

**Quality and Productivity Commission**  
**27<sup>th</sup> Annual Productivity and Quality Awards Program**  
**“Saluting County Excellence”**  
**2013 APPLICATION**

Title of Project (Limited to 50 characters, including spaces, using Arial 12 point font):

**NAME OF PROJECT: COUNTYWIDE COGNOS LIABILITY REPORTING**

**DATE OF IMPLEMENTATION/ADOPTION:** JULY 2011  
(Must have been implemented at least one year - on or before June 30, 2012)

**PROJECT STATUS:**  Ongoing  One-time only

**HAS YOUR DEPARTMENT PREVIOUSLY SUBMITTED THIS PROJECT?**  Yes  No

**EXECUTIVE SUMMARY:** Describe the project in 15 lines or less using Arial 12 point font. Summarize the problem, solution, and benefits of the project in a clear and direct manner

**Challenge:** CEO Risk Management Branch (CEO/RMB) supports departments' efforts in managing and reducing liability claims, like vehicle accidents, slips and falls. RMB manually produced 38 monthly reports, which involved data downloading, formatting and individually e-mailing each report to departments. This method produced frequent errors and delays due to the complexity of the numerous tasks involved.

**Solution:** ISD and CEO/RMB automated the production of monthly liability claims reports by utilizing the IBM Cognos Business Intelligence tool to gather claim data, compile reports and automatically e-mails reports in PDF format to departments.

**Benefits:** Implementation of the project has saved CEO/RMB 20 PSII hours per month by eliminating the need to produce manual reports, maintain distribution lists and perform quality control. Benefits to the departments include receiving accurate, consistent, and timely liability claim reports that allows them to efficiently manage, accurately analyze, and quickly resolve or avoid liability claims, which results in substantial annual cost savings (\$25,200) and cost avoidance (\$2.5M) to the County.

(1) ESTIMATED/ACTUAL ANNUAL COST AVOIDANCE	(2) ESTIMATED/ACTUAL ANNUAL COST SAVINGS	(3) ESTIMATED/ACTUAL ANNUAL REVENUE	(1) + (2) + (3) TOTAL ESTIMATED/ACTUAL BENEFIT	SERVICE ENHANCEMENT PROJECT
\$2,500,000	\$ 25,200	\$ -	\$ 2,525,200	
SUBMITTING DEPARTMENT NAME AND COMPLETE ADDRESS CEO Risk Management Branch 3333 Wilshire Blvd., Suite 1000 Los Angeles, CA 90010			TELEPHONE NUMBER 213-351-5357	
PROGRAM MANAGER'S NAME Leo Costantino – CEO/RMB 3333 Wilshire Blvd., Suite 1000 Los Angeles CA 90010			TELEPHONE NUMBER 213-351-5357 <a href="mailto:lcostantino@ceo.lacounty.gov">lcostantino@ceo.lacounty.gov</a> <a href="#">ov</a>	
PRODUCTIVITY MANAGER'S NAME AND SIGNATURE (PLEASE CALL (213) 893-0322 IF YOU DO NOT KNOW YOUR PRODUCTIVITY MANAGER'S NAME) Jerry Ramirez <b>SIGNATURE ON FILE</b>		DATE	TELEPHONE NUMBER (213) 974-4282 EMAIL jramirez@ceo.lacounty.gov	
DEPARTMENT HEAD'S NAME AND SIGNATURE Department Head: William T Fujioka <b>SIGNATURE ON FILE</b>		DATE	TELEPHONE NUMBER (213) 974-1101	

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**FACT SHEET – LIMITED TO 3 PAGES ONLY:** Describe the **Challenge, Solution, and Benefits** of the project, written in plain language. Include a discussion of the technology and linkage to the County Strategic Plan. The description should identify Performance Measures.

**Challenge:** CEO Risk Management Branch (CEO/RMB) supports departments’ efforts to manage and reduce liability claims, such as vehicle accidents and slips and falls. In the past, RMB manually produced 38 monthly reports, including data download, formatting and individually e-mailing each report to departments. This method produced frequent errors and delays due to the complexity of the numerous tasks involved.

**Solution:** Internal Services Department/Internet Development Division (ISD/IDD) and CEO/RMB automated the production of monthly liability claims reports by utilizing the IBM Cognos Business Intelligence tool to gather claim data, compile the reports and individually e-mail them in PDF format to County departments. An enhancement added an Excel version for departments to utilize as an analysis tool.

