Isiah Leggett
County Executive

Timothy L. Firestine
Chief Administrative Officer

MEMORANDUM

July 26, 2010

To: Thomas Dagley, Inspector General

From: Timothy L. Firestine, Chief Administrative Officer

Subject: Follow up – OIG Review of Disability Retirement Program

I am responding to your June 8, 2010, memorandum which requested follow-up information regarding the County's disability retirement program. Specifically, your memorandum requested information in the following three categories:

- Information relating to changes in the disability retirement program which were discussed in my September 8, 2008 formal Management Response to your Interim Report on the County's Disability Retirement Program (Prior Management Response), including copies of new or revised policies, procedures, and guidelines, and the "effective date" of any changes.

- Information relating to the status of implementing certain components of Bill 37-08, Personnel – Disability Retirement – Amendments, which took effect on August 19, 2009.

- Additional information and data regarding Service Connected Disability Retirements (SCDRs) and Non-Service Connected Disability Retirements (non-SCDRs).

I. Prior Management Response

1.   **Internal control and management oversight improvements relating to the sharing of information between the Finance Department's Risk Management Division (which administers the workers compensation program) and the Division of Occupational Medical Services (OMS) in the Office of Human Resources (OHR) (which administers the disability retirement program).**

Status: To address both your and our concern that the Disability Review Panel (DRP) has the most current information available for its review, internal procedures have been amended to require regular and ongoing communication between OHR, Risk Management, and Gallagher

Bassett, the third party administrator that manages the Workers' Compensation program for the County. OHR staff follows a step-by-step process to ensure that the DRP is evaluating the current medical information when adjudicating a claim. **Attachment 1** shows the amended steps in the disability process.

Last fall, the OHR Director realigned certain functions related to disability administration and placed the responsibility for oversight of the program in the Division of Employee Benefits. Staff in this division now work in concert with OMS staff throughout the process to ensure that the DRP considers relevant and current information prior to making a determination.

OHR is currently evaluating a proposal from a consultant to conduct an Operational Assessment of the disability program to evaluate processes and workflows, audit recordkeeping protocols, and review staffing and systems weaknesses.

OHR worked with CountyStat to develop an interim disability data base so that disability information is located in one place. This allows for consistent reporting for questions regarding the disability program. **Attachment 2** is the Data Base Procedures Manual.

2. Re-examinations of current retirees who receive disability benefits.

Status: To comply with Section 33-43(g) of the County Code, OHR began re-examining current retirees who receive disability benefits in February 2009A total of 129 individuals receiving disability retirement benefits have been contacted and required to provide updated medical documentation regarding their status.

OHR hired a consulting physician to assist the DRP in reviews of existing disability retirees and, where the panel deemed it necessary, independent medical examinations (IME) were conducted.

To date, the panel has determined that one retiree no longer qualifies for disability benefits. That individual has been notified that benefits will be discontinued, and the retiree has indicated an intention to appeal the Chief Administrative Officer's decision.

Twenty-three cases are still going through the review process and decisions are pending. An additional 30 retirees will be scheduled for re-evaluation later this month.

3. Enforcement of Earnings Limitations.

Status: Section 33-43(j)(2) of the County Code allows a reduction in the amount of member's disability pension payments under certain situations. OHR has not yet undertaken a review of the policy implications of conducting earnings reviews primarily because the same

staff that would be responsible for this effort were dedicated to designing and deploying a fast-tracked Retirement Incentive Program to address the County Executive's desire to limit the number of employees who lost their jobs involuntarily as a result of FY 2011 budget reductions.

It is expected that this review will occur in the Fall of 2010. Keep in mind that earnings reviews for disability retirees are generally not permitted for disabled police and fire personnel (the majority of disability retirees). This general exclusion is pursuant to Section 33-43(j)(7) and is the outcome of collective bargaining.

4. **Comprehensive review of policies and procedures relating to periodic medical examinations for Police Department employees.**

Status: The Police Chief has assigned the responsibility to monitor and ensure the timely reporting for medical examinations for Police Department employees to his Chief of Staff. At the beginning of each calendar year OMS provides the Department with the list of personnel that are required to have a physical examination each month. On a monthly basis, OMS provides the Department with updates of the status of examinations that includes name, due date, appointment date, status, and disposition. The Police Chief's representative follows up with station commanders and supervisory staff as necessary.

II. Implementation of Bill 37-08

1. **Bill 37-08 increased the composition of the DRP from three to four members, required that panel decisions be made by at least three doctors (instead of two), and required that all four DRP members be Board Certified in Occupational Medicine or have at least 10 years of experience practicing occupational medicine.**

Status: In the Fall of 2009, OHR staff issued an RFP seeking to find an "impartial medical organization" (as required by Bill 37-08) that could provide the Chief Administrative Officer with a list of at least 10 qualified medical doctors to serve on the DRP OHR was not successful in finding an organization that would agree to comply with the requirement to identify at least 10 doctors that were board certified in occupational medicine. OHR reported back to the County Council's Management and Fiscal Policy (MFP) Committee in the Spring of 2010 and recommended that the Council revisit the requirement that all members of the DRP be Board Certified in Occupational Medicine. MFP members sought advice from an outside consultant, which agreed with OHR's recommendation, and on June 22, 2010, the County Council approved Bill 35-10 (**Attachment 3**).

This bill amended the County Code to require that only one member of the DRP be Board Certified in Occupational Medicine, and permits other panel members be Board Certified in a different medical specialty. Bill 35-10, which was effective July 1, 2010, also clarified that at least 2 members must approve a decision.

OHR is working with the Office of Procurement to issue a new RFP seeking an "impartial medical organization" to provide a list of doctors to serve on the panel and it is our expectation that the solicitation will be issued later this month.

2.   **Bill 37-08 requires an independent medical examination of each disability applicant unless the nature and severity of the injury render it unnecessary.**

Status: This provision has been implemented as required by law, and is reflected as item 11 on **Attachment 1.**

3.   **Bill 37-08 requires that for a Group F (Police) or G member Fire and Rescue) the amount of any lump sum retroactive disability retirement benefit be reduced by the total amount of any temporary total disability, temporary partial disability, or permanent partial disability payments that the County paid to the employee under the Worker's Compensation laws after the disability retirement took effect.**

Status: There have been no retroactive disability awards to Group F or Group G members since Bill 37-08 was implemented. OHR's procedures include coordination of retroactive awards with Risk Management and Gallagher Bassett staff to ensure that required offsets are identified and taken. **Attachment 4** is the Employees' Retirement System (ERS) process checklist used by benefit staff in processing disability applications.

4.   **Bill 37-08 requires applicant to report a claimed injury within one year of the time the applicant knew or should have known that an injury was disabling.**

Status: This provision applies to injuries that occurred on or after July 1, 2009, and the one year time requirement has just run out. Please note that pursuant to Section 33-43 (f) (E) (ii) of the County Code, the one year requirement does not apply if the applicant submitted a claim for Workers' Compensation benefits for the accidental injury provided that the application was not dismissed as untimely. OHR reviews relevant dates and timing to ensure compliance with this provision.

5.   **Bill 37-08 requires an applicant to file for benefits within one year after separation from County service or by July 1, 2010, whichever is later, and for police officers, within five years of the accident causing impairment or by July 1, 2014, whichever is later, unless the police office is working in a chronic incapacity position.**

Status: To date there have been no applications to which this requirement applies. OHR's disability process includes a review of application dates and timing to ensure compliance with this provision.

