October 20, 2000

Mr. R. Lester Boles, Jr., Director
Budget and Control Board
Office of the State Budget
1122 Lady Street
Columbia, South Carolina 29201

Dear Mr. Boles,

I am pleased to submit the State Accident Fund Accountability Report for Fiscal Year 1999 - 2000.

The State Accident Fund is a single program agency with a wide range of customers and stakeholders. The mission, goals, objectives and performance measures identified in this report are a product of our continuous improvement efforts. They directly relate to concerns expressed by our customers and stakeholders. They were developed by a cross functional group of employees that included representation from all levels of the organization as part of the agency's strategic planning process.

This year's report has been tailored to provide an overview of the agency's performance during the period. As part of our continuous improvement efforts you will notice that some of our measures have been expanded or refined. These new measures have been identified when appropriate to provide the reader with adequate information to compare current results with previous years and, when possible, with similar organizations in the private sector.

If you have any questions regarding the report, please contact Gerald Murphy, Director of Staff Development and Training at (803) 896-5815.

Sincerely,

Irvin D. Parker
Director

Enclosure
State Accident Fund
Annual Accountability Report
Fiscal Year 1999 - 2000

Executive Summary

Basic Description of the Agency

Created in 1947 by an Act of the General Assembly [1947(45) 147], the State Accident Fund (Formerly the State Workers’ Compensation Fund) is one of twenty-seven state sponsored workers’ compensation insurance funds. The majority of these funds were chartered to compensate for fluctuation in the workers’ compensation market.

Mission

Provide a cost effective guaranteed workers’ compensation market for state agencies, other government entities and, if required by the legislature, small businesses in the private sector.

Programs

The State Accident Fund is a highly specialized organization with only one program. The agency provides a guaranteed cost effective source of workers’ compensation insurance for government entities regardless of their loss experience, level of risk, or other unique circumstances. In addition, it remains prepared to provide insurance to small private businesses should the government of South Carolina deem it necessary.

Goals

• Promote economic development by providing guaranteed workers’ compensation coverage for government entities and, if required by the legislature, small businesses in the private sector.
• Promote a safe work environment.
• Provide our policyholders, injured workers, and the taxpayers of this state with high quality services at a reasonable cost.

Outcomes

The agency faced several challenges and saw progress in many areas during the period covered by this report.
• The implementation of a new Information Management System ensured year two thousand compliance.
• The development of the agency's new web site expanded customer service and provided all policyholders with the capability of submitting claims electronically.
• The agency's claim and administrative costs continued to be less than the published average for the private sector.
• The agency's customer satisfaction scores remained high.
• Cycle time measures were refined and expanded to better address the needs of our customers.
• The agency, for the fourth consecutive year, lead all workers' compensation carriers in the amount recovered from Second Injury Fund claims. This resulted in over six million dollars in direct savings for our policyholders.
• The agency again reduced the number of full time positions. At the end of the reporting period the total number of full time positions stood at less than 93, down from a high of 100 in Fiscal year 1996-97. This continued reduction in staff was made possible by an aggressive policy of outsourcing with private companies and increased use of technology to supply required services with reduced staffing levels.
**Customer Focus**

The State Accident Fund measures success based on the expectations of customers and stakeholders. Surveys and interviews have shown that all of our customers have similar basic expectations:
- Competitive Rates
- Low claim costs.
- Timely processing of claims, premium estimates, and audit adjustments.
- Availability of customized services to support unique requirements and organizational structure.

An additional requirement noted for our smaller accounts, such as volunteer fire departments, is a willingness to write coverage and provide service to small accounts, which pay a minimum premium.

