

**BOARD OF DIRECTORS – OHIO BUREAU OF WORKERS’ COMPENSATION  
SUMMARY OF EVALUATION OF MARSHA P. RYAN, ADMINISTRATOR**

**May 28, 2008**

The Board of Directors of the Ohio Bureau of Workers’ Compensation (BWC) hereby submits its summary evaluation of Administrator Ryan to Governor Strickland in compliance with Ohio Revised Code 4121.21(F)(15). This summary evaluation reflects an “excellent/plus” overall performance rating for FY 2007/2008. The Board’s evaluation process was structured to consider the Specific Performance Objectives contained in the Director’s Flexible Performance Agreement with Governor Strickland, dated August 31, 2007, as well as leadership attributes that the Board believes are important to an evaluation of the Administrator’s overall performance. The evaluation process included the use of a numerical rating system\* and the solicitation of input from all qualified Board members.

\*[**Note:** Numerical Rating Key: **1**=unacceptable; **2**=needs improvement; **3**=acceptable; **4**=excellent; **5**=superior]

**I. SPECIFIC PERFORMANCE OBJECTIVES**

1. Make Ohio’s Workers’ Compensation System more competitive regionally and nationally by reducing base rates overall, while also maintaining the highest level of quality care for injured workers.  
**FY 08 Target:** Implement multi-year plan for addressing premium discounts  
**Rating: 4.3/5.0 Comments:** Key accomplishments include initial reduction in maximum group discount for employers and a commitment to develop a plan, with the support of the Board and the engagement of professionals, to ensure that base rate premium determination and discounting are actuarially sound for both “group” and “non-group” employers.
2. By 2011, Ohio’s employers will have access to a robust and informative reserving system, enabling them to better understand the costs associated with workers’ compensation claims.  
**FY08 Target:** Achieve acceptance by stakeholders of new reserving product  
**Rating: 4.2/5.0 Comments:** Key accomplishments include providing necessary staff resources, attention and direction to make the development and implementation of the new MIRAI reserving system successful and reaching out to key stakeholders to engage them in the process.
3. BWC “assessments” (cost for administrative work performed by BWC) will represent a smaller percentage of the premium dollar paid by Ohio employers.  
**FY 08 Target:** None  
**Rating: 4.1/5.0 Comments:** The Administrator’s managerial skills have inspired confidence that efficiencies will be achieved in this area. Key accomplishments include establishing the foundation, goals, plans and milestones to achieve cost reductions, as well as undertaking review of office staffing and closing two underutilized regional offices.
4. By 2010, the BWC will have created the system capacity to effectively evaluate the quality and costs of the managed care system for injured workers.  
**FY 08 Target:** Pharmacy benefits contract mirrors “best rate” for similar contracts  
**Rating: 4.1/5.0 Comments:** Key accomplishments with respect to the general objective include successful negotiation of a major new performance-based MCO contract, development of plans to evaluate the MCO system and continued auditing of MCOs to ensure quality of service. The Administrator has advised the Board that the time to complete the pharmacy benefits review was extended with the consent of the Governor’s office and is anticipated to be completed by mid-FY 09. Following the review, decisions regarding program changes will be made.

- II. LEADERSHIP. Rating: 4.6/5.0 Comments:** The Administrator is perceived and respected as a strong and capable leader. She has set the “Tone at the Top” in demonstrating a sincere desire to do what is best for Ohio’s employers and workers. Key accomplishments include prioritizing issues, making tough decisions, establishing a strong senior management team and providing the right measure of oversight while instilling an attitude of “Respect, Focus and Accountability” among the BWC staff.
- III. PLANNING. Rating: 4.7/5.0 Comments:** The Administrator has taken on an extremely challenging assignment in managing the day-to-day operations of the Bureau while developing and implementing a plan to reorganize it. She has taken ownership of the strategic plan and direction of the Bureau and has applied her organizational skills with deliberation and strives to include input from key stakeholders in the planning process.
- IV. INTERACTION WITH EXTERNAL PARTIES (INCLUDES THE LEGISLATURE & STAKEHOLDERS). Rating: 4.3/5.0 Comments:** The Administrator has developed excellent relationships with elected officials and other office holders in state government. Some perceive a sense of “waiting for action” on the part of the employer community. The Board is united in its belief that the Administrator’s background, her commitment to fairness and her personal skills bode well for long-term development of relationships with the legislature, employers/employees and other stakeholders.
- V. INTEGRITY AND ETHICS. Rating: 5.0/5.0 Comments:** The Board is unanimous in its perception of the Administrator as a person of integrity with the highest ethical standards. By setting the “Tone at the Top,” the Administrator is instilling those standards in her senior staff by both example and a focused effort to treat all Bureau ethics questions with the seriousness they deserve. In this regard, the Administrator and senior staff have created means within the BWC by which the ethics concerns of all BWC staff members can be addressed.
- VI. BOARD OF DIRECTORS. Rating: 4.9/5.0 Comments:** Key accomplishments of the Administrator include encouragement of best practices in Board governance matters, timely provision to the Board of appropriate information, working with the Chair and all members of the Board to develop Board and Committee priorities and helping to shape the monthly meeting agendas. The Board appreciates the special effort the Administrator has made to develop and implement a planned educational process for Board members regarding the complex workings of the BWC system. This process also has enabled the Board to interact with senior staff.

**VII. THE NUMBER ONE ACCOMPLISHMENT OF ADMINISTRATOR RYAN IN 2007:**

**Comments:** The major accomplishments are many, and include:

- A strong step forward in restoration of credibility to the BWC
- Recruitment of competent senior staff
- Familiarizing the new Board with the workings of the BWC system
- Stressing the importance of focus and accountability throughout the BWC
- Fostering an environment of teamwork and making good headway in changing the BWC agency culture that existed prior to her taking office as Administrator

**VIII. THE NUMBER ONE CHALLENGE FOR ADMINISTRATOR RYAN IN 2008:**

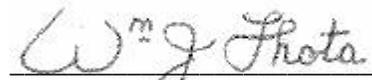
**Comments:** The major challenges are many, and include:

- Build and/or strengthen relationships with stakeholders
- Institute a new investment policy
- Timely and successfully implement MIRAI

- Continue the work mandated under HB 100 and ensure an actuarially sound workers' compensation system
- Continue to improve the reputation of the BWC in serving employers and employees

**On Behalf of the Board of Directors of the Ohio Bureau of Workers' Compensation**

**Respectfully submitted,**

A handwritten signature in cursive script that reads "W<sup>m</sup> J. Lhota". The signature is written in dark ink and is positioned above a horizontal line.

**William J. Lhota, Chair**