

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: November 7, 2018

To: The Mayor
The City Council

From: Richard H. Llewellyn, Jr., City Administrative Officer

Subject: **INNOVATION FUND RECOMMENDATION – EARLY INTERVENTION TREATMENT PROGRAM**

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Establish and appropriate a new appropriation account entitled LAFD – Early Intervention Treatment Program in the amount of \$350,000 within the Innovation Fund No. 105/10 from the available cash balance of the Innovation Fund.
2. Transfer \$350,000 from the Innovation Fund 105/10, Account to be Established, LAFD – Early Intervention Treatment Program to Fund 100/38 as follows:

<u>Fund/Dept.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
100/38	001010	Salaries, General	\$ 85,000
100/38	001012	Salaries, Sworn	150,000
100/38	003040	Contractual Services	100,000
100/38	006010	Office and Administrative Expense	15,000
Total:			\$ 350,000

3. Authorize by resolution, subject to allocation by the Board of Civil Service Commissioners, the following positions in the Los Angeles Fire Department for the Early Intervention Treatment Program for the period December 1, 2018 through June 30, 2019:

<u>Class Code</u>	<u>Classification Name</u>	<u>Quantity</u>
2142-1	Fire Captain I	1
9184-0	Management Analyst	1

4. Instruct the Fire Department to:
 - a. Separately track all encumbrances and expenditures of Innovation Fund monies so that unspent funds can be returned to the Innovation Fund at the end of the fiscal year;
 - b. Report to the Innovation and Performance Commission with an accounting of the funds, the lessons learned, and any obstacles faced; and,

- c. Report to the Innovation and Performance Commission if, after the receipt of funds, the scope of the funded item differs from the scope approved for funding by the Mayor and the City Council.
5. Authorize the City Administrative Officer to make technical corrections as necessary to those transactions included in this report to implement Mayor and Council intentions.

SUMMARY

The City Administrative Officer herewith transmits the recommendation of the Innovation and Performance Commission (IPC) to approve funding in the amount of \$350,000 from the Innovation Fund (IF) for the Los Angeles Fire Department (LAFD) – Early Intervention Treatment Program. Please note, as with all IPC recommendations, this report presents the idea as submitted by the Department and approved by the IPC along with the necessary recommendations to implement the idea as presented. If the scope of the Innovation Fund item changes after the Department receives funding, the Department must return to the IPC to present the revised scope to the Commission to determine whether alternative recommendations are required.

LAFD proposes to implement a pilot program aimed at providing treatment to firefighters for minor aches and pains before the aches and pains become more serious. The goal of the pilot is to avoid having minor medical issues become workers' compensation claims. LAFD states that 80 percent of its workers' compensation claims are related to soft tissue. The Department also states that 95 percent of liability payouts are due to workers' compensation claims. The Department asserts that many of these workers compensation claims are caused by firefighters performing their job functions with these minor aches that, over time, become more serious as a result of overexertion. Through the Early Intervention Treatment Program pilot, LAFD believes it can change the cycle of injuries by creating an injury prevention unit that would be responsible for the development and management of injury prevention programs. The pilot will include:

- Physical Therapist and/or Certified Athletic Trainer;
- Treatment (ice, heat, manual therapy, exercises, and stretching), education, training, and prevention exercise; and
- Data collection and management.

LAFD has worked closely with the Personnel Department to determine if this pilot could be facilitated by current staff. At the recommendation of the Personnel Department, LAFD will solicit a vendor who specializes in early symptom intervention. The Injury Prevention Unit would be staffed by a Fire Captain I and a Management Analyst. LAFD provided information regarding the success of similar fire department wellness programs from other cities, including the City of Phoenix that saw a savings of \$300,000 a year in physical therapy costs alone. The City of San Antonio reported a cost savings of almost \$600,000 in nine months and the City of Denver saw a 42 percent decrease in workers' compensation claims in its first year. LAFD states that if this pilot can cause a five percent decrease in workers' compensation claims, which cost on average \$40,000, the cost savings could equal \$2.3 million per year.

LAFD will measure the success of this pilot based on the following performance-based metrics:

- Recruit retention;
- Workers' compensation claims filed;
- Workers' compensation costs;
- Number of days employees are out of work due to injury (lost days);
- Cost of backfilling employees on workers' compensation leave (constant staffing costs); and
- Employee's compensated time-off usage.

The Commission recommends funding of \$350,000 for the Early Intervention Treatment Program pilot. This amount will cover the cost for the Injury Prevention Unit for approximately one year. The CAO will work with the Department to reappropriate any IF funds unspent during 2018-19 to 2019-20 to complete the pilot. The pilot costs include:

• Fire Captain I	\$150,000
• Management Analyst	85,000
• Equipment and Supplies	15,000
• Pilot Program Vendor	100,000
Total:	\$350,000

Should the pilot be successful, the Department will submit a budget request to seek ongoing funding in its 2020-21 budget request for this program. If the pilot is not continued, the Fire Captain I and Management Analyst, and the direct salary costs and related costs for employee benefits will be absorbed into an existing position authorities within the Department. LAFD may request an extension of the resolution authorities depending on the timing of the completion of the pilot.

FISCAL IMPACT STATEMENT

Approval of these recommendations will allocate \$350,000 of the remaining \$1,595,434 Innovation Fund 2018-19 available balance. The \$350,000 will be transferred to the LAFD to begin implementation of the pilot project that has been approved by the Innovation and Performance Commission. In some cases, departments will incur ongoing costs.