The agency’s key business drivers, measures, and benchmarks, shown below, express the expectations of our customers and stakeholders:

<table>
<thead>
<tr>
<th>Key Business Drivers</th>
<th>Key Performance Measures</th>
<th>Benchmarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Cost Containment.</td>
<td>• Administrative cost ratio.</td>
<td>• NCCI Data for other carriers in the state.</td>
</tr>
<tr>
<td>• Equitable rates that are not excessive, nor inadequate.</td>
<td>• Average rate for five most frequently used job classifications.</td>
<td>• Average rates for the largest private carriers in the state.</td>
</tr>
<tr>
<td>• Customer satisfaction.</td>
<td>• Percentage of positive responses and average score on the annual customer survey.</td>
<td>• American Consumer Satisfaction Index for insurance and government services.</td>
</tr>
<tr>
<td>• Sound Financial Management.</td>
<td>• Actuarial Review.</td>
<td>• Previous performance.</td>
</tr>
</tbody>
</table>
1. The Agency’s Mission
The State Accident Fund (Formerly the State Workers’ Compensation Fund) was created in 1947 by an Act of the General Assembly [1947(45) 147]. It is one of twenty-seven state sponsored workers’ compensation insurance funds in the United States.

**Mission Statement:**
Provide a cost effective guaranteed workers’ compensation market for state agencies, other government entities and, if required by the legislature, small businesses in the private sector.

The State Accident Fund is charged with the administration of the workers’ compensation program for all state agencies. Creation of the agency centralized the administration of workers’ compensation claims within a single agency. This ensured standardization, increased efficiency, and minimized redundancy. In accordance with the statutes, the agency determines rates and assesses premiums in the same manner as a private insurance company. It is funded completely by the premiums it collects. In addition, the agency provides county and municipal agencies a guaranteed alternative source of workers’ compensation insurance coverage.

The requirement to be prepared to write the private sector was added by the Budget and Control Board. In the early 1990’s, when the workers’ compensation market was not as profitable, several companies stopped writing that line of insurance in South Carolina. When most of the states small businesses were forced into the assigned risk pool, members of the legislature asked the State Accident Fund if it could enter the private sector marketplace to fill the niche vacated by private companies. At that time the State Accident Fund was not prepared to unilaterally assume this mission. As a result, the Budget and Control Board directed the State Accident Fund to develop a plan for this contingency.

2. Leadership System
The Governor with the advice and consent of the Senate appoints the agency director. The remainder of the executive team is made up of the Deputy Director and the Chief Administrative Officer.

The agency’s leadership and management philosophy is deeply rooted in the principals of “Total Quality Management” as defined by the late Dr. W. Edwards Deming. All members of the executive team demonstrate their support for these principals through participation in briefings, training activities, and other quality initiatives. They lead by example. They review customer surveys and are directly involved in the resolution of customer concerns. They monitor critical measures to determine agency performance and are actively involved in all levels of research, planning and evaluation in the agency. They are all members of the agency quality council, which meets weekly to make policy decisions and to review progress.

Performance expectations and organizational performance are communicated to all staff members through a variety of means to include the distribution of minutes from team meetings, the agency’s strategic plan, the distribution and posting of weekly performance indicators, training, and monthly staff meetings. The executive team strives to create an environment in which continuous improvement and open communications are a way of life.

Annually the agency measures its performance in several areas against that of the private sector. These
measurements include rate and cost comparisons. This information is provided to the entire staff during the annual briefing on the accountability report.

The staff’s perception of management is measured on an annual basis as part of the agency’s Employee Satisfaction Survey. This information is consolidated and all of members of the staff with supervisory responsibilities review the findings, determine what actions should be taken, and report back to the staff at the next monthly general staff meeting.

To improve communications and service the agency has developed a unique organizational structure. The current structure has evolved from a strictly hierarchical organization to a dual system. The traditional multiple layered structure with an Administration Division and an Operational Division still exists and is used to perform administrative and support tasks, such as, budgeting and evaluations. These requirements fit this model well, and are most effectively performed based on functional specialties.

