

Prospective billing overview for private employers

What?

- With the switch to prospective billing, BWC will require payment before it provides coverage.
- BWC will cover the transition cost with a transition credit – no additional cost to employers.

When?

- Prospective billing became effective July 1, 2015, for private employers.

Why?

- The switch to the industry standard of prospective billing provides many benefits, including:
 - o An overall base-rate reduction of 2 percent for private employers;
 - o Allowing BWC to better forecast the level of premium required to be collected each policy year;
 - o Opportunities for more flexible payment options (up to 12 monthly installments);
 - o Better opportunities for BWC to provide quotes online or via the phone;
 - o Increased ability for BWC to detect employer non-compliance and fraud.

How?

- BWC will provide employers with an invoice for their 12-month premium in June of each year.
- For July 1, 2015, private employers will be given a bi-monthly (six installment) payment schedule, with the option to select a different plan by July 15 (May 15 in subsequent years). If you are a minimum premium payer (\$120 plus assessments), you must pay in one installment.
- Employers will have the following options:
 - o Monthly (12 installments);
 - o Bi-monthly (six installments);
 - o Quarterly (four installments);
 - o Bi-annually (two installments);
 - o Annually (one installment).
- Employers may only select their installment options once a year. The option an employer chooses is effective for the entire policy year.
- An employer's coverage will lapse if BWC does not receive timely payment of an installment.

Payroll true-up

- Employers must reconcile their actual payroll for the prior policy year. BWC is calling this a payroll true-up. This will be due 45 days after the close of the policy year.
 - o BWC will not lapse employers for not reporting the payroll true-up.
 - o However, BWC will remove employers from their current rating plan or discount program if it does not receive a payroll true-up by the due date.
 - To be eligible for the Go-green discount, employers must complete* the payroll true-up online by the due date.
 - o Any outstanding payroll true-ups will render the employer ineligible for participation in future rating plans or discount programs until the employer submits all outstanding payroll true-ups.
- Employers must submit payroll true-ups online at www.bwc.ohio.gov, by phone at 1-800-644-6292 or in person at a BWC customer service office.

*Complete = report and pay (if necessary)

Key dates for private employers

August 2015

Aug. 1 – Policy year 2015 premium invoice mailed for second prospective installment

Aug. 31 – Policy year 2015 second prospective installment due

Aug. 31 – Payroll report due for Jan. 1, 2015, to June 30, 2015 (no payment due for payroll report)

BWC will pay

November 2015

Nov. 23 – Policy year 2016 group-enrollment deadline

January 2016

Jan. 29 – Policy year 2016 group retro, One Claim, individual retro and Deductible enrollment

May 2016

May 1 – Policy year 2016 notice of estimated annual premium mailed

May 31 – Destination: Excellence enrollment deadline for July 1, 2016, program year

June 2016

June 1 – Policy year 2016 premium invoice mailed

June 30 – Policy year 2016 first installment due

July 2016

July 1 – Policy year 2015 payroll true-up notice sent

August 2016

Aug. 15 – Policy year 2015 payroll true-up report due

November 2016

Nov. 21 – Policy year 2017 group-enrollment deadline