for better preparation for incidents and preparing for a continuity exercise at the end of January to test several IT functions required for our Mission Essential Functions.
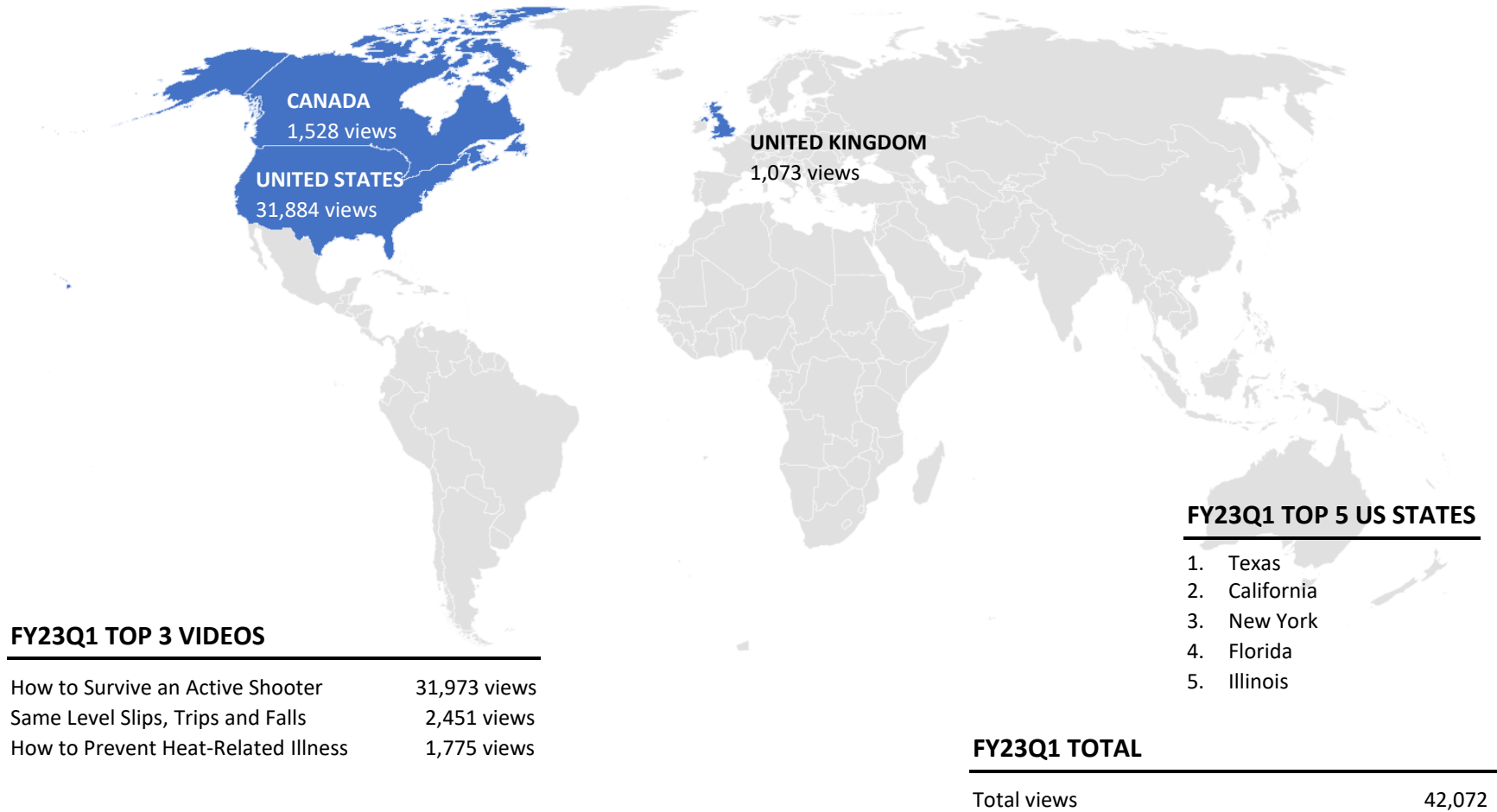
FY23Q1 COOP Activity

Plans Evaluated	9
Exercises Evaluated	4
Outreach/Presentations	8
Individual Consultations	4
Continuity Council and Committee Meetings	7
Internal SORM COOP Meetings	11

III. AGENCY RELATIONS OUTREACH

With a vacancy for the Agency Liaison position, the Office is receiving assistance from Legal Services on bill analysis while Financial Management is assisting with fiscal notes for the 88th Legislature's regular session. The Office remains available to the legislative members for advisory and informational briefings.
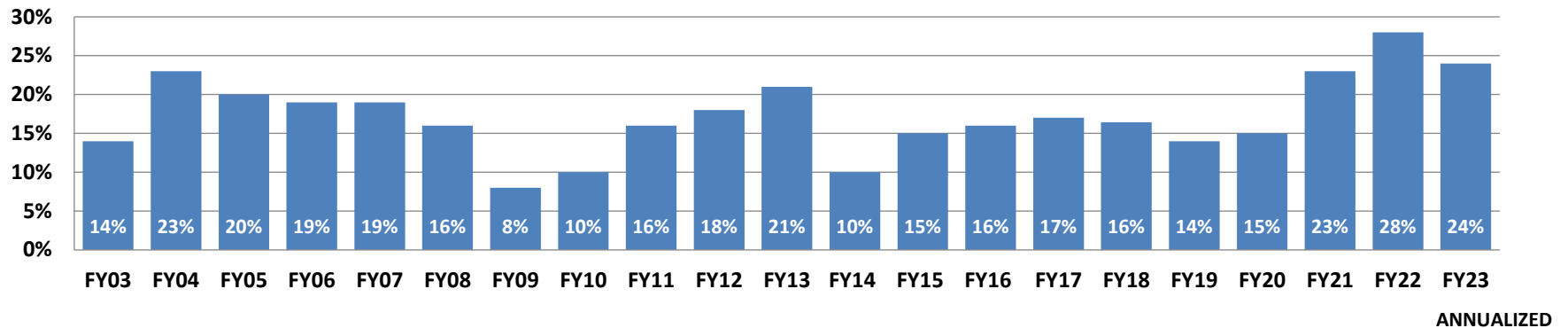
YOUTUBE ANALYTICS

CANADA
1,528 views

UNITED STATES
31,884 views

UNITED KINGDOM
1,073 views

FY23Q1 TOP 5 US STATES

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

FY23Q1 TOP 3 VIDEOS

How to Survive an Active Shooter	31,973 views
Same Level Slips, Trips and Falls	2,451 views
How to Prevent Heat-Related Illness	1,775 views

FY23Q1 TOTAL

Total views	42,072

TALENT MANAGEMENT

New Hires	Vacancies
Ronald Johnson, Director, Legal Management	Agency Liaison
Beverly Banister, Project Management Systems Administrator	Contact Administration Manager
Elaina Middleton, Performance Management Specialist	Staff Attorney
Andre Chambers, Systems Support Specialist	Programmer
Michelle Kopecky, Claims Adjuster	PM -Programmer
Brianna Williams, Claims Adjuster	Enterprise Risk Management Specialist, Risk Management
Tina Phillips, Receptionist	Enterprise Risk Management Specialist Insurance Services
Kaylani Hernandez, Receptionist	Senior Claims Adjuster (3)
	Accountant
	Claims Adjuster (2)
	Compliance Assurance Specialist (2)
	Lead Cost Containment Specialist
	Document Specialist (2)
	Legal Assistant
	Policy Manager (2)

Annual Turnover Rates

FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
14%	23%	20%	19%	19%	16%	8%	10%	16%	18%	21%	10%	15%	16%	17%	16%	14%	15%	23%	28%	24%