6.   **The County must reduce its disability payment by the amount of disability payments made by another employer for the same injury, except for Social Security disability benefits.**

Status: No action has been taken in this requirement. No individual who retired on a disability retirement since Bill 37-08 was enacted is receiving disability benefits from another employer for the same injury. OHR is seeking recommendations for managing this provision in the Operational Assessment referenced earlier in this document.

7.   **The County must reduce its disability payment by the amount of outside earnings received by a former police officer who accepts employment as a sworn law enforcement officer with another government agency.**

Status: This provision only applies to disability retirements approved after Bill 37-08 took effect. Later this year, OHR will begin reviewing the status of individuals who retired after August 19, 2009 to determine whether they continue to be disabled. At that time, OHR will request information about their employment status to determine if a retiree is working as a sworn law enforcement officer. If so, County disability benefits will be offset.

III.   Additional Information

1.   **OIG requested the following information for FY09 and FY10: the number of applicants by department/office for SCDRs and non-SCDRs; the number of applications approved for SCDRs and non-SCDRs; the number of applicants approved for temporary disability retirement; the number of applicants denied SCDRs and non-SCDRs; and the number of applicants pending a decision for SCDRs and non-SCDRs.**

Status: **Attachment 5a** is a summary of cases filed for 2009 and 2010 by month and department as well as the disposition of those applications. Note that only applications submitted in 2010 are pending. All applications submitted in 2009 or earlier have been decided.

Attachment 5b is a report from the Disability Retirement Database that summarizes all SCDRs and non-SCDRs by department.

2.   **OIG requested the "total dollar cost for SCDRs and non-SCDRs".**

Status: **Attachment 6** is a report from the Disability Retirement Database that reflects number and cost of disability retirements by fiscal year and department as of July 1, 2010The cost of disability retirement is calculated as the eligible disability benefit (either the minimum benefit or the accrued benefit, whichever is greater) minus the accrued benefit.

3. **OIG requested updated information on revising "standards and procedures governing SCDRs as well as "the status of implementing a partial disability retirement".**

Status: Eligibility standards and benefits for partial and total disabilities are subject to collective bargaining. We would be willing to discuss the status of collective bargaining negotiations in closed session with the County Council.

Attachments

cc: Tom Manger, Chief, Department of Police
       Joe Adler, Director, Office of Human Resources
       Jennifer Barrett, Director, Department of Finance
       Kathleen Boucher, Assistant Chief Administrative Officer
       Marc Hansen, Acting County Attorney

Decision Process for Disability Retirement Program

	Process	Data Collected/Generated	Data Format	Data Repository
1	Employee meets with benefits specialist who counsels the member on disability process and necessary paperwork	DR Application/Statement Counseling Check List 3rd Party Release Medical Release	Paper	Benefits (folder)
2	Completed paperwork is forwarded to Occupational Medial Services (OMS).	DR Application/Statement (copy) Release-3rd Party & Medical (copy) Counseling Check List (copy)	Paper	OMS
3	OMS staff enters information into DR database.	Name, SSN, DOB, Hire Date, Job Title, Dept, Disabilty Type, Date Panel Receives Case, Panel Lead, Injury Type, Update status/decisions as case moves through the disability process. **Date of Injury, Union (newly added)**	Microsoft Access database	OMS
4	OMS staff updates Disabilty Retirment Applicants status in Occupational Health Manager (OHM) software.	Application Date Date OMS Receives Application Date Panel Receives Case	OHM Software	OMS
5	Employee has 2 weeks, from date of application to supply all medical documentation and records directly to OMS. An extension can be requested.	Medical Records (originals)	Paper	OMS
6	When necessary, letters are sent to Applicant requesting Medical Records.	1st Notice Request for Medical Records 2nd Notice Letter - As required 3rd Notice Letter - As required	Paper	OMS
7	Obtains Workers' Compensation medical records from the third party administrator working with Risk Management Division of Finance.	W/C records	Paper	OMS
8	OMS compiles job analysis data, position description and any other applicant information or materials.	Position Description/Class Spec.	Paper	OHR website
9	OMS medically processes disability retirement applications and supports three physicians on Disability Review Panel (DRP) 1. organizes, numbers pages, copies file for DRP 2. copies additional info that is received during process	DR Application / Statement (copy) Counseling Check List (copy) 3rd Party Release (copy) Medical Release (copy) OMS Records (copy) Medical Records (copy) W/C Records (copy) Position Description/Class Spec.	Paper	OMS
10	Disability Retirement Panel (DRP) meets and reviews all information and evidence submitted. *OMS tracks & reports weekly progress of DR process	**DRP Case Status Report** Tracks dates of DR process; Panel received/completed case, IME & IME report , Medical Records Requested, County Atty and CAO Decision dates.	Paper	OMS
11	If requested by the DRP, OMS schedules an Independent Medical Evaluation (IME) to gather additional information.	IME Report (original)	Paper	OMS
12	DRP again meets and reviews all information with additional input of the IME and any updated WC or other medical information.	IME Report (copy) Updated WC information	Paper	OMS
13	Disability Retirement Panel (DRP) makes a decision and issues a report of recommendations to the CAO.	Disability Decision Report (original)	Paper	OMS
14	OMS manager reviews Disability Decision Report and prepares Memo to the County Attorney for review.	Disability Decision Report (copy) County Attorney Memo	Paper	OMS

Decision Process for Disability Retirement Program

	Process	Data Collected/Generated	Data Format	Data Repository
15	Disability Decision Report and County Attorney Memo are sent to the Office of the County Attorney for legal review before being sent to OHR Director.	Disability Decision Report (copy) County Attorney Memo	Paper	OMS
16	OHR Director reviews the Disability Decision Report, the County Attorney Memo and signs Recommendation Memo. Documents are forwarded it to the CAO for approval.	Disability Decision Report (copy) County Attorney Memo (copy) OHR Director Recommendation Memo	Paper	OMS
17	CAO renders a decision which is sent back to OHR for processing.	Disability Decision Report (copy) County Attorney Memo (copy) OHR Director Recommendation Memo CAO Decision Memo	Paper	OMS
18	CAO may remand to DRP for additional review and medical information gathering (see slides 10-16).	Memo from CAO	Paper	OMS
20	OMS recieves Disability Decision Report, County Attorney Memo, OHR Director Recommendation Memo and signed Decision Memo from CAO.	Decision entered into OHM & DR Database	Microsoft Access database/OHM	OMS
21	Benefits notifies applicant of decision, appeal rights, and disability retirement process.	Letter from Benefits with copy of CAO decision	Paper	OHR/Benefits
22	Benefits meets with applicant to discuss retirement process.	Retirement Information/Forms	Paper	OHR/Benefits (Imaging and HRB)
23	Applicant appeals CAO decision	Letter from applicant	Paper	OHR/Benefits
24	OMS notified of applicants appeal to Disability Arbitration Board (DAB)	Memo	email	OHR/Benefits
25	DAB hears the matter and renders a decision.	DR Application / Statement (copy) Counseling Check List (copy) 3rd Party Release (copy) Medical Release (copy) OMS Records (copy) Medical Records (copy) W/C Records (copy) Position Description/Class Spec.	Paper	OMS
26	DAB notifies all parties of decision.	DAB Decision Memo	Paper	OHR/Benefits OMS
27	Decision Memo received in OMS.	Decision entered into OHM & DR Database	Microsoft Access database/OHM	OMS
28	Benefits meets with applicant to discuss retirement process.	Retirement Information/Forms	Paper	Benefits (Imaging and HRB)
29	Employee status changed in Benefits system.	Retirement Information/Forms	HRB	Benefits
30	Aetna starts making disability retirement payments	Retirement Payment Information	Paper	Aetna

Disability Retirement Database

Description and Use

Table of Contents

Table of Figures

Introduction

The CountyStat office was asked to provide a tool to enable the Office of Human Resources to answer a variety of questions about disability retirements within Montgomery County. Note that this tool is intended to be a temporary solution to be used until a more robust and permanent solution is achieved through one of the new technology programs, either the Enterprise Resource Planning (ERP) or the Constituent Relationship Management (CRM) system. This manual describes how the disability retirement database is organized, how it functions, and what its current limitations are. Using this manual, users should be able to import data, manage existing data, and generate reports that answer specific questions.