**Traditional Structure**

![Traditional Structure Diagram]

While the traditional structure works well for certain tasks it lacks the speed and flexibility needed to meet our customers varying needs and expectations. To compensate for these shortcomings, the traditional organization is augmented with a team-based structure. The basis of this organizational structure is a series of interlocking cross-functional teams. These teams form the primary structure for communications, training, decision-making, planning and execution of our business.

**Team Based Structure**

![Team Based Structure Diagram]

Teams are empowered to make decisions and are held accountable for their customers’ satisfaction, through
the agency's innovative pay for performance program.

The Agency Quality Council acts as the oversight team. Its members include the Director, Deputy Director, Chief Administrative Officer, Unit Managers, and Staff Members (Training, Human Resources, and Management Information Services).

The Process Teams are the basic work unit. Each Team is responsible for providing workers’ compensation services to a group of policyholders. The teams are cross functional, consisting of personnel from all of the major functional units (Claims, Legal, Accounting, Management Information Systems, and Policyholder Services). They work together to resolve problems and to provide customers with the services they desire.

The Records Management Team provides services for the entire agency. Its members serve in a dual capacity, they are members of records management, but are also assigned as liaisons for the process teams.

The Technical Advisory Group is made up of subject matter experts from throughout the organization. They meet on an as needed basis to provide consultation and support to the other teams.

3. Customer Focus and Satisfaction

Customers

Our market is limited by law to state agencies, county and municipal government entities. Our customers include not only these entities, but also their employees, the Workers’ Compensation Commission and the Legislature. Our stakeholders include the taxpayers of the state of South Carolina and several private businesses, which provide services to our customers.

Key Services and Their Importance to Customers

We can segment our customers into two distinctly different groups. The first and largest group that makes up almost 80% of the agency’s accounts consists of county and municipal government entities. Included in this group are municipal and county governments, special purpose districts, other local government organizations, and several volunteer fire departments. These customers are free to shop the market for workers’ compensation insurance. Their participation is strictly voluntary. Over 500 of these accounts chose to purchase their workers’ compensation coverage from the State Accident Fund rather than a private sector insurance company.

The second distinct group is made up of state agencies, that are required to purchase their insurance from the State Accident Fund. This group is even more diverse. It ranges from large multiple location facilities, to accounts that consist of only one person. The nature of the work and level of risk also varies widely. The Governor’s Office, as well as, the SC Department of Public Safety are insured through the State Accident Fund.

Surveys and interviews have shown that all of our customers have similar basic requirements:

• Competitive Rates.
• Low claim costs.
• Timely processing of claims.
• Timely processing of estimated premiums and audit adjustments.
• Availability of customized services to support unique requirements and organizational structure.
• Open communications.

A unique requirement noted for our smaller accounts, such as volunteer fire departments, is a willingness to write and service small accounts that pay a minimum premium.
**Measuring Customer Satisfaction**

The State Accident Fund uses interviews with both current and former customers, brainstorming sessions conducted in conjunction with our training programs, articles and surveys in our quarterly newsletter, and our annual survey to gather information on customer satisfaction and expectations. The annual customer survey, because of its ability to reach large numbers of customers simultaneously, has been the agency’s primary source of data. The survey has been conducted annually for the last seven years. The survey is designed to gather information on our customers’ expectations and to collect recommendations for improving current services. Each customer also evaluates agency services using a four point Likert Scale. Additional space is provided for written comments. This information is compiled, trends are noted, and both the raw data and the refined scores are distributed to the staff. This year an additional step was added. Members of the agency quality council conducted telephonic follow-ups with policyholders who made written comments. The goal was to clarify the nature of their concerns and determine what could be done to meet their expectations in the future.

**Customer Treatment**

Customer concerns are the number one priority for all members of the staff. Correspondence includes telephone numbers for policyholders and claimants to use to obtain additional information or voice concerns. There is an established review process if there is disagreement over a decision. Personal letters and a quick reference guide listing points of contacts for assistance are sent to customers when their adjusters change. Customer Profile sheets were also distributed to all policyholders to determine their individual preferences for the handling of their accounts.

