

OMBUDS OFFICE

2010 Annual Report

Ohio

**Ombuds
Office**

An Independent Service of
Ohio's Workers' Comp System

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June 3, 2011

Industrial Commission
Nominating Council

Dear Council Members:

The Ombuds Office for the Ohio workers' compensation system is pleased to present its 2010 annual report. In accordance with Ohio Revised Code section 4121.45, this report provides statistical information on the office's activities for the year, reviews the prior year's activities, and makes recommendations for improving the Ohio workers' compensation system.

In 2010 the Ombuds Office staff handled 8,767 inquiries from customers of Ohio's workers' compensation system. This volume of customer contacts, from all stake-holders is down from a total 12,182 in calendar year 2009. This reduction mirrors a continuing trend in Ohio's workers' compensation system - a consistent and substantial decline in the volume of new claims filed by Ohio's workforce. From a high of 198,000 claims filed in 2006, a significant reduction has occurred every year since: 160,000 filed in 2007; 133,000 filed in 2008; 116,000 filed in 2009, and only 105,000 filed in 2010. Of these inquiries, 1,694 were classified as complaints due to the customer expressing dissatisfaction with either the Bureau of Workers' Compensation (BWC) or the Industrial Commission (IC). The Ombuds Office analyzes these complaints to assist in making recommendations for improving Ohio's system.

While Ohio's economy appears to be rising from the depths of the "great recession," and moving towards economic growth and full employment, the Ombuds Office continues to perform its legislative mandate: *"To assist claimants and employers in matters dealing with the Bureau of Workers' Compensation and the Industrial Commission."* The Ombuds Office also continues its other key mission, to be an element for positive change and improvement within Ohio's workers' compensation system. This report provides detail on both of these areas, and as always, I await your comments or questions.

Sincerely,



Michael Travis, Esq.
Chief Ombuds Officer

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Executive Summary

Background

Ohio law (ORC 4121.45) creates a workers' compensation ombuds system. It is the responsibility of the Ombuds Office to assist employers, injured workers, and their representatives, in problems and questions arising out of the Ohio workers' compensation system. The Ombuds Office answers inquiries and investigates complaints about the workers' compensation system, mainly as it relates to injured workers' claims and employers policies, facilitating resolution of issues when possible. All inquiry and complaint data is captured and categorized. The data is then analyzed in order to identify potential opportunities for improvement in the workers' compensation system. Both the inquiry/complaint data and areas identified as opportunities for improvement are published annually in this report.

2010 Statistical Information

Total inquiries received in 2010 totaled 8,767. The table below segregates these inquiries between general inquiries and complaints, and compares the statistics to the prior year. Inquiries are classified as complaints when dissatisfaction is expressed with the Ohio workers' compensation system.

In calendar year 2010, the Ombuds Office had a decrease in the volume of both **complaints and general inquiries** handled, compared with 2009. The top issue addressed by Ombuds staff continues to revolve around payment of indemnity benefits to injured workers. The prominent employer issue was concerns about how their premium rates were calculated.

	2010	2009	2008
Complaints	1,694	2,509	2,457
General Inquiries	7,073	9,673	7,020
Total	8,767	12,182	9,477

Status of recommendations from prior years

Summary of Proposed Ombuds Office 2010 Opportunities for Improvement

Listed below are summaries of Opportunities for Improvement, for action by the Ombuds Office, as previously discussed by the Industrial Commission Nominating Council at their May 2010 annual meeting.

- **Lump Sum Settlements** - *Revisions and improvements to the lump sum settlement process for both internal settlements involving only the BWC, and external settlements involving the BWC and the Ohio Attorney General's office.*

- Questions and concerns about lump sum settlements (LSS) are a common topic of calls received by the Ombuds Office. Many of these calls express concerns about the lack of timeliness in processing LSS applications, and the Ombuds Office continues to observe improvement in this area.

In late 2009 and into early 2010 Ombuds Office worked with BWC local service office claims staff, and external parties, including employers, TPAs, attorneys, on a settlement enhancement team, streamlining the LSS process, which continues to yield improvements in customer satisfaction. BWC has reduced its average working inventory of LSS applications from 4,000 to 2,500 and the stated goal is to complete the entire settlement process, from application to close, in less than 120 days. At close of 2010, over 92% of LSS applications meet this time frame. The Ombuds Office anticipates this improvement will yield to a substantial decrease in the number of stakeholder calls, on this subject.

Two problem issues remain in the LSS process, that Ombuds will be working to help resolve in 2011. First, a timeliness problem remains in processing of LSS applications, arising out of bankrupt self-insuring employers. While past problems arising from state-fund LSS applications are largely resolved, as described above, the Ombuds Office continues to receive a steady stream of complaints from IWs, about long delays in SI Bankrupt LSS applications, when the Bureau has taken over the claims management function.

Second, Ombuds continues to receive calls from employers upset over the practice of settling workers' compensation claims that have been appealed into Common Pleas court, and are being defended by the Ohio Attorney General. When a claimant loses at all levels of the administrative process, (BWC & Industrial Commission), appeals into court, and then is offered nuisance value, (often \$1,000 or less) employers feel this action is an unjustified reward that is not warranted.

Ombuds Office will continue to monitor these two issues in 2011, and work with interested parties on resolving the disputes.

- **Ohio Workers' Compensation Forms** - *Edits, revisions, deletions, and combining the current volume of over 125 separate forms available for use by injured workers, employers, medical providers, and their legal representatives.*

- Starting in 2009, and continuing throughout 2010, the Ombuds Office has seen improvement in this area. Rather than arbitrarily reduce the number of forms from 125 to a smaller total, BWC has instead begun to modify procedures that require the use of forms. These re-engineering efforts combine multiple forms that serve the same purpose into one consolidated form, simplifying the process for external stakeholders.

A key process implemented in 2010 was the employer policy application process. This included how employers apply for new workers' compensation coverage, cancel an existing policy, or merge two companies together into one coverage policy.

The Ombuds Office receives a large volume of calls from employers expressing confusion on these processes. By BWC's actions of reducing paperwork and simplifying the process of creating, modifying, or cancelling coverage, Ombuds anticipates that employer contacts in this area will show a reduction.

Ombuds Office will continue to monitor this topic in 2011, but anticipates that stakeholder calls related to this topic will continue to diminish in volume.

- ***Delivery of Workers' Compensation Medical Services*** - *Review of both delivery of medical services and the ADR process related to resolving medical disputes.*

- In 2010, BWC implemented the re-engineered alternative dispute resolution process for resolving medical treatment disputes. Every year, Ombuds Office receives a large volume of calls from medical providers generally concerned about one of two issues—treatment requests being denied, and delays in reimbursements for medical services rendered. In 2010, BWC paid out \$800 million for medical treatment to Ohio's injured workers, a reduction from the \$838 million paid out in 2009.

