



Metropolitan  
Transportation  
Authority

One Gateway Plaza  
Los Angeles, CA  
90012-2952

**SUBJECT: SAFETY'S FIRST PROGRAM AND WORKERS'  
COMPENSATION STATUS**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

Receive and file Safety's First Program and Workers' Compensation status report for the period covering April 2003 through June 2003.

**ISSUE**

Per Board direction, staff provides a quarterly status report on Safety's First and Workers' Compensation.

**DISCUSSION**

Consistent with the MTA's Safety's First policy, our areas of focus continue to be:

- Prevention of employee and customer accidents and injuries
- Improve incident investigation procedures and the handling of claims
- Improve the agency's Return-to-Work Program
- Improve the timely response and speed at which employee claims are resolved
- Continue to build the skills and resources of the Risk Management department in support of these goals.

Following is a brief description of these focus areas, followed by progress that occurred in the reporting period:

**Prevent Employee and Customer Accidents and Injuries**

Injury and accident prevention is by far the most effective strategy to ensure that employees remain healthy and at work, customers enjoy a safe transit ride, and the agency maintains control over its Workers' Compensation costs.

The service sectors, Corporate Safety and safety consultant DuPont Safety Resources continue to play a vital role in promoting prevention.

Quarterly progress in the area of prevention is summarized below:

<p>Sectors</p>	<ul style="list-style-type: none"> <li>• <u>All Sectors</u>: Recognizing the measurable, positive impact the Safety's First program has already had at the MTA, staff in partnership with DuPont, has embarked on a renewed effort to continue and further improve the safety performance. Since the inception of Safety's First in 2001 until the present, the MTA has recorded a 37% reduction in OSHA recorded injuries. Attachment A displays Fourth Quarter FY02 to Fourth Quarter FY03 changes.</li> <li>• It is the goal of this renewed effort to make an additional 33% reduction in injuries this fiscal year. This equates to a \$7 million claims cost reduction in FY04. To achieve this, the executive leadership of the MTA endorsed the development of the FY04 Safety Improvement Plan to be launched in early July. The program initiates seven new teams to assess and make recommendations for improvements in key process areas that have a substantial impact on MTA's ability to achieve both injury and ultimately financial targets:             <ul style="list-style-type: none"> <li>• Return to work</li> <li>• Performance management</li> <li>• Incident Investigation</li> <li>• Field safety observation</li> <li>• Communications programs and activities</li> <li>• Rules and procedures</li> <li>• Ergonomics</li> </ul> </li> <li>• The teams will be lead by General Managers and staffed with individuals from all organizational levels. The teams are slated to complete their work and begin implementation of their recommendations within 4-5 months.</li> </ul>
	<ul style="list-style-type: none"> <li>• <u>All Sectors</u>: A variety of other prevention-related programs have been initiated and are being carried out at the sectors including: back and fall protection; monitoring observation and feedback on safety performance; reviewing accidents and injuries for root cause analysis; developing and leading safety programs that change behavior; managing and reviewing OSHA recordable incidents (OSHA recordables trend in Attachment A); and setting target programs to improve accident rate by line.</li> </ul>
	<ul style="list-style-type: none"> <li>• <u>All Sectors</u>: By the end of the reporting period, over 88% of all staff received safety skills training. Transit Operations has reached 87.2% completion; other organizations outside of Operations have achieved rates of completion varying from 87% to nearly 100%. Sixty managers and supervisors completed the 16-hour course in the fourth quarter of FY03.</li> </ul>

Sectors - cont.	<ul style="list-style-type: none"> <li>• <u>All Sectors</u>: For bus, the average vehicular accident rate per 100,000 hub miles for the <b>fourth quarter</b> of FY03 was 3.86 compared to 3.7 during the same period in FY02. For FY03, the average accident rate was 3.87, exceeding the goal of 2.7. (See Attachment B).</li> <li>• While MTA did not meet the Bus FY03 accident rate goal system wide, it is important to note that there has been a steady reduction in <b>annual</b> accidents rates over the past three years (See Attachment C-1). Similarly, rail accident rates have declined substantially in the same period (See Attachment C-2).</li> <li>• Attachment D-1 displays the bus accident rate per 100,000 hub miles for FY03. In the last quarter there was a decided up turn in accidents in April, but the trend turned downward towards the end of the quarter.</li> <li>• Attachment E displays the results for the fiscal year for passenger accidents (Bus and Rail). Like the trend in vehicular accidents there was an apparent upturn in the number of incidents involving passengers in the last quarter. Again, like the vehicular accident trend, the passenger accidents have started to come down again in July.</li> </ul>
	<ul style="list-style-type: none"> <li>• <u>Westside/Central</u>: The sector will deploy more street supervision at peak times for known accident-prone lines and intersections. Additionally, sector staff will team with other sectors to provide more oversight. Increase prevention training and line rides for identified high offenders and when required, increasing undercover observation and surveillance. Also, the divisions are looking for ways to put more effort in the accident review board. Over 70% of the accidents are classified unavoidable.</li> </ul>
	<ul style="list-style-type: none"> <li>• <u>South Bay</u>: The sector ended the fiscal year with an average bus vehicular accident rate of 3.61 per 100,000 miles. Recent trends are showing a decline in the accident rate from the peak in April 2003.</li> </ul>
	<ul style="list-style-type: none"> <li>• <u>Gateway</u>: The Sector implemented a mandatory program of ride checks and retraining for operators involved in bus accidents. The ride check and retraining occur within 7 days of the incident. The sector seeks to raise awareness by posting the locations of accidents with photos that have been identified on a line-by-line basis so that operators are more sensitive to problem locations. Sector staff discusses accidents in safety and division rap sessions especially noting solutions to avoid hitting right side objects. The sector will work with Operations instruction to take digital pictures/videos at trouble spots. They will also institute a process of panel interviews with each operator involved in a bus accident to provide more detail on the root cause of the accident.</li> </ul>