**Deployment of Customer Treatment Requirement**

The agency has used customer satisfaction as the basis for several changes. The two most notable are the team structure and the pay policy. The team-based structure adopted by the agency is based on providing customers with the fastest possible response to their needs. Customer satisfaction is the one non-financial measure that was chosen to be included in the agency’s pay for performance policy. Prior to any performance pay increase for the staff, the customer survey must reflect an increase in customer satisfaction.

**Evaluates and Continues to Improve Customer Treatment**

The agency has continued to survey its customers and has implemented many of their recommendations. This continued evaluation, analysis, planning and implementation cycle has resulted in an increase in the number of positive responses received on our annual survey.

The agency reinforces the importance of customer satisfaction by including the annual customer survey results in the agency’s pay for performance policy. Customer perceptions carry the same weight as the supervisors’ evaluations.

**Process for Complaint Resolution**

There are basically two avenues through which complaints are received. The first are complaints that are received by fellow team members. These complaints are taken directly to the person who has the authority to resolve the problem. The other is a more formal complaint. These are normally received either telephonically or in writing by some member of the organization outside of the process teams, such as the ombudsman, the director, or one of the unit managers. When a complaint is received in this manner it is recorded. If the complaint has arisen out of a disagreement over a claim decision it is researched by the ombudsman and placed on the Hearing and Review Panel’s agenda. The Hearing and Review Panel investigates the disagreement and recommends a course of action to the director who makes the decision on how to proceed. A letter is drafted by the ombudsman and signed by the director informing the person who made the complaint of the action taken. If the complaint has to do with service, it is passed to the responsible manager for investigation and resolution. The manager personally contacts the individual who made the complaint and informs them of the action taken to resolve the problem.
Use of Complaints as a Basis for Improving Work Processes

No matter if the complaint is handled by the ombudsman or by a team member, a root cause for the problem must be ascertained. If the cause is related to a work process, it is the responsibility of the individual to place the item on the responsible team's agenda for discussion and disposition. In almost all cases, the root cause of a complaint is a process issue. An example of how this works is the restructuring of accounts. Several policyholders complained when their claims were divided among three different staff members, based on the level of severity. The point of contact for a claim could change depending on how the injured worker responded to medical treatment. As a result of these complaints, claims are no longer assigned based on severity. This means a policyholder has one point of contact for a claim from the beginning to end.

Customer Follow-up and Feedback

The agency feels the key to collecting meaningful feedback is to establish and maintain open channels of communications with its customers. This creates an opportunity for continuous feedback as you interact with your customers. Feedback from customers on the services provided is gathered in a variety of ways. In the case of training programs, customers are asked to complete an evaluation immediately following the delivery of the training. This is used to modify future training classes and to provide supplemental training if required. Feedback on core business processes is included in the annual survey and is also gathered during our annual seminar. To supplement this data, feedback is requested through the agency newsletter and interviews are periodically conducted with policyholders to gather additional information.

Customer Satisfaction Benchmarks

After reviewing data from several sources the agency decided it needed to benchmark its customer satisfaction against nationally recognized measures. It also wanted to compare its findings against not only the public sector, but also private sector companies that provide similar services. The agency chose to use the American Customer Satisfaction Index, produced by the American Society for Quality. The index is nationally recognized and provides industry specific measures of customer satisfaction.

4. Other Performance Excellence Criteria

Strategic Planning

The agency's current strategic planning process consists of annually reviewing the plan and revising it on an as needed basis. The agency quality council reviews and evaluates the current state of the organization based upon customer input and other established measurements. If revision of the plan is needed, a planning session is scheduled. Using this input and other key measures, the Agency Quality Council along with representatives of the other teams, meet to update the agency's strategic plan. When the plan is completed the staff is briefed and it is posted on the electronic bulletin board where all members of the staff can access it when needed. Team members also return to their respective teams and brief them on the plan and the team's responsibilities for implementation.