In consultation with external parties including managed care organizations, hospitals, attorneys, and physicians, BWC streamlined the dispute resolution process, including eliminating one appeal level that had a 97% concurrence rate. This re-engineering has resulted in a substantial reduction in the time frame for medical disputes to be adjudicated. Ombuds Office monitored this development in 2010, and medical provider calls to the Ombuds Office in 2010 were essentially flat, down 1% from 2009 level.

- ***Ohio Executive Agencies Ombuds Initiative*** - *Work with newly formed Ombuds offices in other State of Ohio executive agencies, in supporting regulatory reform objectives and the Governor's Common Sense Initiative.*

- Starting in 2009, and continuing into 2010, this has been an area of considerable activity for the Ombuds Office. As part of the Governor's Common Sense Initiative, a regulatory reform office was formed, and the workers' compensation Ombuds Office has been active with this start-up.

All large state agencies that have substantial interaction with Ohio businesses, including EPA, Taxation, ODJFS, Commerce, Agriculture, DNR, and ODOT, were required to create an Ombuds Office. Since the workers' compensation Ombuds Office has been in operation since the 1970s, this office has fielded many start-up questions.

One of the key benefits of each major state agency having an Ombuds function is to facilitate the flow of information, questions, and problems efficiently between agencies. This coordinated effort can help existing Ohio employers solve problems efficiently, and also help with economic development, both in job retention and new business growth.

The workers' compensation Ombuds Office expects to continue these efforts in 2011.

- **Workers' Compensation Ombuds Offices Best Practices** - *Solicit input from workers compensation Ombuds offices in other states, both public and private sector insurance, to evaluate and incorporate best practices into Ohio's workers' compensation system.*
 - Throughout 2010, the Ohio workers' compensation Ombuds Office solicited information from other Ombuds offices, nationwide, regarding their structure, governance, and scope. Time spent in this area in 2010 involved working with new State of Ohio start-up Ombuds, as described above. A key goal for 2011 will be to analyze this data on how Ombuds functions outside of Ohio are structured and run, and how to incorporate their best practices into Ohio's system. Throughout 2011, the Ombuds Office will continue updating members of the ICNC on any proposed restructuring.
 - In 2010, the Workers' compensation Ombuds Office joined the International Ombuds Association. For a minimal membership cost (\$195.00), this office receives data on current industry trends, and has access to other Ombuds Offices, both public and private sector, to establish best practices.
- **Industrial Commission Hearing Outcomes** - *Work with the Ohio Industrial Commission to establish methods of improving both the consistency and accountability of Industrial Commission orders, state-wide.*
 - In 2010, the Industrial Commission took a major step in re-engineering the process of how workers' compensation contested hearings are scheduled, and conducted. In 2010 the IC conducted 163,000 hearings, state-wide, down about 7% from 2009's volume of 175,000 hearings. Every year, the Ombuds Office receives a large volume of calls from external stakeholders with questions and concerns related to the IC hearing process.

This re-engineering effort reconfigured the process by which the IC schedules hearings and grants continuances, to minimize scheduling conflicts and maximize the time third party stakeholders are involved in the system.

Throughout 2011, the Ombuds Office will be monitoring the volume of calls received from external stakeholders, related to this topic, as an indicator of the effectiveness of these changes.

- **Ohio Employer Risk Issues** - *Work with both BWC and external parties on ensuring that the risk-related recommendations proposed in the 2009 Deloitte study will be implemented timely.*
 - Ombuds Office closely monitors all major changes that BWC makes to risk programs, because such changes frequently result in an increased call volume to the Ombuds Office. 2010 programs that have been introduced, pursuant to the Deloitte recommendations, include a new Drug Free Safety Program, deductible coverage, and simplified procedures to obtain, modify or cancel coverage.

Throughout 2011, Ombuds Office will be monitoring volume of calls received from external stakeholders, related to these new programs, as an indicator of the effectiveness of these changes. Ombuds Office periodically meets with senior management from BWC Risk Division, to inform them of trends seen by this office.

2011 Topics To Watch

Over the last three decades, history has shown that any major changes to Ohio's workers' compensation system raise questions, and many of these questions from stakeholders are fielded by the Ombuds Office.

In an on-going effort to be proactive and to ensure that the information provided by Ombuds Office staff is 100% timely and 100% accurate about new laws and issues that affect our stakeholders, the Ombuds Office is always keeping an eye on future developments within the workers' compensation system.

Accordingly, listed below is a brief summary of the key issues the Ombuds Office anticipates in 2011. Some of these involve changes to Ohio statutes and administrative rules, while others are legal trends that may be carried over from prior years, but all are topics that are expected to generate questions and controversies that will be handled by Ombuds Office staff in 2011, and beyond.

- Independent contractors - Both the U.S. Department of Labor and the State of Ohio stepped-up efforts in 2010, to identify employers that wrongfully classify individuals as independent contractors, rather than employees. These increased enforcement efforts cover many different industries, but special emphasis is focused on construction and over-the-road trucking.
- Illegal immigrants/undocumented workers - Pending legislation in Ohio has highlighted this issue and is generating questions for the Ombuds Office, regarding workers' compensation coverage and eligibility for benefits, for injured workers whose legal status to work is in question.
- Workers' compensation privatization efforts - This topic remains in the news, while a task force of interested parties reviews and analyzes the issue of whether to allow private insurance carriers to underwrite workers' compensation coverage in the State of Ohio. Ombuds Office anticipates an increase in call volume, related to this issue.
- Common Sense Initiative and Governor's Economic Development efforts - As previously discussed, the Governor's Office and many state agencies will be working on several different fronts, to ensure that Ohio's economic climate is business friendly, to promote job growth.
- Journalist's access to BWC claims records - Legislation was introduced in the prior Ohio General Assembly, addressing who has access to BWC records, and legally who qualifies as a "journalist." Ombuds Office continues to monitor this topic, which generates many calls from upset employers, raising concerns after their employees receive unsolicited marketing efforts from attorneys and/or medical providers, posing as "journalists."
- Claims Volume Trend - Over the last five years, BWC has seen a steady and

substantial reduction in the overall volume of new claims filed. From a high of 198,000 filings in 2006, down to only 105,000 filings in 2010, Ombuds Office is closely monitoring to see what changes, positive or negative, this trend will bring to Ohio's system.

