

G99G00
Injured Workers' Insurance Fund

Operating Budget Data

(\$ in Thousands)

	<u>CY 01</u>	<u>CY 02</u>	<u>CY 03</u>	<u>CY 01-03</u> <u>Change</u>	<u>CY 04</u>	<u>CY 03-04</u> <u>Change</u>
Operations	\$28,500	\$31,006	\$34,060	\$5,560	\$36,152	\$2,092
Contractual Services	1,384	777	1,264	-120	1,726	462
Capital Budget	3,263	2,916	2,010	-1,253	7,455	5,445
Adjusted Grand Total	\$33,147	\$34,699	\$37,334	\$4,187	\$45,333	\$7,999
Nonbudgeted	\$33,147	\$34,699	\$37,334	\$4,187	\$45,333	\$7,999
Annual % Change		4.7%	7.6%		21.4%	

- In fiscal 2003, \$114.2 million was transferred from the State's unfunded liability account to the general fund. \$39.2 was transferred through the Budget Reconciliation and Financing Act (BRFA) of 2002 and \$75.0 million was transferred through the BRFA of 2003.
- In fiscal 2004, \$800,000 has been transferred from the long-term liability account to fund the State-only Risk Management Office. In addition, \$200,000 will be transferred through budget amendment before the end of fiscal 2004 to fund projects intended to improve safety in individual agencies.

Personnel Data

	<u>CY 01</u>	<u>CY 02</u>	<u>CY 03</u>	<u>CY 01-03</u> <u>Change</u>	<u>CY 04</u>	<u>CY 03-04</u> <u>Change</u>
Regular Positions	379.0	393.0	393.0	14.0	405.0	12.0
Total Personnel	379.0	393.0	393.0	14.0	405.0	12.0

- The Injured Workers' Insurance Fund added 12 employees for calendar 2004, 2 of which are for the State-only Risk Management Program.
- The State-only Risk Management Program was implemented in calendar 2003 and had 5.0 employees by the end of the year. A total of 7.0 employees are projected for the program in calendar 2004.

Note: Numbers may not sum to total due to rounding.

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Analysis in Brief

Major Trends

The Injured Workers’ Insurance Fund Continues to Improve Productivity and Investment Earnings Are Up: Between calendar 1999 and 2004 (projected), the Injured Workers’ Insurance Fund (IWIF) has shown significant increases in terms of claims handled, premiums written, first report of injuries, and number of policies per employee. After showing losses in the market during calendar 2001 and 2002, it realized strong gains in calendar 2003, earning \$32.6 million.

Issues

Potential Impact of the Harris Decision: In the case of *Harris v. Board of Education of Howard County*, the Maryland Court of Appeals held that an injury does not need to result from unusual activity to be considered an accidental injury under the workers’ compensation statute. IWIF is asked to comment on the potential impact of this decision on the State’s workers’ compensation insurance assessments and on workers’ compensation insurance in general.

Status of the State’s Risk Management Program: IWIF is asked to comment on the status of enhanced effort to control workers’ compensation claims by promoting safety through the State’s Risk Management Program.

Recommended Actions

1. Nonbudgeted.

Updates

Agency Assessments Continue to Fluctuate and Unfunded Long-term Liability Remains High: Agency assessments were much lower in fiscal 2004 than in fiscal 2003, which resulted from the use of a balance available from fiscal 2003. Fiscal 2005 assessments are significantly higher than in fiscal 2004 but do not reflect a sharp rise in projected claims experience. A review of activity in the long-term liability fund is also provided.

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Operating Budget Analysis

Program Description

The Injured Workers' Insurance Fund (IWIF) is a nonbudgeted, independent entity. IWIF is governed by a board of nine directors (appointed by the Governor to five-year terms), which approves the operating and capital budgets. By law, IWIF's budget is submitted to the General Assembly for informational purposes only. The primary purpose of IWIF is to provide workers' compensation insurance to Maryland-based businesses. The goal of IWIF is to provide insurance coverage and to pay benefits promptly to injured workers and dependents. Financing for IWIF is derived solely from its premium and investment income.

The primary goals of IWIF are:

- to grow the surplus by \$17 million by December 31, 2004, to meet Risk Based Capital, with operations contributing no less than \$16.4 million through premium growth, operating, and workflow efficiencies;
- to maintain a share of no less than 25% of the Maryland workers' compensation market;
- to create a world-class customer service culture through effective partnering;
- to build to become an employer of choice workplace;
- to achieve policyholder satisfaction of 85% and agent/broker satisfaction of 90%; and
- to brand IWIF with workplace safety.

