

**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 January 2003 through March 2003.

ISSUE

Per Board direction, staff provides a quarterly status report on safety and workers' compensation.

DISCUSSION

This report summarizes progress for the safety and worker's compensation programs. Where data is available, comparisons are made from the current quarter to the same quarter one year ago.

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.

In the DuPont model and in MTA's Safety's First policy, training employees in safety skills is key to improving safety. Safety First training for line and administrative personnel consists of a 4-hour course; managers and supervisors are required to complete a 16-hour course. Corporate Safety and Dupont completed training sessions for new MTA trainers to assume the responsibility for teaching the 16-hour course. In-house volunteer staff now teaches all Safety First training courses.

Quarterly progress in the area of prevention is summarized below:

- All Bus Sectors
- All sectors continue to train their managers, supervisors and line employees in safety skills. By the end of March 2003, 71.0% of bus sector employees completed safety training (Detail by Sector in Exhibit 1).
 - 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. OSHA recordable cases are displayed in Attachment B and are broken down by divisions within each sector. Two bars represent each division – the first is for the January to March quarter in 2002 and then compared to this quarter for 2003.
 - Bus Traffic Accidents per 100,000 hub miles are on a slight downward trend, but have not met the fiscal year target of 2.7 bus vehicle accidents per 100,000 hub miles (Attachment C). For the same quarter in 2002, total bus vehicle accidents were 3.86 per 100,000 hub miles. In the same quarter for this fiscal year, all bus sectors were down to 3.66 bus accidents per 100,000 hub miles a five (5) percent decrease.
 - Bus passenger accidents declined sharply in March, but remains above the fiscal year target of 0.15 passenger accidents per 100,000 boardings (Attachment C). On a year-to-year basis, no significant change was revealed.
 - Bus vehicle accidents by sector are displayed in Attachment D. Accident rates are down across all sectors, although an occasional month may spike the result for a sector. The Westside/Central and South Bay Sectors continue to have the highest exposures and concomitantly high-related accident rates. All sectors are expending a significant amount of time targeting high incident lines for review and aggressive treatment.

- Westside/Central • The Sector established a goal that 75% of sector employees will complete DuPont safety skills training by the end of the third quarter. The sector achieved an 84% completion rate through March 31, 2003, exceeding their target. There is continuing focus on incident investigation and the field observation and feedback process. The sector initiated a program of identifying operators who had experienced a high number of traffic accidents, regardless of avoidability determinations. These operators are receiving additional counseling and defensive driving instruction.

- South Bay • The South Bay Sector has completed less than 50% of its safety training as of March 31, 2003. The Sector Manager is preparing a program to reach its training goal.

- Gateway • This sector has completed nearly 92% of its training goal through March 31, 2003. Every operator involved in traffic accident will be re-trained and bus evaluation ride will be conducted within 7 days of the accident. In addition, the Gateway Cities Sector implemented an annual Safety Award Program. Operators receive certificates and awards for good accident and no Workers Compensation claims during the period.

- San Fernando • Division 8 Maintenance initiated a new safety incentive program with specific goals and prizes to drive down lost time injuries. Sector Management will prepare a separate report. This sector has reached nearly 79% of its training goal through March 31, 2003.

- San Gabriel Valley • This sector has achieved a 58% training rate for its employees through March 31, 2003. The Sector Manager is preparing a program to reach its training goal.

- Rail • To raise safety awareness among customers, Rail Operations began displaying safety messages on the variable message signs in stations targeting the most commonly occurring incidents. Rail continues to stress safety skills training for all frontline employees. Nearly 75% have participated through March 31, 2003.

- The Metro Blue Line with its surface running operation is prone to automobile versus train impacts (Attachment B). Both the Metro Red and Metro Green Lines had zero vehicle accidents for the quarter.

- Rail passenger accidents declined in the quarter and were zero for the Blue and Green Lines in February and March 2003 (Attachment

E).

Administrative/
Headquarters
Bldg

- Dupont, in concert with Corporate Safety conducted a workshop with Executive Staff on Field Observation and Feedback and a second on setting or re-establishing the safety emphasis throughout the organization.
- Non-operating departments, particularly at the Headquarters Building, are concentrating on a series of campaigns on escalator/elevator safety, development of a new office safety guide and handbook for employees, and reviews of accidents and injuries for the affected units. By the end of March 2003, administrative and support units had completed approximately 84% of all training.
- Dupont continued its ergonomics efforts on behalf of the Bus Operator Seat project, which will lead to selection of seats that are both ergonomically correct as well as have the greatest appeal to our operators.
- Corporate Safety provided \$30,000 for a pilot safety eyeglass program for employees who must wear corrective lenses in order to perform their work, with implementation planned for Q1 FY04.

Exhibit 1



Worker's Compensation

Comparing the January-March fiscal quarter for FY02 versus FY03, (as shown in Exhibits 2-5 below), the following conclusions can be drawn:

- The Temporary disability payments decreased 1.8%
- The Temporary disability payments per 100 employees decreased by 1.6%
- The number of new and/or reopened indemnity claims decreased by 28.4%

- The number of new and/or reopened medical claims decreased by 10.7%
- The number of new claims per 100 employees decreased by 25.0%
- The number of employees on transitional duty assignment increased by 7.7%.
There are 467 employees on long-term industrial leave; 84 employees are enrolled in the transitional duty program.

EXHIBIT 2 – WORKERS COMPENSATION SUMMARY¹

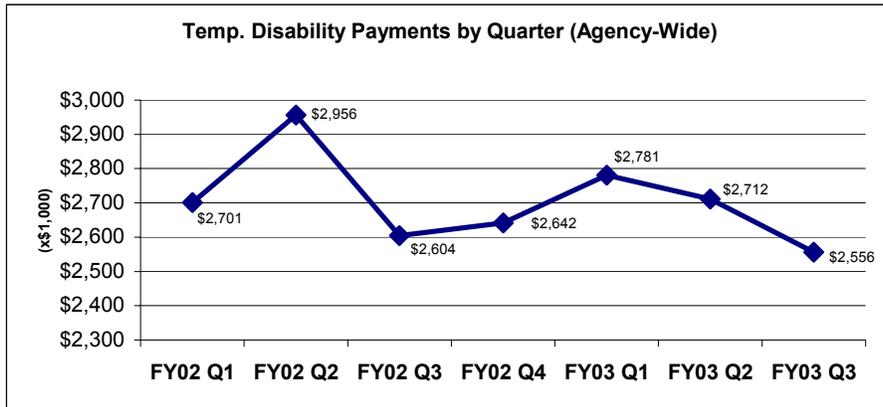
Workers' Compensation	FY02 Q3	FY03 Q3	+/-
Temp Disability (TD) Payments	\$2,604,206	\$2,556,353	-1.8%
TD Payments per 100 Employee	\$27,947	\$27,513	-1.6%
Avg. No of Employee on Transitional Duty 2	78	84	7.7%
New Claims Reported:			
Indemnity	545	390	-28.4%
Medical	122	109	-10.7%
Total	667	499	-25.2%
Total New Claims per 100 Empl.	7.16	5.37	-25.0%

Source data for this table is described in footnote 1

¹ Source data for Exhibits 2-5 are drawn from the following: Travelers Monthly extract, Travelers detail Financial Report, Travelers CMS, Valley Oaks system, MTA Human Resources Monthly extract.

