

## Ohio Workers' Comp Update

April 2011

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## About BWC

- Assets of \$25.5 billion
- Liabilities of \$20.5 billion
- Allowed 104,151 claims in fiscal year 2010
- Paid approximately \$1.8 billion on 1.22 million open claims
- Down from 4,200 employees in 1995 to 2,120 employees today

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## Our challenge

- Transform BWC operations from managing processes to thinking about outcomes

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### The good

- More than 75% of claims are filed within seven days.
- Nearly 73% have an initial determination in 14 days.
- We pay providers within 15 days from the date an managed care organization receives the bill.
- Our special investigations unit identified \$66 million in savings in fiscal year 2010.

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### The less good

- The average lost-time claim cost increased 29% over past three years.
- The percentage of lost-time claimants returning back to work within 90 days decreased by 7%.

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### Our budget

- HB 123
- FY '10-'11 appropriation: \$657.6 million
- FY '12-'13 appropriation (requested): \$578.9 million
  
- **Impact: 12% overall reduction**

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## Our focus

- Service
- Simplicity
- Savings

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## Service

- One point of contact
  - First-time resolution
- Claims management
- Restructured employer operation
- Performance measures

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## Simplicity

- Common sense application of business rules
- Greater emphasis on efficiency
- Settling claims up front

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## Savings

- July 1, 2009
  - Group-Retrospective Rating
  - Small Deductible Program
- July 1, 2010
  - Large Deductible Program
  - Drug-Free Safety Program

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## Group-Retrospective Rating

- The program allows employers to form groups that we will evaluate at 12 months, 24 months, and 36 months after policy year end.
- We will distribute the refunds or assessments to the group based on the results of the retrospective-premium calculation.

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## Deductible Program

- Employers can receive an up-front discount in exchange for paying a portion of claims costs.
- Discounts range from 1% to 70% depending upon the level of risk an employer wants to take.
- Requirements
  - Credit review
  - Audited financials
  - Lapse requirements

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## Deductible Program

Small Deductible	Large Deductible
\$500	\$25,000
\$1,000	\$50,000
\$2,500	\$100,000
\$5,000	\$200,000
\$10,000	

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## Group Rating Program

- o Maximum discount for public employers for Jan. 1, 2011, policy year after break-even factor: 60%

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## Expected outcomes

- o Stable premiums
- o Faster return to work
- o Improved customer service

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