Performance Analysis: Managing for Results

As an independent self-supporting entity, IWIF does not participate in the Managing for Results program. However, it tracks its performance through productivity and financial indicators and has provided those data to the Department of Legislative Services.

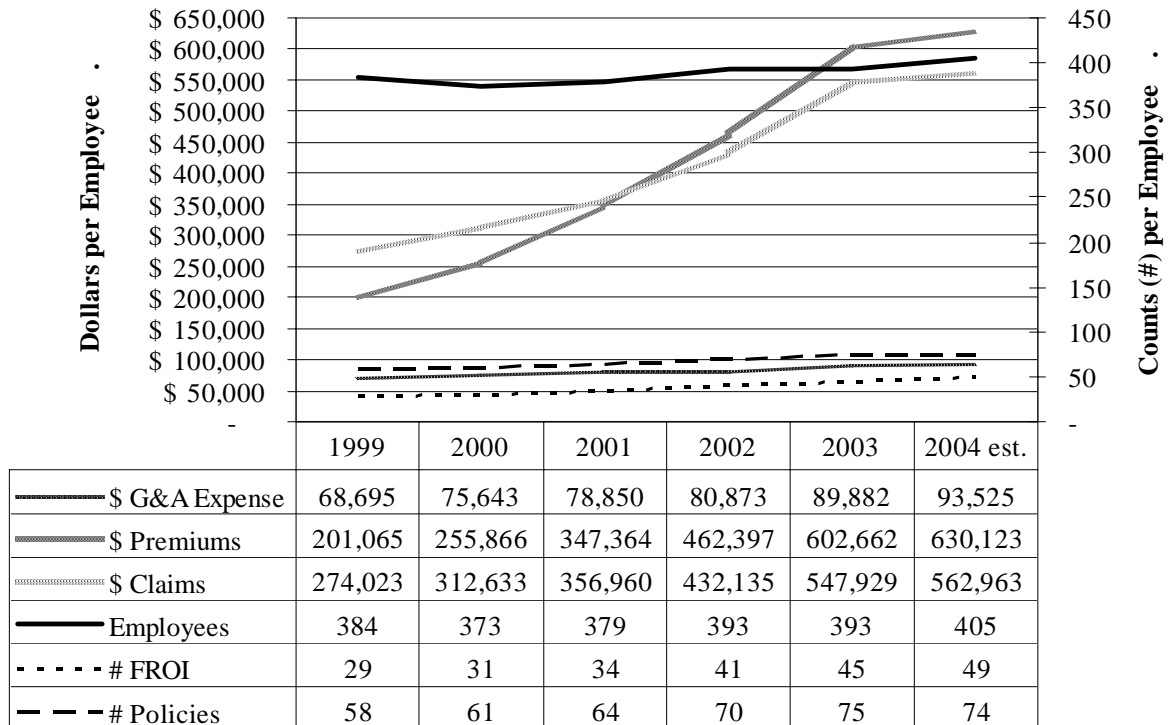
Productivity Indicators

IWIF has shown significant increases in business volumes between calendar 1999 and 2003 and projects continued improvement in calendar 2004. The size of the staff employed by IWIF has increased from 384 in 1999 to 405 in 2004, or 5.5%. In the same time period, the number of "FROIs"

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or first report of injuries and the number of policies per employee have increased 69.0% and 27.6%, respectively. Further, while operating expenditures per employee have increased by 36.1% since calendar 1999, premiums paid per employee have increased 213.4%. Claims paid per employee have increased 105.5%. All indicators are demonstrated in **Exhibit 1**. Please note that these data do not include activity from the State; if they did, activity per employee would increase substantially.

**Exhibit 1
Productivity per Employee**



G&A = General and Administrative
FROI = First Report of Injuries

Source: Injured Workers’ Insurance Fund

Financial Indicators

In contrast to calendar 2001 and 2002 when IWIF showed a net loss in income, in calendar 2003, it is showing a robust net gain, as indicated in **Exhibit 2**. Assets increased to \$1.1 billion, a 14.4% gain over calendar 2002. Total income on those assets has increased 61%, primarily owing to investment income. Further, net premiums earned exceeded claim expenses by \$21.5 million.