- Pharmacy Benefits Manager - Ombuds Office is receiving an increased number of calls related to lack of accessibility of data from BWC's third-party pharmacy benefits manager (PBM.) Complaints have been received from medical providers, family members of IWs, BWC staff, union representatives, and even legal counsels for IWs, all with similar complaints - citing medical privacy, the PBM will not provide details on prescriptions in the claim to anyone but the IW. This lack of cooperation, even with parties that are working for the best interest of the IW, has created problems. In 2011 Ombuds will be working with all relevant parties, to resolve this dispute.
- Federal Medicare set-aside requirements for all state workers' compensation lump sum settlements - In 2010, and into 2011 this continues to be a controversial and unsettled area, where the Federal Government Medicare Office has sent conflicting information about whether, when, and how much money needs to be set aside from state workers' compensation settlements to satisfy future Medicare claims for the injured worker. As with other constantly changing topics, Ombuds Office is monitoring this issue, to ensure accurate information is dispensed to stakeholders.
- Interstate Jurisdiction - The increased technological capabilities of the workplace now allow for more work from home, remote computing, and long distance/ electronic commuting. As a result, there remains increased legal disputes about the proper location for obtaining workers' compensation coverage. The Ombuds Office will be closely monitoring all changes in this area, to ensure that accurate information is supplied to both employers and employees, when questions arise.
- Prescription Crackdown - Starting in 2010, and continuing into 2011, several federal, state, and local government entities have begun an increased enforcement on Ohio's "pill-mills" and physicians who staff these clinics. In 2011 Ombuds Office has already seen an increase, and expects to see an even greater volume of calls, from IWs caught in a dilemma - their current physician of record can no longer treat them, and they have tried totally unsuccessfully to find a new treating physician. Many of these IWs seek treatment at local hospital emergency rooms, which is a costly and non-effective means of medical care. Addressing this problem is a top priority for Ombuds in 2011.

2010 Administrative Update

Budget:

Expenditures to operate the Ombuds Office in calendar year 2010 totaled \$577,992. This total includes payroll costs for staff of \$495,799 and operating expenses of \$82,193. A spreadsheet providing budget details can be found on page 26 of this annual report.

Total payroll costs for 2010 vs. 2009 were down 12%, and this decrease reflected two items - first, under the state's cost-cutting initiatives, all Ombuds employees were required to take ten unpaid leave days reflecting a 3.5% payroll savings. Second, an Ombuds staff member took advantage of a state program called Voluntary Cost Saving Days, taking two unpaid work days off every month, also resulting in payroll savings. In calendar year 2010, no overtime was paid. The Ombuds Office is working on payroll budgeting for 2011, which is estimated to be down, vs. 2010 spending levels. In calendar year 2009, the Ombuds Office lost three staff, one due to retirement and two due to internal transfers. These three vacancies were back-filled with only one new hire, an internal transfer, who started in first quarter 2010. It is not anticipated that the other two vacancies will be filled.

Non-payroll operating costs for the Ombuds Office for 2010 decreased \$117,203 in 2009 to \$82,193 in 2010. Most of this decrease was attributable to overall decreases in rent, utilities, and building maintenance costs, line items that are established by BWC, and not under the management control of the Ombuds Office. These three line items are the largest operating expenses for the Ombuds Office.

Database:

In December 2010 the Ombuds Office concluded its second full year of the ePowerCenter tracking software. Benefits of this industry standard software will include:

- Improved tracking of individual complaints and inquires
- Improved consistency of information provided to Ombuds Office customers
- Quicker recall history of prior discussions with customers
- Quicker access to injured worker claims data
- Quicker access to employer risk data
- Improved report generating capabilities
- Improved data trend analysis capabilities

The Ombuds Office began collecting data in January 2009, and this data continues to be useful in conducting year over year comparisons, and identifying customer trends. In addition, several BWC divisions are now using ePowerCenter. While the ePowerCenter data on the Ombuds system remains 100% segregated from BWC data, and Ombuds continues to retain its statutory independence and neutrality, this sharing of the same software allows for better data trend analysis of current and future problems.

Customer Tracking:

In 2009-2010, Ombuds Office conducted an analysis, tracking the source of our customer contacts, to more effectively market workers' compensation Ombuds services. The top ten sources of Ombuds Office work load:

1. General awareness of 1-800 Ombuds number
2. Referral from BWC claims offices
3. Found Ombuds Web site
4. Found Ombuds informational brochure
5. Referral from BWC Board member or BWC Administration
6. Referral from Industrial Commission hearing officer
7. Referral from other government agency
8. Referral from attorney
9. Referral from union representative
10. Referral from MCO

Marketing of Ombuds Office Services

Over the last few years, through the end of 2008, the overall volume of complaints and inquiries handled by the Ombuds Office showed a slight but steady decline. Some of this downward trend was attributable to overall lack of awareness and utilization of Ombuds services. In a multi-faceted effort to improve this utilization trend, and increase the volume of customer contacts, the Ombuds Office continued marketing efforts in 2010. These included:

Printed Material

The Ombuds Office continues to distribute an updated capabilities brochure, designed to answer questions and provide information to the major stakeholder groups: employers and injured workers. The brochure was produced and printed in-house at minimal cost by BWC Communications and Office Services staff. This brochure is mailed out upon request, distributed at speaking engagements, and provided to injured workers and employers by some Industrial Commission hearing officers.

Marketing to Industrial Commission

The Ombuds Office continued marketing of its services to the Industrial Commission in 2010 in several ways. These included:

- Distributed Ombuds Office brochure, as described above, in all IC hearing locations, state-wide
- Met first-hand with IC support staff, in IC offices state-wide, to discuss available Ombuds Office services
- Enhanced placement of link to Ombuds Office information on IC's Web site, www.ohioic.com

Marketing to Bureau of Workers' Compensation

The Ombuds Office continued marketing of its services to the BWC in 2010, in several ways. These included:

- Met first-hand with BWC service office managers and claims staff, to discuss available Ombuds Office services
- Met first-hand with BWC risk staff and employer services specialists, to raise awareness of Ombuds Office services available to Ohio employers
- Met first-hand with Safety & Hygiene Division staff, both at headquarters in Pickerington, and in locations across Ohio, to increase awareness of Ombuds Office services available to Ohio employers
- Met first-hand with BWC business consultants, state-wide, to increase their awareness of Ombuds Office services

- Worked with BWC's 1-800-OHIO-BWC call center staff to increase awareness of Ombuds Office services and to increase referrals
- Enhanced placement of link to Ombuds Office information on BWC's Web site, www.ohiobwc.com

Marketing to Ohio Employers

In 2010 the Ombuds Office continued marketing and awareness of its services to Ohio employers in several ways. These include:

- Distributed Ombuds Office capabilities brochure to business trade groups for distribution to their members
- Spoke at special events and/or seminars with target audiences present, including Ohio Safety Congress
- Provide information on Ombuds Office services to local and regional chambers of commerce and safety councils

Marketing to Government Officials

In 2010 Ombuds Office continued marketing and awareness of its services to various Ohio government entities. These include:

- Provided information on the services available through the Ombuds Office to members of the Ohio General Assembly, and their staff, as a resource when handling complaints and inquiries from constituents
- Provided updated information on Ombuds Office services to call centers and action lines of local government entities, including Ohio cities, counties, and townships
- Provided updated information on Ombuds Office to court personnel across Ohio, through speaking engagements at the Ohio Judicial College
- Exchanged information about workers' compensation Ombuds Office services with the newly established Ombuds offices in other state agencies