Sectors – cont.	<ul style="list-style-type: none"> <li>• <u>San Fernando</u>: Sector staff will analyze FY03 year-to-date accident data to determine the three lines with the highest number of accidents. Then they will assign field supervision to monitor the lines. Finally, staff will identify operators with the highest frequency of accidents and provide additional training.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• <u>San Gabriel Valley</u>: The sector decreased the overall accident rate to 2.94 at the end of the fiscal year but did not achieve its target of 2.7. Division 3 ended the fiscal year at 3.51 and Division 9 at 2.38. An initial analysis of the data shows no apparent trend by accident type. A complete analysis is under review by the SGV Accident Investigation Committee.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Rail Vehicular accidents per 100,000 revenue train miles met the goal of 0.40 for the fiscal year. The average for FY03 was 0.38. In the fourth quarter FY03 and FY02, however, the anticipated goal was exceeded in both years. For FY03, the fourth quarter average for the three rail services was 0.486; in the same quarter for FY02, the average was 0.432. (See Attachment D-2)</li> <li>• Most of the rail vehicular accidents occur on the Blue Line where street running sections along with grade crossing incidents allow for direct contact with other vehicles. Attachment C-2 displays the trend of rail vehicular accidents over the last three fiscal years. Significant progress has been made. In particular, reduction in grade crossing incidents on the Blue Line has contributed greatly to the success of the rail safety effort.</li> </ul>
Corporate Safety and Training	<ul style="list-style-type: none"> <li>• Over the last two quarters of FY03, there have been a number of incidents of fueling service attendants driving away from the fuel island while still connected to the fuel pump. While no injuries occurred, some damage was sustained to one of the fuel island equipment locations. A staff task force was formed to deal with the issues of training, additional supervision, equipment, and communications. Training sessions were held at various locations and equipment was inspected for damage or inoperative parts. In addition, Corporate Safety developed a series of banners and a fuel pump sticker to remind service attendants to not start the vehicle prior to assuring that the pump nozzle was properly stowed. (See Attachment F).</li> </ul>

<p>Corporate Safety and Training – cont.</p>	<ul style="list-style-type: none"> <li>• The <i>Safety &amp; Health Assessment Review Program (SHARP)</i> measures and evaluates the compliance of MTA operations with various regulatory programs mandated by California Title 8, the Occupational Health and Safety Administration (OSHA). Each year, Corporate Safety reviews the work sites' compliance with a selected regulatory program. In FY03, Corporate Safety selected for review the Title 8, California 3203 statute, commonly known as the "Injury and Illness Prevention Program" (IIPP). The IIPP is an enforceable regulation established in 1992 that covers all MTA employees. It is the foundation from which all other OSHA - directed health and safety programs emanate.</li> <li>• Based on the scale above, the overall MTA rating was 2.3. In the safety industry, this is considered a good level of compliance for first time review effort. Corporate Safety intends to perform this review annually. (See Attachment G).</li> </ul>
	<ul style="list-style-type: none"> <li>• Operations Training and its new Director are supporting the sector efforts through re-structuring and improving the agency's training programs. Efforts that have been initiated and will be in place within FY04 include: <ul style="list-style-type: none"> <li>• Development of an interactive defensive driving program</li> <li>• Establishment of instructor qualification and performance standards</li> <li>• Improvement of the bus operator mentor program</li> <li>• Re-design curriculum for new bus operators.</li> <li>• In addition, the MTA is purchasing a bus simulator, which will be a valuable training aid in reducing accidents.</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• In the next quarter, the Communications Department will be launching a bus and rail safety campaign aimed at the riding public. The Program called "Safety Begins with ME" aims at children, seniors, and riders to take responsibility for their own safety while riding MTA buses and trains. (See Attachment H).</li> </ul>

Prevention-related activities planned for the third quarter of fiscal year 2004 include:

- Expand the Safety's First message by incorporating safety policy language and specific safety requirements in each newly awarded contract.
- Specifically incorporate the accountability for safety in all employee performance evaluations through the implementation of the agency wide strategic plan.
- In partnership with DuPont, launch a revitalized safety's first effort in the first quarter of FY04.
- Work towards the development of additional tools for the recording and analysis of accidents and injuries.

