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New York City Tackles Rising Lawsuit Costs with Data and Maps.

New York is a city of 8 million. With that many people, bad things can happen, from falling tree limbs and unfilled potholes to medical malpractice and civil rights violations, all of which lead to lawsuits against the city. This fiscal year, the city has set aside $674 million to pay for settlements and judgments from lawsuits brought against New York. The city's Comptroller's Office projects that to grow to $782 million in fiscal 2018, an amount that exceeds the combined budgets for the Parks Department, Department of Aging and the New York Public Library.

Until recently, little has been done to keep those costs from rising — or to find a way to reduce them. But now, the city's comptroller is applying some data analytics and mapping tools to look for patterns in the claims and find out where they were occurring, why and, hopefully, figure out how to reduce the number and cost of the claims.

Comptroller Scott Stringer calls the system he and his staff developed ClaimStat. "We decided to take a fresh look at the [lawsuit] problem," he said. "With ClaimStat, we can help agencies change policy or create an initiative that would decrease the likelihood that the city would get sued."

The Comptroller's Office, which is the city's watchdog agency and has a staff of 750, oversees settlements and claims for and against the city. Last year, the office devised new metrics to analyze the claims and found that most are filed against a handful of agencies: the Police Department, Health and Hospitals Corp. (HHC), and Department of Transportation. While claims against HHC have been dropping, thanks to some reforms, the number of claims against the police has skyrocketed, according to a report produced by the Comptroller's Office.

Stringer readily admits that ClaimStat borrows heavily from the program known as CompStat, which was developed by the city's police department years ago to closely track crime by precinct and to then hold commanders accountable for getting crime numbers down. For example, with ClaimStat the comptroller developed a metric for comparing precincts by the number of claims per 100 crime complaints. They quickly discovered that one precinct in the south Bronx had a much higher rate than precincts of similar size. Why there's such a difference can't be readily explained, but the local media is already calling on Mayor William De Blasio and the police commissioner to investigate the problem.

Another ClaimStat analysis found that when the Parks Department slashed funding for tree maintenance in 2010, personal injury and property lawsuits shot up. When the department restored additional funding for pruning, the number of tree-related claims fell swiftly. ClaimStat also uncovered a troubling and significant increase in the number of injury claims against the city's Corrections Department. In a five-year period, Stringer's office found a 34 percent rise in the amount of money the city had to pay out in settlements and judgments. "When we looked at the details of the claims, we found they were coming from prisoners who were mentally ill or in solitary confinement," said Stringer.

The Comptroller’s Office uses ArcGIS and other software tools to analyze and display the geo-located data so that the city’s agency commissioners, as well as the public, can view the mapped results for patterns and trends. The information comes from notice of claims filed by the injured. While claims against the city can be filed digitally, most are still filed on paper, according to the Comptroller’s Office.

Several other cities around the country have taken a data-driven approach to claims management. In Portland, Ore., the Police Department auditor discovered a pattern of claims suggesting that officers did not understand the basis of their authority to enter a home without a warrant. In response, the city attorney’s office made a training video on the issue and the problem disappeared.

While New York City may be late when it comes to using technology as a risk management tool, Comptroller Stringer is determined to stay at the forefront. “We should always look at ways to make government bureaucracy work better,” he said. “We want to put forward new, innovative ideas using technology and thinking when it comes to making government more efficient.”

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