Marketing to Labor Groups

In 2010 Ombuds Office increased the marketing of its services to Ohio labor groups in several ways. These include:

- Distributed new Ombuds Office capabilities brochure to local unions, across Ohio
- Spoke at labor seminars, including AFL-CIO, UAW, and Teamsters
- Provided links to Ombuds Office information on the Web sites of local unions
- Conducted meetings with local union stewards, to increase their awareness of the services offered by the Ombuds Office

**Ohio Bureau of Workers' Compensation
Year-End Statistics**

	FY 2010	FY 2009	FY 2008
State-Fund Claims Filed			
Lost Time	13,296	15,428	18,738
Medical Only	89,505	101,791	122,540
Occupational Disease	1,112	1,439	1,685
Death	238	197	236
Disallowed or Dismissed	11,891	13,694	16,412
Total	<u>116,042</u>	<u>132,549</u>	<u>159,611</u>
Net Allowed Injuries	104,151	118,855	143,199

NOTE: Every claim is evaluated at 60 days after filing for purposes of claim type, State Fund versus Self-Insured, combine status, and allowance status. Values exclude combined and Self-Insured claims.

Open Claims (Per Statute)

Lost Time	386,503	407,841	486,942
Medical Only	834,799	913,373	928,549
Total	<u>1,221,302</u>	<u>1,321,214</u>	<u>1,415,491</u>

Benefits Paid

Medical Benefits Paid	\$ 800,805,344	\$ 833,508,906	\$ 839,466,966
Compensation Paid			
Wage Loss	\$ 21,352,353	\$ 19,123,153	\$ 18,351,000
Temporary Total	267,470,408	258,845,993	254,370,076
Temporary Partial	56,996	48,179	69,398
Permanent Partial	20,353,634	23,361,375	23,812,862
% Permanent Partial	79,543,300	84,406,058	80,295,737
Lump Sum Settlement	151,257,527	206,137,108	312,317,176
Lump Sum Advancement	21,772,977	20,581,269	20,396,760
Permanent Total & DWRP	386,973,795	385,463,075	385,273,687
Death	82,894,164	82,396,222	81,991,570
Rehabilitation	47,821,615	43,429,274	40,371,244
Other	6,084,179	6,973,290	7,148,595
Total Compensation Paid	<u>\$ 1,085,580,948</u>	<u>\$ 1,130,764,997</u>	<u>\$ 1,224,398,106</u>
Total Benefits Paid	<u>\$ 1,886,386,292</u>	<u>\$ 1,964,273,902</u>	<u>\$ 2,063,865,072</u>

NOTE: Due to improvements in BWC data capture and reporting systems, prior year data may not agree with amounts previously reported.

BWC year-end statistics continued

	FY 2010	FY 2009	FY 2008
Fraud Statistics			
Fraud Dollars Identified	\$66,184,460	\$65,183,784	\$73,528,436
\$\$\$ Saved to \$\$\$ Spent Ratio	6.30 to 1	5.65 to 1	5.99 to 1
Prosecution Referrals	240	222	314
Active Employers By Type			
Private	251,009	257,012	264,870
Public (Local)	3,790	3,791	3,810
Public (State)	124	124	125
Self-Insured	1,202	1,188	1,174
Black Lung	37	38	39
Marine Fund	106	98	92
Total	<u>256,268</u>	<u>262,251</u>	<u>270,110</u>
BWC Personnel	2,262	2,346	2,407
IC Personnel	438	468	486
MCO Fees Paid	\$165,187,219	\$161,317,153	\$168,327,075

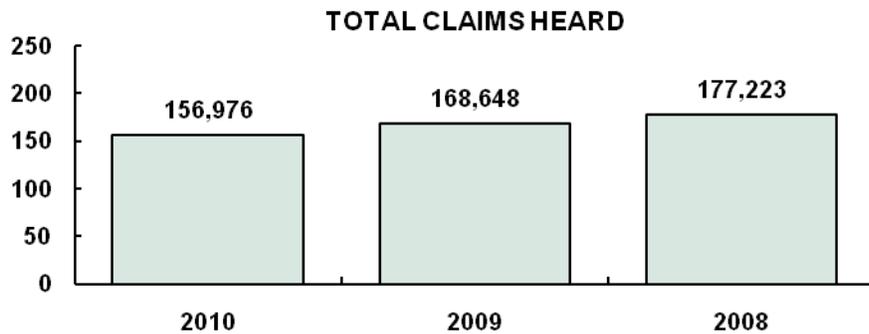
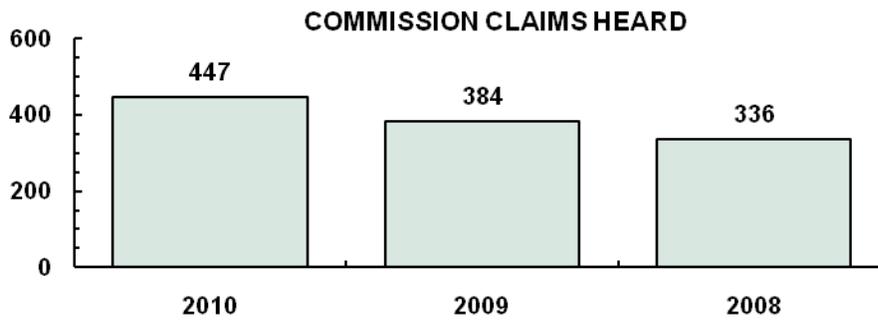
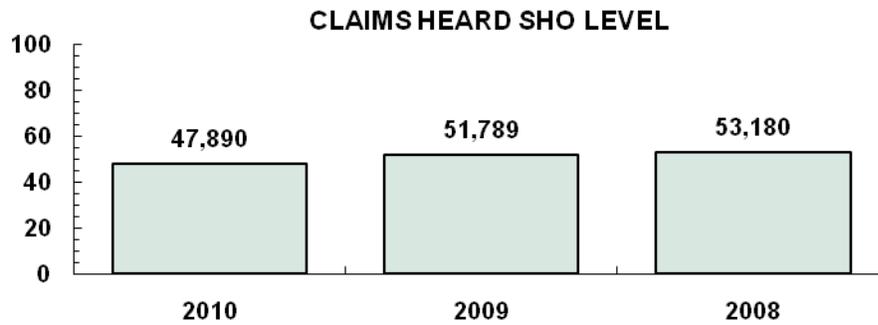
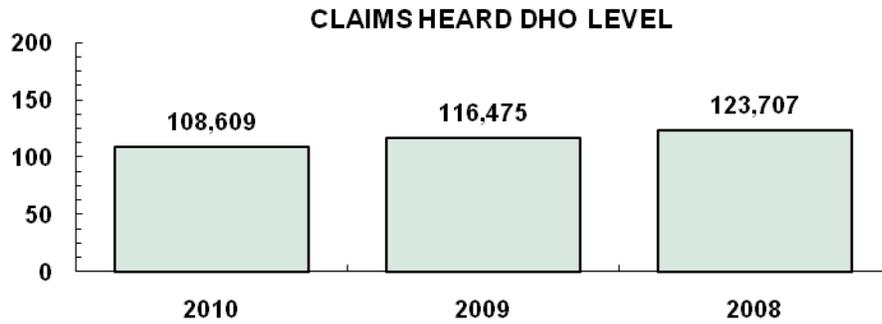
BWC COMBINED FUNDS FINANCIAL DATA