## **Improve Investigation Procedures and the Handling of Claims**

Exhibit 1 displays the current status of the Worker's Compensation program through the end of June 2003. Once an incident or injury occurs, the agency must act quickly to understand what happened and to ensure a similar accident or condition doesn't recur. It is also crucial to swiftly and effectively address the needs of the injured employee from both a medical and an administrative standpoint.

As a result of the ongoing activities in this focus area<sup>1</sup>, MTA has achieved preliminary agency wide reductions in workers' compensation costs, the number of lost workdays, and the number of new claims reported.

Comparing the April-June fiscal quarter for FY02 versus FY03, the following trends are noted and displayed in Exhibits 1 through 3 and Attachment I below. Overall, results from the Safety's First and Workers' Compensation programs reveal substantial improvements from prior quarters. In summary, the results show that:

- Temporary disability payments increased by 5.1%
- Temporary disability payments per 100 employees increased by 3.6%
- New indemnity claims decreased by 26.4%
- New medical claims decreased by 45.2%
- New claims per 100 employees decreased by 31.0%
- Lost workdays decreased by 14.4%.

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<sup>1</sup> The Risk Management Workers' Compensation Division has implemented a broad range of best industry standard claim practices that have been structured to control costs, including: detailed medical invoice reviews; recovery programs; expanded transitional duty programs; litigation management; claim investigations; interdisciplinary audits of previous claims prior to 9/1/01; medical case management; preferred provider diagnostic testing, pharmaceutical provisions, and expandable medical supplies/orthotics services.

## Exhibit 1

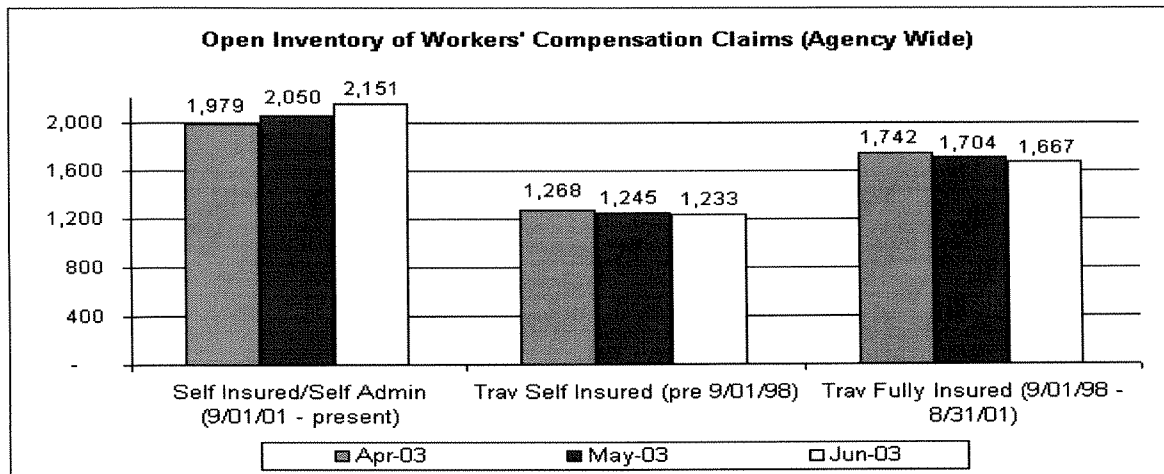
### Workers' Compensation Summary

	FY03 Q4	FY02 Q4	+/-
<b>Temporary Disability (TD) Payments</b>	\$2,777,411*	\$2,641,793	5.1%
<b>TD Payments per 100 Employees</b>	\$29,510	\$28,490	3.6%
<b>Lost Work Days</b>	23,068	26,957	-14.4%
<b>New Claims Reported:</b>			
<b>Indemnity</b>	399	542	-26.4%
<b>Medical</b>	69	126	-45.2%
<b>Total</b>	468	668	-29.9%
<b>Indemnity to Total Claims, %</b>	85.3%	81.1%	5.1%
<b>Avg. No of Employees on Transitional Duty</b>	70	92	-23.6%
<b>Total New Claims per 100 Employees</b>	4.97	7.20	-31.0%

\* Statutory Indemnity Rate increased from \$490 to \$602 per week effective 1/01/03.

At the end of June 2003, the agency had a total of 5,051 open Workers' Compensation claims (Exhibit 2). This includes claims originating from the Travelers administered Self-Insured period (pre-September 1998), the Travelers Fully Insured period (September 1998 to August 2001), and the Self-Insured/Self-Administered period (September 2001 to present). The Workers' Compensation Division, with the support of County Counsel and MTA Audit, continues to pursue evaluations of Travelers Insurance's management of previous self-insured/insured claims.