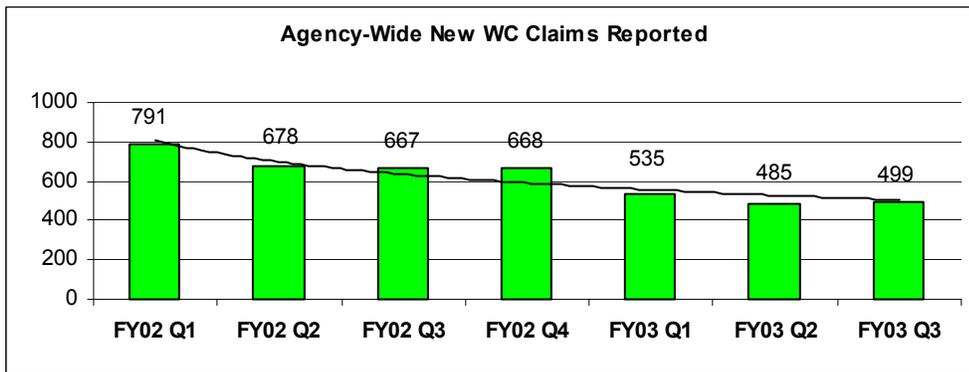
² MTA payroll tables for earning code “TDP.” This data represents the total number of employees who were being paid Temporary disability Pay for each month.

Exhibit 3 – Temporary Disability Payments by Quarter (agency-wide)



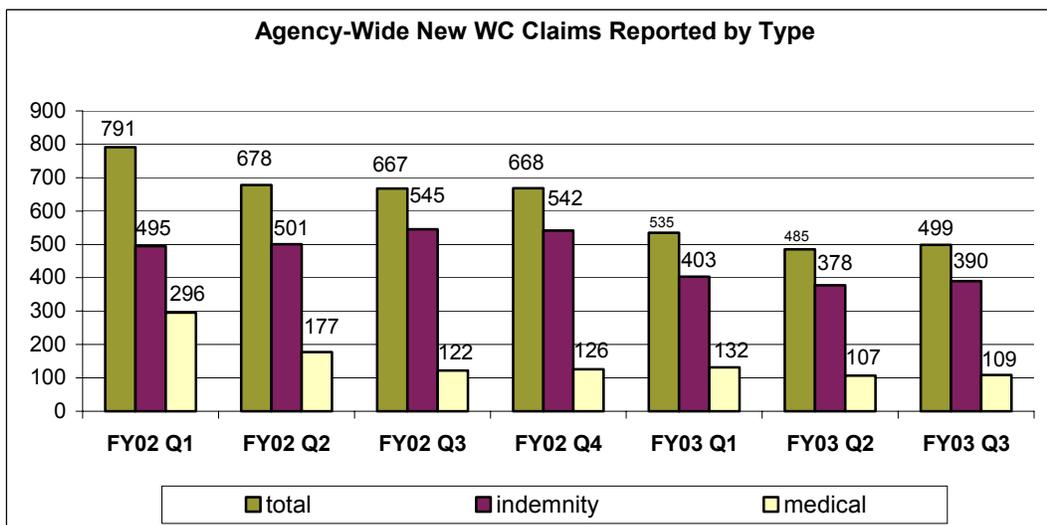
Source: See footnote 1 for source information

Exhibit 4 – Agency-wide New Workers Compensation Claims Reported



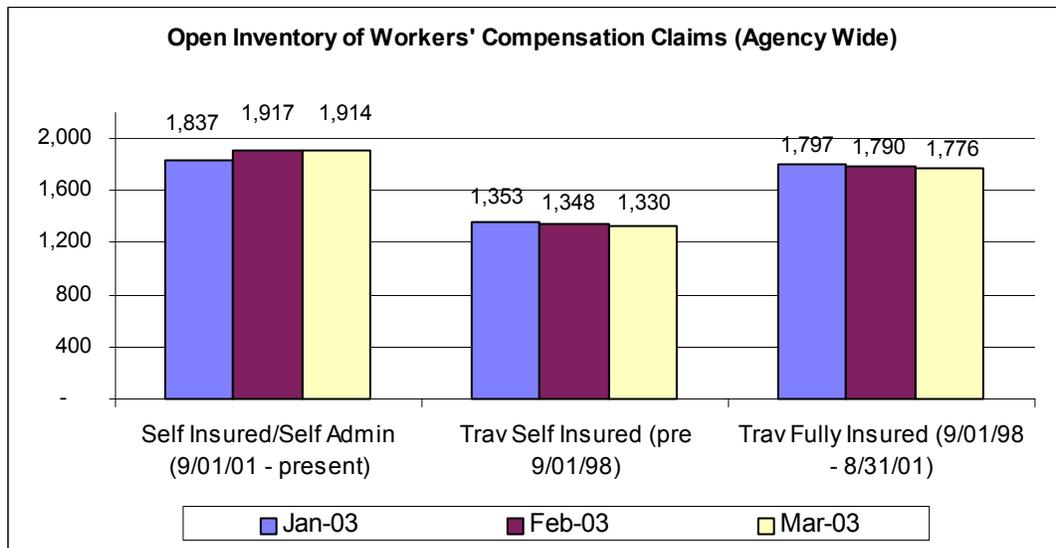
Source: See footnote 1 for source information

Exhibit 5 – Agency-wide New Claims Reported by Type



By the end of March 2003, the agency had a total of 5,020 open workers' compensation claims. (Exhibit 6) This includes claims originating from the Traveler's Self-Insured period (pre-September 1998), the Traveler's 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 6 -- Open Inventory of Workers' Compensation Claims



WC claims	By the end of FY03 Q2	By the end of FY03 Q3	+/-
Self Insured/Self Admin (9/01/01 - present)	1851	1914	3.4%
Travelers Self Insured (pre 9/01/98)	1374	1330	-3.2%
Travelers Fully Insured (9/01/98 - 8/31/01)	1819	1776	-2.4%
TOTAL	5044	5020	-0.5%

Special Investigations Unit

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 are summarized below and detailed in Attachment F.