Purpose of the system

The Office of Human Resources' benefits system does not have the ability to retain outdated information about retired personnel; it only has the ability to track current information. OHR currently uses scanned, but not searchable, PDF files to hold outdated information. While information is retained using this PDF system, it is not readily accessible, and answering questions about changes in benefits is both time consuming and subject to error. In addition, the current system does not retain some kinds of information at all; this information must always be recreated to answer questions. The Disability Retirement Database (hereafter referred to simply as the database), is intended to be an electronic repository of basic information related to disability retirements so that historical information is readily accessible and data not currently retained is also stored and accessible.

Database organization

The database divides information into three primary categories:
- Information related to retirees themselves
- Information related to retirement plans or packages
- Supporting information.

Retiree information includes data that is not likely to change over time, such as the retiree's name, identification number, agency retired from, actual retirement date, and accrued retirement benefit. Package information includes data such as type of retirement (service or non-service connected) and disability benefit amount. Supporting information is organized into its own tables to facilitate querying and other database functions.

Figure 1 shows all of the tables within the database and their relationships to each other. The two tables containing cost of living adjustment (COLA) information and the ImportTable all get joined to the two primary tables – tableRetireeData and tablePackages – through queries.

Figure 1: Organization and relationships of tables in database
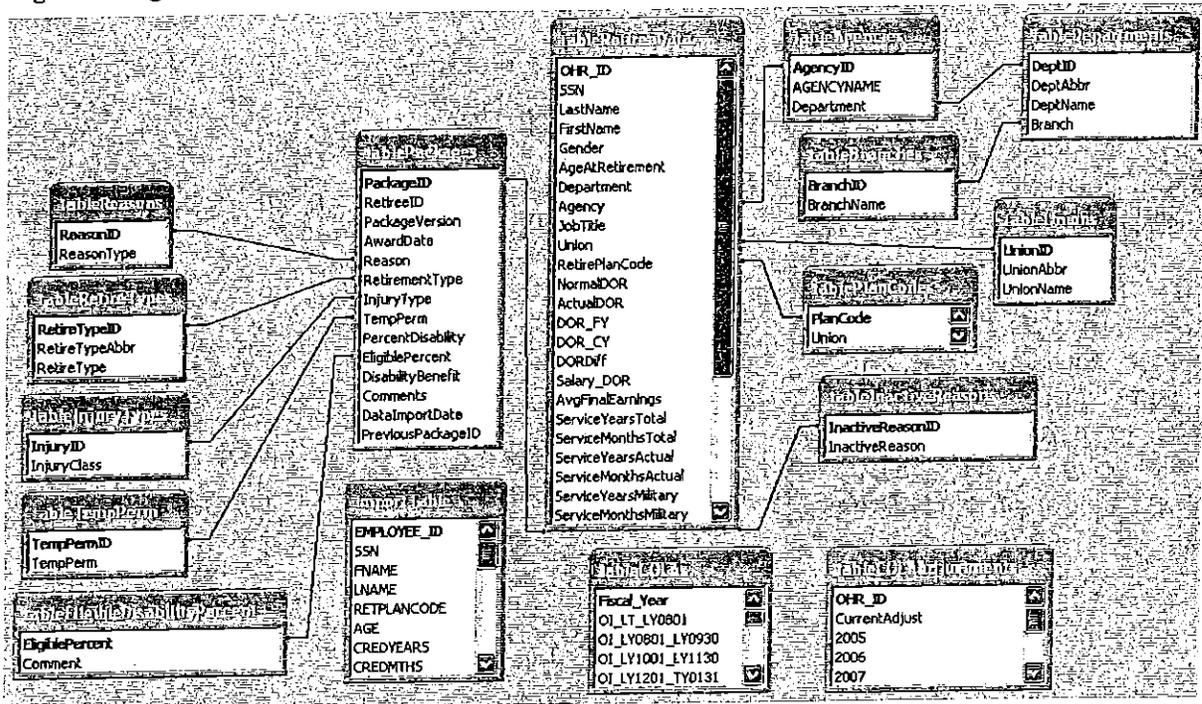
Database function

The database has two primary functions: to store data and to provide reports about that data. The main screen that is seen when the database opens reflects these two primary functions (see Figure 2). Managing data includes both the process of importing data and the management of supporting data such as cost of living adjustments (COLAs). Currently, there are three reports that are available, which were developed to answer specific questions raised by the Council and others.

Importing new data

Each month, or at some other time period, data should be downloaded from OHR's Human Resources Benefits HRB system for all personnel that are currently receiving a disability retirement benefit that have retired since

Figure 2: Main screen that is visible when the database is opened

January 1, 2004. The resulting Excel file is then reconciled with existing data and imported into the database in a series of steps. Figure 3 below shows the overall reconciliation and import process. The database will guide the user through each step, and a step can be returned to at any time from the main screen. Note that steps that have been completed are disabled on the main screen and cannot be accessed. The steps are as follows:

1. Import the Excel file into a holding table.
2. Check data integrity, particularly whether any supporting tables need to be augmented.
3. Add new retiree data.
4. Mark retirees that no longer appear in the import as inactive.
5. Where needed, change personnel data of existing retirees.
6. Where needed, either change existing plan information or create a new plan for an existing retiree.
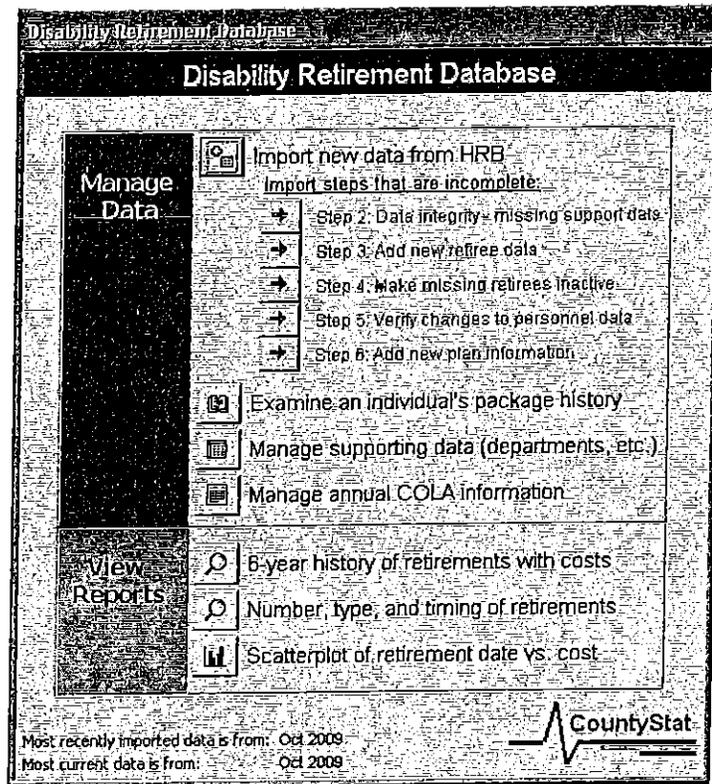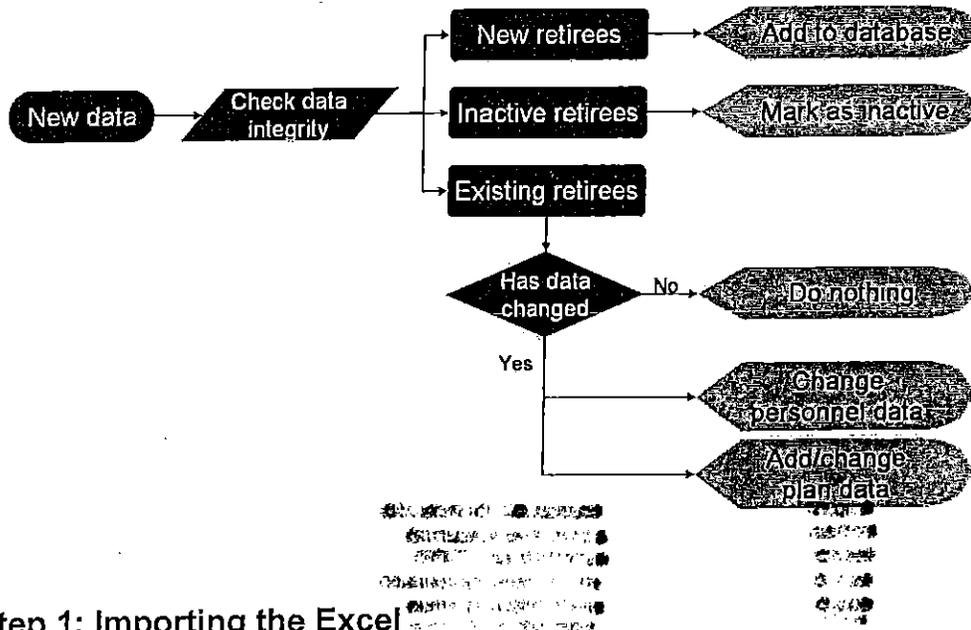
Figure 3: Process for reconciling new data and importing it into the database