Data is now pulled from the Risk Management Information System (RMIS) on a daily basis and organized into a local Data Mart for reporting. An Ad Hoc Reporting environment was created by ISD for CEO/RMB to use for their reporting needs. In this case, ISD/IDD was able to create one report instead of 38. In During report processing, the report reads data for each department, creates the report and emails it automatically to the Risk Manager and Department Head, repeating the process until all departments receive their reports.

**Benefits:** Direct benefits included the labor savings of the CEO/RMB PSII that spent 20 hours per month producing the report, maintaining distribution lists and performing quality control. Efficiency improvements at the department level came from having consistent and accurate reports available for preventing claims, injuries and lawsuits from occurring. Claims that are avoided, or treated early and managed efficiently, result in substantial cost avoidance across departments and for the entire County.

CEO/RMB and some departments who requested access directly to the Cognos reports now have one source to meet their reporting needs. Consolidating the data into one place (and adding Workers’ Compensation data in a future release) is invaluable as compared to multiple sets of data from multiple locations. Departments no longer need to keep their own data source of Liability Claims because they get it directly from CEO/RMB on at least a monthly basis.

Savings were also gained at the vendor who provides source data and reports; vendor resource hours are fixed annually by contract and extra hours billed at \$150/hour. Fewer extra hours have been billed since implementation of Countywide Cognos Liability Reporting.

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**Performance Measures:**

The accuracy and timeliness of the reports improved drastically by using the Cognos technologies. Previously, it took the CEO/RMB PSII 5-8 working days after the close of the prior month to compile and issue the reports. With the Cognos solution, the reports are automatically compiled and e-mailed within 48 hours of the close of the prior month.

The accuracy of the reports improved drastically and dramatically. Typically there were 5-10 reporting errors and omissions per monthly report cycle. Quality control involved time on both the department side (department analysts reviewing and reconciling reports, and communicating errors to CEO/RMB), and on the CEO/RMB side (determine the source of errors and correcting errors). All the time and effort that used to be spent correcting and reissuing reports was eliminated so the actual time savings is actually more than what we estimated on this application.

The usefulness of the reports improved drastically. The timeliness, accuracy and manipulability of the automated reports allowed departments to better meet their obligations under Strategic Initiative 2: Risk Management. Of note, these reports provide valuable information for departments to manage their individual Risk Exposure Cost Avoidance Plan (RECAP). Departments who request it can also log in to Cognos directly and run these same reports on a weekly basis for even more timely and accurate reports.

An enhancement that highlighted claim reserves when they crossed actionable thresholds was later introduced. A claim at \$20,000+ requires a Summary Corrective Action Plan, while a claim at \$100,000+ requires a Corrective Action Plan and sometimes departmental lists are long and difficult to find what claims have passed these requirement thresholds. By highlighting the claims needing further assistance, the reports were even more useful in helping departments to timely meet their claim settlement obligations before the Claims Board and Board of Supervisors.

LINKAGE TO THE COUNTY STRATEGIC PLAN (DETAIL IS REQUIRED FOR COUNTY DEPARTMENTS):

**Strategic Initiative 2: Risk Management**

*Priority Focus 1: Workers' compensation cost reduction (including Risk Exposure Cost Avoidance Plan [RECAP] and safety issues)*

*Priority Focus 2: Vehicle usage and liability*

*Priority Focus 3: Employment practices*

The Cognos Liability Reports directly support Strategic Initiative 2, Focus 1, 2 and 3 by providing departments with timely information that facilitates the type of analysis needed to impact the priority focus areas.

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**LINKAGE TO THE COUNTY STRATEGIC PLAN CONTINUED**

For Focus area 1, the Cognos reports provide an in-depth view of the liability components that make up the RECAP plan for each department. For Focus areas 2 and 3, the Cognos reports provide departments the ability to analyze trends within vehicle and employment practices liability claims, which are then used to determine root causes and corrective actions for loss prevention and reduction.

**Strategic Initiative 4: County Fiscal and Information Technology (IT) Management, and Cost Efficiencies**

Automated reporting provides many management and cost benefits. The CEO/RMB staff that used to create manual reports is now freed up to work on other projects and efforts. Departmental Risk Managers receive regular reports that have accurate information so they can better manage their cases and can perform their regulatory reporting in a more efficient manner.