NEXT STEPS

Staff will continue implementation of the cost containment programs and claims processing activities and will report back on progress achieved in the fourth quarter report.

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. A new Director of Bus Operations Training will join the agency in early June 2003 to oversee the intensified training efforts. Based on available data and an analysis of major accidents, staff is focusing attention on bus lines that are recording higher accident experience rates and identifying action steps on how to improve accident avoidance.

At the Board's direction, staff is pursuing the implementation of an additional transitional duty program for employees. Modeled after a successful program at Washington Area Metropolitan Transportation Authority (WMATA), transitional duty employees can be enrolled in a "Safety patrol Program" enabling security to extend its eyes and ears at parking lots and other MTA facilities. This program will assist the agency in improving passenger safety and security as well as provide staff at stations to answer customer questions.

Operations staff will conduct a worker's compensation forum to develop action programs that will insure budgetary targets are met and to realign resources and programs to improve injured employees' access to medical treatment and to establish effective return to work methods and strategies.

Finally, staff plans to rollout in the first quarter of FY'04, the Transitsafe™ integrated incident and injury recording and analysis system on an agency wide basis.

ATTACHMENTS

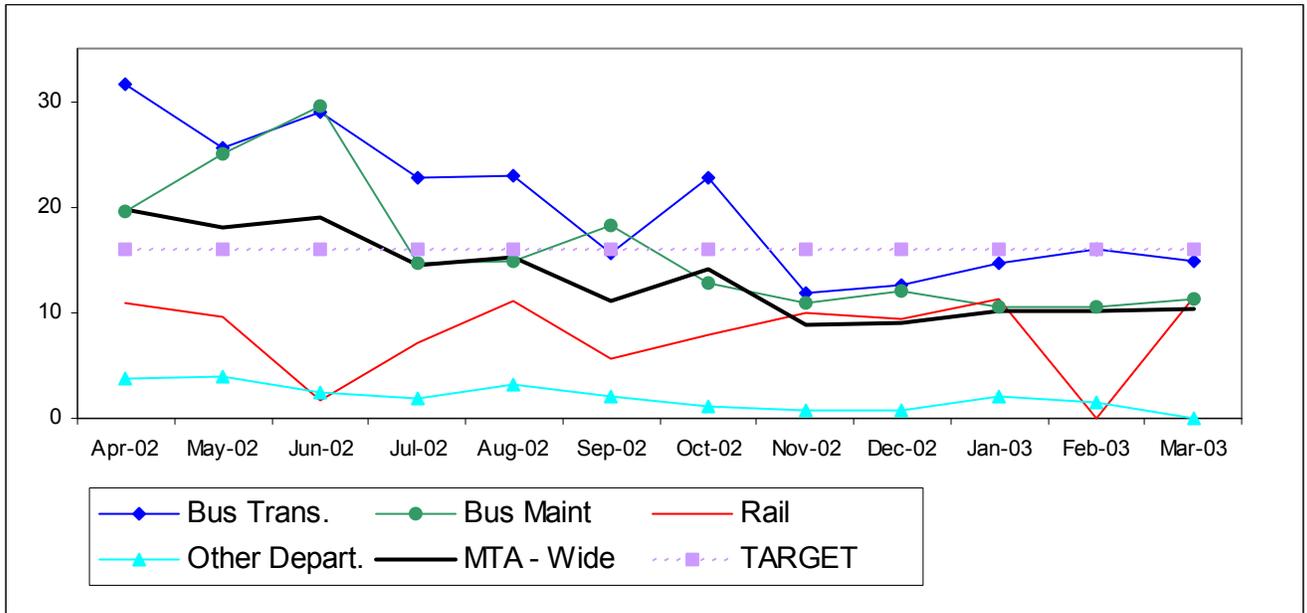
- A. OSHA Recordable Injury/Illnesses per 200,000 Exposure Hours (2/02-3/03)
Agency-wide and OSHA Recordable rates for sectors (4/02 – 3/03) (This data was not available prior to 4/02).
- B. Year to year trend of OSHA recordable cases by sector and rail operations
January to March 2002 versus 2003
- C. Bus Vehicle Accidents/100,000 Hub Miles; Rail Accidents/100,000 Revenue
Train Miles (2/02 – 3/03)
- D. Bus Vehicle Accidents per 100,000 Scheduled Miles by Sector 9/02-3/03
- E. Bus and Rail Passenger Accidents per 100,000 boardings (2/02 – 3/03)
- F. Special Investigations Unit (SIU) – Third Quarter FY03

Prepared by: Michael A. Koss, Executive Officer
Risk Management and Corporate Safety
Gary S. Spivack, Deputy Executive Officer Corporate Safety

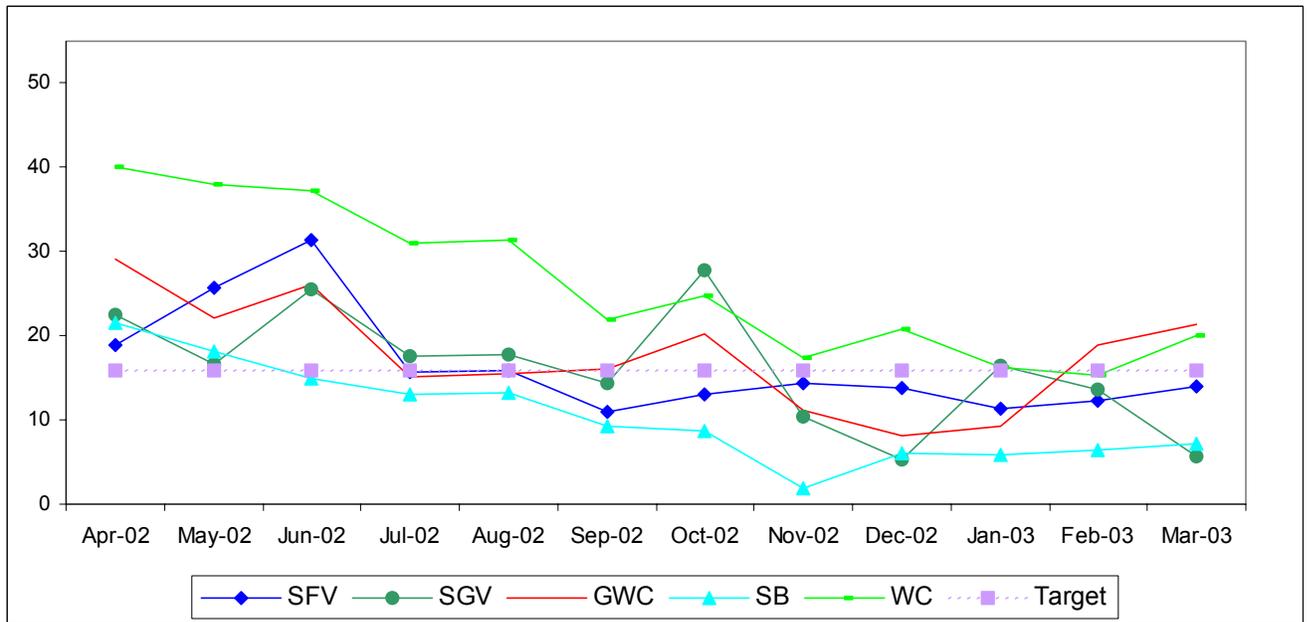
John B. Catoe, Jr.
Deputy Chief Executive Officer