Step 1: Importing the Excel file into a holding table

When the user selects the "Import new data from HRB" button on the main screen, the screen in Figure 4 is shown. The user should select the month for the data and input the year. By default, the current month and year are shown. Once selected, click on the "Import Data Now" button. If there is already data in the database that corresponds to the month and year chosen, the database will warn the user and ask the user to verify whether the import process should be continued.

Figure 4: Importing data, step 1 - Choosing a month and year
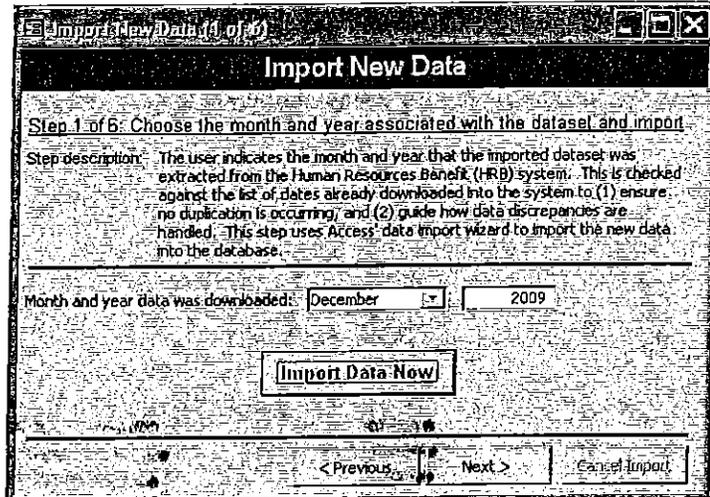
When the "Import Data Now" button is clicked, Access's standard data import wizard begins. Follow these steps through the import wizard.

1. Find and select the appropriate file to import. The file type may need to be changed to show Excel files instead of just Access files.
2. Select the sheet within the Excel file that contains the data to import.
3. In the next window, verify that the first row contains column headings.
4. Select the option to store the data in an existing table. From the drop-down menu, select the table called "ImportTable" – it will be at the top of the list of available tables.

5. Click "Finish."

Note that the database expects the Excel file to have a specific layout (refer to the Appendix for details). If the Excel file does not conform to this expected layout, the data import will fail.

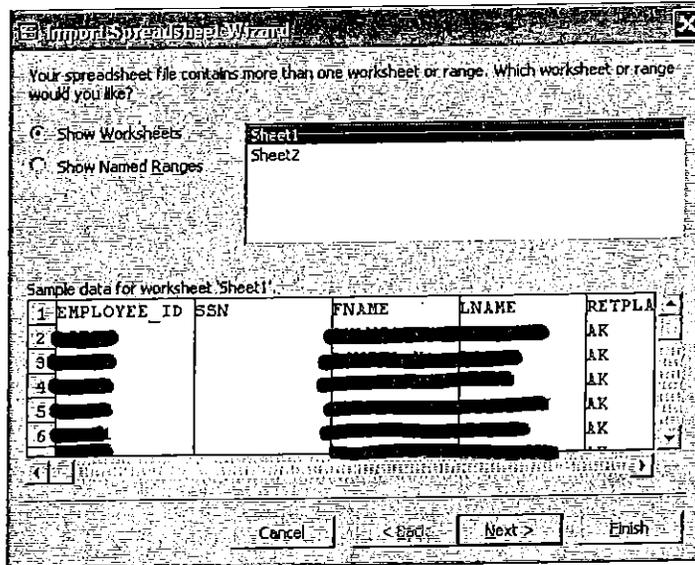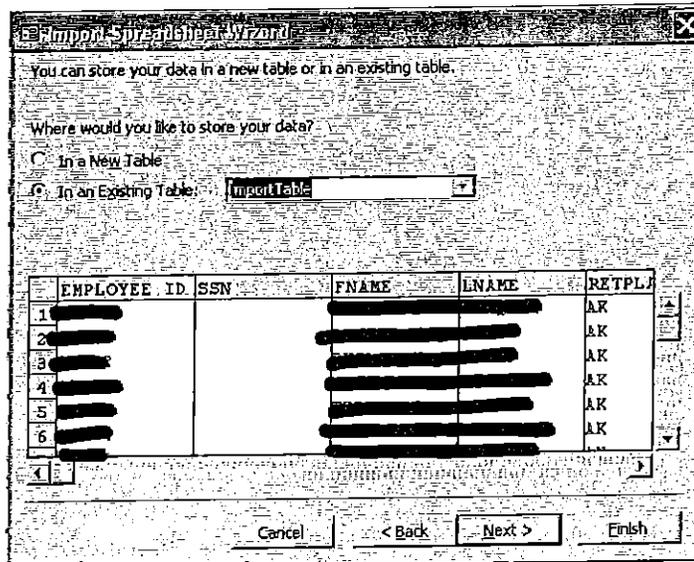**Figure 6: Selecting the correct sheet in the Import Wizard**

**Figure 7: Storing data in an existing table in the Import Wizard**

Step 2: Checking data integrity

There are a number of pieces of information within the database that are stored in their own tables to aid querying and report building. For those queries and reports to be accurate, all data

being imported into the database needs to have corresponding entries in these support tables. The second step in the import process determines if there is any missing data that should be added to those tables. The user is given the opportunity to add all missing data into the appropriate tables (see Figure 8)and to then provide additional information about each item if needed (see Figure 15).

