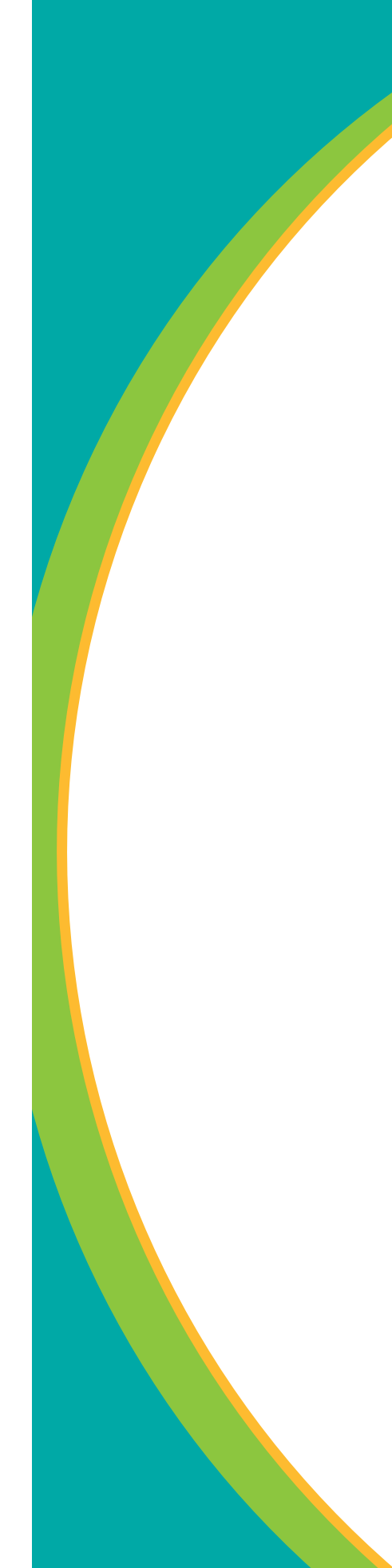




Straightforward **service.**  
Simple **solutions.**

BWC's Operational Performance Report  
March 2007



Governor Strickland's Turnaround Ohio initiative is an apt name for recent events at the Ohio Bureau of Workers' Compensation (BWC). During 2006, BWC initiated a turnaround of its own. The agency improved its investment operation, revised its asset allocation, and hired qualified investment staff to oversee its portfolio. It solidified the balance sheet through appropriately managing medical costs and enforcing collection efforts. Overall, "Agenda '06" enabled BWC to successfully reduce costs; now the agency spends 75 cents for every dollar it either collects or earns.

Because its balance sheet is stable, BWC is well-positioned to serve the needs of businesses and workers and can help to once again make Ohio a great place to live and work. The agency will expand its educational outreach efforts and work with businesses to improve safety and health within the workplace. BWC will also help to nurture small businesses by providing nationally competitive premiums and facilitate a safe and healthy return to work for Ohio's workforce.

To monitor this progress, BWC is pleased to introduce "Straightforward service, simple solutions." This quarterly operational report includes binding commitments to:

◆ **Prevent workplace injuries**

BWC's goal is to help keep Ohioans working by partnering closely with businesses and their employees to implement safety practices at the workplace. By offering a diverse set of educational seminars, providing risk and safety consulting services, and enlisting grassroots support through Safety Councils, the agency strives to continue reducing workplace injuries.

◆ **Restore health in Ohio communities**

Despite the best intentions of BWC, employers, and workers, accidents on the job still occur. Therefore, the agency is committed to providing timely treatment and appropriate benefits and helping injured Ohioans become healthy Ohioans.

◆ **Create value and stabilize costs for small businesses**

BWC recognizes its responsibility to provide competitive rates to spur economic development and create jobs. Therefore, by offering discount programs and grant monies, the agency has successfully devised incentives designed to, lower costs, and make base rates more competitive.

