

Logan County Commissioners Work Session

December 5, 2023

Present: Jerry Sonnenberg, Joe McBride, Mike Brownell, Alan Samber, Marty Gaines, Marilee Johnson, Jerry Casebolt, Diana Korbe, Kristan Lange, Debbie Unrein, Patty Bartlett, Rick Cullip, Marty Gaines, Tom Kiel, Russell Adels, Lavon Ritter, T. Scott Kennedy, Justine Tucker, Chris Hansen, Sabrina Willis, Karl Meriden, Scott Runyan, Jeff Rice, Danny Guitierrez-Dutton and Jennifer Crow.

Chairman Jerry Sonnenberg called the meeting to order at 9:00 a.m.

APPROVAL OF MINUTES FROM PREVIOUS SESSION – Commissioner Brownell moved to approve the minutes of November 21, 2023 as written. Commissioner McBride seconded, and the motion carried, 3-0.

REVISIONS TO WORK SESSION AGENDA – None.

REVIEW AND APPROVE SCHEDULE OF COUNTY BILLS – The Board met with Kristan Lange to review the Logan County schedule of bills dated December 5, 2023. All bills were approved as presented.

REVIEW BUSINESS MEETING AGENDA – There were no additions or changes to the Business Meeting agenda.

DISBURSEMENT OF WATER CONSERVANCY DISTRICT FUNDS – Patty Bartlett met with the Board concerning the Logan County Water Conservancy District Funds. The Court approved the district's plan to dissolve so the district will be transferring all funds to the county in two weeks. Patty needs to know what to do with the funds. Matt (Pollart) with the Logan County Water Conservancy District came in to the Treasurer's Office and talked with Patty last week to let her know that \$4.8 million will be presented to the county. He also came back a second time to tell her not to distribute any more taxes to the district. However just the day prior \$3,365.02 was to be distributed for November prior to the district's dissolution.

Debbie Unrein was asked to join the meeting. Alan Samber was asked what should be done with the funds. Alan Samber stated that the funds current distribution should go wherever the rest of the distribution will go, probably the General Fund. Debbie Unrein noted that the funds should go in the General Fund where they will be earmarked for a temporary tax credit to be given back as the Board has discussed.

Patty Bartlett said that Matt Pollart had proposed, and he thought that the Board agreed to set aside a pot of money to maintain the water monitoring system. Commissioner Sonnenberg stated that the Board has not decided, but there are places in the county that probably could use the water monitors as well, such as north of Crook, those kinds of areas that should benefit. The Board has not made that decision yet.

The money that was sent yesterday is basically sitting in limbo, it is earmarked but can't go anywhere. Patty would like the Board to tell her exactly what they want to set aside. Then there can also be county-held liens redeemed in the future that could add a little bit of money to that pot throughout the years.

Commissioner Sonnenberg suggested that a resolution directing the monies to the temporary tax credit and any future monies to be set aside to go toward the maintenance fund. The bulk of this is going to be used by the county to operate next year.

The meeting recessed at 9:15 a.m. and reconvened at 9:52 a.m.

PINNACOL INSURANCE – Russel Adels of Renaissance Insurance Group (RIG) brought several members of the Pinnacol Insurance team to present their Worker’s Compensation program to the Board. They believe that they can make Logan County’s Worker’s Comp program better. Pinnacol’s average number of days to close claims are 69 days vs. 118 days with Logan County’s current carrier. That adds to expenses and adds up to people being out of work and somebody else having to cover for them. Closing the claims quicker reduces the cost of the claim.

Pinnacol is about 1.7 times faster at closing claims and has found that the average claim spends about \$82 per day every day a claim is open. Currently, Logan County’s claims are closing on average around \$10,000 each. Pinnacol’s claims are closing on average at \$5,200 each. Their public sector team has reduced the number of attorney-involved claims for the company. They get the claims closed faster and closed for less. They make sure that the employees are at their maximum medical improvement before they return to work. Compassion and empathy are also important, and it is a big part of not getting attorneys involved. The State makes them track all injured workers’ carriers scores. They are at 4.2 right now in the public sector and that again surpasses the overall Pinnacol Score.

Justine Tucker would be Logan County’s safety consultant. They will take a proactive approach, with an ample number of training resources available to the county as part of the policy to provide training. They will provide safety walkthroughs and audits to help identify hazards or potential points of training. They also have a learning management system, which is part of their policy which is a video-based training portal. The portal can be managed a couple of different ways. County employees can be put in and assigned training and tracked through it, or you can have group safety meetings and touch points on some of the hazard analysis that we can do for you. Standards can be established for protecting employees. The Pinnacol team also has a staff of trainers if the need arises to have training provided. They would also like to help with obtaining Colorado Cost Containment. The County already has a foundation, they would like to take the foundation and see how close they can come to establishing cost containment, which is a 5% discount on the premium. The safety team helps make sure all the right steps, policies and procedures are in place to file for that application and help maintain that throughout the year as renewals come.

Obtaining the cost containment for the first time is one of the battles, and proving you’ve had a safety program in the past and moving forward with it. The reason why they give you that discount is because the State says you’re committing to making sure that your employees are safe and cared for. RIG is going to make sure that the county has some rebates that come back or that there are some incentives to keep trying to be a safe workplace for your employees, whether you have a catastrophic year or not.

