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## BWC e-news - December 2010

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### BWC Contract with Managed Care Organizations Again Aligns Payment with Performance

BWC has finalized a new, two-year performance-based contract with its network of managed care organizations (MCOs). MCOs manage the medical component of workers' compensation claims. The 2011-2012 contract builds upon past contract advancements that ties incentives to strengthened MCO accountability and improved key performance indicators. The contract's goal is to ensure a prompt and safe return to work for injured workers, and cost-effective medical management of their treatment.

A key contract element is the creation of a new MCO performance measure to replace the current degree of disability management (DoDM) measure. BWC uses DoDM to assess the effectiveness of MCO return-to-work services. The new metric, measurement of disability (MoD), better incentivizes and more accurately measures MCO effectiveness in terms of the timeliness of getting injured workers back on the job and medical management following their return to work. Further, MoD measures a much larger population of claims and uses updated benchmarks that BWC developed using Ohio-specific data, based upon actual return-to-work dates instead of release-to-work dates. BWC bases nearly half of an MCO's compensation on this MoD metric; it allocates the remaining portion for operational activities.

"MCO medical-management decisions directly impact the duration of time an injured worker is off work, and therefore, has a direct impact on the investment of Ohio business owners to cover the more than \$1 billion in indemnity costs and \$800 million in medical costs paid annually by BWC," said Bob Coury, BWC Chief of Medical Services. "The new MoD metric supports the desired outcome of a prompt, safe return to work and cost-effective medical management."

When determining MCO performance and payment, BWC also measures MCO First Report of an Injury, Occupational Disease or Death (FROI) timing and data accuracy; bill payment timing and data accuracy; and a number of other services. BWC's

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publishes these metrics annually in its [MCO Report Card](#).

The new contract goes into effect January 1, 2011.

## Falling Ohio Base Rates Recognized in National Study

The nationally recognized [Oregon Premium Ranking Study](#) recently confirmed the progress of comprehensive rate reform in reducing costs for Ohio employers. According to the biennial study, Ohio premiums fell significantly over a two-year period from the third highest in the country to 17th -- in an average range with most other states.

“The remarkable turnaround of Ohio’s workers’ compensation system becomes very clear when we consider the fact that, on average, public and private employers are paying more than a third less for workers’ compensation coverage than they were just three years ago,” said Administrator Marsha Ryan.

The study shows Ohio’s average private employer base rate fell from \$3.32 per \$100 of payroll in 2007 to \$2.24 per \$100 of payroll in 2009. Since data was gathered for the most recent study, Ohio’s average base rates have declined further. A recent study by BWC’s Actuarial Division shows Ohio’s 2010 average base rates to be at \$1.95 per \$100 of employer payroll, putting Ohio even more in the mid-range of the nation for workers’ compensation costs.

For more information about BWC’s rate reform efforts, [click here](#).

## A New Look Coming for ohiobwc.com

In an effort to improve customer service, BWC is in the process of redesigning [ohiobwc.com](#). The first phase of the project involves updating the home page, which will be complete later this month. Among the new features, the home page will provide quicker access to popular service offerings, making the time a customer spends on the site more efficient and effective. BWC plans to release the new page by the end of December, so keep an eye for the update.

## Ohio Safety Congress & Expo 2011

Plans are under way for BWC’s annual [Ohio Safety Congress & Expo](#). This year’s safety congress will feature more educational offerings, continuing education units and vendors. Keep **your calendar open March 29 to 31** so you can attend the Ohio Safety Congress & Expo at the Greater Columbus Convention Center, and spread the word to co-workers and colleagues. And new this year, you can catch safety congress updates on Twitter, just follow us [@OSC2011!](#)

## New Inpatient Hospital Fee Schedule Supports Access to Quality Hospital Services

The BWC Board of Directors has adopted a new inpatient hospital fee schedule, which

establishes the maximum reimbursement allowed for medical treatments and services related to hospital stays. Inpatient hospitalization may be the first treatment following an injury or part of later treatment necessary to return an injured worker to employment. The projected impact of the changes to the hospital inpatient rule for 2011 is an increase in reimbursement of 5.7percent or \$4.9 million.

“Prompt, effective medical care is key to a quicker recovery and timely return-to-work,” said Bob Coury, BWC Chief of Medical Services. “The new inpatient hospital fee schedule is intended to ensure continued, quality care that is especially critical when workers suffer serious injury that requires a hospital stay.”

Inpatient hospital bills represent 11.1 percent of BWC’s overall medical expenses. For the period February 2009 to January 2010, BWC paid \$81 million in inpatient hospital fees.

[Click here](#) to view any of BWC's medical fee schedules.

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