Exhibit 2
Injured Workers' Insurance Fund Status
Calendar 2000 – 2003
(\$ in Thousands)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>% Change</u> <u>2002 – 2003</u>
Balance sheet data					
<i>Assets:</i>					
Total investments (market value)	\$920,190	\$845,800	\$831,788	\$914,003	9.9%
Cash and equivalents	29,436	16,092	69,982	118,576	69.4%
Subtotal cash and investments	\$949,626	\$861,892	\$901,770	\$1,032,579	14.5%
Other assets	34,205	35,819	47,415	53,509	12.9%
Total assets	\$983,831	\$897,711	\$949,185	\$1,086,088	14.4%
<i>Liabilities:</i>					
Accrual unpaid claims and related expense	649,000	710,000	763,000	850,000	11.4%
Dividends payable	629	789	1,559	1,500	-3.8%
Other liabilities	153,916	46,746	65,760	79,241	20.5%
Total liabilities	\$803,545	\$757,535	\$830,319	\$930,741	12.1%
Total fund equity	180,286	140,176	118,866	155,347	30.7%
Total liabilities and fund equity	\$983,831	\$897,711	\$949,185	\$1,086,088	14.4%
Income statement data					
<i>Income:</i>					
Net premiums earned	\$95,438	\$131,651	\$181,722	\$236,846	30.3%
Other income	256	572	572	431	-24.7%
Investment income and gains	67,906	50,146	5,400	64,855	1101.0%
Total income	\$163,600	\$182,369	\$187,694	\$302,132	61.0%
Net claim expenses	116,612	135,288	169,829	215,336	26.8%
Net operating expenses	34,067	37,061	46,137	54,210	17.5%
Total expenses	\$150,679	\$172,349	\$215,966	\$269,546	24.8%
Income	\$12,921	\$10,020	-\$28,272	\$32,586	
Change in accounting principle		-51,246			
Net income/loss	\$12,921	-\$41,226	-\$28,272	\$32,586	215.3%

Source: Injured Workers’ Insurance Fund

Governor’s Proposed Budget

The IWIF budget for calendar 2003 is demonstrated in **Exhibit 3**. IWIF’s budget increases \$8.0 million between expenditures for calendar 2003 and those budgeted for calendar 2004. Operating, or general and administrative, expenditures have increased \$2.6 million, or 7.2%, while capital expenditures have increased \$5.4 million, for an overall increase of 21.4%.

Exhibit 3
Governor’s Proposed Budget
Injured Workers’ Insurance Fund
(\$ in Thousands)

	<u>CY 02</u> <u>Actual</u>	<u>CY 03</u> <u>Actual</u>	<u>CY 04</u> <u>Budget</u>	<u>CY 03-04</u> <u>Change</u>	<u>CY 03-04</u> <u>% Change</u>
Nonbudgeted funds	\$34,699	\$37,334	\$45,333	\$7,999	21.4%
Where It Goes:					
Personnel Expenses					
New positions and promotions					\$515
Salary increase of 3%					647
Employee and retiree health insurance					402
Temporary employees.....					95
Other fringe benefits (Social Security, etc.).....					-310
Consulting and contractual services					462
State-only Risk Management Program					832
Other Changes					
Training, travel, and other staff costs					276
Facility costs, postage, telecommunications, and supplies					126
Legal expenses.....					-627
Advertising, promotion, and printing					-44
Other operating costs					181
Capital					
Building upgrades and parking lot.....					4,502
Computer hardware and software.....					888
New vehicles					54
Total					\$7,999

Note: Numbers may not sum to total due to rounding.

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Capital Increases

The largest increases in calendar 2004 are attributable to capital expenditures, some of which the State would refer to as operating or PAYGO expenditures. The largest single item is building renovations of IWIF’s building and the acquisition of a new parking lot at 8722 Loch Raven Boulevard in Towson. IWIF had planned these changes in prior years but postponed them until calendar 2003. Some renovations began in 2003 and will continue in 2004. The IWIF building was erected 13 years ago and had not had any significant renovations until this project began. IWIF intends to renovate the building with an open floor plan, new furniture, new carpet, and new paint.