(000s omitted)

	FY 2010	FY 2009	FY 2008
Operating Revenues			
Premium & Assessment Income, net of Provision for Uncollectibles and Ceded Premiums	\$2,121,249	\$2,360,930	\$2,138,402
Other Income	15,018	17,197	22,247
Total Operating Revenues	<u>\$2,136,267</u>	<u>\$2,378,127</u>	<u>\$2,160,649</u>
Non-Operating Revenues			
Net Investment Earnings	\$ 715,387	\$ 733,284	\$ 862,670
Increase (Decrease) in Fair Value	1,334,234	(928,019)	(143,510)
Net Investment Income (Loss)	<u>\$ 2,049,621</u>	<u>\$ (194,735)</u>	<u>\$ 719,160</u>
Total BWC Assets	\$ 24,087,807	\$ 22,420,349	\$ 22,381,974
Total Net Assets	\$ 3,796,168	\$ 2,515,342	\$ 2,503,289

Note: Due to improvements in BWC data capture and reporting systems, prior year data may not agree with amounts previously reported.

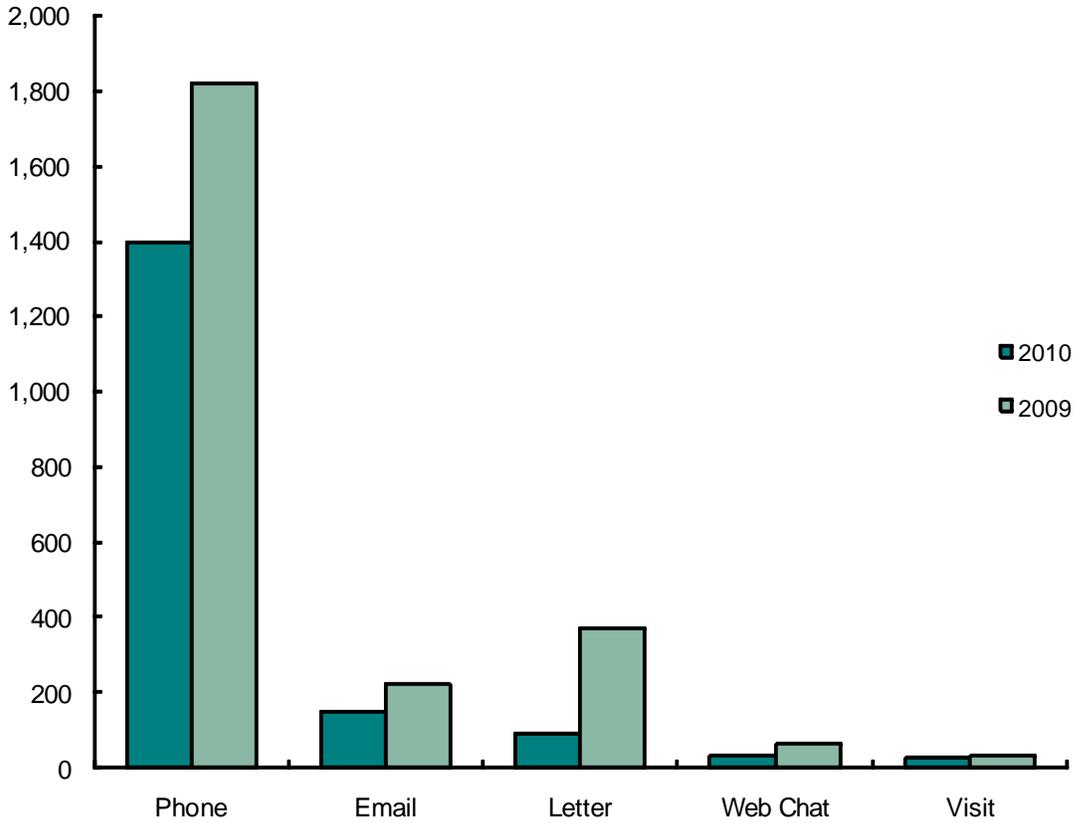
Industrial Commission 2010 Year End Statistics



Statistical Information

Contact Method

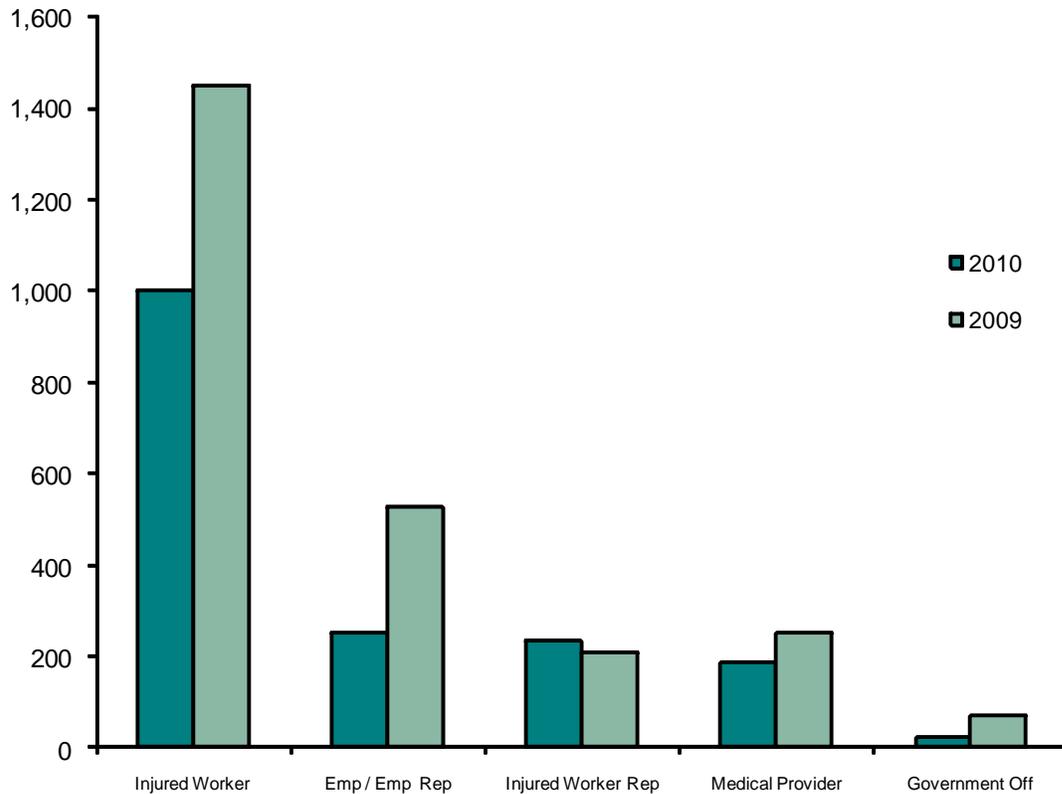
The Ombuds Office resolved 1,694 complaints during 2010. The complaints were received by the following methods:



	2010	2009	Percent Change
Phone	1,396	1,819	-23%
Email	147	220	-33%
Letter	91	373	-76%
Web Chat	33	65	-49%
Visit	27	32	-16%
Total	1,694	2,509	-32%

Originator Report

Complaints are recorded for the purpose of identifying which group of individuals use Ombuds Office services. Injured workers and injured worker representatives accounted for more than 72% of our business in 2010, up from 66% market share in 2009.



Originator Type	2010	2009	Percent Change
Injured Worker	1,001	1,450	-31%
Employer / Employer Representative	250	529	-53%
Injured Worker Representative	235	207	14%
Medical Provider	187	252	-26%
Government Office	21	71	70%
Total	1,694	2,509	-32%

Executive Summary of Complaint Statistics

Charts on the next three pages analyze the volume of complaints received and processed by the Ombuds Office. In calendar year 2010 the Ombuds Office handled 1,694 separate complaints, down 32% from the same period of 2009.

The first chart, ***Initial Complaint Report***, shows who or what was initially established by Ombuds Office staff to be the subject of the complaint.

The second chart, ***Accountability Report***, identifies who is the party ultimately responsible for the problem. This determination is made by Ombuds Office staff after the complaint has been fully researched.

The third chart, ***Complaint Resolution Report***, denotes what the Ombuds Office staff found to be the problem. This determination is made after a complete review and analysis of this complaint has been made, by Ombuds Office staff.

Note that all three of these reports are useful tools in determining trends and identifying areas where the workers' compensation system can be improved.

Initial Complaint Report

The codes below are used to describe what the Ombuds Office staff considered to be the problem, when the complaint was initially received.

Complaint Type	2010	2009	Percent Change
Compensation	420	437	-4%
Bureau of Workers' Compensation	228	390	-42%
Employer Policy Issues	192	453	-58%
Processing Delay	168	177	-5%
Self Insured Bills Non Payment	158	204	-23%
Employer Delay of Claim Processing	85	100	-15%
Claim Allow/Disallow	75	118	-36%
MCO - Medical Bills Non Payment	72	138	-48%
Industrial Commission - Hearing Issues	69	148	-53%
Pharmacy Benefits Manager	68	98	-31%
MCO - Authorization of Medical Treatment	60	110	-45%
Medical Provider	50	64	-22%
Attorney Delay	16	29	-45%
MCO - Vocational Rehabilitation	15	12	25%
<u>MCO - Find Medical Provider</u>	13	17	-24%
Injured Worker Attorney Fee Disputes	5	1	400%
<u>Santos</u> - Subrogation Refund ¹	NA	13	NA
Total	1,694	2,509	-32%

¹The Ombuds Office periodically reviews coding systems to ensure codes are appropriate for analyzing current issues. This category was discontinued in 2010.

Accountability Report

This chart identifies the area that the Ombuds Office staff found to be responsible, for the complaint, after investigation.

Accountability	2010	2009	Percent Change
Injured Worker	577	990	-42%
BWC	377	329	15%
Employer	374	719	-48%
Medical Provider	173	163	6%
MCO	61	78	-22%
Injured Worker Rep	56	52	8%
IC	23	48	-52%
Unverified Complaint	17	70	-76%
Employer Representative	13	11	18%
Pharmacy Benefits Mgr	11	17	-35%
Government Office	7	11	-36%
Financial Institution	4	16	-75%
U.S. Post Office	1	5	-80%
Total	1,694	2,509	-32%

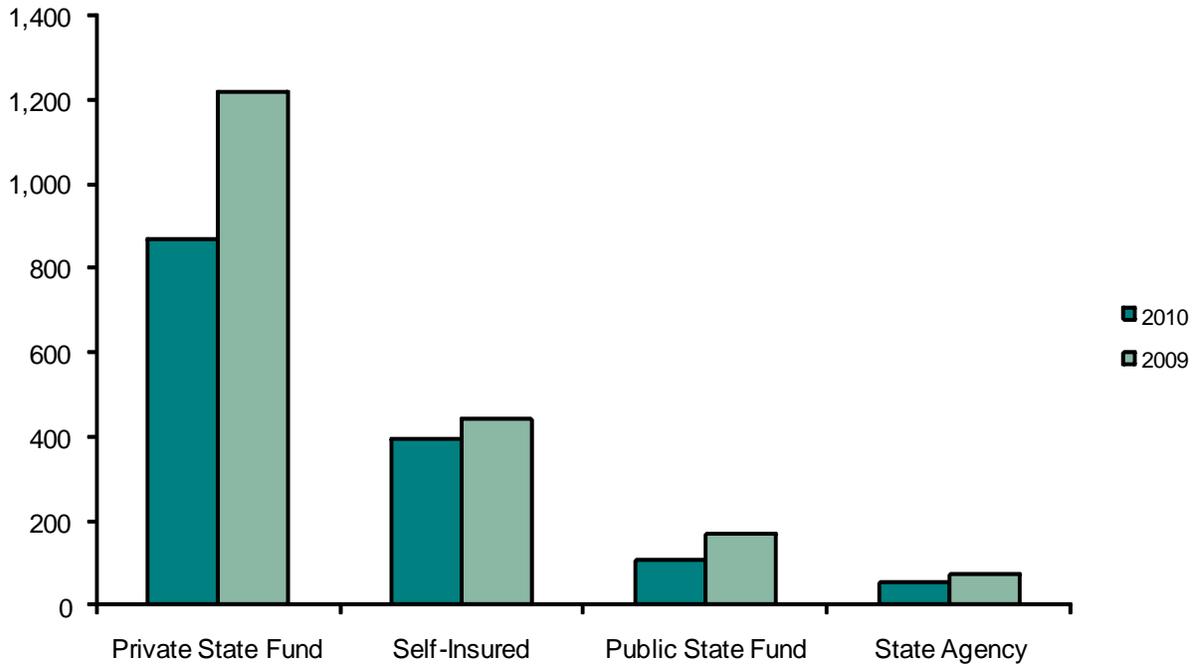
Complaint Resolution Report

This chart denotes what the Ombuds Office staff found to be the problem, after investigating the complaint.