ANNUALIZED

FINANCIAL MANAGEMENT

FY23 AGENCY (CONSOLIDATED) BUDGET
NOVEMBER 30, 2022

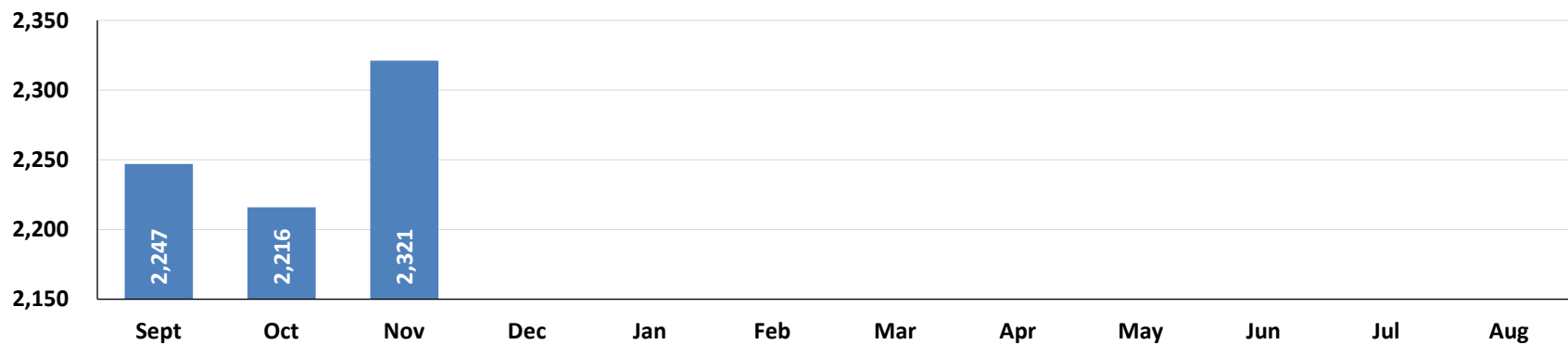| Objects of Expense	Initial Budget:	Adjustments Transfers (+ In, - Out)	Revised Budget:	Expenditures Year to Date @ 11/30/22	Encumbrances @ 11/30/22	Remaining Budget @ 11/30/22	Unpaid Expenses Incurred	Percent of Budget Expended/Incurred	Percent of Fiscal Year Elapsed
Salaries & Wages	7,557,391	0	7,557,391	1,504,657	0	6,052,734	500,723	26.5%	25.0%
Other Personnel Costs	250,000	0	250,000	43,524	0	206,476	0	17.4%	25.0%
Professional Services	1,650,000	2,060	1,652,060	13,110	1,116,387	522,563	0	0.8%	25.0%
Consumable Supplies	35,547	0	35,547	0	8,326	27,221	0	0.0%	25.0%
Utilities	5,637	0	5,637	0	1,560	4,077	0	0.0%	25.0%
Travel	135,000	0	135,000	15,117	0	119,883	0	11.2%	25.0%
Rental of Space	720	0	720	0	0	720	0	0.0%	25.0%
Rental of Equipment	24,000	0	24,000	0	0	24,000	0	0.0%	25.0%
Operating Costs	1,796,450	0	1,796,450	483,266	811,625	501,559	0	26.9%	25.0%
Capital Expenditures	0	0	0	0	0	0	0	0.0%	25.0%
TOTAL	11,454,745	2,060	11,456,805	2,059,674	1,937,898	7,459,233	500,723	22.3%	25.0%

Objects of Expense	Initial Budget:	Adjustments Transfers (+ In, - Out)	Revised Budget:	Expenditures Year to Date @ 11/30/22		Remaining Budget @ 11/30/22		Percent of Budget Expended/Incurred	Percent of Fiscal Year Elapsed
Indemnity	19,390,817	0	19,390,817	3,889,819		15,500,998		20.1%	25.0%
Medical	21,176,933	0	21,176,933	2,836,650		18,340,283		13.4%	25.0%
Total Exps.	40,567,750	0	40,567,750	6,726,469		33,841,281		16.6%	25.0%
Subrogation and Restitution	(567,750)	0	(567,750)	(101,752)		(465,998)		17.9%	25.0%
NET TOTAL	40,000,000	0	40,000,000	6,624,717		33,375,283		16.6%	25.0%

Medical Bills Processed FY23
Total 16,428

	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
	4,919	5,777	5,732									
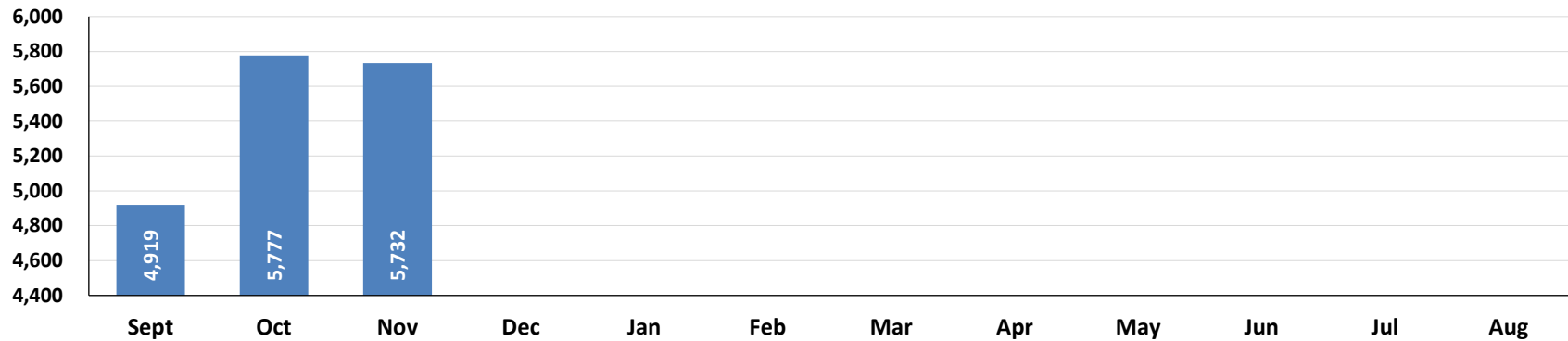
Indemnity Bills Processed FY23
Total 6,784

|	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
	2,247	2,216	2,321									

8

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 FY23Q1 include:

Area	Task
Leadership - Transition	• The team is adapting to a change in Leadership with a new Director of Information Technology and new Chief of Internal Operations o The IT & Leadership team are working close together forming new relationships and building trust and confidence to ensure SORM missions are accomplished
Equipment – Servers, desktops, laptops, and peripherals	• Replaced out of warranty/support server hardware with new equipment at our SORM site, as well as the Disaster Recovery site • Replaced malfunctioned parts for servers and workstation • Manage and supported server and PC infrastructure • Continuous troubleshooting of reported user issues with all SORM equipment
Software changes (mainframe, web, client/server, and PC applications)	• Continued adapting and integrating our applications with Origami and the new CAPPS Financial system • Continued software changes and process improvements for SORM internal applications
Origami Production Support	• Continue daily monitoring of our production environment and addressing issues that materialize • Reviewing processes and workflows in the new system to identify opportunities to enhance overall performance • Providing IT support to SORM business units • Providing customer service to our State Agencies by creating and distributing weekly, monthly, and quarterly reports

Cybersecurity	• Continue monitoring vulnerability scan reports for SORM computers and servers
	   o Installed updates on computers and servers to address vulnerabilities and comply with cybersecurity standards
	   o SORM vulnerabilities continue decreasing at a steady rate for all our devices, including desktops, laptops, tablets, and printers

Other Activity	• Secured Software License renewals for FY23. • Supported the external website server and/or database changes • Supported Microsoft TEAMS, SharePoint, including the Intranet • Working with SORM business units to onboard a new State Agency - Texas Permanent School Fund Corporation