Figure 8: Importing data, step 2-Data integrity checking
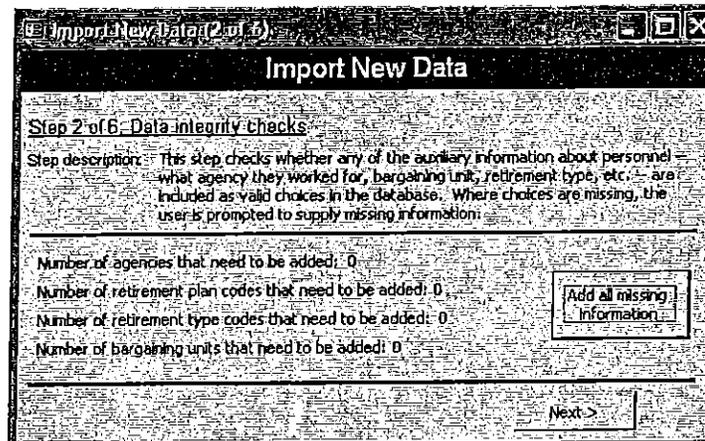
Step 3: Adding new retirees to the database

When a retiree appears for the first time within the import table, their information must be added to the database. Most of that information comes from the import itself, but there is some information not contained in the import data that must be supplied by the user. Figure 9 shows the form used to add new retirees and their initial retirement package information into the database. Information contained in the import data is shown and cannot be changed by the user. The user should add the following data.

- **Temporary or permanent:** Select whether the disability retirement package awarded was for a permanent disability or a temporary disability.
- **Injury type that led to determination of disability:** Select a category. This is a reflection of categories contained within the OMS database. If this database becomes connected electronically to the OMS database, this field can be automatically filled from there.
- **Minimum award percent:** Select the appropriate minimum disability award as percent of final base salary. The import data contains three fields (listed directly below this field on the form) with award amounts related to this value. In cases where only one of the three is non-zero, this field defaults to the associated percentage. In cases where more than one field has non-zero values, 52.5% is chosen by default. The user can select another percentage if that is needed.
- **Award date:** Enter the date on which the award became active.
- **Reason for award:** Select the reason why this disability retirement package was created: this individual has just retired and this is an initial retirement package, this package was awarded based on an appeal, or this package was awarded as a result of a re-examination. The default selection is "Initial retirement."

• **Comments:** Enter any comments that should be kept about this retirement package. Once this information has been added, click on the "Add New Data" button to enter everything into the database. The form will automatically refresh to show the next new retiree that needs to be added. If the user tries to move to the next step in the import process before all retirees have been added, the database will generate a warning message.

Figure 9: Importing data, step 3-Adding new retirees to the database

Step 4: Make missing retirees inactive

Once a former employee is no longer receiving a disability retirement benefit, he or she will no longer appear within the import data. When that happens, the retiree's information within the database needs to be marked as inactive. In step 4, the user has the opportunity to identify why a retiree is no longer receiving a disability retirement benefit (see Figure 10). Options include the death of the retiree, re-examination of the retiree, appeal, or other. Once reasons have been identified, click on the "Mark retirees as inactive" button to load them into the database.

Figure 10: Importing data, step 4-Making missing retirees inactive

Step 5: Making changes to personnel data

Once retirees are in the database, their basic personnel data should not change. If any does, however, users can reconcile the new data with the old in step 5. In this step, new data is shown alongside existing data, and the user has the option of overwriting none, some, or all of the existing data (see Figure 11). Any new data that is different from the existing data is shown in red, and the selection box next to the existing data is enabled. The user should place a checkmark in any selection boxes where new data should overwrite existing data. Click on "Overwrite selected data fields for this retiree" once all selections have been made. If all differences have been overwritten, the form will refresh and show the next retiree. Otherwise, use the record selection tools at the bottom of the form to move to the next retiree.

Figure 11: Importing data, step 5-Making changes to personnel data

Step 6: Making changes to disability retirement packages

Information about a retiree's disability retirement package could change either because initial data had errors or because of changes to the package itself. The database does not track specific elections made by the retiree about how their disability benefit will be disbursed, so these more common types of changes do not affect the database. The changes captured by the database are those factors that affect the overall benefit available to the retiree: service versus non-service connected disability and Medicare eligible versus non-Medicare eligible disability.

When a retiree's package information changes, the user has the ability to either overwrite the existing information or to create a new retirement package record (see Figure 12). To overwrite data, select the appropriate checkbox next to the data that will be changed and then select the "Overwrite selected fields with new data" radio button within the action options. The execute button text will automatically change to say "Overwrite selected fields now" to verify the radio button selection. Click on the button to update data.

To create a new retirement package, select the "Use new data to create a new package record" radio button within the action options and then click on the "Create new package now" execute button. Add relevant data as shown in Figure 13 and then select "Add New Plan."

Figure 12: Importing data, step 6-Making changes to packages

Figure 13: Creating a new retirement package

Managing other kinds of data in the database

The database allows users to view both individual information and supporting information directly outside of the import process.

Viewing a complete package history for a single individual

An individual's personnel data can be reviewed as well as that individual's retirement package history by clicking on the "Examine an individuals' package history" button from the main screen. The window shown in **Error! Reference source not found.** is opened. This screen not only allows the user the review information, it also provides the user an opportunity to add information that was missed during the initial record creation.

Select an individual either by typing in the appropriate OHR ID number in the upper left corner of the form or by selecting the desired individual from the drop-down list. Names in

Figure 14: Viewing complete package history for a single individual

the list are arranged in alphabetical order by last name. By default, all data is locked so that it cannot be altered. To change data, click on the "Unlock data" button in the upper right corner of the form. The status message will change to "Unlocked" and become green and the button itself will change to say "Lock data." Data can now be updated. To relock data to prevent further changes, click on the "Lock data" button.

New package information can be added by clicking on the "Add New Package" button at the bottom of the form. This button brings up the form seen in Figure 13. Retirement type, minimum benefit percent, and disability benefit amount are set by default to the values of the individual's current plan.

Managing supporting information

Accurate reporting from the database depends upon the accuracy of a number of pieces of supporting information. In addition to checks during the data import process, the database allows the user to control and check supporting information directly from the main screen by selecting the "Manage supporting data" button from the main screen. Clicking this button opens the form seen in **Error! Reference source not found..** From here, the user can review and alter information related to agencies, bargaining units, departments, retirement plans, and retirement types. Note that all data in these forms is live and can be readily altered by the user.

Figure 15: Managing supporting information

The most important piece of supporting information is agency data. The data import loaded into the database does not contain information about departments. Rather, the data import shows the agency that the individual last worked for – a combination of a department and a division/section. Most of the reporting from the database is done at the department level, so it is important to associate each agency with a particular department. When new agencies are added during the import process, the user is explicitly prompted to connect that agency with a department. Aside from assigning agencies added during import, this form allows the user to also control how reorganizations are accounted for by allowing component units of a former department to be split into the new departments.

Managing cost of living adjustments (COLAs)

The final piece of supporting information that the user can add is the annual cost of living adjustment awarded to retirees. This information is used during reporting to calculate the cost of disability retirements in constant dollars. The database performs the calculations automatically, but the user must ensure that COLA information is entered into the system. COLA information can be accessed by clicking on the "Manage annual COLA information" button found on the main screen. Clicking this button opens the COLA form as seen in Figure 16.

To examine COLAs from a given year, select the desired year from the drop-down list in the upper left corner of the form. To add COLA data for a new year, click on the "Add New Fiscal Year" button at the bottom of the form. Enter the fiscal year for which data is being added. If this fiscal year is already in the database, the system will generate a warning message. If the

fiscal year is not in the database, a new form will appear with space for the user to add COLA information.