The responses to the annual Employee Satisfaction Survey showed that 100% of those responding knew the agency had a strategic plan. When asked about the agency's plans for the future, 87% of the respondents stated they were either familiar or very familiar with these plans. Of those that responded 83% stated that they were either clear or very clear on their roles in achieving the agency's goals.

Information and Analysis

Performance measures are identified during the strategic planning process and are linked to the agency's mission. The primary measures, such as cost and cycle times, are derived from our customer and stakeholder requirements. Other measures are designed to assess the internal health of the organization.

The primary measures are normally compared to results from the private sector. If an industry standard is not available, past performance is used to determine improvement.
Weekly performance measures for individual teams and the agency are collected, posted, and distributed to all members of the agency on a weekly basis.

**Human Resources Focus**

The agency’s team-based structure promotes collaboration, initiative, and flexibility. All members of the team are bound together by a common goal. Teams are empowered to make decisions and are held accountable for their customers’ satisfaction, through the agency’s innovative pay for performance program.

The agency monitors employee well-being and satisfaction through a variety of measures. The members of the executive team (Director, Deputy Director, and Chief Administrative Officer) each interview a different employee each week to determine trends within the workforce. The agency conducts an annual employee satisfaction survey designed to measure staff's level of satisfaction in several human resource areas. In addition, the agency uses a suggestion box, monthly staff meetings, and exit interviews with departing employees to determine the general level of employee satisfaction.

Opportunities for employee development are presented through the agency’s tuition assistance program, attendance at external training sessions and seminars, and internal training opportunities provided by the agency’s training department.

Significant accomplishments and contributions by individual employees are recognized through the agency’s Employee Bonus Pay Plan. The agency has also developed and implemented a Pay for Performance Policy. Performance pay increases are distributed based on a three-part evaluation system in which the supervisor’s evaluation, team member evaluations, and customer evaluations are all of equal weight.

The agency promotes workplace health and safety through the Agency Safety Committee, which is made up of agency staff and is coordinated by a member of the agency’s Safety and Loss Control unit.

**Process Management**

The agency’s key delivery process is the payment of benefits. This can be divided into two sub-processes: payment of compensation and payment of medical costs. The agency developed two measures for these critical sub-processes. Those measures are the number of days to accept or deny a claim, and the percentage of medical bills paid within 30 days. These measures are reported and monitored on a weekly basis.

5. Description of Programs

The State Accident Fund is a highly specialized organization with only one program. The agency provides a guaranteed cost effective source of workers’ compensation insurance for government entities regardless of their loss experience, level of risk, or other unique circumstances. Unlike private carriers who selectively underwrite, the State Accident Fund is required to insure any and all government entities regardless of the risk. In addition, the agency remains prepared to provide insurance to small private businesses should the government of South Carolina deem it necessary.

**Program Name: State Accident Fund Administration**

**Mission Statement:**

*Provide a cost effective guaranteed workers’ compensation market for state agencies, other government entities and if required by the legislature, small businesses in the private sector.*
Program Costs:
Program costs for the last five years, minus bad debts and depreciation expenses, are shown below:

<table>
<thead>
<tr>
<th></th>
<th>FY 99-00</th>
<th>FY 98-99</th>
<th>FY 97-98</th>
<th>FY 96-97</th>
<th>FY 95-96</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel services &amp; employee benefits (Authorized FTE’s)</td>
<td>$3,828,040</td>
<td>$3,463,743</td>
<td>$3,310,715</td>
<td>$3,262,315</td>
<td>$3,025,423</td>
</tr>
<tr>
<td>Contractual services</td>
<td>1,122,282</td>
<td>980,425</td>
<td>1,082,175</td>
<td>1,252,881</td>
<td>1,997,244</td>
</tr>
<tr>
<td>Rent and insurance</td>
<td>361,504</td>
<td>342,849</td>
<td>366,305</td>
<td>363,313</td>
<td>327,732</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>139,397</td>
<td>255,491</td>
<td>180,477</td>
<td>230,600</td>
<td>197,792</td>
</tr>
<tr>
<td>Other expenses</td>
<td>115,241</td>
<td>113,926</td>
<td>136,505</td>
<td>123,897</td>
<td>137,119</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$5,566,464</strong></td>
<td><strong>$5,156,434</strong></td>
<td><strong>$5,076,177</strong></td>
<td><strong>$5,233,006</strong></td>
<td><strong>$5,685,310</strong></td>
</tr>
</tbody>
</table>

The agency is funded through “other” funds. These consist of premiums paid by policyholders and investment income from the trust fund. The program has a total of 92.12 FTE’s (Full Time Equivalencies) down from a high of 100 in FY 96-97.

Program Goal:
Provide our policyholders, injured workers, and the taxpayers of this state with high quality services at a reasonable cost.

Program Objectives:
I. Contain costs by providing appropriate workers’ compensation benefits and services, promptly and efficiently.
II. Contain administrative costs through the use of technology and sound management principles.
III. Assist policyholders to develop effective programs and training in accident and occupational disease prevention; and
IV. Ensure actuarially sound management of the Fund.

Performance Measures & Business Results:

Inputs:

<table>
<thead>
<tr>
<th></th>
<th>FY 99-00</th>
<th>FY 98-99</th>
<th>FY 97-98</th>
<th>FY 96-97</th>
<th>FY 95-96</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims Opened</td>
<td>7,666</td>
<td>7,742</td>
<td>8,739</td>
<td>8,883</td>
<td>9,292</td>
</tr>
<tr>
<td>Number of Open Claims</td>
<td>4,381</td>
<td>4,694</td>
<td>5,023</td>
<td>5,514</td>
<td>5,292</td>
</tr>
<tr>
<td>Carried Forward Number of Accounts</td>
<td>622</td>
<td>639</td>
<td>636</td>
<td>629</td>
<td>667</td>
</tr>
</tbody>
</table>

Outputs:

<table>
<thead>
<tr>
<th></th>
<th>FY 99-00</th>
<th>FY 98-99</th>
<th>FY 97-98</th>
<th>FY 96-97</th>
<th>FY 95-96</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims Closed</td>
<td>11,306</td>
<td>11,777</td>
<td>12,701</td>
<td>11,792</td>
<td>13,009</td>
</tr>
<tr>
<td>Safety Inspections</td>
<td>72</td>
<td>52</td>
<td>52</td>
<td>46</td>
<td>45</td>
</tr>
<tr>
<td>Safety Classes Conducted</td>
<td>99</td>
<td>108</td>
<td>93</td>
<td>84</td>
<td>73</td>
</tr>
</tbody>
</table>
Outcomes:
The cost of services provided is of significant importance to not only our customers, but also our stakeholders. We have compared our average rates for the most frequently used job classifications with those of the largest writers of workers compensation in the state. Even though the rates have remained the same over the last three years, the agency's ranking slipped from fifth to seventh during the period. This change was due to a change in the insurance groups used, as well as, new rate filings by some of the largest carriers. The data showed that even though the agency could not selectively underwrite its accounts in the same manner private carriers do, its rates remained competitive.

Comparison of SAF Average Rates with Largest Private Carriers Average Rates

Efficiency/Process:
To measure claim handling efficiency the agency uses NCCI data to conduct a comparison of State Accident Fund's average medical and indemnity costs per claim with the average for other carriers in the state.