Vulnerabilities Trending Per Month (6 Months)
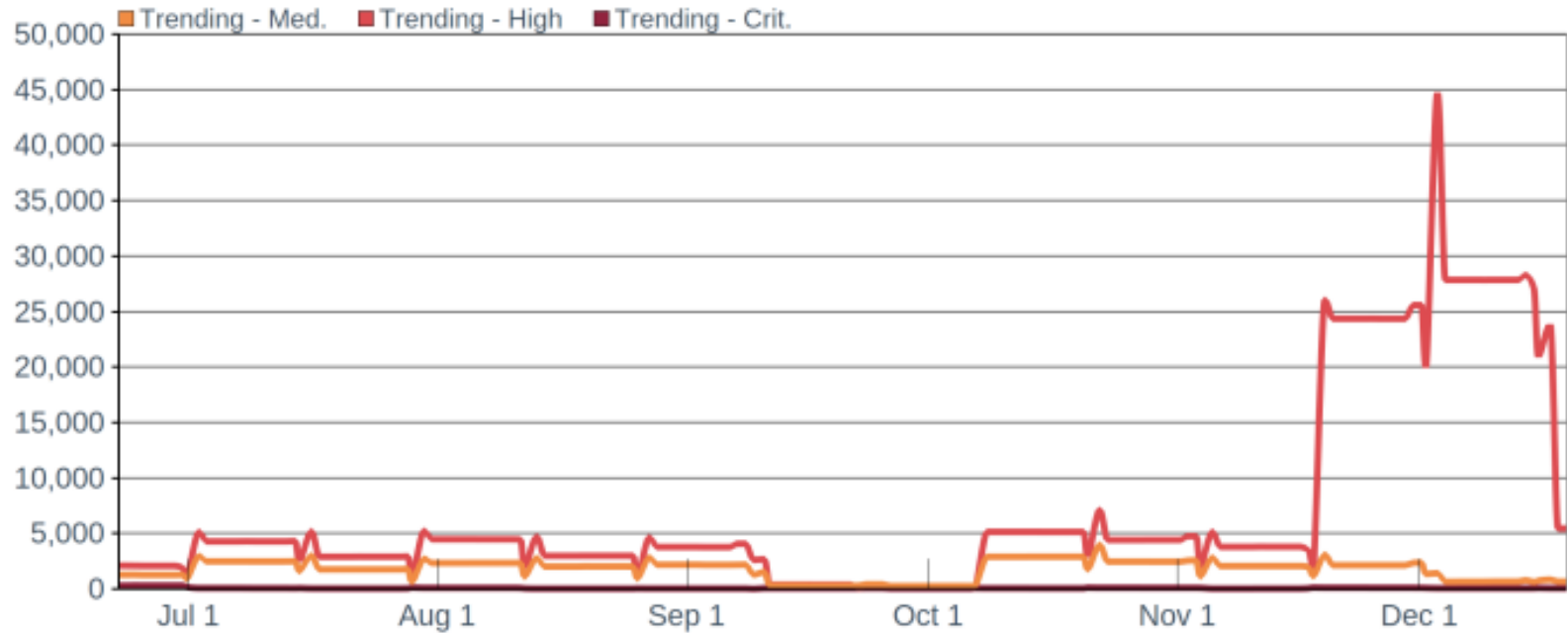
June 22, 2022 through December 19, 2022

Current Vulnerabilities

The current vulnerabilities matrix below provides a summary of new vulnerabilities that have been discovered over the past 30 days, broken down into weekly increments. This table also includes a column for newly identified IP addresses by active and passive scanning.

	New IP's	Info	Low	Medium	High	Critical
< 7 Days	18	127	31	114	97	46
8 - 14 Days	4	11	0	7	2	0
15 - 21 Days	9	91	0	83	76	5
22 - 30 Days	0	6	0	0	2	0

Mitigated Vulnerabilities

The mitigated vulnerabilities matrix below provides a summary of vulnerabilities that have been mitigated within the past 30 days, broken down into weekly increments and demonstrates positive efforts made by the SORM Cybersecurity Team (System Administrator, Security Resource Manager, and Service Team).

	Info	Low	Medium	High	Critical
< 7 Days	106	3	48	76	69
8 - 14 Days	14	0	1	3	3
15 - 21 Days	81	33	37	49	40
22 - 30 Days	8	4	1	1	4

II. ANTICIPATED ACTIVITY

In addition to routine support functions congruent with operations for the Office, we anticipate the following activities during FY23Q2 and beyond:

A. Fill open position for IT Application Developer
B. Continue to expand knowledge asset of our existing IT staff
C. January 1 – Go Live with a new Agency - Texas Permanent School Fund Corporation.
D. Support the Origami Phase 2 Implementation
E. Create policy and procedure for USER System Access.
F. Create Change Management policy and procedure for SORM Information Technology applications.
G. Participate and support SORM business units in expanding Origami's user community to our State Agencies.
H. January 27, 2022 - Execute a SORM COOP exercise as a proof of concept. Objectives are as follows:
   a. Identify length of time to set up IT equipment for scanning
   b. Validate Wi-Fi, VPN, and Hotspot capabilities for COOP exercise scope
   c. Verify scanning can timely place documents in appropriate drive folders
   d. Verify documents can be moved into Origami as needed

STRATEGIC PROGRAMS

ENTERPRISE RISK

I. STATEWIDE RISK MANAGEMENT PROGRAM

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

	Sept	Oct	Nov	
OSCs	19	17	5	**35.4% of a goal of 229**
RMPRs	0	0	1	**8% of a goal of 25**

Recommendations Given FY23Q1
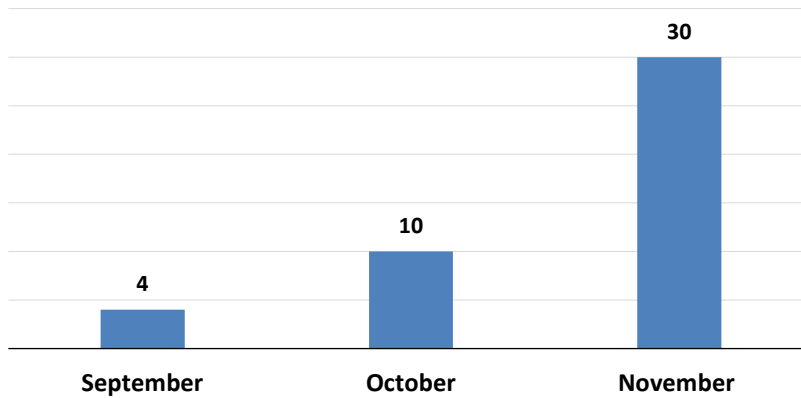
Closed Recommendations FY23Q1
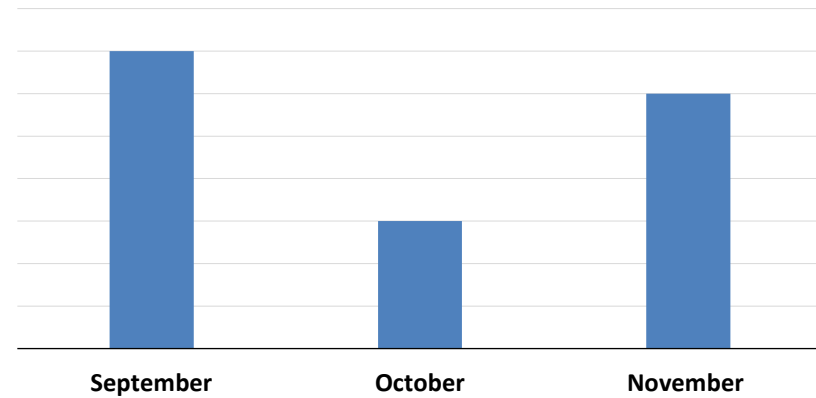
Category of Recommendations FY23Q1

COOP	4
Environmental	3
Insurance	0
Risk Management	13
Safety	18
Policy/Procedure/Training	5

