



# City of Portland, Oregon

# STATE OF FPDR

**Portland City Council**  
**April 11, 2012**



# Charter Reform

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- November 2006 ballot measure
  - Hires after 2006 are in PERS for pension benefits but FPDR for disability and death benefits, although these are offset by any PERS benefits
    - Moves pension benefits toward a prefunded system
    - FPDR levy funds PERS contributions
    - Levy increasing now, will decrease later as FPDR pay-as-you-go pension expense starts to decline

# Charter Reform

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- November 2006 ballot measure, continued
  - Board of Trustees has five members
    - Mayor or Mayor's designee, approved by Council:  
Yvonne Deckard
    - Active Fire member, elected by active Fire members: Lt.  
Bob Lemon
    - Active Police member, elected by active Police  
members: Det. Jeff Nelson
    - Two Portland citizens with pension or disability  
experience, nominated by Mayor & approved by Council:  
Justin Delaney & David Dougherty

# Charter Reform, continued

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- November 2006 ballot measure, continued
  - Fund Administrator is a disability expert
    - Appointed by the Mayor, approved by the Board, confirmed by City Council
    - Administrator has position of bureau director for Bureau of Fire & Police Disability & Retirement

# Charter Reform, continued

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- November 2006 ballot measure, continued
  - Administrator makes decisions on disability applications, rather than the Board
    - Appeals are to an independent hearings officer who is a member of the Oregon State Bar and has disability experience
    - Further appeals are to an independent panel whose three members are members of the Oregon State Bar and have disability experience
  - FPDR can recover disability expense from third parties through subrogation

# Charter Reform, continued

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- November 2006 ballot measure, continued
  - Initial and follow-up audits of disability management performed
  - Disability claims records to be kept in a comparable manner to City's Worker's Compensation records
    - FPDR is still working toward this goal
    - Paper records are now kept in a comparable manner
    - FPDR database is migrating to current technology
    - Once migration is complete in 2012, database will be enhanced to provide more comparable electronic records

# Charter Reform, continued

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- November 2007 ballot measure
  - Post-retirement medical benefits extended to FPDR Two members who retire from active service after 2006

# FPDR Mission and Vision Statements

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## **Mission Statement**

The Bureau of Fire and Police Disability and Retirement administers disability, death and retirement benefits to Portland firefighters, police officers and their survivors.

## **Vision Statement**

To provide the best possible service to members and other stakeholders in a competent, respectful and equitable manner.

# Accomplishments

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- Completed Charter reform directives
  - FPDR database migration in process
- Managing disability program
  - Contracted with managed health care service providers for medical management services and cost savings
  - Contracted with a medical bill audit firm for fee schedule reductions and provider discounting
  - Savings average 33% per month; administrative costs average 3.5% of savings
  - Additional 5.5% savings for use of one of the contracted health care provider networks

# Accomplishments

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- Managing pension program
  - Implemented federal program that provides income exclusion for retiree health insurance premium payments paid from pension benefit
  - Identified and corrected pension benefit miscalculation that had resulted in overpaid benefits: annual savings of \$0.7 million
  - Pension program audited



# Other Audits

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- Audit Services Division audits completed
  - FPDR: Improvements from reforms, but challenges remain
  - City Fiscal Sustainability: Actions now can reduce future problems

# Customer Service Enhancements

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- Member feedback sought
  - FPDR Community Conversations
  - Customer service surveys
- Pension program
  - Increased number of retirement workshops
  - Added pension FAQs to website
  - Newsletters reinstated for retirees
- Disability program
  - Added new service-connected injury forms to website
  - Provided FPDR disability forms to managed health care providers to place on their physician websites
  - Developed “Quick Reference” piece and laminated business card on how to access FPDR services

# Disability Program

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## Program Objective

To administer claims for disability benefits in a fair and equitable manner and in compliance with the Charter and the FPDR Administrative Rules

# Disability Program

## Numbers of Claims Filed

			<u>Totals</u>	<u>Police &amp; Fire combined:</u>	
■ FY 2006-07	Fire Bureau	165	363	Approval	95%
	Police Bureau	198		Denial	3%
■ FY 2007-08	Fire Bureau	151	341	Approval	86%
	Police Bureau	190		Denial	10%
■ FY 2008-09	Fire Bureau	122	304	Approval	95%
	Police Bureau	182		Denial	4%
■ FY 2009-10	Fire Bureau	130	348	Approval	89%
	Police Bureau	218		Denial	6%
■ FY 2010-11	Fire Bureau	141	325	Approval	87%
	Police Bureau	184		Denial	9%