## Exhibit 2



**Exhibit 2 Continued**

<b>WC claims</b>	<b>At the end of FY03 Q4</b>	<b>At the end of FY03 Q3</b>	<b>+/-</b>
Self Insured/Self Admin (9/01/01 - present)	2151	1914	12.4%
Trav Self Insured (pre 9/01/98)	1233	1330	-7.3%
Trav Fully Insured (9/01/98 - 8/31/01)	1667	1776	-6.1%
<b>TOTAL</b>	<b>5051</b>	<b>5020</b>	<b>0.6%</b>

As shown in Attachment I, the trends in new worker’s compensation claims shows a definite decline. The trends in payments however shows an increase which is due solely to the change in the state law changing compensation rates for temporary disability from \$490 per week to \$602 per week. Finally, Attachment I also displays the type of new worker’s compensation claims by calendar quarter. The number of claims is decreasing in both categories (indemnity and medical).

**Improve the Transitional Duty Return-to-Work Program**

This area of focus emphasizes returning injured employees back into the productive workforce as quickly as possible. Not only does this address Workers’ Compensation costs, but it also reduces overtime. Focus includes a Workers’ Compensation Division medical management team working closely with treating doctors and clinics to define employee work restrictions and to develop effective individualized transitional duty assignments.

A key ongoing activity is development of the transitional duty program to include physical agility standards for safety sensitive job classifications.

**Expand the Special Investigation Unit’s Role in Prevention and Prosecution of Claims Fraud**

In cases where a potential fraud is suspected, the internal Special Investigations Unit (SIU) has begun to provide data mining and continues its field investigative services. The MTA continues to contract with a panel of eight firms to conduct sub rosa investigations. Quarterly progress in this area is summarized below in Exhibit 3.



**Exhibit 3**  
**Scorecard for Fourth Quarter FY03**

SIU Cases Opened in 4 <sup>th</sup> Qtr for investigation of possible fraud	<b>6</b>
SIU Cases Closed in 4 <sup>th</sup> Qtr for investigation of possible fraud	<b>6</b>
Total SIU possible fraud cases active at the end of the Quarter	<b>12</b>
Cases referred for criminal review by the DOI/DA for fraud in 4 <sup>th</sup> Qtr *	<b>3</b>
Total SIU cases pending response from DOI/DA	<b>8</b>
Total cases referred by Workers' Compensation Claims Department Analyst to SIU for review, referral and assignment to contract investigation firms for AOE/COE Investigation (59), Surveillance (38), Activity-Checks (15).**	<b>112</b>
Total hours of investigation conducted by SIU contract services	<b>1,392</b>

\* DOI/DA - Department of Insurance/District Attorney

\*\* AOE/COE - Arising out of Employment/Course of Employment

**NEXT STEPS**

Staff will continue aggressive review of the various Workers' Compensation and public liability/property damage cost containment programs and claims processing activities and will report back on progress achieved in the First Quarter FY04 report. Likewise, the seven teams formed for the FY04 Safety Improvement Program will continue their work, and key progress will be reported back to the Board in future status reports.

MTA Operations staff will continue to focus on accident investigation and training for supervisors and managers as well as on new methods of training operating personnel to avoid accidents. Operations Training is focusing on the specific training needs and organizing the department to deliver higher quality and more focused training for the Operations Department.

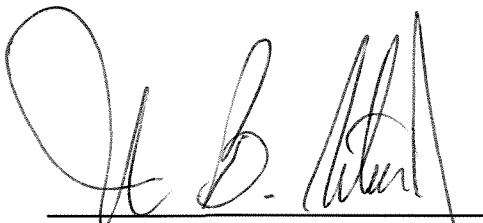
A recommendation concerning the selected bus operator seat for new purchases as well as fleet retrofit is expected in the second quarter of FY04.

Finally, staff plans to roll out in the second quarter of FY04, the Transitsafe™ integrated incident and injury reporting and analysis system on an agency wide basis. It is currently in the testing process. Training for Managers and Supervisors will begin in early September.

## ATTACHMENT(S)

- A. OSHA Recordables FY02 Fourth Quarter to FY03 Fourth Quarter.
- B. Bus Vehicle Accidents by Sector Fourth Quarter FY02 compared to Fourth Quarter FY03.
- C. Bus Vehicle Accidents/100,000 Hub Miles FY'01 to FY03(C-1); Rail Accidents/100,000 Revenue Train Miles FY01 to FY03 (C-2).
- D. Bus and Rail Vehicular Accidents per 100,000 miles for FY03 (D-1 and D-2).
- E. Bus passenger accidents and Rail Passenger Accidents per 100,000 boardings.
- F. Bus Fuel Island CNG Poster and Fueling sticker.
- G. SHARP Rating Chart.
- H. Sample "Safety Begins With Me" campaign.
- I. Temporary Disability Payments by Quarter, Agency-wide New WC Claims Reported, and Agency-wide New WC Claims by Type.