II. STATEWIDE INSURANCE PROGRAM

A. PARTICIPANTS IN STATEWIDE INSURANCE LINES FY23Q1

B. MONITORING

461 notary applications were processed during FY23Q1

C. INSURANCE PURCHASES

SORM 201s processed: 24
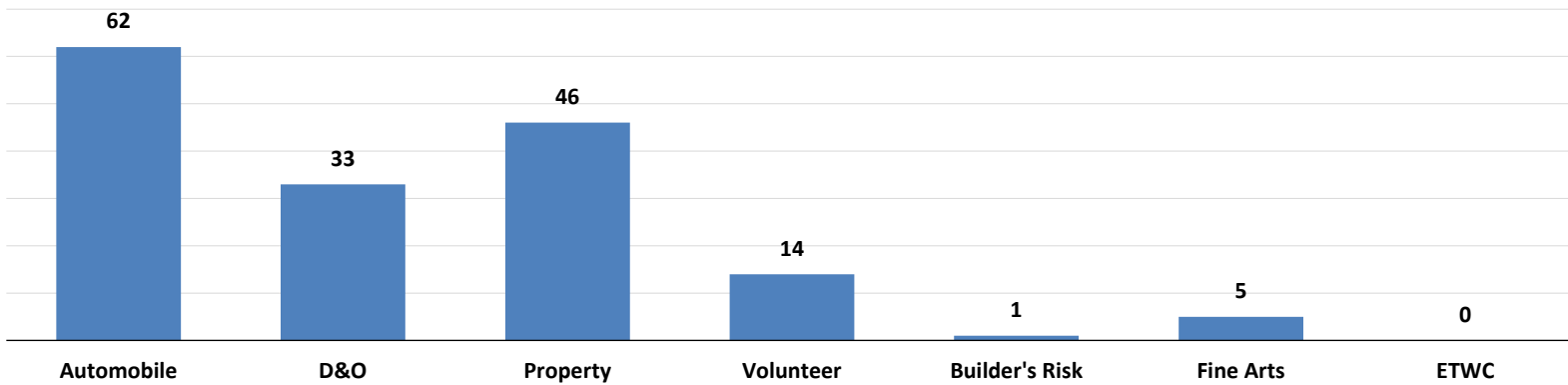SORM 201s approved and premium paid: 24 for $1,042,633

SORM 201s FY23Q1

Approved	Line of Insurance	Sum of Premium	Comments
✓	Athletic Bonus	$ 71,650	To provide Contractual Bonus Insurance for the Athletics department.
✓	Athletic Medical	$ 92,000	This policy provides excess accident medical benefits for student-athletes who participate as a member of an intercollegiate athletic team in a scheduled game, official tournament, or practice session; or while traveling directly to or from such game, tournament, or practice session. The policy pays benefits for two years from a date of injury that occurs within the policy period.
✓	Blanket Medical	$ 8,652	To provide accident and catastrophic cash coverage for Summer Camps and Early Childhood Lab that provides, for a fee, daycare, and before and aftercare.
✓	Crime	$ 2,791	This insurance protects the interest of the entity, in the event a financial loss sustained due to employee theft, dishonest, misappropriation of funds, embezzlement or computer fraud.

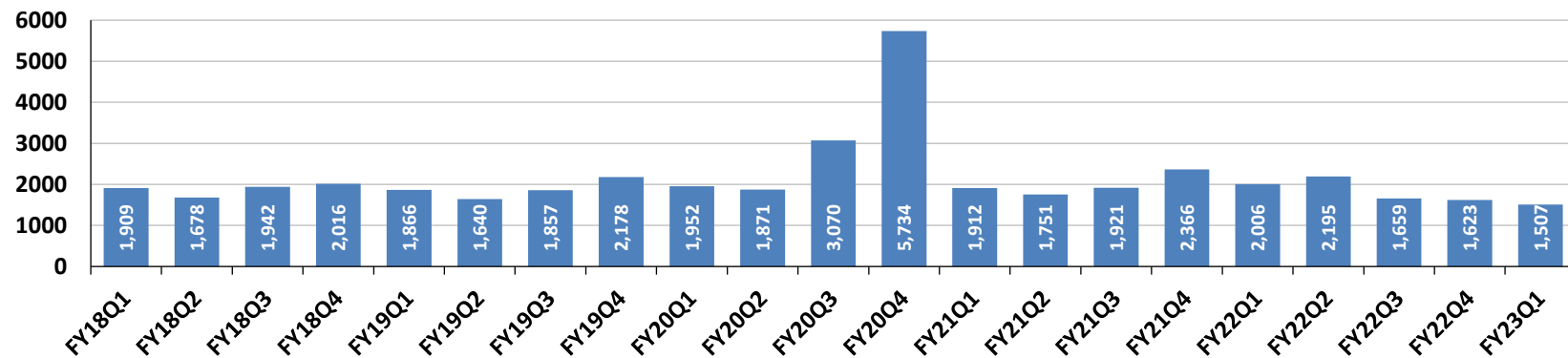| Approved	Line of Insurance	Sum of Premium	Comments
✓	Cyber	$ 377,894	The policy transfers some of the risk related to covering expenses, such as notification and forensics, if there is a privacy event, security incident, or breach.
✓	Extra Territorial Workers Comp	$ 7,573	This coverage provides workers compensation insurance for employees who work on behalf of the State of Texas but operate or live outside of Texas.
✓	Farm & Ranch	$ 5,180	Provides coverage for 4 broiler houses and associated Beef Farm equipment.
✓	Fine Arts	$ 4,128	This policy provides coverage for loss or damage to a collection or gallery items while at any location worldwide or while in transit.
✓	Foreign Liability Package	$ 6,643	A Foreign Package policy is designed to provide General Liability, Corollary, Auto Liability and Physical Damage coverages while covered persons are traveling abroad.
✓	GL & Excess	$ 116,591	General Liability insurance is designed to protect an organization against liability claims for bodily injury or property damage that they may be held responsible for. This policy is a requirement of the lease agreement.
✓	Global Medical	$ 29,322	This policy is for medical insurance that provides coverage for any unexpected injuries, illnesses and other risks while a state employee is traveling abroad.
✓	Health Liability	$ 2,455	All Risks Policy with Named Exclusions
✓	Inland Marine	$ 55,067	Inland Marine insurance is property coverage for material, products or equipment that moves or is transportable, and/or is instrumental in transportation or communication.
✓	Kidnapp and Extortion	$ 8,421	This coverage protects entity components and individuals traveling abroad from financial liability for a loss involving kidnapping, personal extortion, property damage extortion, wrongful detention, hijacking, disappearance, hostage crisis, threats or assault claims.
✓	Med Lab (students)	$ 10,681	Contracts with clinical agencies require proof of liability insurance for student interns performing clinical or practicum hours, also covers Athletic Trainers.
✓	Medical Professional	$ 105,126	A professional liability policy designed to cover the insured for financial liability if they commit an error or omission (E&O) in performance of professional duties
✓	Travel	$ 138,458	A Foreign Package policy is designed to provide General Liability, Corollary, Auto Liability and Physical Damage coverages while covered persons are traveling abroad.
	TOTAL	**$ 1,042,633**	

CLAIMS OPERATIONS

I. CLAIMS OPERATIONS ACTIVE WORKLOAD FY23Q1

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

A. SORM received 1,507 injury reports (claims) in FY23Q1, which is a decrease from the number of injury reports received in FY22Q4 (1,623)

B. 563 claims were accepted

C. 1,629 claims were inactivated

D. SORM had 1,899 open claims at the end of FY23Q1

Claims Received per Quarter

Quarter	Value
FY18Q1	1,909
FY18Q2	1,678
FY18Q3	1,942
FY18Q4	2,016
FY19Q1	1,866
FY19Q2	1,640
FY19Q3	1,857
FY19Q4	2,178
FY20Q1	1,952
FY20Q2	1,871
FY20Q3	3,070
FY20Q4	5,734
FY21Q1	1,912
FY21Q2	1,751
FY21Q3	1,921
FY21Q4	2,366
FY22Q1	2,006
FY22Q2	2,195
FY22Q3	1,659
FY22Q4	1,623
FY23Q1	1,507

Claims Open per Quarter

Quarter	Value
FY18Q1	3,110
FY18Q2	2,884
FY18Q3	2,891
FY18Q4	2,866
FY19Q1	2,828
FY19Q2	2,691
FY19Q3	2,875
FY19Q4	3,111
FY20Q1	2,744
FY20Q2	2,761
FY20Q3	3,770
FY20Q4	5,146
FY21Q1	2,937
FY21Q2	2,722
FY21Q3	2,486
FY21Q4	2,549
FY22Q1	2,735
FY22Q2	2,707
FY22Q3	2,293
FY22Q4	2,128
FY23Q1	1,899