◆ **Improve quality in Ohio's workers' compensation system**

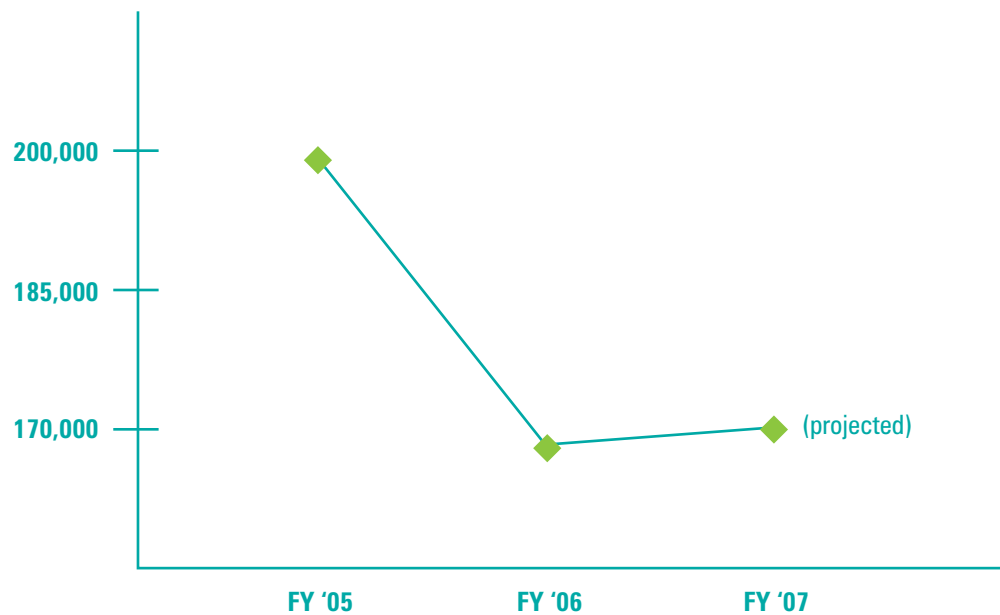
Above all else, BWC is committed to providing straightforward service and simple solutions. The agency wants customers to get the right information the first time and maintain a certified group of high quality providers to treat workers immediately and thoroughly. Moreover, the agency wants to make sure its service exceeds expectations from beginning to end.

Future editions will include goals for key indicators as well as benchmarks that are relative to the agency's commitment to making Ohio a national leader in providing workers' compensation.

# Prevent workplace injuries

Through December 2006, approximately 88,000 Ohio workers were injured at work. This pace is relatively similar to the previous fiscal year, during which approximately 167,000 new claims were allowed.

## All claims



Much of this success stems from BWC's efforts to promote workplace safety and to educate Ohio businesses and their employees on sound risk management strategies. In the first half of the fiscal year, nearly 13,000 employers and workers have attended either Workers' Compensation University seminars or classes offered by BWC's Division of Safety and Hygiene.

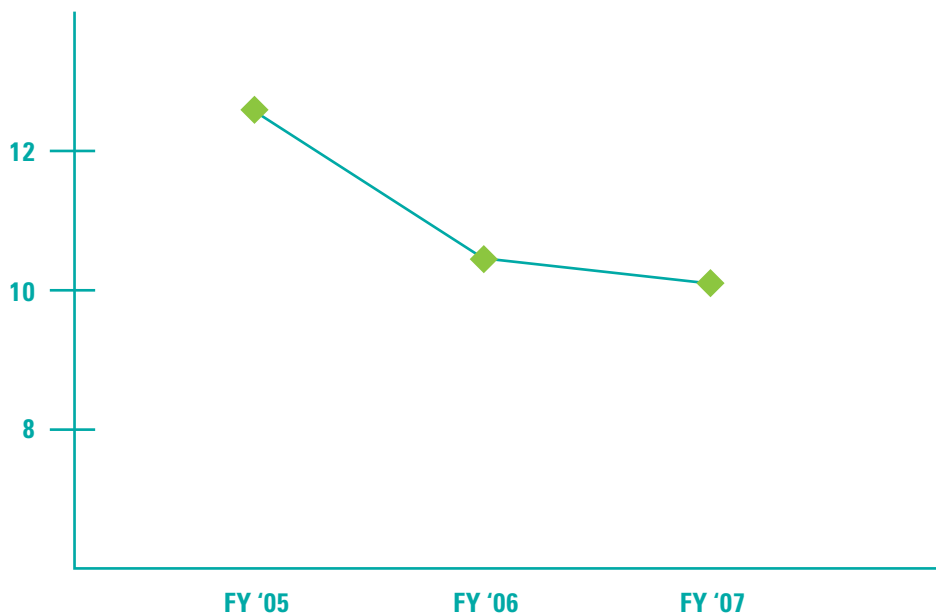
Additionally, BWC risk and safety personnel have visited approximately 16,166 worksites to offer counsel and assistance in helping to keep Ohioans working safely.

