



# NEWS FROM

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## CITY CONTROLLER LAURA CHICK

City Hall East, Room 300, 200 N. Main St., Los Angeles, CA 90012

**FOR IMMEDIATE RELEASE**

Monday, February 5, 2007

**CHICK AUDIT OF WORKERS COMP:  
Questions Quality of Service By Outside Administrator  
“What are we getting for \$7 million a year?”**

Los Angeles – City Controller Laura Chick has questioned the quality of service provided by a Third Party Administrator of the workers compensation program for sworn police and fire personnel. The contractor, Cambridge Integrated Services, receives \$7 million annually from the City.

“My audit found problems with the outside contractor’s quality and timeliness of service. My report also reveals that claims are taking longer to resolve and costs are not adequately controlled,” said Chick.

“So in view of the findings of this audit, I have one question: What are we getting for \$7 million a year?” asked Chick.

**Audit’s Key Findings:**

- High turnover of claims adjuster staff, infrequent evidence of supervisor and management review of the claim files, insufficient claims file documentation and diary maintenance, and an average caseload per adjuster exceeding best practices of 150 claims has impacted the quality and timeliness of services provided.

Chick

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- The administrator could improve its workers' compensation claims handling cost containment procedures.
- The Personnel Department's periodic independent review of the administrator's claims files does not adequately assess the performance and compliance with state requirements.

“Recently the Personnel Department issued a Request For Proposal for the claims administration for sworn personnel. Let's use this opportunity in writing and negotiating a new contract to see that we achieve better results and best practices,” said Chick.

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