II. ANALYSIS OF INCOME BENEFITS EXPENSES FOR FY23Q1

A. FY23Q1 reflects a slight increase in TIBs indemnity costs from FY22Q4

B. At the end of FY23Q1, there were 431 TIBs, 161 IIBs, 29 SIBs with payment, 12 LIBs, and 106 DIBs claims open

Temporary Income Benefits (TIBs) expenditures for FY23Q1 totaled $2,270,908 on 431 claims

TIBs Expense per Quarter
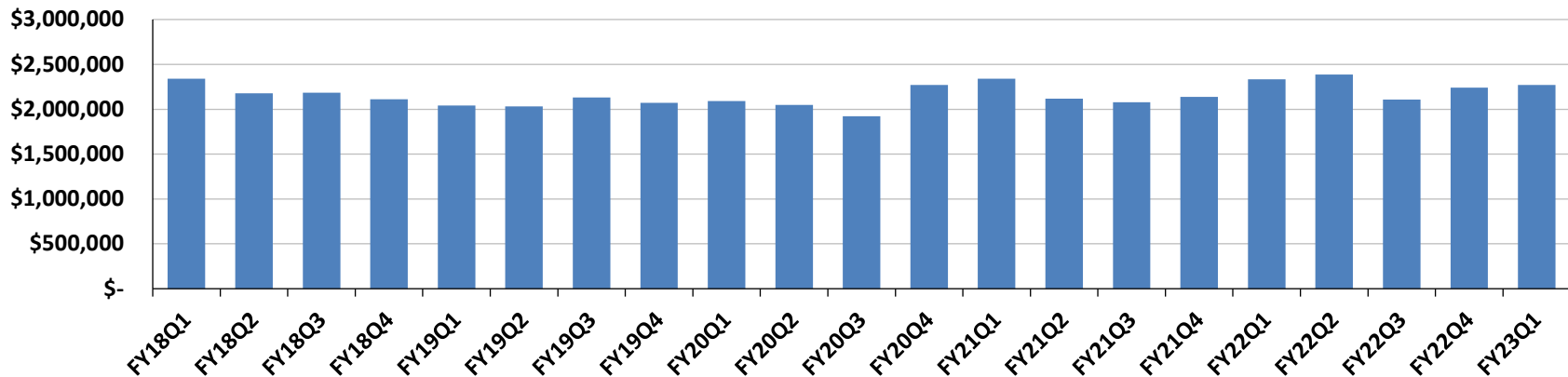
Impairment Income Benefits (IIBs) expenditures for FY23Q1 totaled $879,841 on 161 claims

IIBs Expense per Quarter
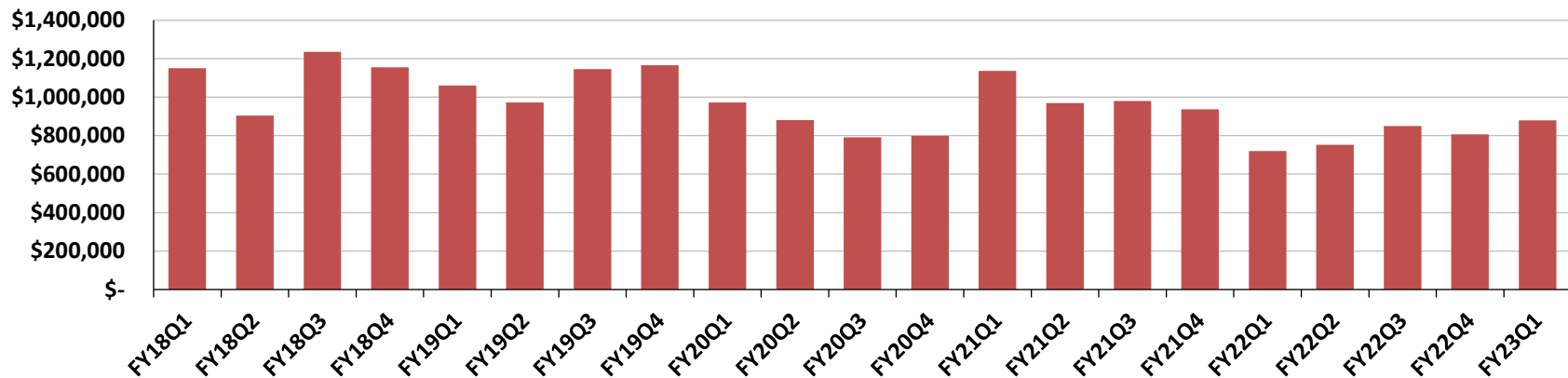
Supplemental Income Benefits (SIBs) expenditures for FY23Q1 totaled $180,695 on 29 claims

SIBs Expense per Quarter

*FY22Q4 – thirteen quarters paid due to CCH rulings on two claims
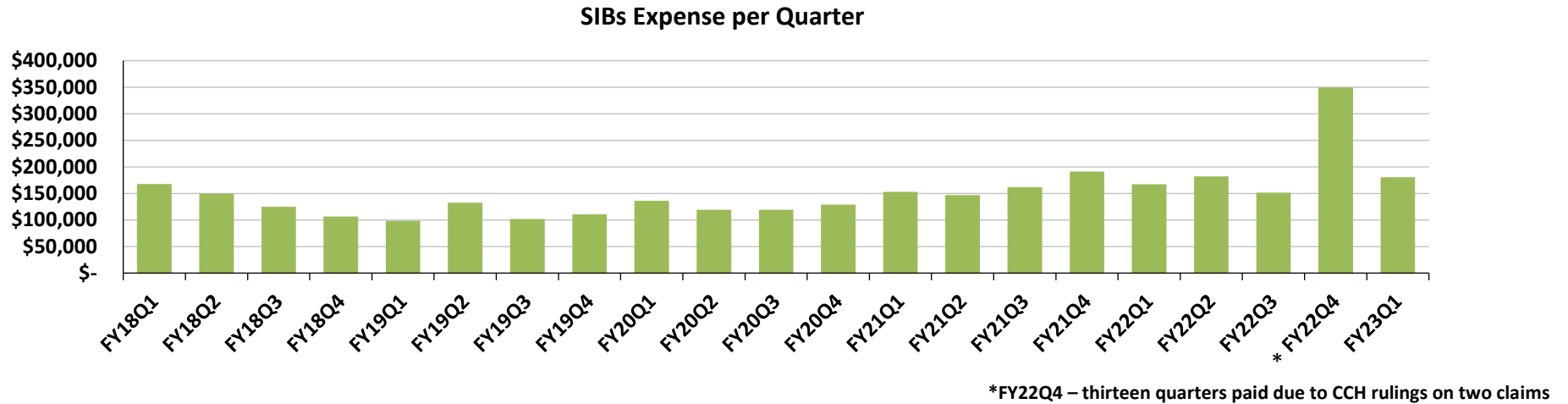
Combined indemnity expenditures for FY23Q1 totaled $4,584,563 on 739 claims

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)