Prepared by: Michael Koss, Executive Officer of Risk Management  
Andrea Burnside, Managing Director, Corporate Safety and Training



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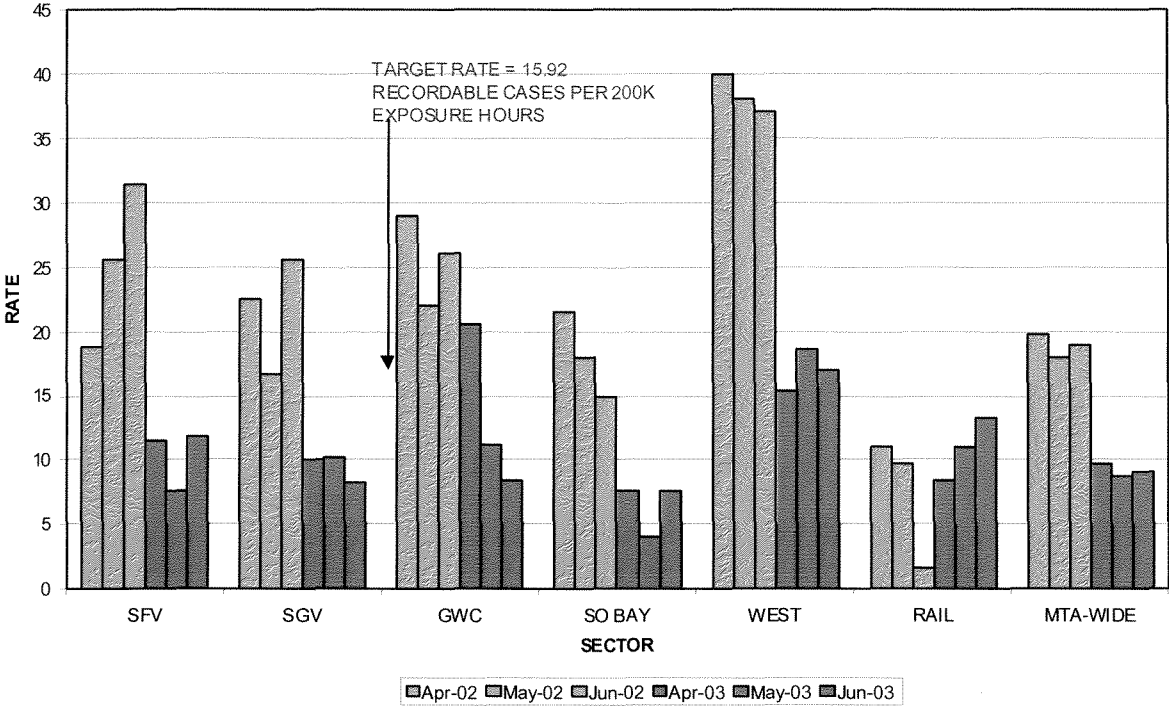
John B. Catoe, Jr.  
Deputy Chief Executive Officer



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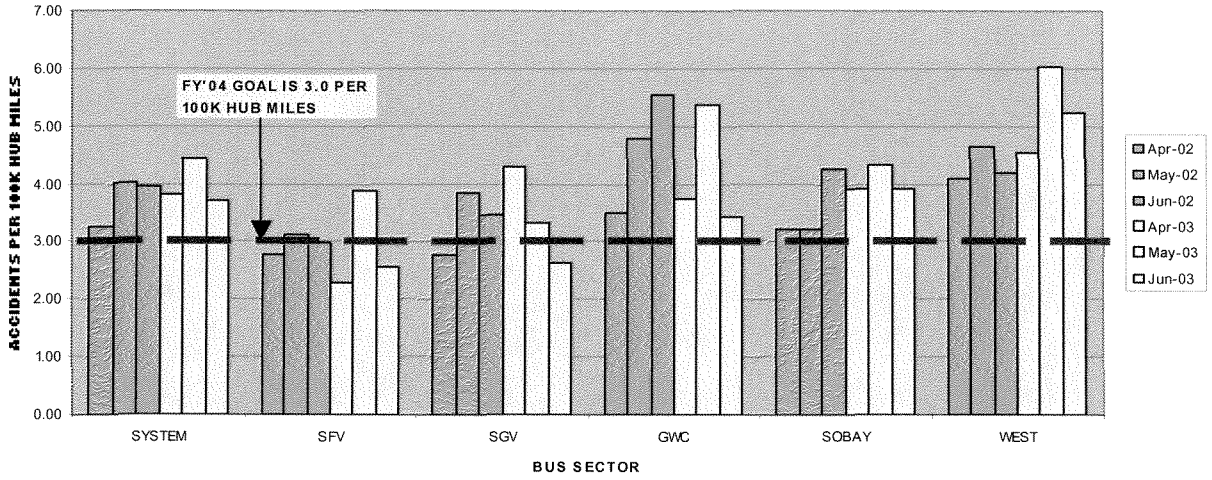
Roger Snoble  
Chief Executive Officer