Figure 16: Examining cost of living adjustments (COLAs)

Reporting functions

OHR has been asked by the County Executive and County Council to report on the number and cost of disability retirements. Several reports in the system help OHR answer these questions.

Number and cost of retirements by year by department

The first report available from the database shows trends in disability retirements by department over the past six fiscal years. The report shows, by department, the number of disability retirements (both service- and non-service connected) in each fiscal year and the cost of those retirements. For the database, the cost of retirements is defined as the difference between an individual's disability retirement award (normal form) and the amount of normal retirement benefit accrued. In cases where the two amounts are equal or where the accrued benefit exceeds the disability benefit, the database considers the disability retirement cost to be zero. The cost of the retirements is valid for each year of retirement shown and has not been adjusted for inflation such as COLAs. A constant dollar comparison that does take

Figure 17: Annual summary by department report

COLAs into consideration is shown at the bottom of the report (see Figure 17).

Total number, type, and timing of disability retirements by department

The second report available from the database summarizes the total number of active retirees that have retired since July 2004 by department. The number is broken out to show the number of service connected and non-service connected disabilities. The report also shows the relationship between retirees' normal date of retirement versus their actual date of retirement by showing how many of those retirees fall into four broad categories:

- Employees that retired with a disability more than five years before their normal retirement date,
- Employees that retired with a disability less than five years before their normal retirement date,
- Employees that retired at their normal retirement date but who retired with a disability, and
- Employees that retired with a disability after their normal retirement date.

Totals for all columns are shown at the bottom of the report.

Figure 18: Report on number, type, and timing of disability retirements

Plot of disability retirement cost vs. time of retirement

The final report shows additional details about the relationship between the timing of disability retirements and their relative cost. The report is a scatterplot of all active retirees since July 2004 that shows each retiree's actual retirement date minus their normal retirement date on the X-axis of the graph (so an employee that retired at their normal retirement date would be at 0). The Y-axis then shows the relative cost of each retiree's disability retirement.

Figure 19: Scatterplot of disability retirement cost vs. timing of retirement
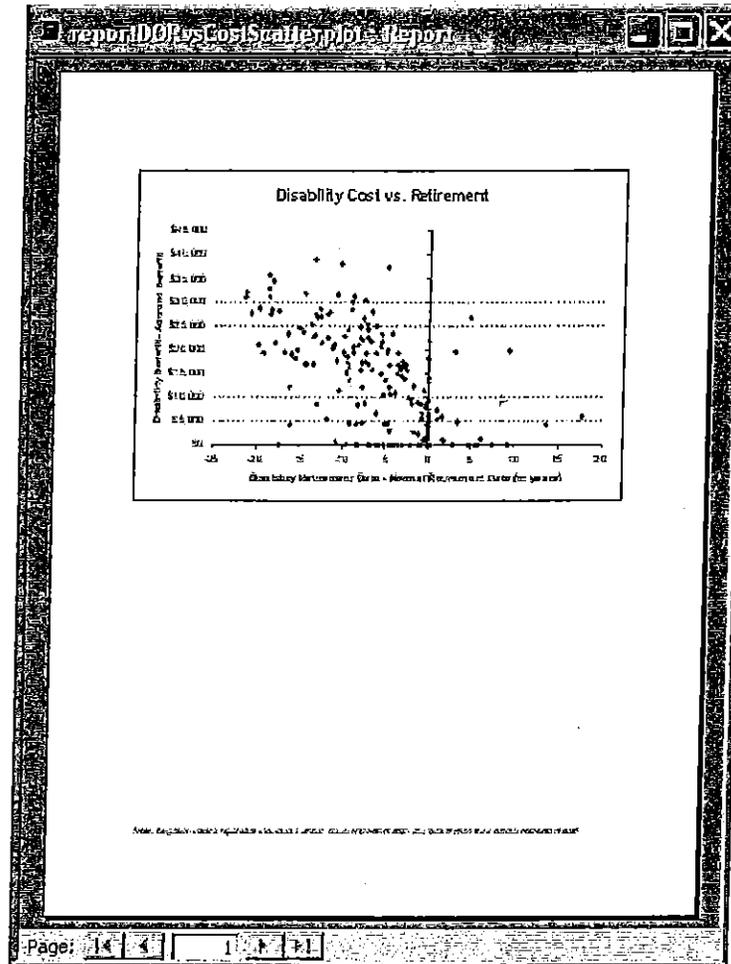
Appendices

Field names and position expected in the imported Excel file

Table 1: Expected fields in the imported Excel file and their order

Column	Field Name (in first row of table)	Field Meaning
A	EMPLOYEE_ID	OHR-defined ID
B	SSN	Employee Social Security number
C	FNAME	First name
D	LNAME	Last name
E	RETPLANCODE	Two-character retirement plan code
F	AGE	Age at time of retirement
G	CREDYEARS	Accrued years of service
H	CREDMTHS	Accrued months of service
I	OTHCREDYEARS	Purchased/military years of service
J	OTHCREDMTHS	Purchased/military months of service
K	SLYEARS	Sick leave years of service
L	SLCREDMTHS	Sick leave months of service
M	NORMALRETDATE	Normal retirement date
N	DOR	Actual retirement date
O	DIFFERENCE	Difference in retirement date (in months)
P	ANNBASESAL	Annual base salary at time of retirement
Q	CALENDERYEAROFRETIREMENT	Calendar year of retirement
R	JOBTITLE	Job title at time of retirement
S	GENDER	Gender
T	BARGAINUNIT	Bargaining unit membership at time of retirement
U	AGENCYNAME	Agency name at time of retirement
V	AFE	Average final earnings
W	ACCRUEDBENEFITTOSSNA	Accrued benefit (normal form): before SSNRA
X	ACCRUEDBENEFITATSSNRA	Accrued benefit (normal form): after SSNRA
Y	SCD66AND52	Disability benefit (normal form): 66% or 52.5%
Z	SCD70FIRE	Disability benefit (normal form): 70%
AA	NSCD33	Disability benefit (normal form): 33%
AB	CREDITEDSERVICEUSEDFORCALC	Total credited service (months)
AC	RETIRETYPE	Retirement type: SCD or NSCD

Expedited Bill No. _____35-10_____
Concerning: Personnel   –   Disability
    Retirement – Imputed Compensation
Revised: _ June 16, 2010_ Draft No. _4_
Introduced: ___May 27, 2010_____
Enacted: _____June 22, 2010_____
Executive: ____June 30, 2010_____
Effective: _____June 30, 2010_____
Sunset Date: _None_____
Ch. _32_ , Laws of Mont. Co. __2010__

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmembers Elrich, Andrews, and Trachtenberg

AN EXPEDITED ACT to:

(1)   amend the definition of final earnings to extend imputed compensation beyond FY10 for certain members who apply for disability retirement benefits under the employees' retirement system by a certain date;

(2)   modify the qualifications, selection, and operating procedures for disability review panel members; and

(2)   generally amend the law regarding disability retirement.

By amending
  Montgomery County Code
  Chapter 33, Personnel and Human Resources
  Sections 33-35 and 33-43

Boldface	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets]	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets]]	*Deleted from existing law or the bill by amendment.*
* * *	*Existing law unaffected by bill.*

The County Council for Montgomery County, Maryland approves the following Act:

1   **Sec. 1.**   **Section 33-35 is amended as follows:**

2   **33-35. Definitions.**

3   In this Article, the following words and phrases have the following meanings:

4   *   *   *

5   *Final earnings*: Except as otherwise provided, the regular earnings of a

6   member as of the last date of active service. Final earnings for a member who

7   filed an application for disability benefits under Section 33-43 before May 19,

8   2010 that is approved after June 30, 2010 must be the member's regular

9   earnings [[on the date of the member's application]] on the last pay period in

10   fiscal year 2010.