Remaining percentage represents claims that were withdrawn by the member after filing

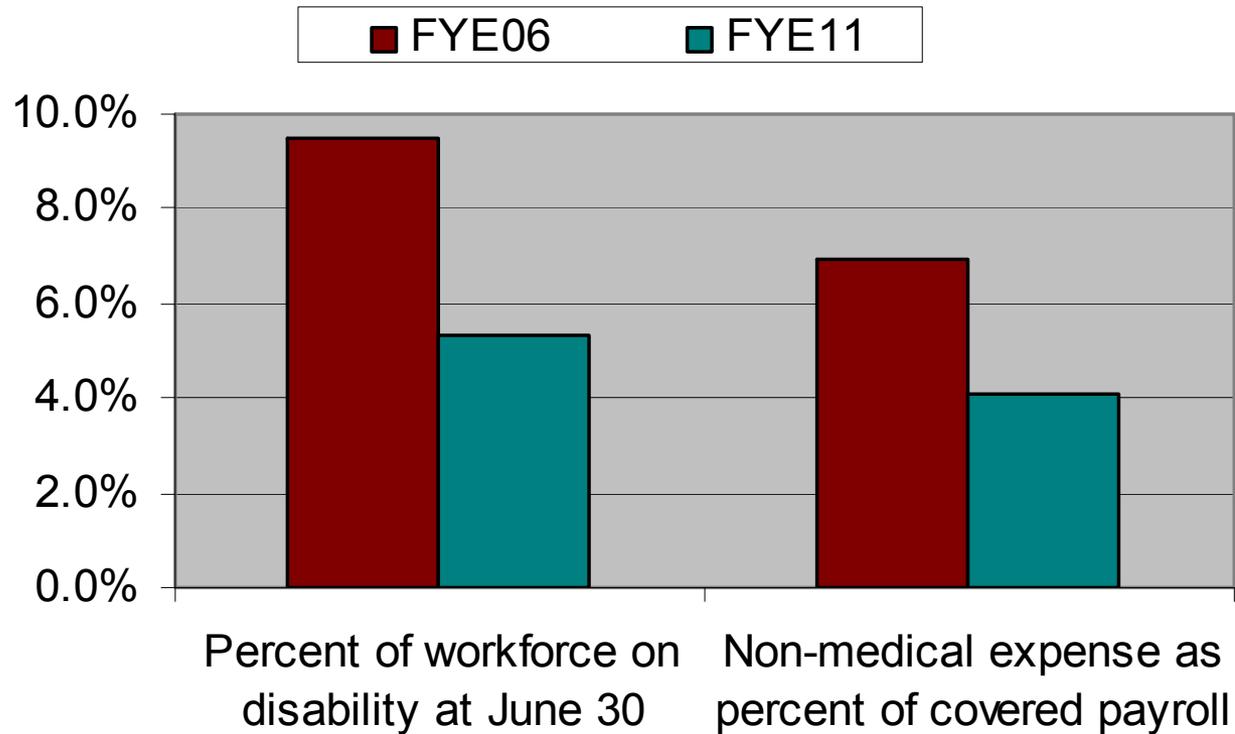
# Disability Program

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- Members whose service-connected/occupational disability payments converted from short-term disability (Biweekly) to long-term disability (Monthly) after one year
  - FY 2007-08            4
  - FY 2008-09            5
  - FY 2009-10            2
  - FY 2010-11            4
- FPDR partners with Fire and Police Bureaus to facilitate return to limited duty assignments