General and Administrative Expenditures

The largest share of general and administrative, or operating expenditures, increases is attributable to personnel. IWIF has budgeted funds for 12 new positions to handle increased workload in the budget year, including two hired for the State-only Risk Management Program. It does not fully fund positions, as does the State, nor does it count in its total workforce positions that are not filled. Another departure from the way the State does business is that IWIF is budgeting for a 3% merit salary increase in calendar 2004 – there is no general salary increase component. Other fringe benefit increases include funds for health, prescription, and dental plan cost increases and for increases in other fringes such as Social Security. Increases in consulting and contractual services include increased expenditures for internal audits, the implementation of a long- and short-term disability plan, and maintenance of a “hot site” (recovery site in the event of a disaster) for one year.

Issues

1. Potential Impact of the Harris Decision

In *Harris v. Board of Education of Howard County* (*Harris v. Board of Education*, 375 Md 21 (2003)), the Maryland Court of Appeals ruled in a case involving a school employee who sustained a back injury while moving a 45-pound bag of detergent. The Workers’ Compensation Commission found that the employee incurred an accidental injury in the course of employment and that the injury was compensable. The circuit court reversed the decision and the Court of Special Appeals affirmed, saying that based on case law, the injury was not compensable because it did not result from “unusual activity.” The Court of Appeals reversed the lower courts and found that:

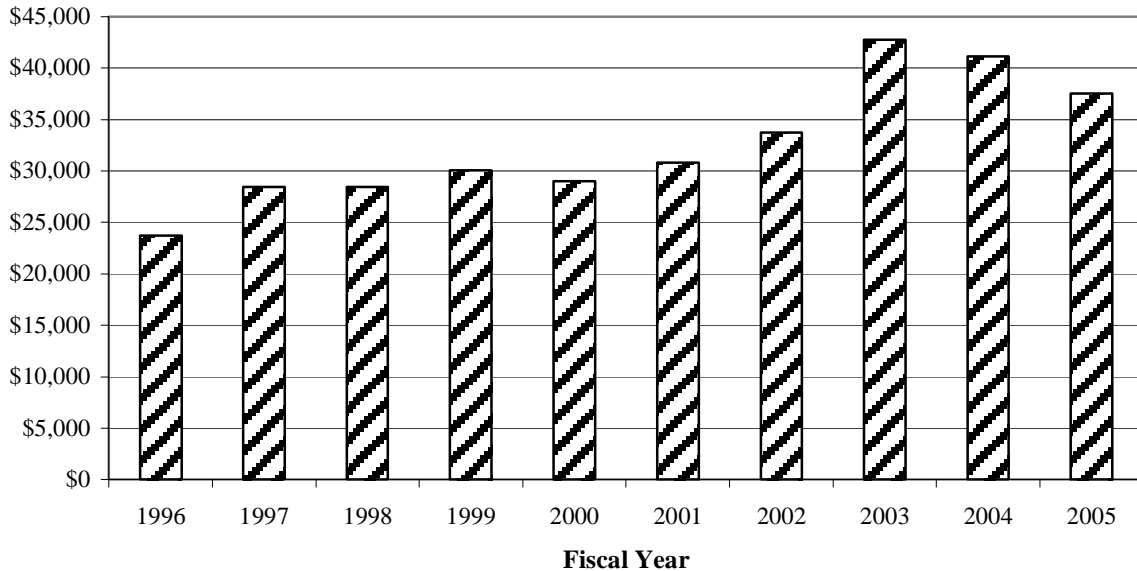
1. while acknowledging case law dating to 1927, the unusual activity requirement is not supported by the language of the statute which requires that an injury arise out of and in the course of employment;
2. the unusual activity requirement has not been consistently and uniformly applied;
3. Maryland is the only state requiring that an injury be the result of unusual activity to be compensable; and
4. the statute requires that it be interpreted as liberally as allowed in favor of injured employees in order to fulfill the State’s purposes.

The National Council on Compensation Insurance, Inc. estimates that the additional cost resulting from the Harris decision is about 2% over current costs. Since actual claims costs from two years prior to a budget year are used to establish assessment levels, and since the Harris decision was first applicable in fiscal 2004, the first impact on assessments will be realized in fiscal 2006. **IWIF is asked to comment on its expectations for assessment cost increases due to the Harris decision and on any other affects resulting from the decision.**

2. Status of the State’s Risk Management Program

During the 2003 session, in response to growth in the State’s workers’ compensation claims demonstrated in **Exhibit 4**, the Injured Workers’ Insurance Fund determined that it could improve its risk management and loss control activities. The Senate Finance Committee requested that the Department of Budget and Management (DBM) assess both the workers’ compensation risk management efforts in State agencies and the potential savings that could be realized with enhanced State-level effort. DBM was also asked to assess different mechanisms for providing an improved risk management function.