OSHA RECORDABLES PER 200K EXPOSURE HOURS  
 FY02 4TH QUARTER TO FY03 4TH QUARTER

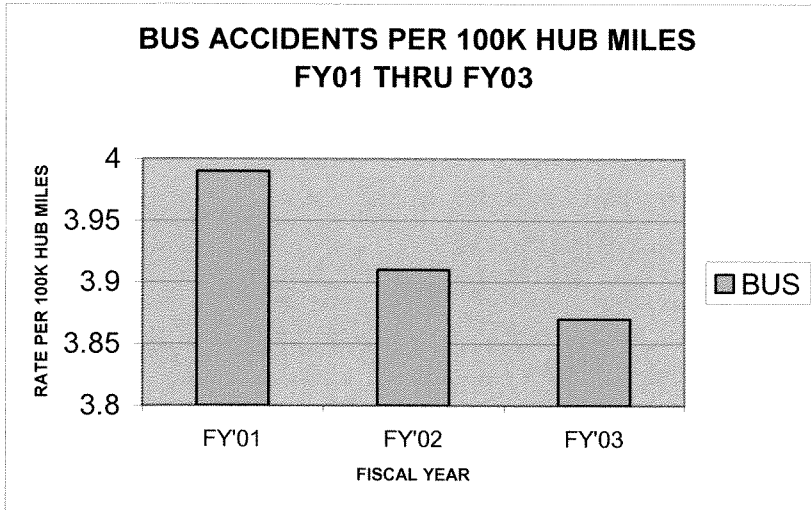


ATTACHMENT B

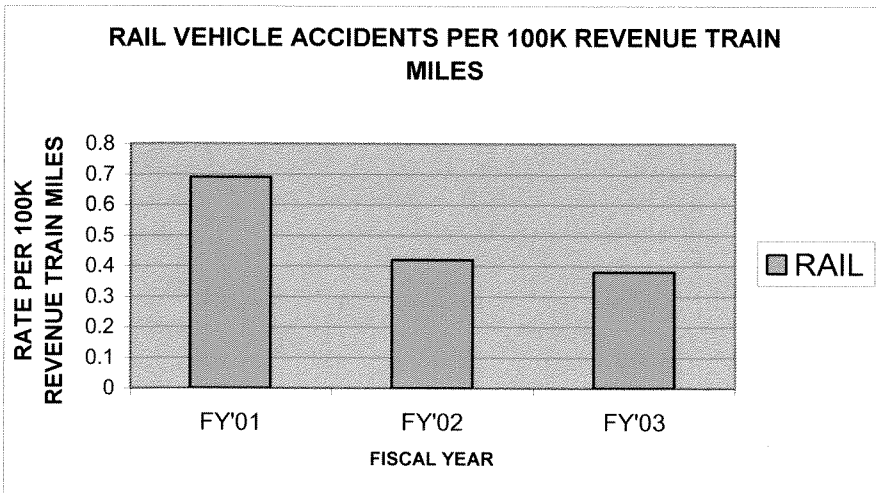
BUS VEHICLE ACCIDENTS PER 100K HUB MILES BY SECTOR  
4TH QUARTER 2002 COMPARED TO 4TH QUARTER 2003