Pinnacol has some really great return to work specialists to help people get back to work quicker. Because the sooner you get employees back to work, the less somebody else has to cover for

them, which is stressing them out and putting time in for them. Jackie is a return-to-work specialist and is also a certified Occupational Therapist. She looks at the doctor's notes and can recommend the appropriate kind of work for the employee.

They also have a SIU Department (Special Investigative Unit) that looks for fraud. Pinnacol writes insurance for more than half of the state. If fraud is suspected, please let them know. Anytime that someone is suspected of trying to milk the system, it should be reported. There are eleven employees in the state that is all they do is investigate fraud.

There is a policy holder portal for employers to report claims and look up information. There is also a claims-injured worker portal where the injured worker can enter in and can put in their mileage or expenses and report to the claim's person.

Diana Korbe stated that her biggest concern or question is going to be the training. Right now, CTSI takes care of all of the training for the County. Anything that is going to put more demands on a two-person department is a huge concern for her now.

The Learning Management System (LMS) is video based. The employees can be instructed to take defensive driving on the LMS, then if they need to have more training, they can provide additional in-person training for confined space or trenching or excavation or CPR, they can provide those if the need arises.

Reporting claims is very simple in the policyholder portal. They will gladly give training to whoever needs training to file the claims, and there is also a great customer service number that will walk them through whatever assistance is needed.

Safety audits and walkthroughs can be done as often as necessary. Initially it will be meeting with each individual department, and then they will work on what type of frequency is wanted. They will meet with the safety committee if one is developed.

Commissioner Sonnenberg noted that costs are based on Pinnacol's 38 largest municipal customers. He is not sure that they are "comparing apples to apples." Their largest municipal customers are cities and counties alike. The City of Aspen, Moffat County, Weld County, and Douglas County were all included assuming they all have similar exposures. Premiums go from about \$100,000 to a premium of about \$750,000. There are video testimonials on their website that will show how they have saved their customers money and improved their safety.

Commissioner Sonnenberg mentioned that he would like to see Pinnacol's rate history for the last five years. It was noted that Pinnacol's rates have dropped overall about 40% throughout an eight-year period. Exposure hasn't really increased; the only change is that the rating basis has increased. Safety has definitely improved over that time. Over the last 15 years, safety has gotten exponentially better. The effects were flat for 2024 rates, so the years of the decreases appear to be over.

It's more the proactive approach, the safety training and safety awareness has really brought that whole awareness for work comp claims to light and it's really helped. Another thing that allows them to be more efficient is their contract negotiating ability. They have the largest group of medical providers in the state. That allows them some negotiating leverage when it comes to rates. The same thing is true with prescription plans.

Commissioner Brownell asked if the employees were able to go to Orthopedic Center of the Rockies or do they have to go to Pinnacol's providers? If the employee talks to the claims adjuster and gets it authorized, they can go to OCR.

The savings on a deductible are not really in the form of the premium savings. They're in the form of losses that are excluded from experience modification calculation. The bigger savings are really coming as those losses filter through the experience rating period. Right now, we'd be looking at 2027, and it's going to say they had this a certain number of claims, but they are only going to count so many, because they had a \$2,500 or \$5,000 deductible and so that's where the experience module and the deductible can help.

Logan County's overall employer score is a 1.241 and they would like that to be at a 1 or below. By working on lowering the employer score there's a \$68,000 savings that is out there to the county just to get the score down to average. By paying the \$2,500 or \$5,000 deductible, will be working towards that goal. Other factors on lowering the insurance score were discussed.

In the first year, they expect to provide \$17,000 in value of safety services to Logan County. Included in the \$17,000 in services is the baseline risk assessment, the walkthrough, and identifying hazards. They can also do ergonomics evaluations, consultations, etc. Industrial hygiene services are available to the County where noise and air quality and that sort of thing is studied.

Diana Korbe asked if there was a cost associated with training after the first year. If they have to come out and do the trainings, they look at what type of trainings will be provided. If it is certifying individuals as competent persons, if that is the case, yes, there is a charge. As a Pinnacol employer, and policyholder, those rates are significantly decreased compared to hiring a third party to come in and do those for you. Obviously, the county is not subject to OSHA, but they do charge for OSHA trainings. They also have additional charges for using the LMS.

Diana Korbe also asked about the return to work and what if an employee's sole job is heavy equipment operator. What if there is nothing for them to do? At Pinnacol they have a return-to-work team that is really good at helping find tasks for employees to do. They have identified tasks based on certain restrictions. If the county has those available, then they will help identify those. If the county does not have tasks available, they can also work on what they call a third-party placement, that employee can be placed at a local nonprofit. The county pays them their wages as if they were still working in a county capacity but they're actually reporting to a nonprofit. The employee is still getting paid for the time that they've worked at the nonprofit. It's not affecting the county's indemnity, but the employee is still working at some capacity within the community, working with the non-profit.

The Board thanked the presenters for their time and told the group that they will be making a decision in the next couple of weeks.

There being no further business, the meeting was adjourned at 10:47 a.m.