Roger Snoble
Chief Executive Officer

**Occupational Safety and Health Administration (OSHA) Recordable Injuries/Illnesses*
Per 200,000 Exposure Hours By Area and Service Sectors**



- Bus Maintenance Division data includes Facilities Maintenance and Regional Rebuild Center.
- Source: Valley Oaks System and Traveler’s System Monthly Report

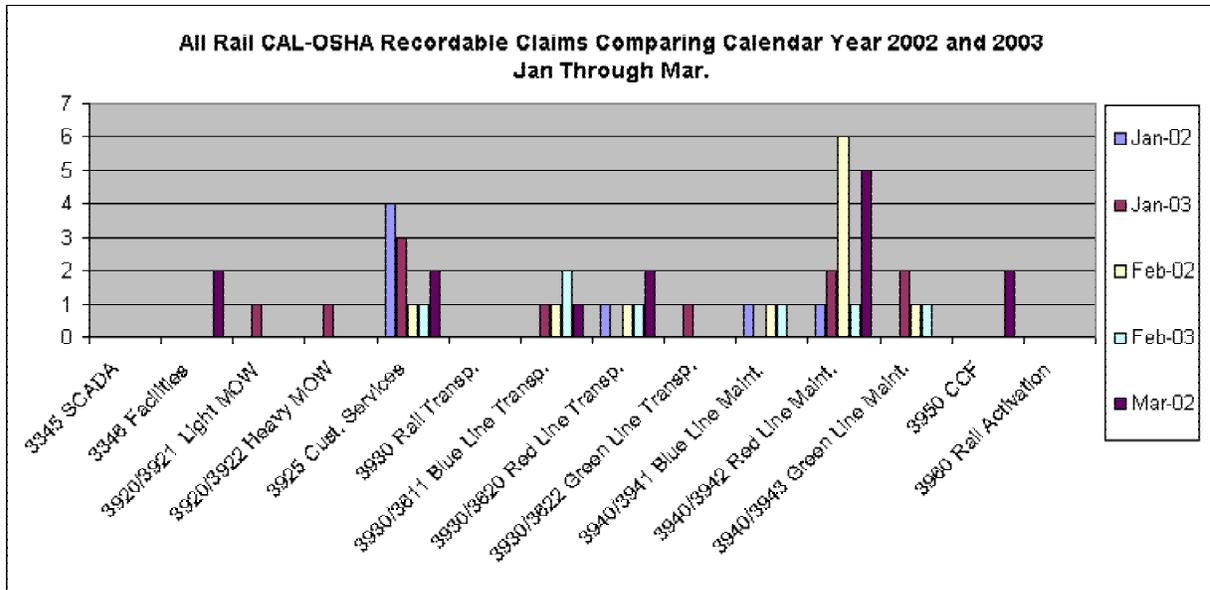


- Bus Maintenance Division data includes Facilities Maintenance and Regional Rebuild Center.
- Source: Valley Oaks System and Traveler’s System Monthly Report