**ATTACHMENT C-1**

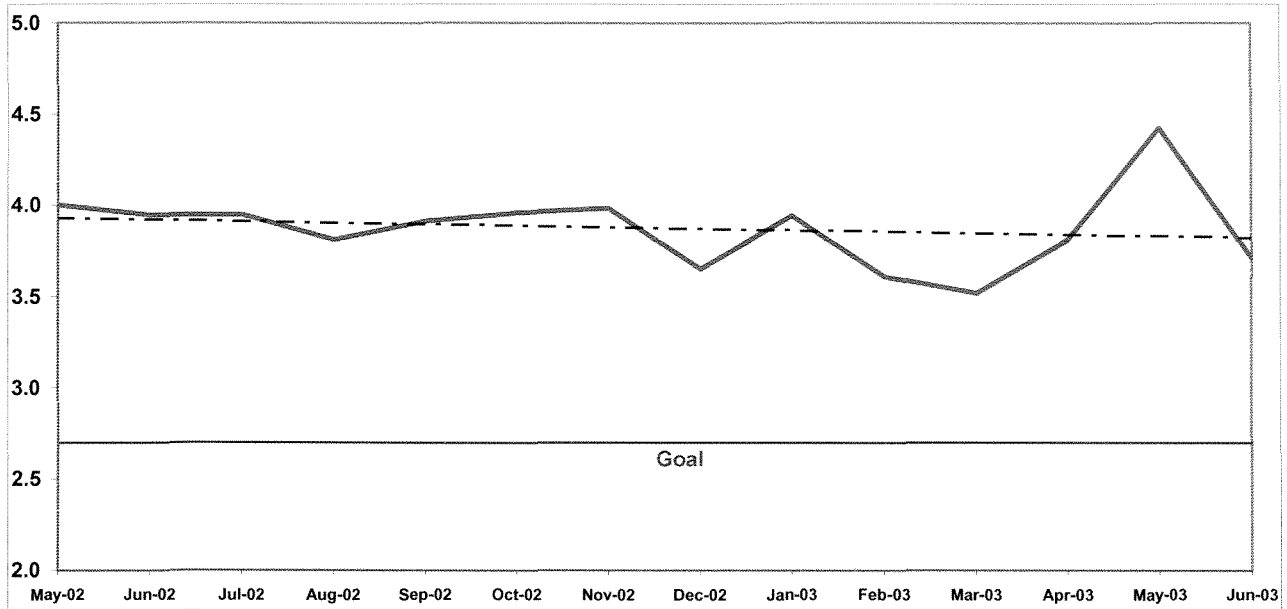


**ATTACHMENT C-2**



**ATTACHMENT D-1**

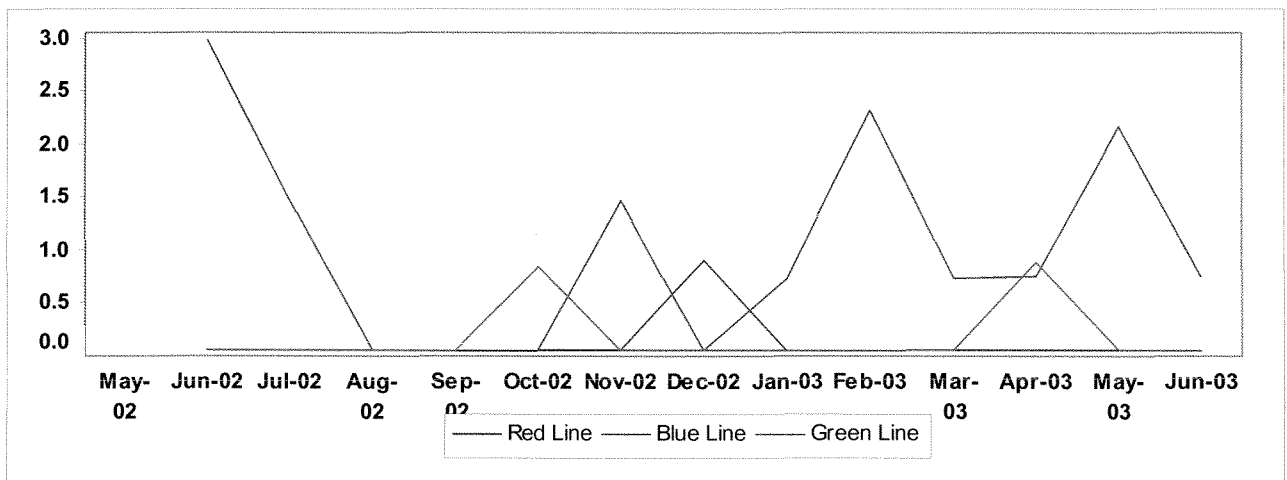
**Bus Accidents per 100,000 Hub Miles\* Agency-wide**



Source: Fleet Management and Support Services Department: Vehicle Management System and Vehicle Accident Maintenance System

**ATTACHMENT D-2**

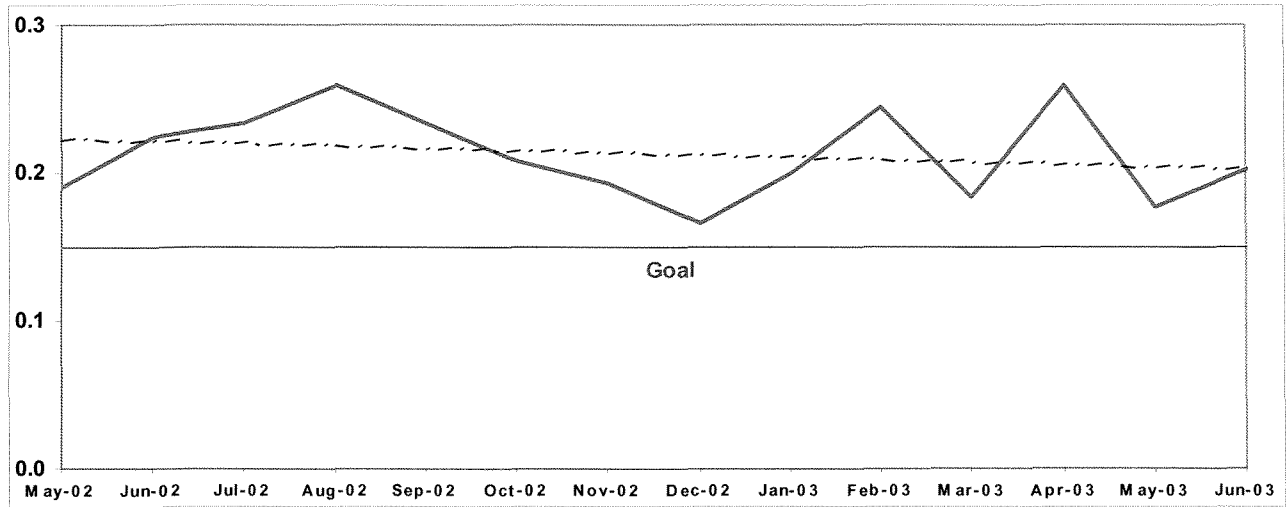
**Rail Accidents per 100,000 Revenue Train Miles\***