LEGAL SERVICES
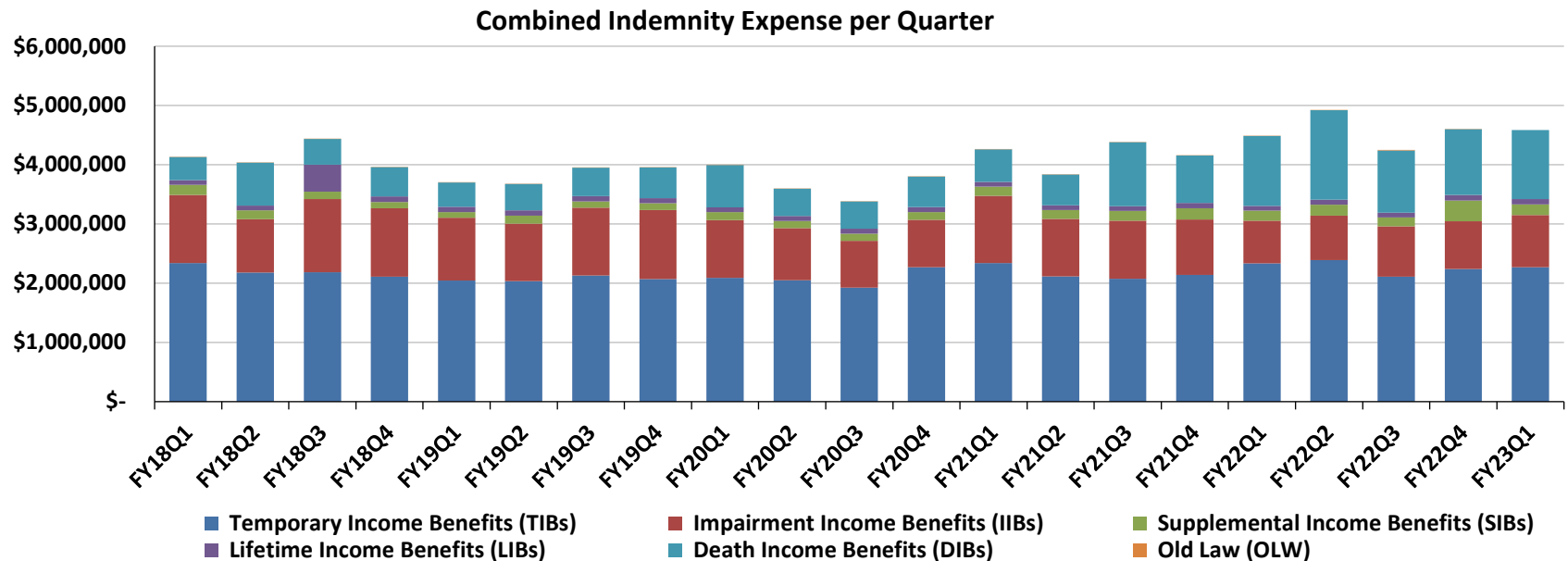
LITIGATION MANAGEMENT

I. BENEFIT DISPUTE RESOLUTION

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

Top 5 BRC Issues FY23Q1	Amount
Maximum Medical Improvement/Impairment Rating	13
Extent of Injury	7
Extent of Injury/Maximum Medical Improvement/Impairment Rating	5
Existence of Injury	5
SIBs Entitlement	3

Top 5 CCH Issues FY23Q1	Amount
Extent of Injury/Maximum Medical Improvement/Impairment Rating	10
Extent of Injury	5
Maximum Medical Improvement/Impairment Rating	4
Existence of Injury/MMI/IR/Disability	3
Disability	3

II. SPECIAL INVESTIGATIONS

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

FY23Q1	Pending	Opened	Closed	Criminal/Administrative Referrals
Fraud Investigations	9	4	5	0

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.

	FY23Q1	FY23Q2	FY23Q3	FY23Q4	YTD Total
TOTALS	$45,704				$45,704

COST CONTAINMENT

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

Total Medical Cost Savings FY21Q1 - FY23Q1

	FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY22Q1	FY22Q2	FY22Q3	FY22Q4	FY23Q1
■ Billed	$13,626,040	$15,989,298	$13,434,137	$12,439,427	$13,185,020	$9,203,826	$16,998,859	$12,898,231	$9,847,629
■ Paid	$4,199,594	$4,691,990	$4,314,976	$4,281,120	$4,252,953	$3,504,056	$2,680,590	$4,206,757	$3,292,911
Savings	$9,426,445	$11,297,308	$9,119,161	$8,158,306	$8,932,067	$5,699,770	$14,318,269	$8,691,474	$6,554,718
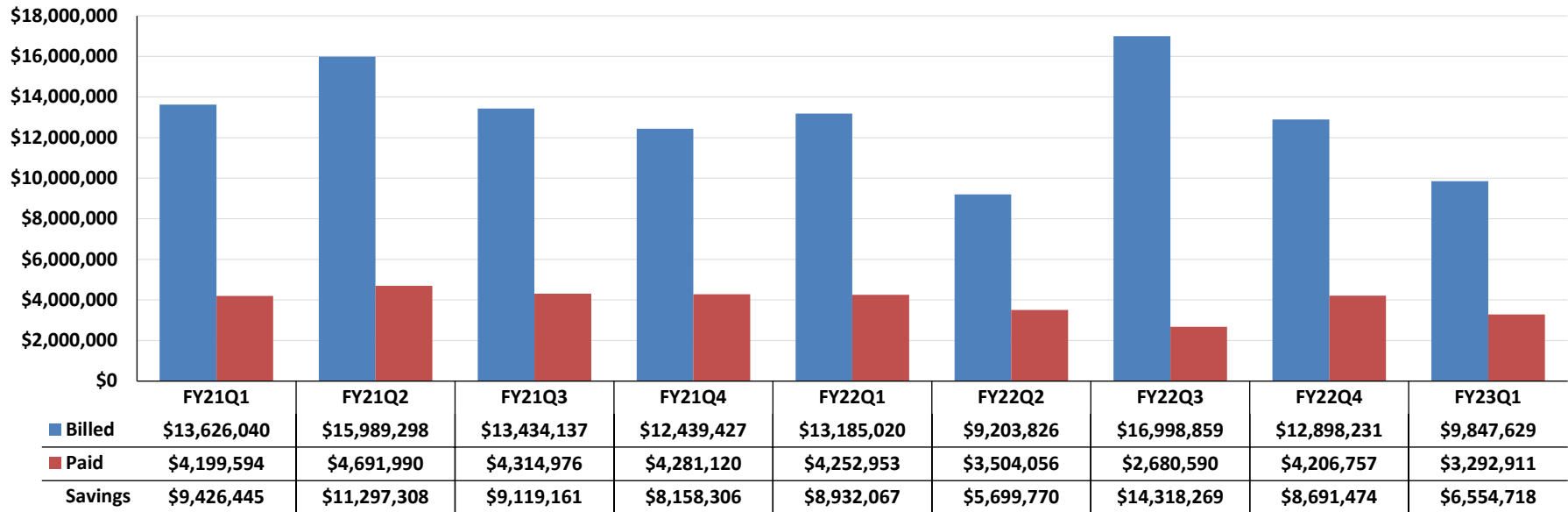
Medical Payments FY23Q1

- ■ Hospital — $1,455,006
- ■ Medical — $1,578,109
- ■ Misc. Expense — $125,066
- ■ Pharmacy — $134,730
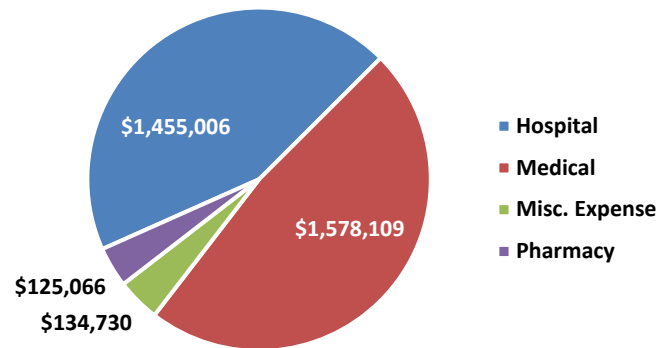
II. NETWORK AND NON-NETWORK DATA

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

Network and Non-Network FY20 - FY23

	Network FY20	Non-Network FY20	Network FY21	Non-Network FY21	Network FY22	Non-Netork FY22	Network FY23	Non-Netork FY23
Number of Claims	3,514	1,509	4,596	770	7,668	1,762	2,634	443
Q4	$2,427,246	$674,805	$3,824,285	$459,212	$3,464,951	$689,738		
Q3	$2,910,436	$787,684	$3,491,421	$629,434	$2,793,842	$470,244		
Q2	$2,744,007	$728,797	$3,906,428	$726,014	$2,939,926	$390,563		
Q1	$2,694,384	$2,389,660	$3,383,454	$697,496	$3,482,369	$508,431	$2,947,648	$324,639

