

Ohio Bureau of Workers' Compensation

Workers' Compensation for Fire Departments

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Ohio Bureau of Workers' Compensation

BWC: A Partner in Ohio's Economic Growth

Since 2011

- A modern, flexible billing system
 - \$1.2 billion in credits
- Strong investments, conservative management
 - Two \$1 billion rebates (2013 & 2014)
- Tripled safety grants to \$15 million annually
 - \$40 million in grants

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A Third Billion Back!!

- Ohio employers are getting another rebate from BWC
- 66% of billed premium for 2015 policy year
- Distributions begin in July
 - Will be applied to any open balances before the rebate is mailed.
- In good standing as of June 2, 2016.

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BWC: A Partner in Ohio's Economic Growth

Initiatives since 2011 =
\$6.3 billion more for Ohio employers!

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Public employer rate reductions (2012 – 2016)

Year	Rate
2012	5%
2013	5%
2014	1.6%
2015	9.1%
2016	9%

- Total average decrease to local government rates of 26.5% since 2011
- Lowest rates in more than 30 years

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Other BWC Accomplishments

- Board approved a new rule governing the prescribing of opioids – Prescribing physicians must
 - Develop an individualized treatment plan
 - Assess risk
 - Monitor the progress and improvement in the function of the injured worker

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Our goal is to be a world-class workers' compensation carrier

2017 Initiatives

- Increase the customer experience
- Modernize our infrastructure

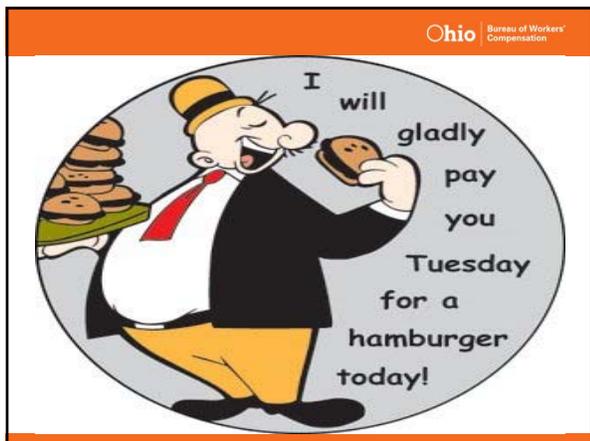
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Why Did BWC Change the Way Premium is Collected?
BWC's Prospective Billing

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Why Did BWC Transition to Prospective Billing?

- Industry standard
- More flexible payment options
- Decrease in base rates by 4% for public employers
- Increased ability for us to detect non-compliance and fraud



Transition to Prospective Billing

- 2015 was the last retrospective year
- 2016 is the first prospective year
- In May of 2016, public employers paid both their 2015 actual premium and their 2016 estimated premium. BWC gave a 50% transition credit for both periods
- Public employers also had the option to break this payment up into two installments. The first due 5/16/16 and second installment due 9/1/16

Prospective Billing

- BWC estimates an individual employer's premium obligation by using the most recently reported payroll
 - BWC used 2015 reported payroll to estimate payroll for 2017
 - Employers have the option to modify this estimated payroll if they call BWC
- Employers will receive a notice of estimated annual premium in early November along with their annual certificate of coverage

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Payroll True-up Report

- Prospective billing requires an annual payroll true-up report.
- BWC will remind employers of this true-up requirement in January each year
- True up is due by February 15th of each year
- Online or over the phone only
 - Based on actual payroll, the prior year's estimated premium will be compared to the actual premium
 - If additional premium is calculated, it is also due by Feb 15
 - If credit calculated, it will be released in normal process

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Installment Options starting in 2017

- Annual (1)
- Semi-annual (2)
- Quarterly (4)
- Bi-monthly (6)
- Monthly (12): default installment selection
- Deferred Payment
- Minimum payers will not receive installment options.

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Deferred Payment Option

- Beginning Jan. 1, 2017 public employers may defer the first payment until the end of April.
 - Employer must elect this option on or before Nov. 15th
- This option allows the employer to defer any payment until the end of April.
- BWC will charge a deferment fee based on the established investment assumption rate. Currently the rate is .94%
 - A minimum of \$5 will be charge for each deferred month

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Current Timeline:

- Late October 2017: Notice of Estimated Annual Premium mailed
- Nov. 15, 2017: Last day for public employer to select installment or deferred payment program
- Dec. 1, 2017: BWC mailed invoice
- Jan. 2, 2018: First installment was due (except for deferred payment program)
- Feb. 15, 2018: 2017 True-Up due

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Early Payment Discount

- Begins for policy year starting Jan. 1, 2017
- Premium credit of 2%
 - No cap on credit
- Payment must be posted to the account by due date of first installment
 - Jan. 3, 2017
- Do not need to select a single installment plan to get discount, but entire premium must be paid

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How are Rates Determined?
Ratemaking Basics

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Premium Basics

- 2017 Base Rates per hundred dollars of payroll
 - 9430 Counties **\$1.24**
 - 9431 Cities **\$2.49**
 - 9432 Villages **\$2.05**
 - 9433 Townships **\$2.42**
 - 9439 Volunteer Emergency Workers **\$12.57**

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Premium Basics

- Experience determined by expected to actual costs
 - Medical Costs
 - Indemnity Costs
 - Reserves (estimated future costs)
- Both base rate and experience use four years of data
- Payroll is a measure of exposure

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Premium Basics

- Collect enough money in premium to pay claims costs
- Costs divided equitably among all employers
- Claims costs drive rates
- Current rates can always be found online

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Payroll Reporting Requirements for Volunteers Emergency Workers

- Payroll is to be reported at three hundred dollars (\$300) per volunteer per year.
- A minimum reportable payroll of \$4,500 per employer.
- If any individual volunteer makes more than the \$300 minimum, the full amount for that volunteer must be reported.

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Michael Louis Palumbo, Jr. Act

Presumptive Cancer

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Michael Louis Palumbo, Jr. Act
Presumptive Cancer

- All types of cancer are eligible.
- Compensation is payable only in the event of:
 - Temporary total disability;
 - Permanent total disability;
 - Death.

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Michael Louis Palumbo, Jr. Act
Presumptive Cancer

- Minimum of six years hazardous duty
 - Duty is performed under circumstances in which an accident could result in serious injury or death.
 - Example: Duty is performed on a high structure where protective facilities are not used or on an open structure where adverse conditions such as darkness, lightning, steady rain or high wind velocity exist.

- Note: The presumption does not apply if it has been more than 20 years since the firefighter was last assigned to hazardous duty.

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Michael Louis Palumbo, Jr. Act
Presumptive Cancer

- Presumption is rebuttable if:
 - Evidence the firefighter incurred the cancer prior to becoming a member of the department;
 - Evidence of tobacco use;
 - Evidence the member was not exposed to an agent classified as group 1 or 2A carcinogens;
 - If the firefighter is more than 70 years of age.

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Michael Louis Palumbo, Jr. Act
Presumptive Cancer

- BWC must present a report every two years to the legislature, Ohio Fire Chiefs, Ohio Association of Professional Fire Fighters and the Ohio Municipal League

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Safety Grants

- o Grants to assist employers in purchasing equipment that will substantially reduce or eliminate injuries
- o 3-to-1 matching funds (up to \$40,000)
- o Last year, BWC awarded \$15 million in grants to 535 employers
- o Have you applied for your safety grant? If not ... what are you waiting for?

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Questions?



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