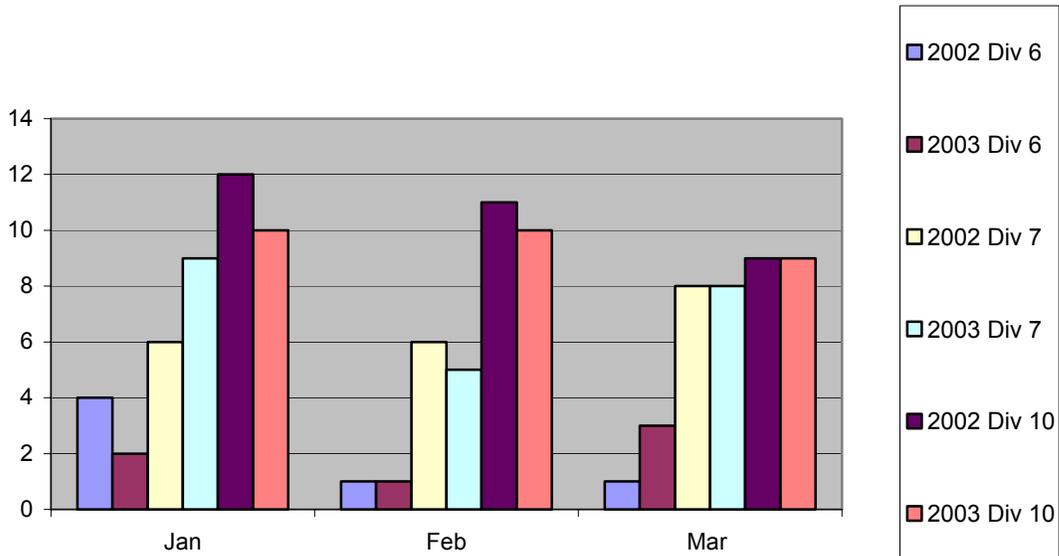
BUS SECTOR AND RAIL OSHA RECORDABLE DATA 3RD QUARTER 2002 TO 3RD QUARTER 2003

Source: Corporate Safety Department: OSHA log file

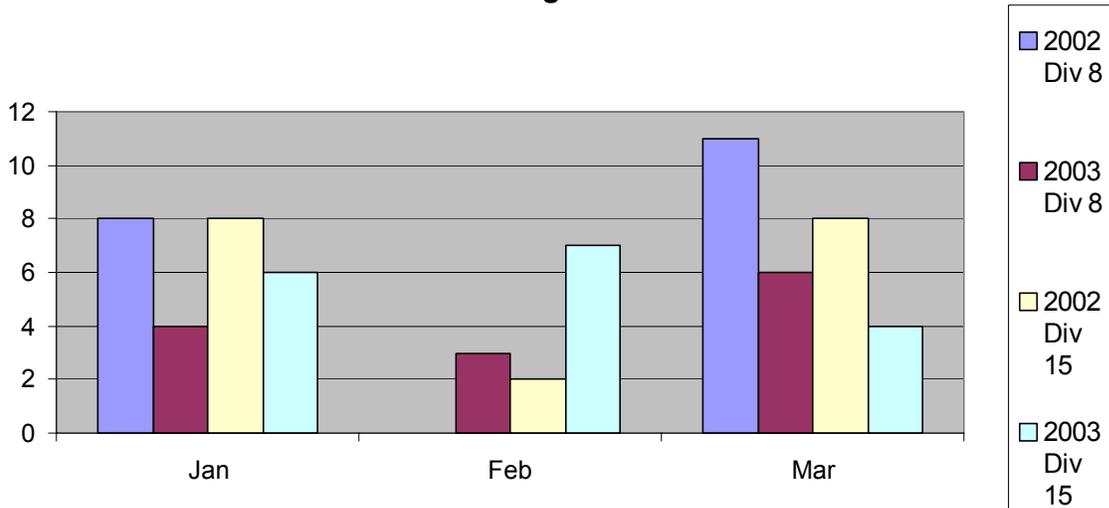
Rail	Jan-02	Jan-03	Feb-02	Feb-03	Mar-02	Mar-03
3345 SCADA	0	0	0	0		0
3346 Facilities	0	0	0	0	2	1
3920/3921 Light MOW	0	1	0	0	0	1
3920/3922 Heavy MOW	0	1	0	0	0	1
3925 Customer Services	4	3	1	1	2	2
3930 Rail Transportation	0	0	0	0	0	0
3930/3611 Blue Line Transportation	0	1	1	2	1	0
3930/3620 Red Line Transportation	1	0	1	1	2	1
3930/3622 Green Line Transportation	0	1	0	0	0	0
3940/3941 Blue Line Maintenance	1	0	1	1	0	2
3940/3942 Red Line Maintenance	1	2	6	1	5	1
3940/3943 Green Line Maintenance	0	2	1	1	0	0
3950 CCF	0	0	0	0	2	0
3960 Rail Activation	0	0	0	0	0	0
	7	11	11	7	14	9



