

Strategic Lean Project Report



For Reporting Period: January 1, 2015, through June 30, 2015

I. General Information:

Lead agency name: Washington State Patrol

Partner agencies: Department of Enterprise Services, Attorney General's Office

Improvement project title: Cost Recovery Program

Date improvement project was initiated: 1/8/2014

Project type: New Project

Project is directly connected to:

Results Washington performance measure

Agency Strategic Plan

Other

If applicable, specify the alignment:

Results WA Goal 5: Efficient, effective & accountable government, Leading Indicators 2.1: Increase percentage of projects with measured improvements in cost reported.

Washington State Patrol Agency Priority 5.4: Renew and evaluate internal processes and work products to manage risk and ensure legal compliance, accuracy, timeliness, and efficiency.

Report reviewed and approved by: Chief John Batiste

II. Project Summary:

The WSP implemented, standardized and automated the Cost Recovery Program, resulting in avoidance of \$600,000 in financial write-offs by increasing amounts collected from subrogation. From 2011-2014 the WSP collected a total of \$448,991 through subrogation, averaging a total recovery of \$28,062 per quarter. In the first quarter of 2015 alone the WSP has collected \$109,247.

III. Project Details:

Identify the problem: The agency did not have standard procedures, processes or policies regarding recovery of costs associated with departmental damage through restitution or subrogation. Over the past three years the WSP has written off over \$600,000 due to inability to recover from a third party who is non-responsive to Collision Experts International (CEI) and collections regarding damage to departmental property.

Problem statement: Currently, the WSP writes off \$600,000 compared to our target of \$0, which we want to reach by December of 2017.

Improvement description: Standardize the policies, procedures and processes for cost recovery from third parties who cause damage to WSP property. This includes automation of the recovery process, consolidating all data and building structure to improve visibility of our recovery efforts to ensure timely requests and tracking of all property claims for the WSP. Clearly define the roles for each of the five divisions currently working on

Strategic Lean Project Report



portions of the process. In addition, add a single point of contact for requests for court-ordered restitution when a third party has been charged with a crime and initiate civil litigation to recover from debtors who fail to pay after subrogation and collections have been unsuccessful.

Customer involvement: Six different divisions handle portions of the cost recovery process to include Budget and Fiscal Services, Property Management Division – Fleet, Office of Professional Standards, Field Operations Bureau, Information Technology Division and the Risk Management Division. Each division met over the course of the past year to address roles, procedures and improvements in the process, taking each party into account to ensure the recovery process was strategically aligned across all divisions. In addition, our external partners, Department of Enterprise Services and the Attorney General’s Office, were engaged to help institute the litigation procedure and work with our collisions vendor, Collisions Experts International (CEI), on any changes required to our contractual language.

IV. Project Details:

Improved process as measured by: <i>(Click those that apply)</i>	Specific results achieved: <i>(Complete the narrative boxes below)</i>	Total Impact: <i>(Actuals; Current Reporting Period)</i>	Results status:
<input checked="" type="checkbox"/> Cost	Increased amount received from subrogation, restitution and litigation from \$62,826.80 to \$149,724.68.	The amount for 2014 is 1/01/2014-9/30/2014. The amount for 2015 is 01/01/2015-06/15/2015.	Preliminary
<input checked="" type="checkbox"/> Quality	Increased data reporting from no reporting to bi-monthly reporting on recovery statistics.	3 reports completed 2015	Preliminary
<input checked="" type="checkbox"/> Time	Decreased the average amount of time for inputting and retrieving information on third party damage from 4 hours to real-time data inputs and reporting through a Remedy database, one click to import and pull reports.		Preliminary
<input checked="" type="checkbox"/> Customer Satisfaction	Decreased duplicate data inputs from 5 different divisions to one division responsible for ensuring accurate data entry and each system automatically pulls from the other to ensure accurate and timely data.	<input checked="" type="checkbox"/> N/A	Final
<input checked="" type="checkbox"/> Employee Engagement	Increased timely employee notifications of third party damage to departmental property from 5-30 days to 1-5 days.	<input checked="" type="checkbox"/> N/A	Final

V. Contact information:

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Strategic Lean Project Report



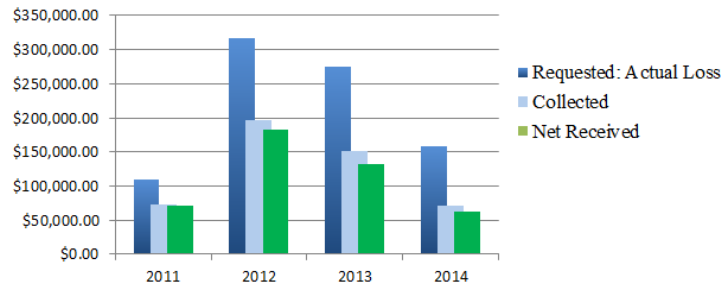
VI. Optional Visuals:

Before:



RISK MANAGEMENT DIVISION

Subrogation Report



	Requested: Actual Loss	Collected	Net Received	% Received (Net/Loss)
2011	\$110,400.86	\$72,567.22	\$72,105.22	65%
2012	\$316,552.50	\$196,639.92	\$181,977.47	57%
2013	\$274,114.59	\$150,956.35	\$132,081.08	48%
2014	\$158,951.15	\$71,999.55	\$62,826.80	40%
Total	\$860,019.10	\$492,163.04	\$448,990.57	52%

Subrogation defined: the substitution of one claim for another, especially the transfer of the right to receive payment of a debt to somebody other than the original creditor.

After:



RISK MANAGEMENT DIVISION

Subrogation and Restitution 2015

Subrogation Statistics 2015	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	YTD Total	2014 Totals
Actual Loss (2011-2015)	\$214,266.74				\$214,266.74	\$158,951.15
Actual Loss (1 st Qtr 2015)	\$42,224.41				\$42,224.41	\$95,932.08
Collected	\$36,954.86				\$36,954.86	\$71,999.55
Net Received	\$32,602.62				\$32,602.62	\$62,826.80
% Received (Net/Loss)	77%				77%	65%

Cost Recovery - Litigation	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	YTD Total	2014 Totals
Demanded	\$23,135.37	\$53,419.28			\$0	0
Awarded by Court	0				0	0

Restitution Statistics 2015 **	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	YTD Total	2014 Totals
Requested	\$11,367.03	\$29,200.38			\$	\$36,699.11
Court Awarded	\$76,644.18	\$642.94			\$76,644.18	\$29,554.93
Received by BFS	\$68,000				\$68,000	N/A

Subrogation Litigation and Restitution 2015