Cost Comparison

A standard industry measure of an insurance carrier’s efficiency is the Administrative Cost Ratio. It represents the percentage of premiums spent on administration and not paid out in benefits. The State Accident Fund’s Administrative Cost Ratio as determined by our actuaries “Ernest & Young LLP” is less than half of the average for private sector carriers in the state as reported by NCCI.
Comparison of State Accident Fund Administrative Cost Ratio with Other Carriers in South Carolina

(Note: The fiscal year 1999-2000 actuarial review has not been finalized. The "*" denotes the estimated ratio for this period.)

One of the agency's objectives is to reduce cycle time for the payment of benefits. In the last year the agency has eliminated over 4 FTE's (Full Time Equivalencies). This significant reduction in staff had relatively little impact on cycle time.

Average Number of Days to Make Initial Compensability Decisions

Percentage of Bills Processed within 30 days of Receipt*

(*Advances in technology allowed us to refine and expand this measure to make it more meaningful. Through FY 98-99 only medical bills that were accepted for payments could be tracked. Denied bills, bills improperly submitted, and bills on denied claims were not captured. In FY 99-00 this measure was redefined and expanded to include all bills received.)

Quality:
Customers determine the quality of the service provided. To measure customer satisfaction, the State Accident Fund has conducted a customer survey annually for the last seven years. It is designed to perform two tasks simultaneously. First, open-ended questions are used to determine customer expectations and gather recommendations on improving current services. Then each customer evaluates our performance using a four point Likert Scale. Additional space is provided for written comments. This information is compiled, trends are noted, and both the raw data and the refined scores are distributed to the staff.

The agency uses the percentage of positive responses to determine trends. Shown below are the results for the last seven years.
The agency benchmarks its customer satisfaction against the American Customer Satisfaction Index, produced by the American Society for Quality. The index is nationally recognized and provides industry specific measures of customer satisfaction. The results of the customer survey are converted to a comparable scale of 0-100 and then measured against the industries’ indexes. This allows the agency to determine trends in both the public sector, as well as, the insurance industry.

The comparison of the agency’s results with that of government services and private insurance indicates that the State Accident Fund is keeping pace with both of these areas.

![Customer Satisfaction Compared to the American Consumer Satisfaction Index](image)

Note: ACSI Data is collected on an annual basis. The scores for 2000 are not yet available.

**Workforce Results**

The agency monitors employee well being and satisfaction through a variety of measures. The members of the executive team (Director, Deputy Director, and Chief Administrative Officer) each interview a different employee each week to determine trends within the workforce. The agency also implemented an annual employee satisfaction survey. In addition, the agency uses a suggestion box, monthly staff meetings, and exit interviews with departing employees to determine the general level of employee satisfaction.

A key measure of employee satisfaction is the **Turnover Rate**. This is determined by dividing the number of positions by the number of employees who have left the organization during the period. During the period covered by this report the turnover rate was 9.8%.

![Staff Turnover Rate](image)
**Partnership Results**

The agency has continued to pursue outsourcing opportunities with various private sector partners to allow the agency to improve its service without expanding staff. The agency uses a network of contract attorneys to handle litigation throughout the state. This has allowed the agency to deliver the desired legal services to our customers without expanding the number of attorneys on staff. A long-standing and very successful partnership has been the contracting out of Second Injury Fund recovery. Funds recovered from the Second Injury Fund are credited directly to our customers’ accounts. This reduces their loss experience and ultimately the cost of their workers’ compensation coverage. In FY 99-00 the State Accident Fund had the highest amount of recoveries among all Workers’ Compensation carriers in the state.

![Dollars Recovered Chart](image)

The State Accident Fund has continued its pilot program with three managed care companies to provide nurse case management and discounts for medical services and prescription drugs to our policyholders.

**Agency Specific Results**

The improvements noted have resulted in savings that were passed along to our customers and ultimately the taxpayers. The reductions in cost, reduced cycle time and increased level of customer satisfaction all directly relate to the agency's goal: “Provide our policyholders, injured workers, and the taxpayers of this state with high quality services at a reasonable cost.”