Resolution	2010	2009	Percent Change
Unjustified Complaint	326	453	-28%
Claims Representative Error	250	184	36%
Employer Error	178	314	-43%
Appeals	152	192	-21%
Treatment/Bills Denied	111	82	35%
Injured Worker	100	79	27%
Information Missing	96	144	-33%
Provider Error	86	66	30%
Employer Representative Error	80	34	135%
Claims Representative Information	79	607	-87%
MCO Error	44	53	-17%
Error - Policy Services	40	49	-18%
Claim Disallowed	27	52	-48%
Med. Exam/Review Required	27	26	4%
Unresponsiveness CSS / MCS	17	47	-64%
Wanted Claim Expedited	17	28	-39%
IW Representative Error	16	14	14%
Claim Inactive	8	16	-50%
IC Error	8	13	-38%
New Claim Status	7	15	-53%
Warrant Returned/Reissued	6	3	100%
Claim Settled	5	15	-67%
Overpaid	5	4	25%
Statute of Limitations	3	7	-57%
Warrant Lost or Stolen	3	2	50%
Hearing Problems	2	4	-50%
IW Out of State	1	6	-83%
Total	1,694	2,509	-32%

Complaint by Claim Type

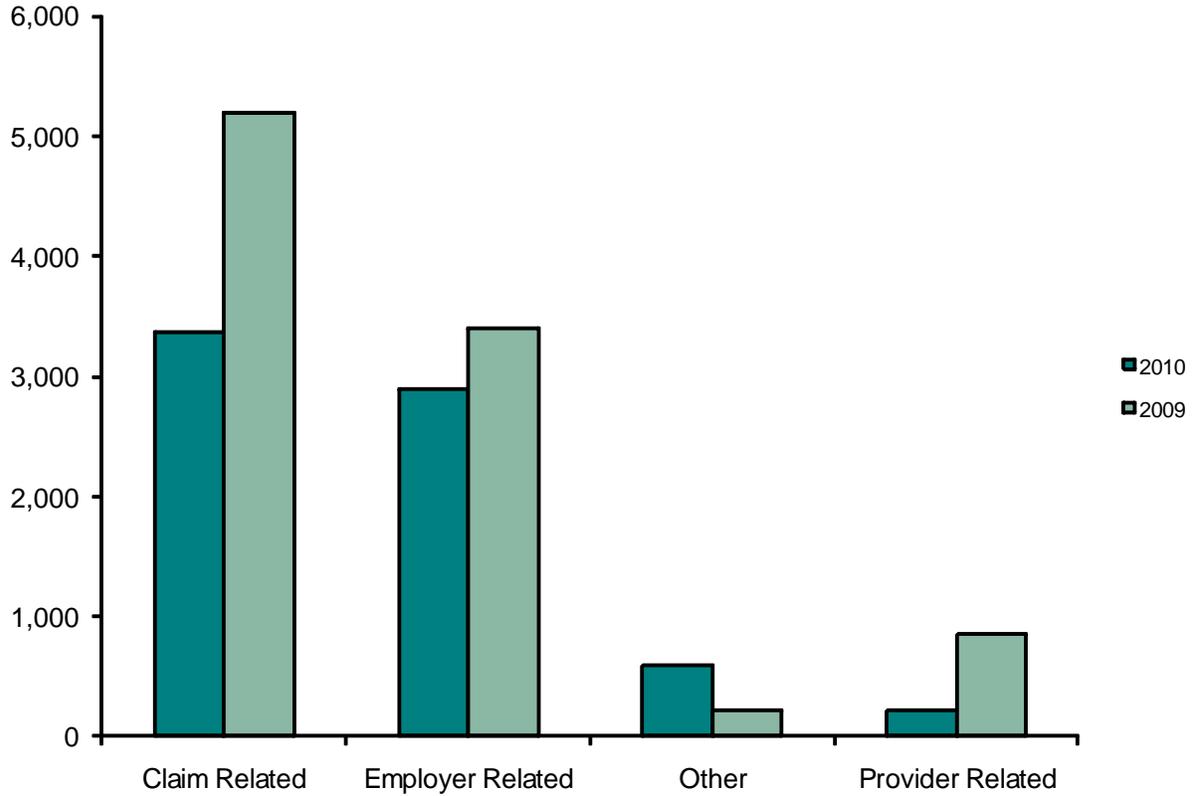
The data and chart below provide information on the type of claim, giving rise to the initial complaint.



Claim Type	2010	2009	Percent Change
Private State-Fund			
Lost Time	713	971	-27%
Medical Only	157	249	-37%
Total	870	1,220	-29%
Self-Insured			
Lost Time	289	332	-13%
Medical Only	105	113	-7%
Total	394	445	-11%
Public State-Fund			
Lost Time	82	126	-35%
Medical Only	28	46	-39%
Total	110	172	-36%
State Agency			
Lost Time	49	54	-9%
Medical Only	4	18	-78%
Total	53	72	-26%
Grand Total	1,427	1,909	-25%

General Inquiries

This data and chart below provide information on the various types of general inquiries, that are not categorized as complaints.

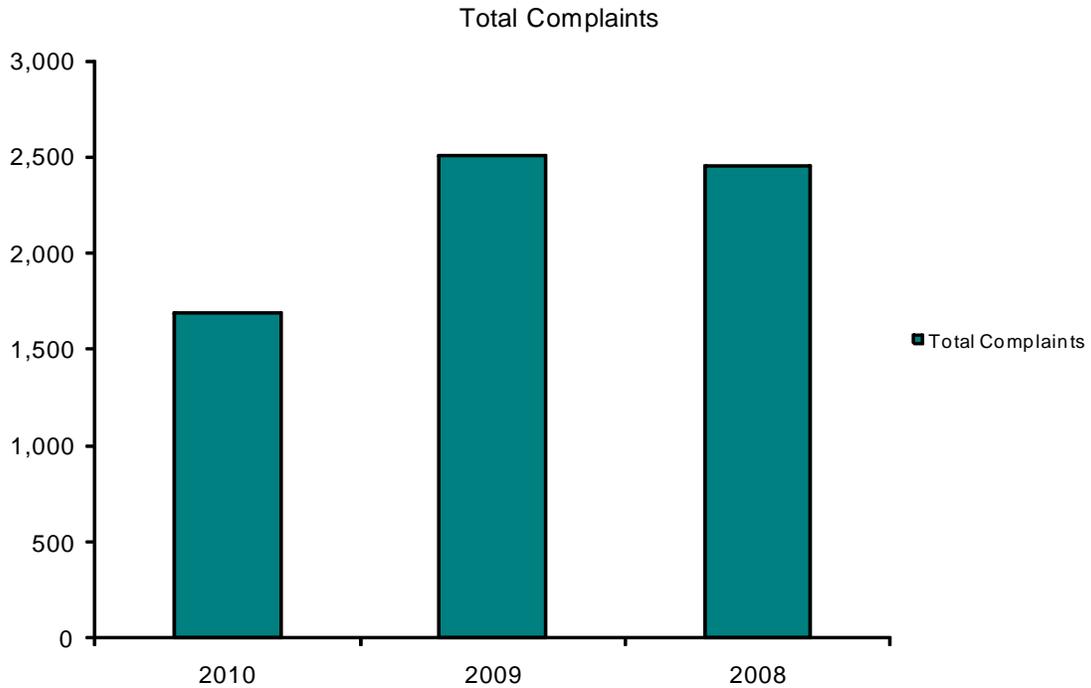


General Inquiries	2010	2009	Percent Change
Claim Related	3,374	5,202	-35%
Employer Related	2,896	3,407	-15%
Other ¹	590	214	176%
Provider Related	213	850	-75%
Total	7,073	9,673	27%

¹Primarily calls related to other government benefits.

