

From: BWC e-communications
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BWC e-news - September 2009

BWC Board of Directors Reflect on Significant Progress of First Two Years

The Ohio Bureau of Workers' Compensation (BWC) Board of Directors marked its two-year anniversary at its' Aug. 28 meeting. At its meeting, the board detailed the significant progress made in the past 24 months. The board was created in House Bill 100. It serves as BWC's governing body. Members share fiduciary responsibilities with BWC Administrator Marsha Ryan.

In addition to its focused efforts toward equitable premiums for every Ohio employer, other board accomplishments include:

- Back-to-back rate decreases for private employers: 5 percent in 2008, the first rate decrease for this group since 2001, and 12 percent in 2009;
- Reduction of the maximum discount to 77 percent,
- Two rate decreases for state agencies, universities and university hospitals, 10 percent in 2008, their first rate decrease since 1999, and a 3.75 percent reduction in 2009;
- A 5-percent premium rate decrease for public employers, including cities, townships, villages, schools and special districts;
- A 100-percent cap on premium increases due to an employer's claim history to limit extreme cost swings for many employers;
- An average 25.3-percent rate decrease for private, non group employers;
- Creation of two, new insurance options (deductible and group retrospective) designed to lower out-of-pocket cost for employers and improved safety for workers;
- Updated fee schedules for physicians and other medical professionals who provide care for injured workers;
- Elimination of redundancies in the alternative dispute resolution process in order to ensure timely and quality care for injured workers;
- Adoption of a monthly Enterprise Report which provides a transparent record

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- of agency-wide financial and operational performance metrics;
- Development of a new investment policy statement to strengthen investment returns; and
- Adoption of an implementation strategy for diversifying State Insurance Fund fixed-income and equity investments.

BWC Chief Operating Officer Ray Mazzotta also presented the board with our primary goals for Fiscal Year 2010. These initiatives focus on our continued efforts to reach operational excellence by ensuring stable costs, better services, accurate rates and safe workplaces. Internal initiatives will focus on continued operational cost savings and staff development.

The next BWC Board of Directors meeting will be held 8 a.m. Friday, Sept. 25, 2009. The board will meet, in Room 3, Level 2 of the William Green Building, located at 30 W. Spring St., Columbus.

Deloitte Study Findings Prioritized

In April, Deloitte Consulting delivered the findings of its year-long, comprehensive study of BWC. Deloitte found our programs and benefits are comparable to other states. However, Deloitte indicated Ohio's base rates were much higher than those of other states. The Deloitte team made specific recommendations to improve our rate-making process. We have implemented many of those proposals. This has resulted in significantly lower base rates.

Deloitte also recommended ways to improve efficiency and effectiveness, and financial strength and stability. Other suggestions included transparency and the impact workers' compensation has on Ohio's economy.

As a result, we established an internal review team to evaluate and prioritize the more than 140 recommendations detailed in the 900 page report. The team is considering impact on customers, implementation timelines, economic conditions, etc. Immediate priorities the team will address include:

- Experience rating;
- Group rating;
- Medical payment cost controls;
- MCO effectiveness;
- Safety, and
- Self-insurance.

Our project teams are gaining input from external stakeholders in how best to implement solutions. We expect to implement more than half of the recommendations between now and June 2010. Long-term, we are committed to addressing every recommendation that contributes to better services, more stable costs, accurate rates and safer workplaces in Ohio.

You can find the entire Deloitte study and BWC's improvement progress at

ohiobwc.com.

New Director of Employer Management Services

To ensure outstanding service to our employers, Tom Prunte has joined BWC as director of employer management services. Prunte most recently served as chief legal officer for Adena Health Systems. His prior work experience includes staff counsel for the Ohio State Medical Board and more than 20 years experience at Nationwide Insurance. He was associate vice-president – general counsel at Nationwide. Prunte earned a Bachelor's degree in Political Science from The Ohio State University (1979) and a J.D. from Capital University (1982).

At Nationwide and Adena, Tom was responsible for strategic planning and management of compliance and risk-management functions. He focused on Best Practices' concepts and process efficiencies. "Tom brings a tremendous amount of insurance and risk management expertise to BWC," said Tina Kielmeyer, BWC's chief of customer services. "He will be instrumental as we continue with our rate reform efforts and improving our service to Ohio's employer community. "

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