**Westside / Central Sector CAL-OSHA Recordable Claims
Comparing Calendar Year 2002 and 2003 Jan Through Mar**

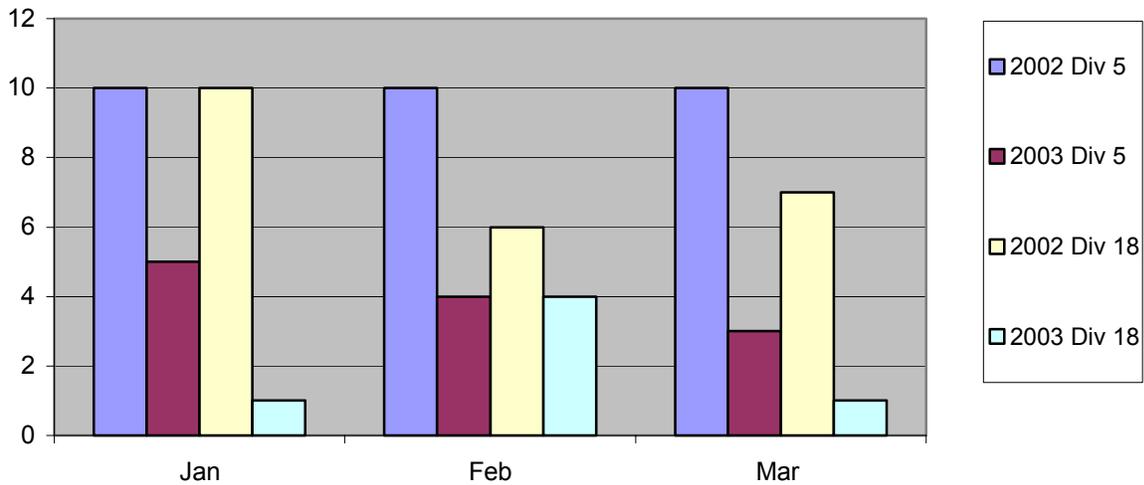


**San Fernando Valley Sector CAL-OSHA Recordable Claims
Comparing Calendar Year 2002 and 2003 Jan through Mar**

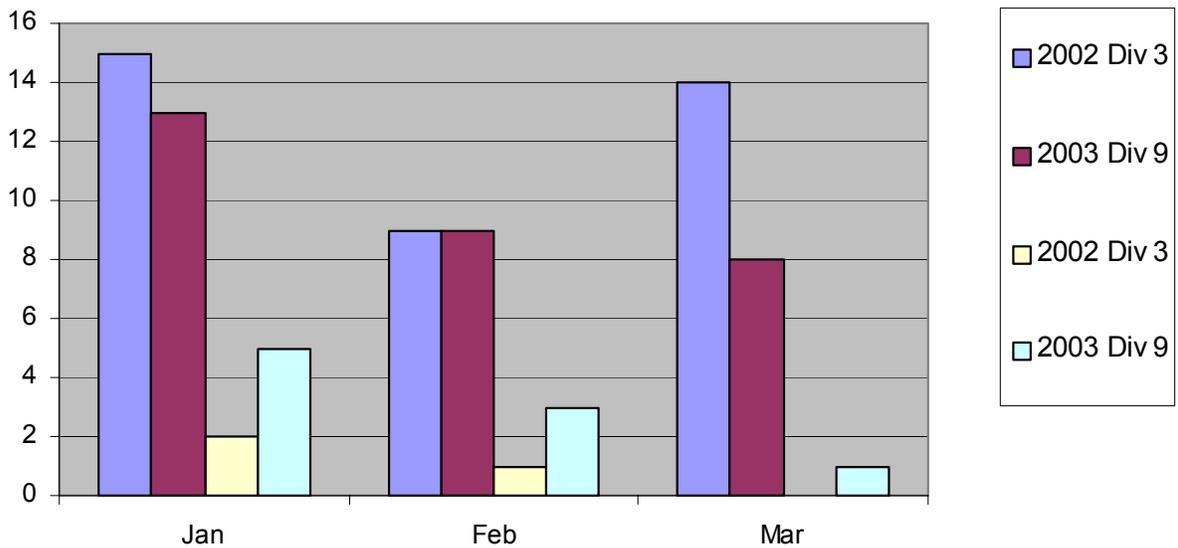


Source: Corporate Safety Department: OSHA log file

**South Bay
Sector CAL-OSHA Recordable Claims Comparing Calendar Year
2002 and 2003 Jan Through Mar**

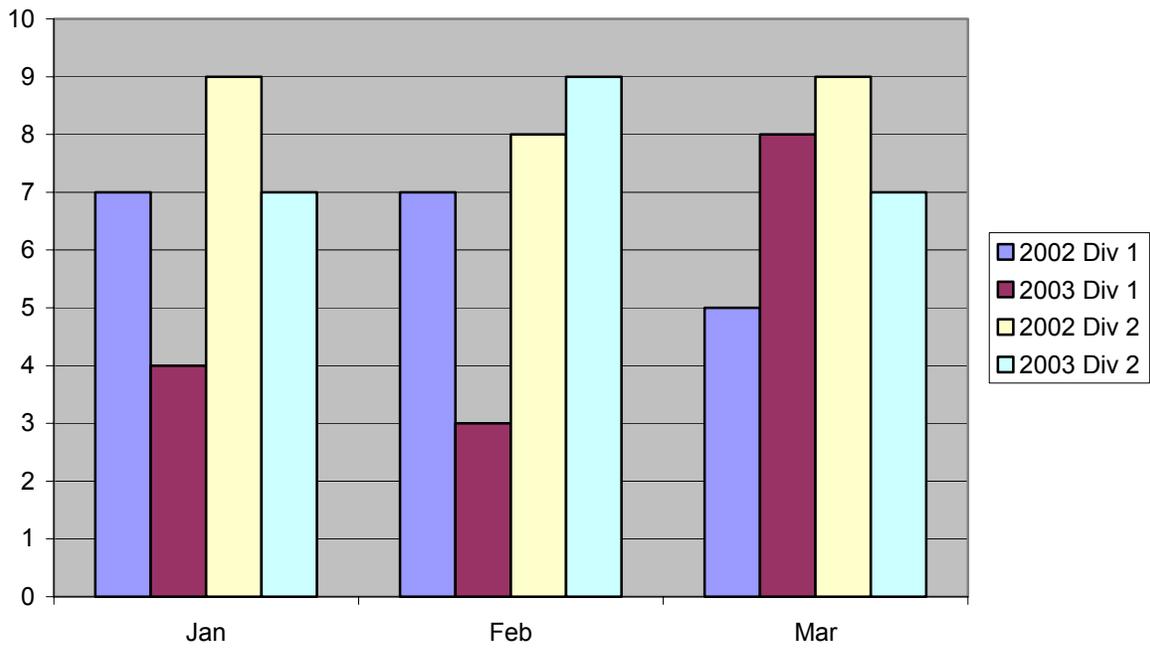


**San Gabriel Valley Sector CAL-OSHA Recordable Claims Jan
Comparing Calendar Year 2002 and 2003 Jan Through Mar**



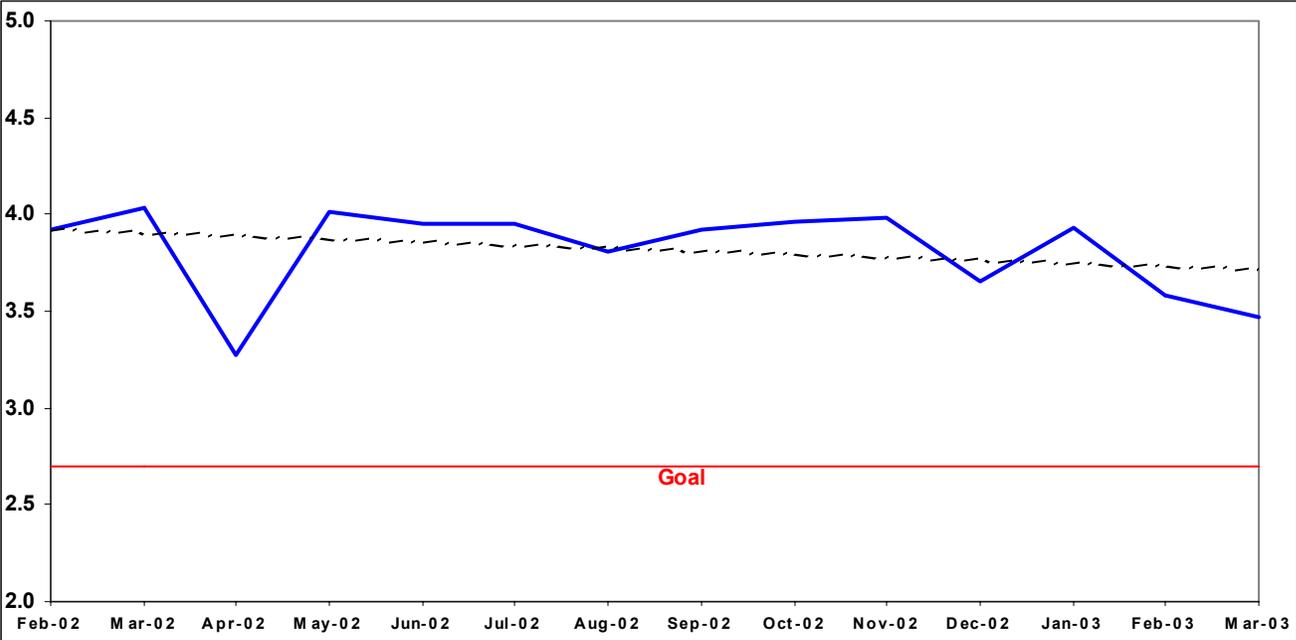
Source: Corporate Safety Department: OSHA log file

Gateway Cities Sector CAL-OSHA Recordable Claims Comparing Calendar Year 2002 and 2003 Jan to March