Exhibit 4
Value of Claims Assumed in Workers’ Compensation Assessments¹
(\$ in Thousands)



¹ When setting assessment levels, IWIF assumes the level of claims to be the same as the last year for which they have actual data, or two years prior.

Source: Injured Workers’ Insurance Fund and the Department of Budget and Management

DBM responded by assessing risk management activity in the eight agencies from which the most claims are made. DBM looked at the Department of Public Safety and Correctional Services, the Maryland State Police, the Department of Health and Mental Hygiene, the Department of Human Resources, the Department of Juvenile Services, the University of Maryland College Park, and the Maryland Department of Transportation, and the Maryland Transportation Authority. DBM and IWIF developed a best practices model, which included a detailed list of activities favorable to an optimal risk management program and weights that should be given each general category of activities (**Appendix 2**). After assessing current levels of risk management efforts in the eight agencies listed above and evaluating the potential savings associated with full implementation of the model program, DBM determined that a conservative estimate of savings of 18% in claims cost would result from full implementation of the best practices model.

To finance enhanced efforts, \$1.0 million was authorized to be transferred in fiscal 2004 from the long-term liability account. These funds were to be used for the deployment of enhanced agency risk management services and for the development of safety incentive grants (Budget Reconciliation and Financing Act (BRFA) of 2003, Section 21). At the beginning of fiscal 2004, \$800,000 was transferred to IWIF to fund the enhanced risk management efforts; by the end of calendar 2003,

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\$184,211 had been expended, including the hire of five new staff members. DBM reports that an additional transfer of \$200,000 to select State agencies will occur by amendment before the end of the fiscal year to fund safety awards. Grant applications totaling \$1.1 million for these awards came from eight agencies. The award recipients and the purposes for which the funds will be used are listed in **Appendix 3**. The grant recipients are required to report outcomes resulting from the use of funds in December 2004. DBM reports that awards will not be given in fiscal 2005; DBM would like to assess the outcomes before funding additional grants. **IWIF and DBM are asked to comment on the status of the State-only Risk Management Program, including activities initiated to date, early outcome results, and anticipated future activity.**

Recommended Actions

1. Nonbudgeted.

Updates

1. Agency Assessments Continue to Fluctuate and Unfunded Long-term Liability Remains High

The State of Maryland is self-insured for workers’ compensation claims. The State contracts with IWIF for claims processing and maintains two accounts with the fund. The operating account, reviewed below, is utilized to pay annual claims against the State and cover administrative costs. The long-term liability account provides a reserve against the State’s future workers’ compensation liabilities.

Agency Assessments

Agency assessments have fluctuated greatly between fiscal 2004 and 2005, increasing 76.3% as demonstrated in **Exhibit 5**.

Exhibit 5
IWIF Assessments of State Agencies
Fiscal 2002 – 2005
(\$ in Thousands)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Claims Paid ¹	\$33,742	\$42,756	\$41,087	\$37,549
Administration Costs ²	7,495	9,094	8,969	10,772
State Risk Management Program				800
Adjustment for Operating Cash Shortfall/(Surplus)	8,055	16,543	-22,200	0
Subtotal	\$49,292	\$68,393	\$27,856	\$49,121
Contribution to Reduce Future Liability ³	\$20,000	\$20,000	\$0	\$0
Total Agency Assessment/Appropriation	\$69,292	\$88,393	\$27,856	\$49,121
Change in Total Assessments/Appropriations		\$19,101	-\$60,537	\$21,265
Percent Change in Total Assessments/Appropriations		27.6%	-68.5%	76.3%

¹Estimated to equal the claims paid in the most recent fiscal year for which actual data is available (two years prior).

²Estimated to equal the administration costs from two years prior.

³Transferred to the unfunded liability account.