11   *   *   *

12   **33-43. Disability Retirement**

13   *   *   *

14   (c)   *Selection of the Disability Review Panel.*

15   (1)   The Chief Administrative Officer must appoint 4 members of the

16   Disability Review Panel from a list of at [lease 10] least 5

17   impartial, unbiased medical doctors willing and able to serve

18   provided by one or more impartial medical organizations retained

19   by the Chief Administrative Officer. If the list of doctors

20   provided by the impartial medical organization is not agreed to

21   by the certified representatives and the County, the certified

22   representatives must strike [3 names] 1 name from the list and the

23   County must strike [3 names] 1 name from the list by alternating

24   strikes. The Chief Administrative Officer must appoint a

25   member from the remaining [4] 3 names on the list.

26   (2)   The Chief Administrative Officer must appoint members who are

27   licensed to practice medicine and certified in a medical specialty

-2-

28   under standards established by the American Board of Medical

29   Specialties (or a successor organization). At least 1 member [who

30   are] must be either:

31   (A)   certified by the American Board of Preventive Medicine

32   (or a successor organization) as a specialist in occupational

33   medicine; or

34   (B)   certified in a different medical specialty and have at least

35   10 years of experience practicing occupational medicine.

36   (3)   (A)   The Chief Administrative Officer must appoint members

37   under subsection (c)(1) for staggered 3-year terms. To

38   implement the staggered terms, the Chief Administrative

39   Officer must appoint the first member to a 3-year term, the

40   second member to a one-year term, and the third and

41   fourth members to a 2-year term. After these initial

42   appointments, the Chief Administrative Officer must

43   appoint all members to 3-year terms, except for any

44   member appointed under subsection (c)(6) to fill a

45   vacancy.

46   (B)   After the Chief Administrative Officer appoints or

47   reappoints a Panel member, the Chief Administrative

48   Officer must promptly send each certified representative a

49   copy of the document confirming the appointment.

50   (4)   When a Panel member's term expires, the Panel member may be

51   reappointed to a new 3-year term unless, at any time within 30

52   days to 60 days prior to the expiration of the term, a certified

53   representative notifies the County and the other certified

54   representatives or the County notifies the certified representatives

55   that it objects to the reappointment of the Panel member. If there

56   is no objection, the Panel member is eligible to serve an

57   additional term or terms.

58   (5) If a Panel member declines to be reappointed to the Panel, the

59   Chief Administrative Officer must appoint a new Panel member

60   from a list of at least [10] <u>5</u> medical doctors as provided for in

61   subsection (c)(1).

62   (6) If a vacancy on the Panel is created by a Panel member's death,

63   disability, resignation, non-performance of duty, or other cause,

64   the Chief Administrative Officer must appoint a medical doctor

65   to complete the Panel member's term from a list of at least [10] <u>5</u>

66   medical doctors as provided for in subsection (c)(1).

67   (7) The County must pay the impartial medical organization retained

68   by the County and each Panel member reasonable compensation,

69   as determined by the Chief Administrative Officer, for services

70   rendered.

71 (d) *Disability retirement procedures.*

72   *   *   *

73   (6) The Panel must meet in person, <u>by telephone conference, or by</u>

74   <u>video conference,</u> and review and consider all evidence submitted

75   to it no later than 60 days after the application is filed. A <u>Panel</u>

76   <u>must include either 2 or 3 members.</u> [majority] <u>At least 2</u>

77   <u>members must</u> vote [of 3] [members] <u>in favor of a decision</u> [is

78   required] to take any action under this Section.

79   *   *   *

80 **Sec. 2.** **Expedited Effective Date.**

81 The Council declares that this legislation is necessary for the immediate

82 protection of the public interest. This Act takes effect on the date on which it

83 becomes law.

84   *   *   *

85

86 *Approved:*

87 ~~Nancy Floreen~~   ~~6/24/10~~
    Nancy Floreen, President, County Council ·   Date

88 *Approved:*

89 ~~Isiah Leggett~~   ~~June 30/2010~~
    Isiah Leggett, County Executive   Date

90 *This is a correct copy of Council action.*

91 ~~Linda M. Lauer~~   ~~7/6/2010~~
    Linda M. Lauer, Clerk of the Council   Date

ERS RETIREMENT PROCESS CHECKLIST (DISABILITY)

Benefits Specialist Assigned: _____

Retiree Name: _____   SSN: _____

Retirement Type: _____   Retirement Date: _____

Payment Option Chosen: _____   Initial Payment Amount: _____

Reduction Amount: $_____   Date: _____

MCR Pop-Up Amount: $_____   Reduction Amount: $_____

Group Insurance Premium: $_____

Cost Share %: _____   Non-LMS End Date: _____

Initial Life Insurance Amount: $_____   Annual Reduction Amount: $_____

Final Reduced Amount: $_____   Date: _____

Optional Life Insurance: $_____

Required Forms
(Initial and date on line below and update team log as completed)

_____ Application for Retirement Benefits

_____ Disability Application

_____ Retiree Birth Certificate

_____ Joint Annuitant Birth Certificate (If J&S Elected)

_____ Marriage Certificate/ DP Affidavit (If J&S Elected)

_____ Direct Deposit Form with Voided Check

_____ Federal Tax Form W-4P

_____ State Tax Form

_____ Beneficiary Forms (CitiStreet Deferred Comp.)

_____ Group Insurance Election Form

_____ Group Insurance Cost Share Election Form

_____ Group Insurance Cost Share Continuation Form

System Updates

HRB:

_____ Retiree Screen

_____ Group Insurance
        (Change H.O. Rx to $5/$10)
_____ Address Change
        (OOA Plan)
_____ Dependent Changes

CONEXIS:

_____ Process QE

_____ No HIPAA Statement
_____ Case #

09/01/09

_____   Initial appointment e-mail/mail counseling information sent to employee.

_____   Initial counseling meeting completed.

_____   Forward the Disability application to OMS and e-mail to the department.

_____   Once the decision is received, if denied prepare letter. If approved, immediately give to Benefits Specialist for effective date.

_____   Compute date and notify the applicant by phone for Fire and e-mail the Police Disability Group.

_____   Prepare letter to applicant advising of decision and send certified return receipt.

_____   Schedule second appointment.

_____   If a temp award -- flag on the team calendar 90 days prior to contact OMS.

_____   If Disability award is retroactive, verify that benefit offsets are taken for Workers' Compensation Awards pursuant to Bill 37-09

_____   Following final signing by employee, prepare Aetna Retiree Information Report and fax to Aetna with retirement calculation, application, tax forms and direct deposit form. Copy of Aetna Report is faxed to BIT auditor and give file to OSC.

_____   Send e-mail to employee's departments to notify them that the employee will retire and request submission of PAF. E-mail Pat Siok regarding retirement certificate.

_____   Once the check arrives from Aetna, compose transmittal letter to retiree.
- If SCD, also prepare taxability letter
- If Public Safety, also prepare Pension Protection Act letter.

_____   Review and sign transmittal letter, return to OSC.

_____   Mail letter and check to new retiree and send copies and retirement paperwork to imaging. Give to BSP if audit required.

_____   After final pay - Audit final retirement for average final earnings for shift differential or sick leave credit following retirement. If adjustment required submit additional transmittal to Aetna.