Ombuds Office Complaint History

This chart shows the recent trend of total complaint volume, handled by the Ombuds Office.



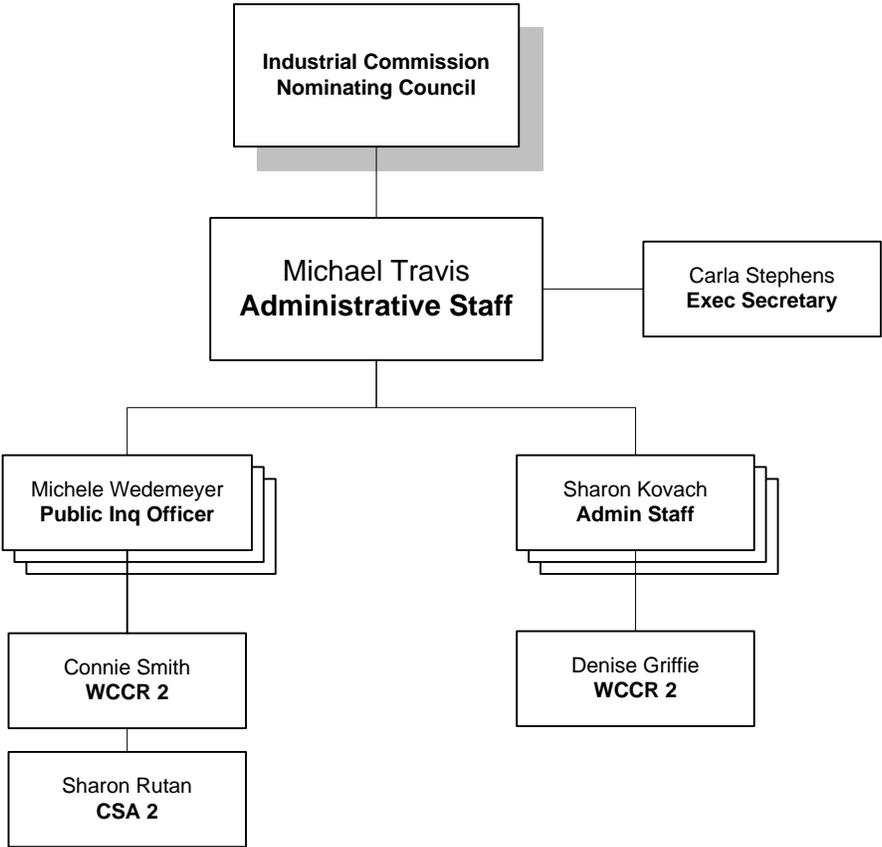
	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Complaints	1,694	2,509	2,457

BWC OMBUDS OFFICE EXPENDITURE REPORT - CALENDAR YEAR 2010

OBJECT CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL EXPENSES
10 Payroll	34,736	35,179	36,198	38,961	58,301	19,103	57,293	36,615	39,150	59,932	38,954	40,540	494,962
10 Overtime Paid	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Personal Service	0	0	0	0	0	0	0	0	0	0	0	275	275
15 Other P.S.	0	0	0	0	178	189	0	0	0	0	0	195	562
Total 100	34,736	35,179	36,198	38,961	58,479	19,292	57,293	36,615	39,150	59,932	38,954	41,010	495,799
20 Edible Products	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0
211 INTRNL SUPPLIES	0	5	610	71	71	(36)	0	0	63	342	0	43	1,169
22 Vehicle Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0
221 INTRNL VEHICLE	0	0	85	0	46	0	0	73	0	21	92	0	317
23 Travel Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Communications	124	30	52	52	122	52	(19)	52	52	51	0	103	672
241 INTRNL COMM	259	89	135	309	333	314	336	239	190	206	178	339	2,927
25 Fuel/Utilities	0	0	1,440	0	0	1,318	0	0	1,424	0	0	1,145	5,327
26 Maintenance	0	0	2,290	0	0	2,709	0	0	1,334	0	0	2,200	8,533
27 Rentals	0	0	53,177	0	0	0	0	0	4,538	0	0	0	57,715
28 Printing/Advertising	0	0	0	0	0	0	0	0	0	0	0	0	0
281 INTRNL PRT/ADV	0	42	0	0	141	0	0	0	0	0	0	0	183
29 General/Other	360	259	619	264	1,134	515	636	0	132	489	430	511	5,350
291 GENERAL	0	0	0	0	0	0	0	0	0	0	0	0	0
Total 200	743	426	58,408	696	1,847	4,872	954	364	7,733	1,109	700	4,341	82,193
30 Food Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
31 Office Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
32 Motor Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	0
33 Construction	0	0	0	0	0	0	0	0	0	0	0	0	0
34 Communications Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
35 Medical/Lab Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
36 Educational/Rec Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
37 Data Processing Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
371 INTRNL DP EOP	0	0	0	0	0	0	0	0	0	0	0	0	0
38 Copy/Print Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
39 Other Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
Total 300	0												
Grand Total	35,479	35,605	94,606	39,657	60,326	24,164	58,247	36,979	46,883	61,041	39,654	45,351	577,992

Note: Mass Allocations included in March, June, September, and December.

Ombuds Office Table of Organization



Industrial Commission Nominating Council

Roster current as of May 2011

Employer Representatives:

Eric Burkland*
Ohio Manufacturers Association

Andrew E. Doehrel
Ohio Chamber of Commerce

Catherine Duhigg
Eaton Corporation

John C. Mahaney, Jr.
Ohio Council of Retail Merchants

Public Members:

Mark Sanders
Ohio Association of
Professional firefighters

Bruce Bailey
Metz, Bailey & McLoughlin

Labor Representatives:

Peggy Griffith***
C.W.A. Local 4302

David Prentice
United Steelworkers

Tim Burga**
Ohio AFL-CIO

JoAnn Johntony
Ohio Association of Public
School Employees Union

Individual Business:

Roger Geiger
National Federation of
Independent Business

Association of Justice:

Phillip Fulton
Fulton Law Office

* Chairperson
** Vice Chairperson
*** Secretary