Source: Injured Workers’ Insurance Fund

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In fiscal 2004, the State’s assessments were offset by a surplus available from fiscal 2003, making total assessments in fiscal 2004 artificially low. The Governor also chose in fiscal 2004 to discontinue the practice of making a \$20.0 million appropriation to the unfunded liability account. These two factors contributed to the drop in agency assessments from \$88.4 million to \$27.9 million between fiscal 2003 and 2004. In fiscal 2005, no fund balance is available to offset the agency assessments, and no transfer to the long-term liability account has been proposed. Further, assumed claims (based on fiscal 2003 actual costs) dropped by \$3.5 million. The new charge of \$800,000 for the enhanced Risk Management Program, resulting in a total assessment of \$49.1 million, brought the overall increase over fiscal 2004 to \$21.3 million.

Long-term Liability

The long-term liability fund is commonly called the “unfunded liability” account, which refers to the difference between what the actuaries have determined is adequate to cover future liability and what the State has deposited in the account. During fiscal 2004, two transfers out of the long-term liability account into the general fund were made in accordance with the BRFA of 2002 and 2003, in the amount of \$39.2 million and \$75.0 million, respectively. Further, in both fiscal 2004 and 2005, no funds were paid into the long-term liability account. These budgetary decisions have resulted in a projected unfunded long-term liability to the State of approximately \$229.5 million at the end of fiscal 2005, as demonstrated in **Exhibit 6**.

Exhibit 6
Maryland’s IWIF Long-term Liability Account
Fiscal 2002 – 2005

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Estimated Reserves Needed (June 30)	\$194,802,000	\$212,103,000	\$226,000,000	\$239,000,000
Estimated Long-term Liability Account balance				
Beginning Balance	\$107,518,959	\$97,542,503	\$4,853,610	\$4,222,962
Transfer to IWIF operating account to cover deficit (12/31/01)	-34,000,000			
State’s contribution (June 30)	20,000,000	20,000,000		
Transfer – 2002 BRFA (June 30)		-39,200,000		
Transfer – 2003 BRFA (June 30)		-75,000,000		
State’s Risk Management Office (July 2003)			-800,000	
Interest	4,023,544	1,511,107	169,352	84,459
Total balances at IWIF (June 30)	\$97,542,503	\$4,853,610	\$4,222,962	\$4,307,421
Balance of operating account ¹ (June 30)	8,878,842	28,736,358	6,115,743	5,196,780
Unfunded Long-term Liability (June 30)	\$88,380,655	\$178,513,032	\$215,661,296	\$229,495,800

¹The balance of the operating account offsets the long-term liability of the State.

Source: Department of Budget and Management; Injured Workers’ Insurance Fund

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Appendix 1

**Object/Fund Differences Report
Injured Workers’ Insurance Fund
(\$ in Thousands)**

	CY 2002 <u>Actual</u>	CY 2003 <u>Actual</u>	CY 2004 <u>Budget</u>	CY 2003 – 2004 <u>Change</u>	<u>% Change</u>
Positions					
Regular Positions	393.0	393.0	405.0	12.0	3.1%
Objects					
Salaries and Fringe Benefits	\$26,091.3	\$27,775.5	\$29,125.0	\$1,349.5	4.9%
Training	229.9	160.0	296.0	136.0	85.0%
Travel	164.4	160.0	210.0	50.0	31.3%
Facility Costs	511.0	504.3	574.0	69.7	13.8%
Postage Costs	437.7	640.0	610.0	-30.0	-4.7%
Telecommunications	428.1	363.3	388.0	24.7	6.8%
Advertising/Promotion	895.7	1,219.7	1,152.0	-67.7	-5.6%
Staff Costs	187.4	186.5	276.0	89.5	48.0%
Printing	152.5	175.6	199.0	23.4	13.3%
Contractual Services	236.8	432.1	599.0	166.9	38.6%
Consulting Services	540.0	832.1	1,127.0	294.9	35.4%
Legal Expenses	290.8	837.3	210.0	-627.3	-74.9%
Automobile Expense	83.9	73.9	80.0	6.1	8.3%
Supplies	521.3	621.3	683.0	61.7	9.9%
Computer Maintenance	353.3	233.2	223.0	-10.2	-4.4%
Equipment Rental	0.0	1.2	8.0	6.8	n/a
Other Operating Costs	659.0	923.6	1,102.0	178.4	19.3%
State-only Risk Management Program ¹		184.2	1,015.8	831.6	451.4%
Total G&A Objects	\$31,783.0	\$35,323.7	\$37,877.8	\$2,554.0	7.2%
Capital Budget	\$2,916.0	\$2,010.0	\$7,455.0	\$5,445.0	270.9%
Total	\$34,699.0	\$37,333.7	\$45,332.8	\$7,999.0	21.4%
Nonbudgeted Funds	\$34,699.0	\$37,333.7	\$45,332.8	\$7,999.0	21.4%

¹By end of calendar 2003, \$184,211 of the \$800,000 transferred from the fiscal 2004 long-term liability account was spent. In calendar 2004, the remainder is assumed spent, in addition to \$400,000 from fiscal 2005 agency assessments (full fiscal year assessments total \$800,000).