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 FY21Q1 - FY23Q1

	FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY22Q1	FY22Q2	FY22Q3	FY22Q4	FY23Q1
■ Approved	676	576	811	764	740	724	808	721	647
■ Denied	235	129	154	188	225	139	120	222	132
Savings	$408,785	$353,949	$362,288	$388,909	$312,438	$182,871	308,238	$350,828	$181,088

Non-Network Utilization Review FY21Q1 - FY23Q1

	FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY22Q1	FY22Q2	FY22Q3	FY22Q4	FY23Q1
■ Approved	129	102	110	132	125	102	131	116	198
■ Denied	47	31	44	41	51	22	24	42	40
Savings	$64,494	$60,239	$102,652	$33,773	$38,286	$20,353	$11,511	$63,205	$46,356

IV. PHARMACY BENEFIT MANAGEMENT

Workers' compensation benefits include medically necessary prescription drugs and over-the-counter medication.
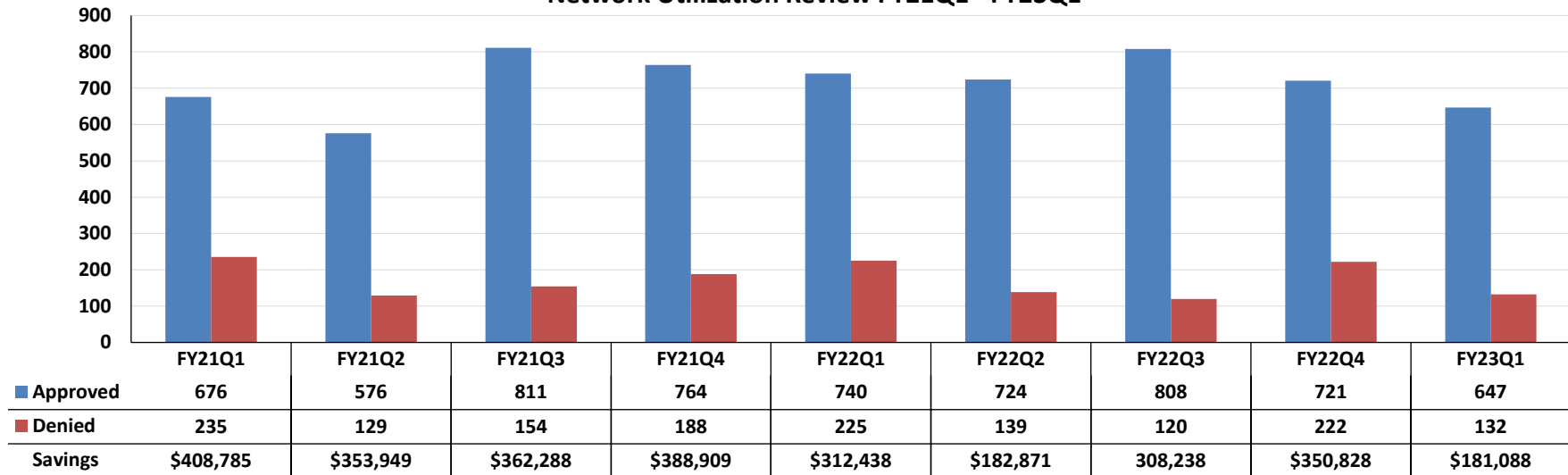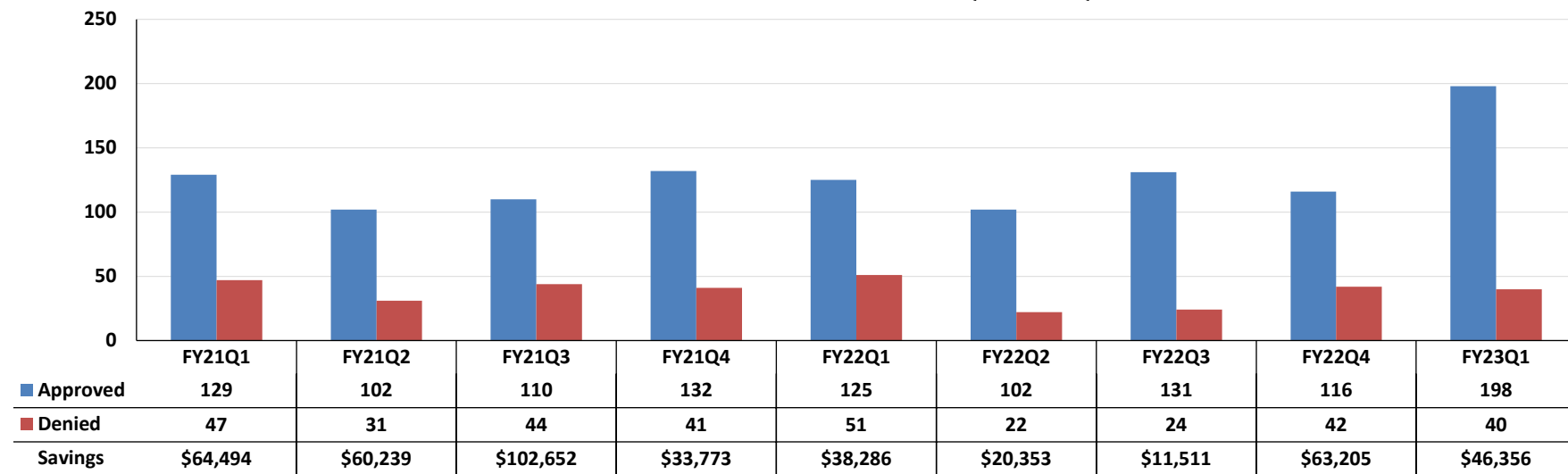
PBM Cost Savings FY22Q1 - FY23Q1

	FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY22Q1	FY22Q2	FY22Q3	FY22Q4	FY23Q1
■ Fee Schedule	$208,408	$211,914	$174,584	$129,681	$134,310	$137,500	$132,267	$138,273	$127,541
■ Paid	$106,704	$110,837	$98,009	$87,300	$88,328	$88,787	$86,264	$88,778	$83,941
Total Savings	$101,704	$101,077	$76,575	$42,381	$45,982	$48,713	$46,012	$49,496	$43,600
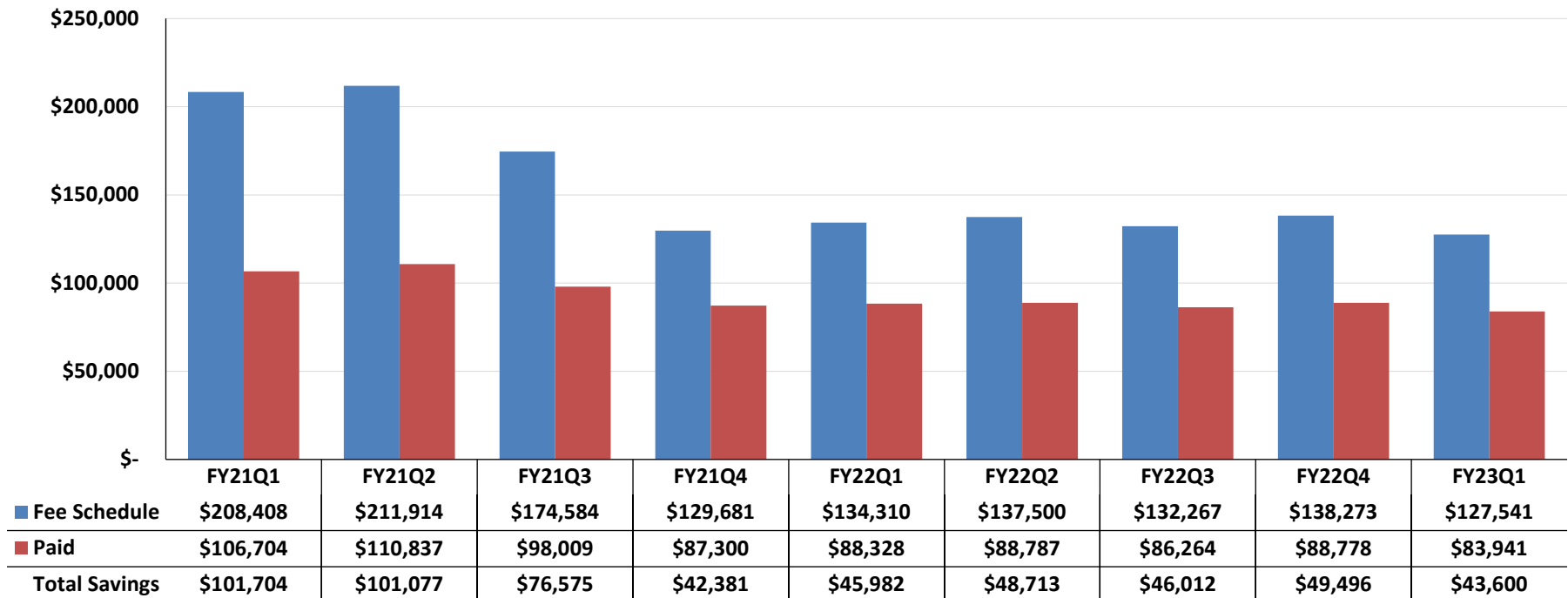
V. MEDICAL DISPUTE RESOLUTION FY23Q1