_____   Prepare for Imaging. Separate beneficiary forms, health form, credited service sheet and retirement paperwork.

2009 New Cases Filed

MONTH APPLIED	Type	DEPT	DISPOSITION
Jan-09	ERS	POL	NSCD
Jan-09	RSP	DOT	SCD
Jan-09	ERS	POL	SCD
Jan-09	ERS	DOCR	NSCD
Jan-09	ERS	POL	SCD
Jan-09	ERS	POL	SCD
Jan-09	ERS	POL	SCD
Jan-09	ERS	POL	DENIED
Jan-09	ERS	POL	SCD
Jan-09	RSP	HHS	NSCD
Jan-09	ERS	POL	SCD
Jan-09	RSP	DGS	SCD
Jan-09	ERS	POL	SCD
Feb-09	ERS	POL	SCD
Feb-09	ERS	FRS	NSCD
Mar-09	ERS	FRS	WITHDRAWN
Mar-09	ERS	POL	SCD
Mar-09	ERS	POL	DENIED
Mar-09	RSP	DOT	NSCD
Apr-09	ERS	HOC	NSCD
Apr-09	RSP	HHS	DENIED
May-09	RSP	DLC	SCD
May-09	ERS	DOT	NSCD
Jun-09	ERS	POL	SCD
Jun-09	ERS	POL	WITHDRAWN
Jul-09	ERS	SAO	SCD
Jul-09	ERS	POL	SCD
Jul-09	ERS	FRS	SCD
Jul-09	ERS	POL	SCD
Aug-09	ERS	HRC	NSCD
Aug-09	ERS	FRS	SCD
Aug-09	ERS	POL	SCD
Sep-09	ERS	DOCR	NSCD
Sep-09	ERS	HOC	NSCD
Sep-09	ERS	HHS	NSCD
Sep-09	RSP	DEP	SCD
Sep-09	ERS	POL	SCD
Oct-09	ERS	FRS	Death
Oct-09	ERS	HOC	SCD
Nov-09	ERS	POL	DENIED
Dec-09	ERS	FRS	SCD

7/23/2010

2010 New Cases Filed

MONTH APPLIED	Type	DEPT	DISPOSITION
Jan-10	ERS	DOCR	SCD
Jan-10	ERS	FRS	SCD
Jan-10	ERS	FRS	SCD
Jan-10	ERS	POL	SCD
Feb-10	ERS	DPS	PENDING
Feb-10	ERS	POL	SCD
Feb-10	ERS	HHS	NSCD
Feb-10	ERS	POL	PENDING
Mar-10	ERS	DLC	PENDING
Mar-10	GRIP	DOT	PENDING
Mar-10	ERS	FRS	PENDING
Mar-10	ERS	FRS	PENDING
Mar-10	ERS	FRS	PENDING
Mar-10	ERS	FRS	PENDING
Mar-10	ERS	FRS	PENDING
Mar-10	ERS	HHS	NSCD
Mar-10	RSP	HHS	PENDING
Mar-10	RSP	HHS	PENDING
Mar-10	ERS	MCEFCU	PENDING
Apr-10	GRIP	DLC	PENDING
Apr-10	RSP	DLC	PENDING
Apr-10	ERS	DOCR	PENDING
Apr-10	ERS	DOT	PENDING
Apr-10	RSP	DOT	PENDING
Apr-10	ERS	FRS	PENDING
Apr-10	ERS	FRS	PENDING
Apr-10	ERS	POL	PENDING
Apr-10	ERS	Sheriff	PENDING
May-10	ERS	DGS	PENDING
May-10	ERS	DOT	PENDING
May-10	ERS	FRS	PENDING
May-10	ERS	FRS	PENDING
May-10	ERS	FRS	PENDING
May-10	ERS	FRS	PENDING
May-10	ERS	FRS	PENDING
May-10	ERS	FRS	PENDING
May-10	ERS	FRS	PENDING
May-10	ERS	FRS	PENDING
May-10	ERS	FRS	PENDING
May-10	ERS	FRS	PENDING
May-10	ERS	FRS	PENDING
May-10	ERS	FRS	PENDING
May-10	ERS	FRS	PENDING
May-10	ERS	FRS	PENDING
May-10	ERS	FRS	PENDING
Jun-10	ERS	DEP	PENDING
Jun-10	ERS	DHCA	PENDING
Jun-10	ERS	DOT	PENDING
Jun-10	GRIP	DOT	PENDING
Jun-10	ERS	DOT	PENDING
Jun-10	ERS	FRS	PENDING
Jun-10	ERS	FRS	PENDING
Jun-10	ERS	HHS	PENDING
Jun-10	RSP	LIB	PENDING
Jun-10	ERS	POL	PENDING
Jun-10	ERS	POL	PENDING

Disability Retirement Database

Report: **Summary of characteristics, by department**

Most recent data imported into the database is from: Jul 2010

Most current data in the database is from: Jul 2010

| | Number of Active Retirees | | | | Number Whose Actual Retirement Date Was | | | |
Dept	NSCD	SCD	Total	% SCD	5+ years before normal retirement	<5 years before normal retirement	At normal retirement	Past normal retirement
DEP	1		1	0.0%		1		
DGS	3	5	8	62.5%	3	2	1	2
DHCA	1		1	0.0%	1			
DLC	1	6	7	85.7%	2	2	2	1
DOCR	4	10	14	71.4%	10	1	2	1
DOT	16	4	20	20.0%	9	6	3	2
DPS	1	1	2	50.0%	2			
FIN	1		1	0.0%	1			
HHS	10	1	11	9.1%	2	3	2	4
HRC	1		1	0.0%				1
LIB	5		5	0.0%	2	2	1	
MCFRS	3	45	48	93.8%	17	6	23	2
MCPD	11	94	105	89.5%	47	19	33	6
OEMHS	1		1	0.0%	1			
OHR		1	1	100.0%		1		
OMB	1		1	0.0%		1		
REC	2		2	0.0%	1		1	
SHF		3	3	100.0%	2	1		
All depts:	62	170	232	73.3%	100	45	68	19

Disability Retirement Database

Report: **Number and cost of disability retirements by fiscal year, by department**

Most recent data imported into the database is from: Jul 2010

Most current data in the database is from: Jul 2010

Dept	Number of Active Retirees						Total Cost					
	2005	2006	2007	2008	2009	2010	2005	2006	2007	2008	2009	2010
DEP			1						$0			
DGS		2	3	1	2			$23,009	$35,985	$0	$25,824	
DHCA		1						$0				
DLC		3	2		2			$49,225	$39,286		$0	
DOCR	3	3	3	1	2	2	$39,617	$72,905	$45,524	$30,066	$23,454	$28,079
DOT	4	6	5	5			$25,216	$12,698	$13,275	$45,761		
DPS		1	1					$21,683	$4,401			
FIN			1							$24,842		
HHS	2	3	3	1		2	$5,400	$17,759	$7,339	$8,894		$210
HRC						1						$0
LIB	2	2	1				$10,314	$21,833	$0			
MCFRS	9	14	5	7	7	6	$83,310	$199,010	$64,489	$63,754	$20,185	$41,756
MCPD	16	24	13	24	10	18	$181,639	$347,218	$167,979	$465,558	$190,568	$252,703
OEMHS					1						$0	
OHR			1						$19,971			
OMB	1						$0					
REC	1		1				$6,566		$0			
SHF			2	1					$45,887	$32,932		
All dept.	38	59	41	41	24	29	$352,063	$765,340	$444,136	$671,807	$281,190	$411,883
2010 Dollars:							$399,963	$839,378	$471,572	$687,909	$281,706	$411,883

Note: The cost of disability retirement is calculated as the eligible disability benefit (either the minimum disability benefit or the accrued benefit, whichever is greater) minus the accrued benefit.

Tuesday, July 20, 2010