Model Risk Management Program

Elements and Weights	Assessment Tools
<p>Management Commitment and Involvement – 19%</p>	<ul style="list-style-type: none"> ● Visible support by agency head/secretary ● Managers assigned safety responsibility and given authority to take action ● Management held accountable for programs and overall safety, including management performance appraisals ● Management established safety performance goals and objectives for injury reduction ● Resources budgeted to support safety activities ● Safety related issues discussed at each staff meeting ● Annual safety program audits conducted by management team ● Review of accident/injury trends and corrective actions taken to prevent future injuries
<p>Supervisory Responsibility and Authority – 14%</p>	<ul style="list-style-type: none"> ● Supervisors assigned safety responsibility and given authority to take action ● Enforcement of safe work practices ● Corrective measures taken to address safety concerns
<p>Safety Committees – 4%</p>	<ul style="list-style-type: none"> ● Active committees exist to address risk management and work place safety ● Regularly scheduled and conducted meetings ● Recommendations to management for corrective actions and enhancement to safety program
<p>Hazard and Exposure Inspections – 8%</p>	<ul style="list-style-type: none"> ● Standard inspection format is available to provide consistency in inspections ● Hazard assessments conducted by <i>supervisors</i> within areas of responsibility based on frequency of hazards, changes in work practices, and accident trends ● Hazard and work place safety assessments conducted by <i>safety committees</i> based on frequency of hazards, changes in work practices and accident trends ● Report to management by <i>supervisors</i> with recommendations

Elements and Weights	Assessment Tools
<p>Hazard and Exposure Inspections – 8% (continued)</p>	<ul style="list-style-type: none"> ● Report to management by <i>safety committees</i> with recommendations ● Corrective action taken on all recommendations ● Analysis by supervisors and safety committees of recurring recommendations to address issues at root cause
<p>Employee Training – 8%</p>	<ul style="list-style-type: none"> ● Supervisors provide safety orientation to all new employees – setting safety expectations ● Safety and accident prevention training provided to all supervisors ● Supervisors periodically provide safety training for all employees, including for new processes, equipment, and/or operations ● Supervisors retrain individuals who are accident repeaters ● Safety materials provided on a regular schedule to employees addressing hazards to their job activities
<p>Safe Work Rules and Guidelines – 10%</p>	<ul style="list-style-type: none"> ● Formalized policies and procedures concerning safe work practices in place and communicated to all employees ● Understood accountability of all employees to follow rules ● Supervisors observing and disciplining employees to enforce compliance with safe work rules
<p>Accident Reporting, Investigation and Record Keeping – 8%</p>	<ul style="list-style-type: none"> ● Reporting all injuries by employees to supervisors and supervisors to IWIF within 24 hours ● Completion of accident investigation forms by employees, supervisors, and witnesses ● Recording and logging of all injuries using OSHA 300 log ● Assessment of cause of injury and determination of corrective actions (by supervisor, safety committees, agency risk manager) ● Review of accident/injury trends within functional area
<p>Hazard and Safety Activities – 11%</p>	<ul style="list-style-type: none"> ● Emergency excavation plan, training, and drills ● Personal protective equipment: identified, provided and required use ● Storage of flammable/combustible liquids ● Hazard Communication Program for Chemicals: training, materials identified, MSDS’s obtained, written program

