

Lump Sum Settlement Direct Reimbursement Rating and Payment Program

Eligible public employer state (PES) agencies have the option to apply for the Lump Sum Settlement Direct Reimbursement Rating and Payment Program (LSS Program). With the LSS Program, PES agencies not participating in another settlement program may participate in this program and exclude lump sum settlement payments. BWC will bill the LSS amount directly to the agency.

Eligibility

PES agencies not participating in a bureau LSS program may apply by the first day of the second month of any quarter. The start date is the first day of the following quarter. For example, if the PES agency elects to participate in the LSS program beginning April 1, 2016, the agency must submit its request before February 1, 2016. The LSS Program is open to all PES agencies. This includes cabinet member agencies and non-cabinet agencies. Small boards and commissions known as scheduled agencies cannot participate in the LSS Program. All universities and university hospitals participate in the LSS Program.

How to enroll

For BWC to consider a PES agency for the program, the agency must submit a completed *Lump Sum Settlement Direct Reimbursement Rating and Payment Program* (U-145) to BWC. To obtain a form, log on to www.bwc.ohio.gov, and select Ohio employers, then click on Forms.

LSS Program

1. General requirements

- BWC requires a three-year minimum commitment of any PES agency seeking to participate in the program.
- The start date for participation in this program is the first day of any quarter.
- A PES agency must notify BWC of its decision to participate in the LSS Program by the first day of the second month of any quarter to be effective the first day of the following quarter.
- Each PES agency seeking to participate in the LSS Program must complete and submit the U-145. By submitting this form, the agency agrees to follow the LSS Program requirements.
- The agency's chief executive officer (or equivalent position) or his/her designee who commits the state agency to follow program rules and meet program requirements must sign the form.
- BWC treats all LSS payments the same regardless of whether they are court-ordered settlements, agency-negotiated settlements or other settlement.
- Once a PES agency selects the LSS Program, BWC excludes all LSS payments – regardless of who pays the settlement – from the losses used to calculate the agency's contribution rate.
- When a PES agency requests to end its participation in the LSS Program, BWC will adjust its contribution rate to include any LSS payments that BWC paid but for which the PES agency didn't reimburse it.

2. LSS reimbursement payment rules

- BWC bills lump sum settlements in the month subsequent to the LSS cashed date.
- BWC bills the PES agency structured settlements where BWC pays the settlement over an extended period as injured workers cash their warrants.
- The PES agency will make LSS monthly bills payable to BWC within 30 days after the billing date.
- If a participating PES agency fails to pay a LSS monthly bill within the 30 days, BWC will remove the PES agency from the LSS Program. BWC will include unpaid LSS payments in the PES agency's future contribution rate calculation. In addition, BWC will not permit future participation by the agency in the LSS Program.
- In the event of a dispute regarding the LSS billing, the PES agency should send a written notice, including the details concerning the dispute, to BWC's Direct Billing Department at the following address:
 - Ohio Bureau of Workers' Compensation
 - Attn: Direct Billing Department
 - P.O. Box 15487
 - Columbus, OH 43215-0487
- PES agencies will not use such disputes to delay timely payment of billed costs. PES agencies should direct all contribution rate calculation related questions to BWC's Actuarial Division.

3. Agency status changes

- In the event a PES agency combines its policy into another agency, the successor agency's decision regarding the LSS Program prevails.
- In the event a PES agency partially transfers a portion of the agency to another PES agency, the predecessor agency's decision remains in place for the three-year period.
- In the event a PES agency becomes self-insured, BWC may calculate a buyout. BWC will include any obligations owed by the PES agency under the program in the buyout calculation.

4. Ending participation in the LSS Program

- After the three-year minimum commitment has elapsed, the PES agency may request to leave the LSS Program. BWC automatically renews an agency's participation in the program for another three-year term unless the agency provides BWC with a timely termination notification.
- The PES agency must notify BWC in writing of its wish to end participation in the LSS Program. BWC must receive the notification before the first day of the second month of the quarter the three year commitment ends. For example, a PES agency participates in the LSS Program for the policy year beginning July 1, 2013, and later desires to end participation; the agency must notify BWC before May 1, 2016, for the change to be effective July 1, 2016.
- Once a PES agency selects to end its participation in the LSS Program, BWC will not honor any future request from that PES agency to participate in the LSS Program.

Additional information

- PES agencies may settle allowed permanent total disability and death claims in which have been previously pre-paid through use of the claims' present value in prior year contribution rate calculations.
- BWC will not bill PES agencies for the settlement costs of permanent total disability (PTD) and death benefit claims in which the present value of both medical and indemnity costs was included in prior year contribution rate calculations. These claims would likely be death benefit claims awarded before Jan. 1, 2001. and PTD claims awarded before Jan. 1, 1996.
- For PTD claims awarded between Jan. 1, 1996, and Dec. 31, 2000, and where the claim's present value of the future indemnity cost was previously included in the development of the agency's contribution rates, BWC will include only the medical portion of the settlement amount in the quarterly billings.

Questions about the LSS Program

PES agencies can send questions about the LSS Program to BWC via e-mail to StateAgencyLSS@bwc.state.oh.us, or call **1-800-644-6292**, and ask for Employer Programs.