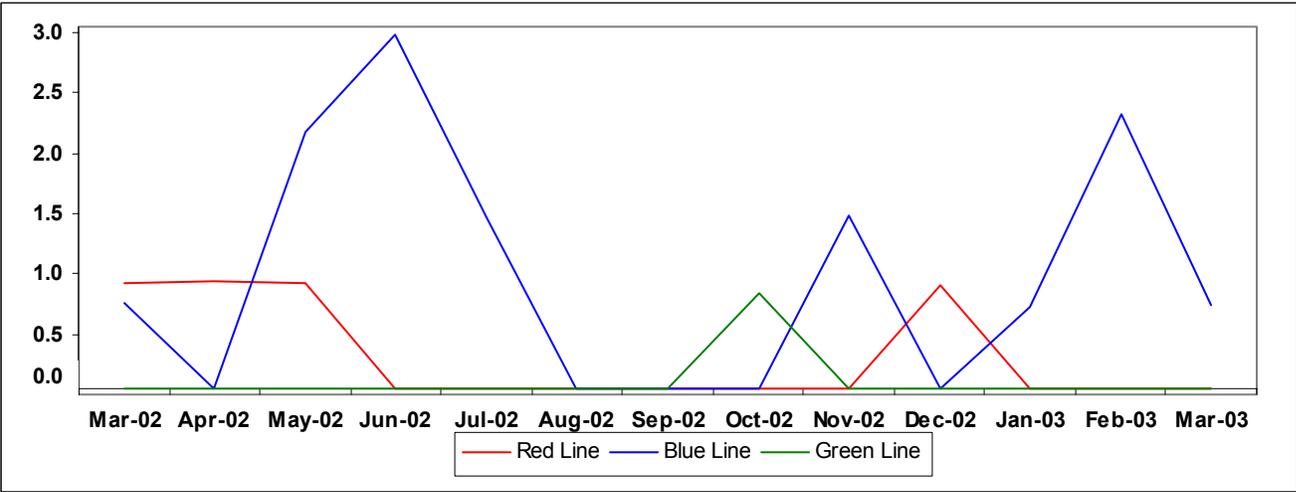
Source: Corporate Safety Department: OSHA log file

Bus Accidents per 100,000 Hub Miles*

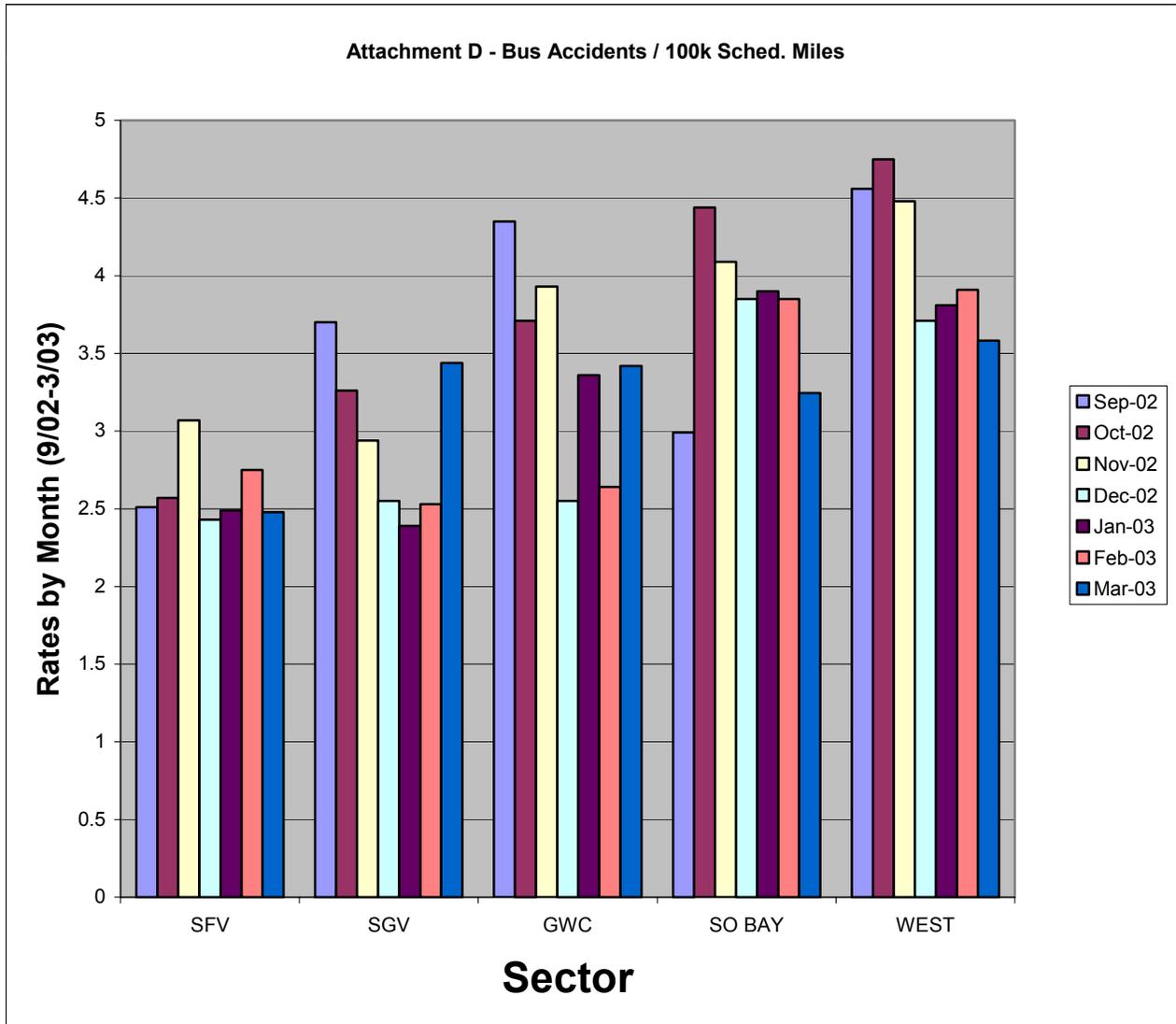


Source: Fleet Management and Support Services Department: Vehicle Management System and Vehicle Accident Maintenance System