Elements and Weights	Assessment Tools
<p>Hazard and Safety Activities – 11% (continued)</p>	<ul style="list-style-type: none"> ● Bloodborne Pathogens Program: SHARPS use, training, written program ● Manual material handling assessment: lifting training, use of mechanical devices ● Safe vehicle operation: operator assessment, training, MVR reviews ● Power/hand tool evaluation: condition of tools, proper guarding methods ● Lock-out/tag-out procedures: written program, lock-out devices, training ● Ladder safety: inspections, proper ladder for use, training ● Fall prevention: protection devices, training ● Trenching/excavation: shoring methods, training, air sampling ● Preventative maintenance procedures: vehicles, heavy equipment, etc. ● First Aid Program: response to emergency, adequate supplies, training ● Confined Space Program: written program, extraction equipment, air testing, monitors, training, air supply devices, identification of confined spaces requiring permits ● Respiratory Protections Program: fit tests, proper equipment, medical evaluation, maintenance of equipment, assessment of work area ● Hazard sign/warning: sign locations, education of employees ● Ergonomics: assessment and redesign of work areas, training ● Housekeeping/storage: proper procedures, storage arrangements ● Hearing protection: noise level assessment, medical evaluation, proper equipment, annual audiograms, noise reduction assessment ● Environmental hazards: insects, plants, water, bacteria, medical care ● Heavy equipment/fork lifts: operator training, maintenance, proper use, qualified operators ● Facilities assessment: fire protection, boiler operation, physical condition, inspections, emergency exits

Elements and Weights	Assessment Tools
Safety Motivation – 4%	<ul style="list-style-type: none"> ● Safety campaigns: programs, slogans, Safety Bulletin Boards: posting of results and achievements, injury free work days ● Incentives awards: individual recognition for ideas, team recognition
Claim/Case Management – 6%	<ul style="list-style-type: none"> ● Communication with IWIF: updating of status of medical condition with claims adjustor ● Communication with injured worker by supervisor
Return to Work/Modified Duty – 8%	<ul style="list-style-type: none"> ● Return to Work: opportunities for early return to work ● Job analysis – Job/Task Descriptions: defining the principal work tasks and physical demands ● Identification of modified tasks: listing of alternative work activities, development of task bank ● Appropriate and periodic medical certification and re-certification

**Fiscal 2004 Workplace Safety Incentive Grant Program
Final Awards**

<u>Agency</u>	<u>Program/Facility</u>	<u>Purpose</u>	<u>Grant Award</u>
DHMH	Brandenburg Center	Arjo Lift	\$5,000
DHMH	Springfield Hospital	Mediation Program	\$11,000
DHMH	Springfield Hospital	Kitchen Safety Equipment/Materials	\$3,000
DHMH	RICA – Baltimore	Training – Life Space Crisis Intervention	\$18,770
DHMH	Brandenburg Center	Lumbar Supports	\$1,500
DHMH	Worcester Co.	Hallway Safety Mats	\$5,270
DHMH	Brandenburg Center	Educational Materials	\$1,500
DHMH	Western MD	Safety Week	\$1,500
DHMH	Training Services	Projector and Educational Materials	\$4,300
DHMH	RICA – Baltimore	Back Injury Prevention	\$900
DHMH	DHMH	Risk Manager Materials	\$8,000
DHMH	PG County	Centrifuge	\$3,000
DHMH	Springfield Hospital	Assaulted Staff Program Training	\$9,000
DHMH	Western MD	Non-Crisis Intervention	\$8,400
DHMH Total			\$81,140
DHR	DHR	Walk off mats at building entrances	\$4,000
DHR	DHR	Defibrillator Training	\$3,500
DHR	DHR	CPR Instructional Supplies	\$4,500
DHR Total			\$12,000
DJS	DJS	Crisis Prevention – Train the Trainer Contract	\$6,400
DJS	DJS	Workplace Safety Videos	\$3,960
DJS	DJS	Workplace Safety Recognition Incentives	\$1,900
DJS Total			\$12,260
DSP	DSP	Computer Hardware for Risk Manager	\$7,000
DSP Total			\$7,000
MDOT	MTA	Video Camera to document accident recovery	\$1,000
MDOT	MdTA	Four Gas Monitors	\$2,800
MDOT	MPA	Confined Space Program	\$8,600
MDOT	MAA	Training – Hearing Conservation, Airborne Pathogens	\$3,300
MDOT	MdTA	KD Airboxx Air Quality Monitor	\$1,900
MDOT Total			\$17,600
UMCP	UMCP	Electrical Safety	\$30,000
UMCP	UMCP	Non-Slip Flooring in Dining Halls	\$40,000
UMCP Total			\$70,000
Total Awards			\$200,000

Source: Department of Budget and Management