## Restore health in Ohio communities

BWC continues to move swiftly to assist injured workers in getting high-quality treatment as part of facilitating a timely, appropriate return-to-work. Within 24 hours of receiving the claim, the agency successfully contacts 98 percent of injured workers and their employers to allay concerns and explain the claims process.

After conducting appropriate due diligence, BWC successfully issues an initial determination on a claim within 21 days more than 87 percent of the time. This is more than a week faster than required by law. The average time it takes to determine a claim is 8.89 days.

### Determination times (fiscal year average)



Nearly 38,000 of the less severe claims, or 35 percent, are decided in less than two business days through auto adjudication. This represents a slight increase over last year.

When a claim is allowed, BWC moves to quickly and efficiently pay benefits. In nearly 78 percent of claims, BWC begins paying compensation to eligible injured workers within fourteen days of allowing a lost-time claims; in fiscal year 2006, only 73 percent of claimants received compensation in two weeks.

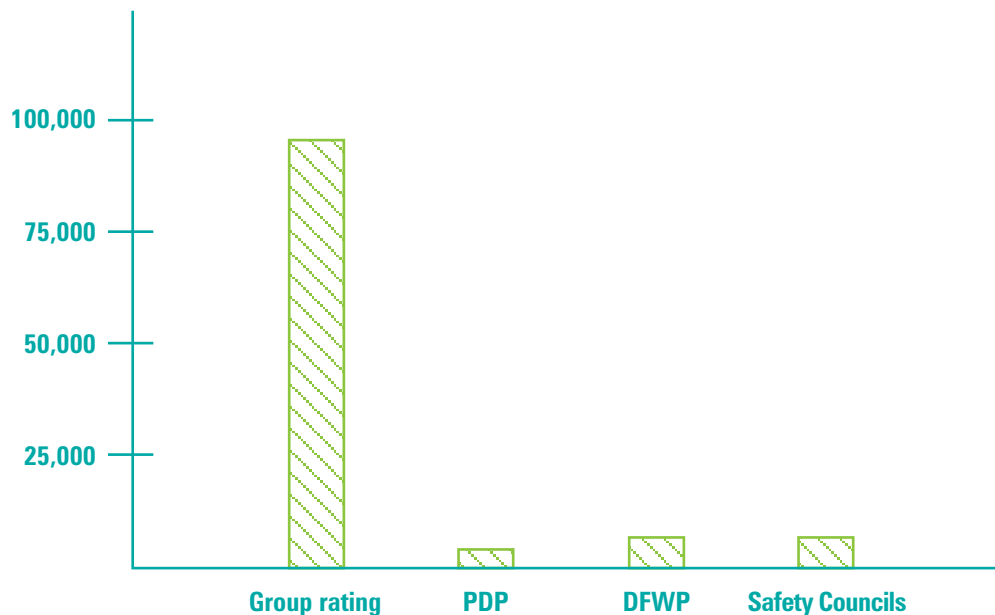
All of these activities culminate with a successful return to work. Nearly 87 percent of injured workers return to their jobs within one week, and fully 92 percent have safely gone back to work within sixty days of filing a claim.