Rail Accidents per 100,000 Revenue Train Miles*

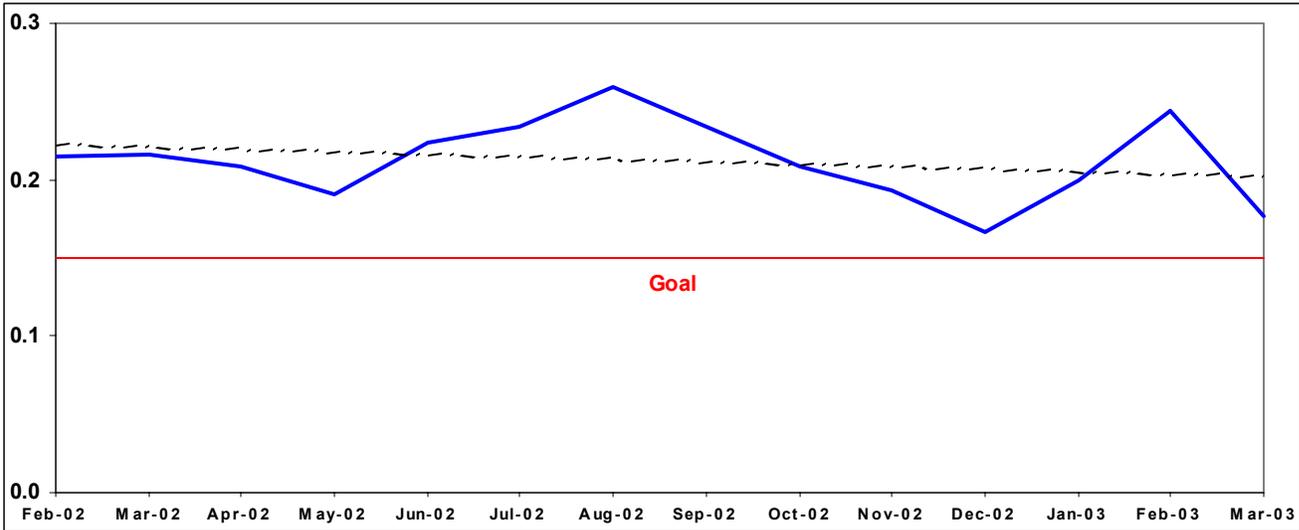


Source: Fleet Management and Support Services Department: Vehicle Management System and Vehicle Accident Maintenance System



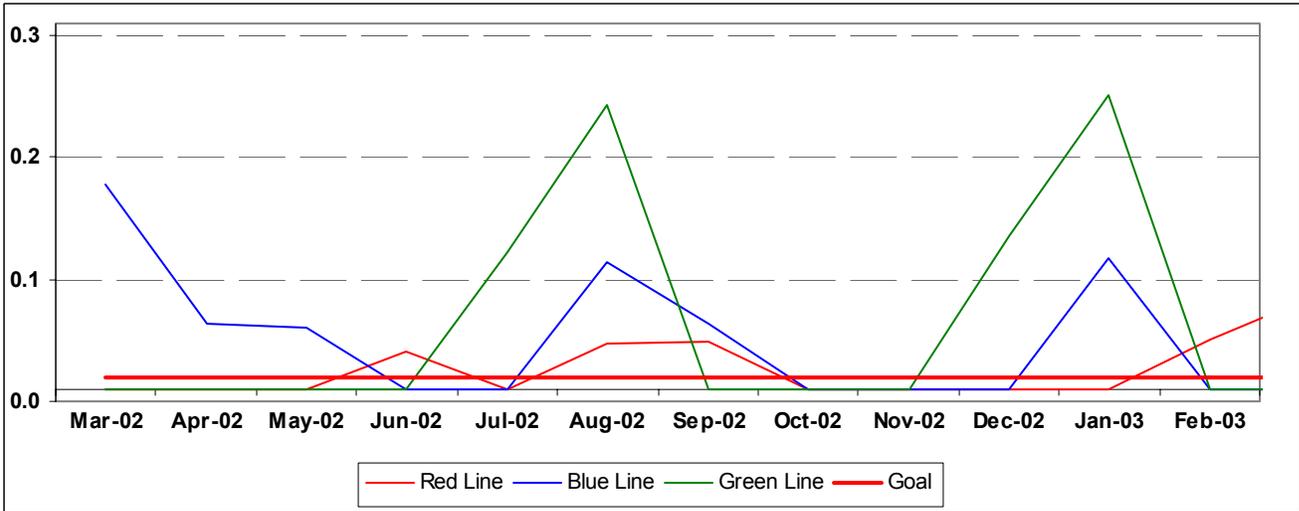
Source: Fleet management and Support Services Department, Vehicle Accident Maintenance System

BUS PASSENGER ACCIDENTS PER 100,000 BOARDINGS



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

RAIL PASSENGER ACCIDENTS PER 100,000 BOARDINGS



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

**Special Investigations Unit (SIU)
Third Quarter FY03**

Third Quarter of FY03, status-report on the Claims Special Investigation Unit January 1, 2003 through March 31, 2002.

- SIU FTE, 2 Fulltime, Active, 1 Long Term Leave
- The SIU completed its transition and relocation to working within the Claims Department area. This move has increased the involvement of the SIU with claims staff and provided for closer monitoring of cases with red flag indicators indicative of abuse and possible fraud.
- The Acting SIU Manager assumed responsibility for referrals to the contracted investigation panel and met with each of the (8) firms to coordinate investigative efforts between the MTA and the contracted firms. This was done to establish a measurable method of operation and to assure that Authority investigative objectives would be met.
- The SIU and County Counsel attended several meetings with members of State Compensation Insurance Fund, Republic Insurance’s Special Investigation Unit, and the LA County’s Special Investigation Unit to identify various alternatives to investigate and combat Workers’ Compensation fraud. As a result of these meetings, the SIU has established a format for referring informational and documented Suspected Fraudulent claim referrals to the State of Department of Insurance and the District Attorney’ Office.
- Two Data Mining services were implemented for use as investigation resources for the Special Investigation Unit. Lexis-Nexis and EDEX-Electronic Data Exchange.
- The SIU produced a work location flyer to promote and inform employees about workers’ compensation fraud and how to assist/report fraud to the W/C Fraud Hotline (213) 922-2800. This flyer was sent as an insert in all MTA employee paychecks on April 18, 2003.

Scorecard for Third Quarter FY2003

SIU Cases Opened in 3 rd Qtr for investigation of possible fraud	12
SIU Cases Closed in 3 rd Qtr for investigation of possible fraud	19
Total SIU possible fraud cases active at the end of the Quarter	13
Claims denied based on investigation	4
Cases referred for criminal review by the DOI/ DA for fraud in 3 rd Qtr	5
Total SIU cases pending response from DOI/DA	6
Total cases referred by Workers Compensation Claims Department Analyst to SIU for review, referral and assignment to contract investigation firms for AOE/COE Investigation (61), Surveillance (18), Activity Checks (10) and additional investigation (4).	93
Total hours of investigation assigned to SIU contract services	798

Source: Prepared by Roy Romero, Acting Transit Security Manager: Special Investigation Unit