# Disability Program

## Pre- and Post-Charter Reform



# Disability Program

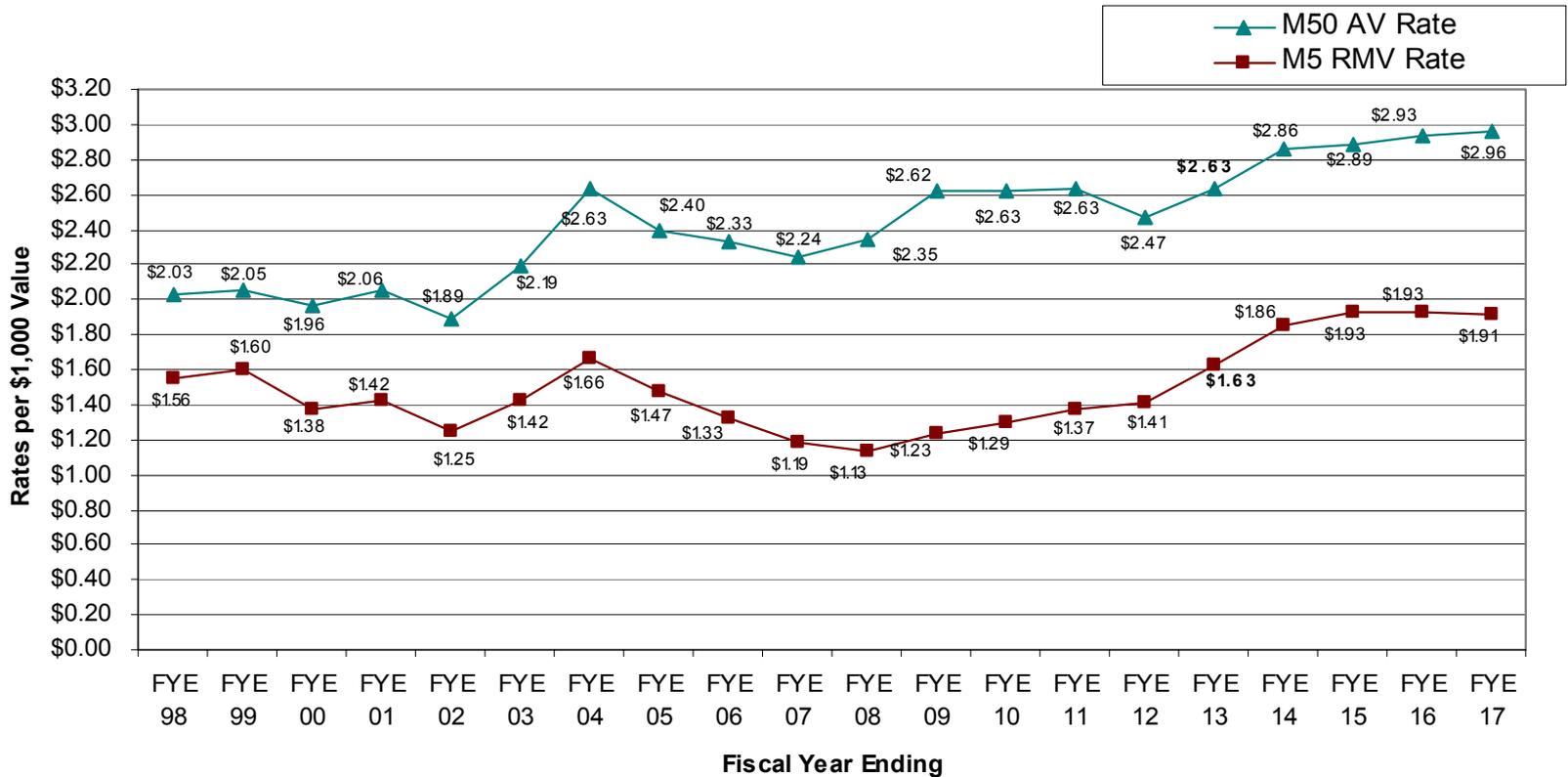
- To contain medical costs, we contract with:
  - Managed health care service providers that:
    - Offer health care provider network fee arrangements
    - Offer health care providers experienced in treating service-connected and occupational disabilities
    - Provide medical case management services
    - Allow use of contracted fees with health care providers
    - Offer access to Oregon Fee Schedule to reduce medical costs
  - Health care bill audit firm that audits services, reduces billing to contracted fee schedules and issues health care provider payments on FPDR's behalf

# Disability Program

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- Reduction in medical costs due to contracted providers
  - Savings average 33% per month; administrative costs average is 3.5% of the savings
  - Additional 5.5% savings for use of one of the contracted health care provider networks

# FPDR Tax Levy



Note: RMV rates are gross (before urban renewal exclusion) – may be 10% higher than shown



# QUESTIONS?