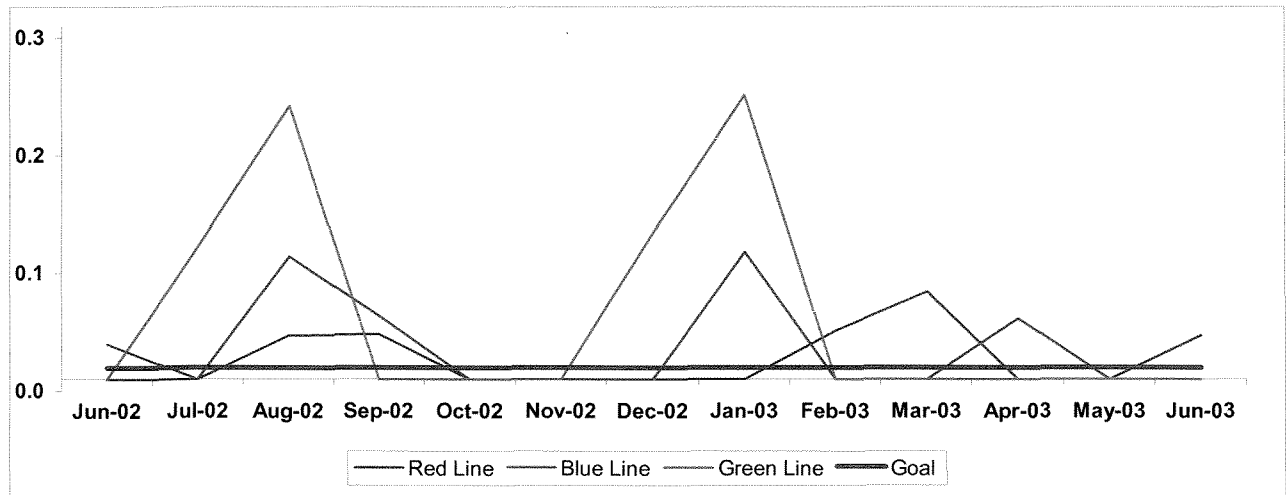
Source: Fleet Management and Support Services Department: Vehicle Management System and Vehicle Accident Maintenance System.

**BUS AND RAIL  
PASSENGER ACCIDENTS PER 100,000 BOARDINGS**

**BUS  
MAY 02 – JUNE 03**



**RAIL  
JUNE 02 – JUNE 03**



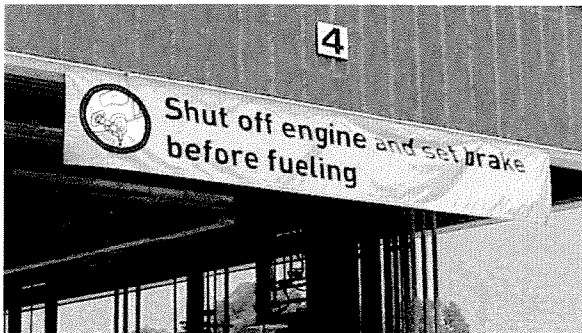


ATTACHMENT F

Fuel Island Banners and Fuel Pump Sticker



**Check nozzle is removed**  
Asegurarse de remover la manguera



## ATTACHMENT G

The rating system shown below for the SHARP review allows for scores from 0.0 to 3.0. As noted in the text, for this first time review the agency achieved a rating of 2.3 on each of the elements. Work sites that attained scores exceeding the agency-wide average include:

- Division #11, Maintenance
- Division #18, Transportation
- Regional Rebuild Center, Equipment Maintenance cost centers

Management teams at these sites demonstrated the understanding of OSHA regulations, provided the guidance on how to achieve compliance, monitored their efforts and exhibited the creativity to exceed compliance. They serve as “best practices” models for the rest of the agency.

Level 1	Non – Compliance	Minimum legislative requirements are not met.
Level 2	Partial Compliance	Some levels of regulatory requirements are met.
Level 3	Substantial Compliance	Most IIPP regulatory requirements in all components and for all hours of operations.
Level 4	Safety Success Exceeds compliance	Program provides effective integration and monitoring of the Injury and Illness Prevention system.

**“SAFETY BEGINS WITH ME”**



