



Metropolitan Transportation Authority

State of New York

March 18, 2021

Honorable Andrew M. Cuomo
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

Honorable Thomas P. DiNapoli
Office of the State Comptroller
59 Maiden Lane, 31st Floor
New York, NY 10038

RE: Response to Final Report #2018-S-33 – Administration of Self-Insured Workers' Compensation Plans

Gentlemen:

On September 25, 2020, the Office of the State Comptroller issued the above referenced audit report. As required by Section 170 of the Executive Law, I am providing you with the attached response which addresses the recommendations contained in the report.

Additionally, I will be working with staff to ensure that management is following up on and enforcing the audit's recommendations, where appropriate, and requesting regular, interim reports to that effect.

A copy of the final audit report is attached for your convenience.

Sincerely,

A handwritten signature in black ink that reads "Pat Foye".

Patrick J. Foye
Chairman and Chief Executive Officer

c: Anni Zhu, Chief of Staff to the MTA Chairman and Chief Executive Officer
Michele Woods, Auditor General, MTA Audit Services

Attachment

The agencies of the MTA


MTA New York City Transit
MTA Long Island Rail Road

MTA Metro-North Railroad
MTA Bridges and Tunnels

MTA Construction & Development
MTA Bus Company



State of New York

Date March 12, 2021
To Patrick J. Foye, Chairman, Metropolitan Transportation Authority
From Thomas J. Quigley, General Counsel, MTA 
Re **New York State Comptroller's Final Report #2018-S-33 - Administration of Self-Insured Workers' Compensation Plans: 180-Day Response**

In response to the requirements of Section 170 of the Executive Law to respond 180 days after receipt of the above-referenced final audit report from the State Comptroller, we hereby provide you with steps taken by the MTA to implement the recommendations outlined in the audit report and, where recommendations were not implemented, the reasons are set forth below.

1. *Comptroller Recommendation #1: Create and implement a workers' compensation manual to guide claims processing for all self-insured agencies.*

The MTA agrees with this recommendation. As described in our response to Recommendation #3 below, all the MTA Legal Departments are targeted to be fully consolidated as part of the MTA's Transformation Plan approved by the MTA Board in July 2019. As part of centralization of the Workers' Compensation groups, all relevant policies and procedures will be reviewed, and the goal is to establish one manual to ensure the uniform processing of claims. Due to the COVID-19 emergency, the consolidation will take place on April 1, 2021. Since the recommendation was made, MTA has been working toward further solidifying the consolidation details that were recently shared with the MTA Legal Departments at the Legal Town Hall meeting on January 8, 2021. As a result, the target date for implementation of this recommendation is the fourth quarter 2021.

2. *Comptroller Recommendation #2: Document review procedures for claims processed by the TPA.*

The MTA agrees with this recommendation, and its implementation has started. At present, all Third-Party Administrator payments are being reviewed for accuracy by TBTA personnel. In addition, as described in our response to Recommendation #3 below, all the MTA Legal Departments, including TBTA, are targeted to be fully consolidated as part of the MTA's Transformation Plan approved by the MTA Board in in July 2019. As part of centralization of the Workers' Compensation groups, all relevant policies and procedures will be reviewed, and the goal is to establish a set of uniform procedures. Due to the COVID-19 emergency, the consolidation will take place on April 1, 2021. MTA has been working toward further

solidifying the consolidation details that were recently shared with the MTA Legal Departments at the Legal Town Hall meeting on January 8, 2021.

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3. *Comptroller Recommendation #3: Restructure the MTA's workers' compensation operations under one operating center.*

The MTA agrees with this recommendation. The New York State Legislature required a series of MTA reforms and directed the MTA to develop a personnel and reorganization plan by June 30, 2019. In response, the MTA partnered with AlixPartners to prepare a Transformation Plan which was approved by the MTA Board in July 2019. The Transformation Plan called for the MTA to refocus on core objectives and to centralize all operating support focusing agencies on service delivery. While implementation of the Transformation Plan has been delayed due to the COVID-19 emergency, the Legal Departments of all MTA agencies are targeted to be consolidated by April 1, 2021. When that occurs, the Workers' Compensation groups will be centralized. As a result, the target date for the completion of the restructuring is the fourth quarter 2021.