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.

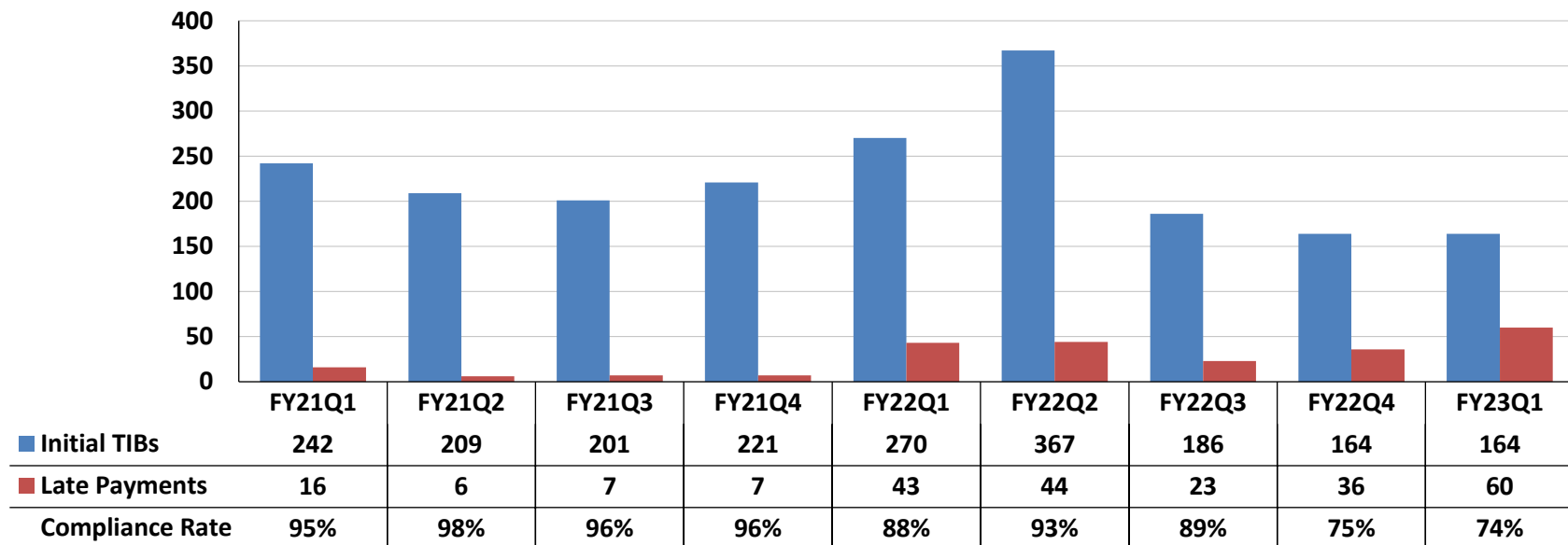| Medical Fee Disputes	13 Non-Network Providers
Medical Necessity Disputes	2 Non-Network IRO
	0 Network IRO

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 and Late Payments

	FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY22Q1	FY22Q2	FY22Q3	FY22Q4	FY23Q1
■ Initial TIBs	242	209	201	221	270	367	186	164	164
■ Late Payments	16	6	7	7	43	44	23	36	60
Compliance Rate	95%	98%	96%	96%	88%	93%	89%	75%	74%

TIBs Late Payments FY23Q1

Carrier	30
Employer	19
System	11
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

	FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY22Q1	FY22Q2	FY22Q3	FY22Q4	FY23Q1
Initial IIBs	35	31	27	23	17	30	24	14	24
Late Payments	0	0	0	0	1	2	4	8	17
Compliance Rate	100%	94%	100%	100%	96%	97%	90%	79%	72%
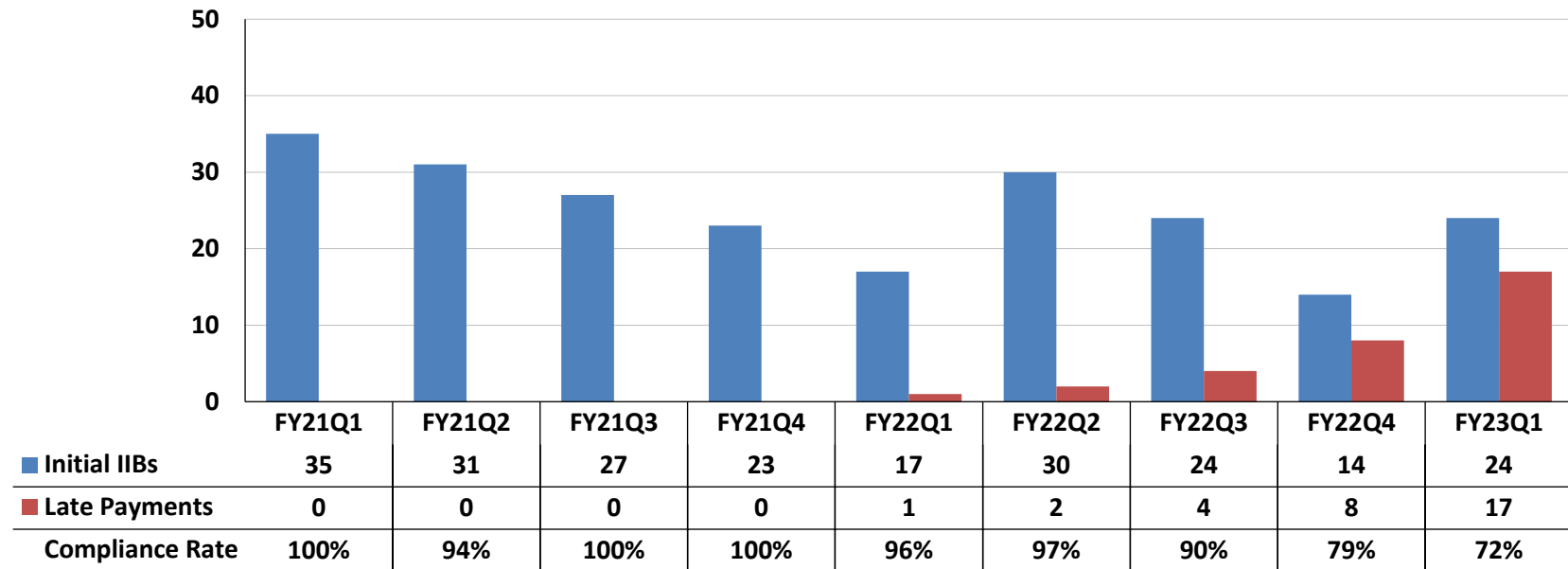
IIBs Late Payments FY23Q1

Carrier	12
System	5
No Fault/Misc.	0