## Create value and stabilize costs for small businesses

As part of its commitment to control costs and improve the health and safety of Ohio's workplaces, BWC has actively attempted to engage employers in strengthening their risk management strategies by having them participate in various discount programs. Many of these programs provide a premium discount incentive in exchange for documented evidence of stronger workplace safety measures.

Of the 270,653 active policies, more than 103,000, or 38 percent, currently participate in one of these programs.

### Discount program participation



Also, BWC has provided 1,364 SafetyGRANT\$ totaling more than \$1.6 million this fiscal year to employers seeking to purchase equipment that is proven to reduce the risk of injury.

BWC has also become more effective in controlling medial costs. Payments in fiscal year 2007 are down \$34 million, or eight percent, compared to the previous fiscal year.

Ohio employers pay an average, or base, rate of \$3.13 per \$100 of payroll for private sector employers. The average collectible rate is \$1.85 per \$100 of payroll. However, BWC's efforts to control costs along with declining claims volume and a commitment to improving group rating should help that number to decrease significantly in the near future and make BWC more competitive on a national scale.

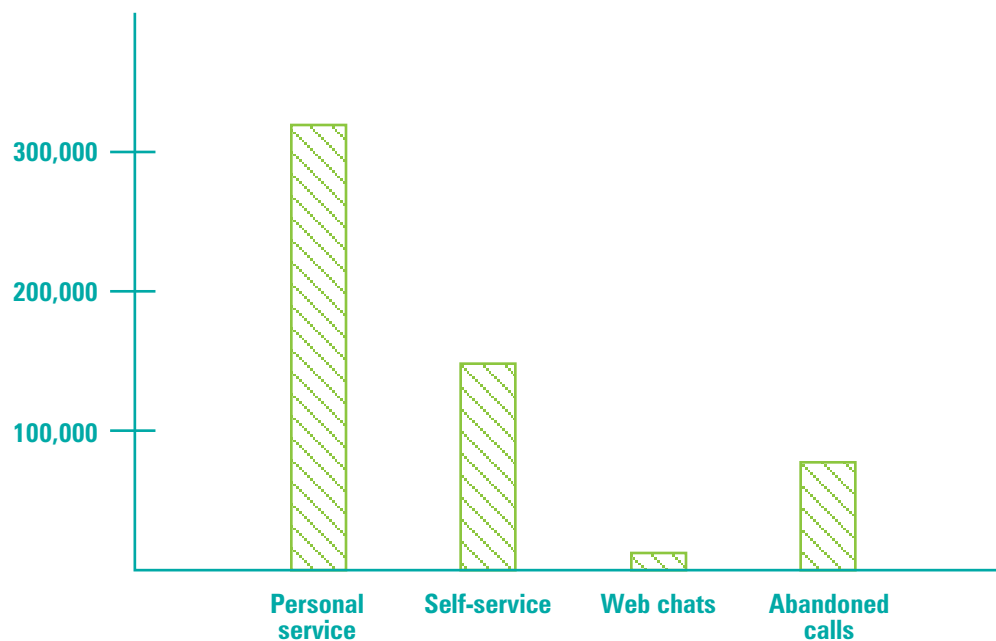
# Improve quality within Ohio's workers' compensation system

To ensure BWC is providing high quality care to Ohioans, the agency must maintain a network of quality providers. Today, more than 27,000 providers are BWC-certified and committed to treating injured workers and helping to restore their health and wellbeing.

BWC also works to keep that network intact by processing payments to providers expeditiously. Currently, the agency makes payments to providers within twelve days of receiving billing notices.

The agency also handles a number of inquiries each month from employers and injured workers who have questions regarding various workers' compensation matters. Through December 2006, BWC has received more than 570,000 contacts from customers. Of those, approximately 319,000 required personal assistance from contact center personnel at an average duration of five minutes and twenty-one seconds. Approximately 150,000 customers received self-service through 1-800-OHIOBWC.

## Contact center statistics



Finally, the agency seeks to measure overall service by progressively following up with injured workers, employers, and other strategic partners to gauge their level of customer satisfaction. Through December, BWC's customer service index, which measures feedback from injured workers, employers, and other strategic partners, was 82.13 percent.