The costs of labor (PS II) is significantly higher than the cost of running an automated report and having the computer generate the emails to deliver reports right to the Departmental Risk Managers and Department Managers. Cognos hosting is a fixed cost, so any additional reports or processing of reports does not cause CEO/RMB any additional costs, but enables them to reap more benefits.

**Long-Term Outcome Statement:** Improve the County’s long-term capacity to sustain critical County services within available resources through cost-efficiency savings, leveraging IT resources, improved fiscal forecasting, and diligent monitoring.

The CEO/RMB team has more plans to leverage IT resources and to provide additional resources through cost-efficiency savings. The infrastructure for building these initial Liability Reports are being used to define, design, and deliver additional Liability Reports; Workers’ Compensation case reports are being planned for distribution as well.

Countywide Cognos Liability Reporting is the initial phase for enhancing risk data reporting; dashboards are already in the works for Liability and Workers’ Compensation case data. Additional data is being planned as addition releases to the dashboards along with expanding the audience to County Executive Management.

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\$2,500,000	\$ 25,200	\$ -	\$ 2,525,200	

**ANNUAL= 12 MONTHS ONLY**

**Avoidance: \$100,000,000 X .025 = \$2,500,000**

The County incurs an average of \$100M per year in liability claims expenses, which includes defense attorney costs and claim payouts to claimant. The Cognos reports contribute approximately \$2,500,000, or 2.5% of this amount, in cost avoidance every year by providing data to departments for early and active management of open claims. As claims “age” they become more costly, so actively managing them from inception by reviewing the reports allows departments to better investigate, defend and settle claims early on, generating cost savings. The reports also facilitate constant monitoring of claim trends such as an increase in the frequency of automobile claims, or in a series of claims all caused by the same physical hazard. Departments use this data to immediately respond to and remove hazards, and to create loss control programs for increased claim frequency, thereby avoiding future costs by preventing the claim.

**Savings: \$2,100 (20 hours PSII X \$30 + 10 hours vendor X \$150)  
X 12 Months = \$25,200**

Estimated cost savings are achieved by the automation of the report generation, quality control and distribution process, which involved personnel from CEO and the risk information system vendor.

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**FOR COLLABORATING DEPARTMENTS ONLY**

*(For single department submissions, do not include this page)*

<b>DEPARTMENT NO. 2 NAME AND COMPLETE ADDRESS</b> Internal Services Department / Internet Development Division 1100 N. Eastern Avenue Los Angeles, CA 90063	
<b>PRODUCTIVITY MANAGER’S NAME AND SIGNATURE</b> Celina Ortiz 1100 N. Eastern Avenue Los Angeles, CA 90063 (323) 267-3111 cortiz@isd.lacounty.gov <div style="text-align: center; font-weight: bold; font-size: 1.2em;">SIGNATURE ON FILE</div>	<b>DEPARTMENT HEAD’S NAME AND SIGNATURE</b> TOM TINDALL <div style="text-align: center; font-weight: bold; font-size: 1.2em;">SIGNATURE ON FILE</div>
<b>DEPARTMENT NO. 3 NAME AND COMPLETE ADDRESS</b>  	
<b>PRODUCTIVITY MANAGER’S NAME AND SIGNATURE</b>  	<b>DEPARTMENT HEAD’S NAME AND SIGNATURE</b>  
<b>DEPARTMENT NO. 4 NAME AND COMPLETE ADDRESS</b>  	
<b>PRODUCTIVITY MANAGER’S NAME AND SIGNATURE</b>  	<b>DEPARTMENT HEAD’S NAME AND SIGNATURE</b>  
<b>DEPARTMENT NO. 5 NAME AND COMPLETE ADDRESS</b>  	
<b>PRODUCTIVITY MANAGER’S NAME AND SIGNATURE</b>  	<b>DEPARTMENT HEAD’S NAME AND SIGNATURE</b>  
<b>DEPARTMENT NO. 6 NAME AND COMPLETE ADDRESS</b>  	
<b>PRODUCTIVITY MANAGER’S NAME AND SIGNATURE</b>  	<b>DEPARTMENT HEAD’S NAME AND SIGNATURE</b>  