

Self-Insurance Quarterly Workshop

September/October 2016

David Sievert, Interim Director

Craig Thompson, Special Investigation Unit

Agenda

- BWC Special Investigations Unit
- House Bill 207
- Assessments- Invoices
- Miscellaneous items
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Special Investigations Unit

- Shawn Miller - BWC Fraud Analyst

House Bill 207

- Effective 9/1/2017 – ORC 4123.35, removes the requirement that an employer must have 500 employees to be considered for self-insurance
- This will have no direct impact on existing SI employers
- This language will be removed from OAC 4123-19-03 , 4123-19-03.1 (Waiver), 4123-19-08 (Renewal)
- Language removed from publications and BWC SI department website
- Not yet clear how this will impact future applications for Self-Insurance, but the financial strength will remain the primary focus for new SI employers

House Bill 207

- Experience Transfer effective January 1, 2017
 - ORC 4123.35 (I) amended to include language for self-insuring employers returning to the state fund will provide medical costs and indemnity costs by claim and payroll by manual classification and year, and other information that may be required.
 - BWC will develop a state fund experience modification (EM) factor for the employer's new policy

House Bill 207

- Professional Employer Organizations (PEO)
- ORC 4125.07 (C) will require that a PEO must submit information required to allow BWC to develop an EM factor for a client employer that has terminated a lease and returned to the state fund

House Bill 207

- PEO Must submit the following with termination of client employer
 - Payroll for each client employer organized by manual classification and year
 - Medical and indemnity costs of each client employer
 - Information may be required at other times after the initial submission if necessary to determine future EM rates

House Bill 207

- BWC policy and administrative code will be amended to conform with the new statute
- OAC 4123-19-05 is being reviewed
- The requirement to provide the information will have a tight timeframe so the EM rate can be addressed timely

Assessments

- Three main components
 - Calendar year compensation payments by self-insured employers to their injured workers, regardless of date of injury
 - Projected benefit payments to injured workers of defaulted self-insured employers in calendar year and related costs
 - Adjustments for other available revenue or shortfalls

Assessments

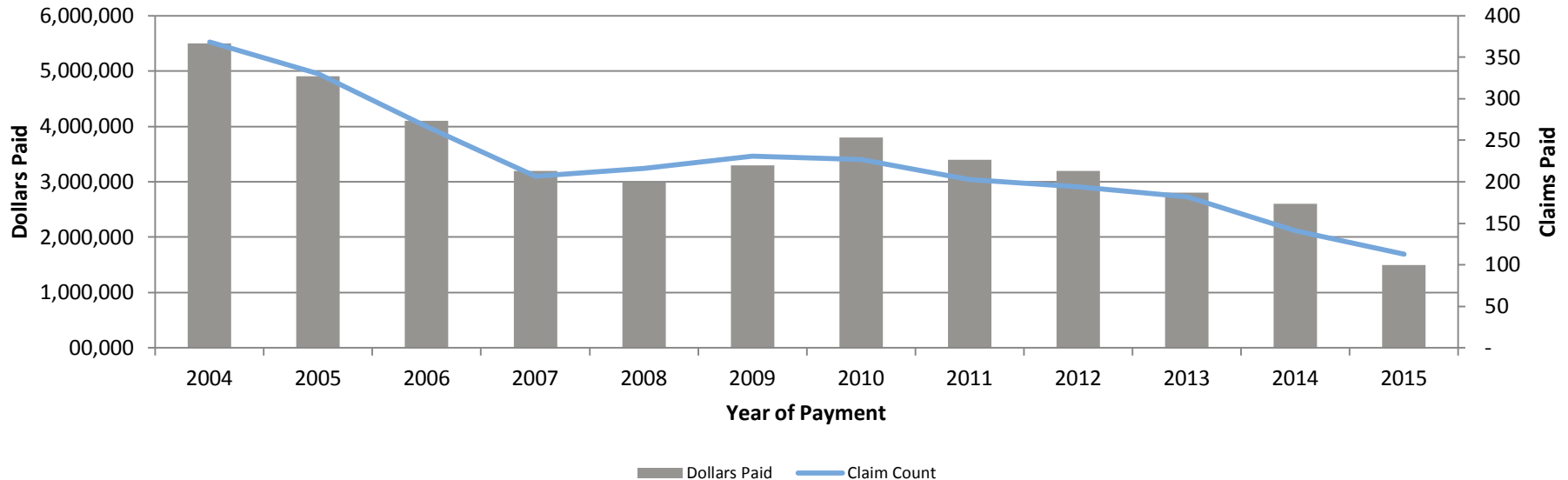
- Assessments are billed at the end of January and July and payments are due by the end of February and August. If not paid on time a \$500.00 late fee will be charged
- Send payments to **P.O. Box 89492, Cleveland, OH 44101-6492**. If addresses for payments are kept in a database please make sure it is correct. Always check the invoice for the correct mailing address.
- Overnight payments to Ohio Bureau of Workers' Compensation ATTN: Lockbox 89492 4910 Tiedeman Road Cleveland, OH 44144
- Pay online

Assessments

- Surplus Fund dropped by .02 and Guaranty Fund went up by .02
- Overall assessment is flat for 2016 and 2017 assessment year
- Guaranty fund claims costs show steady drop, SIEGF claims are increasing at a similar rate.

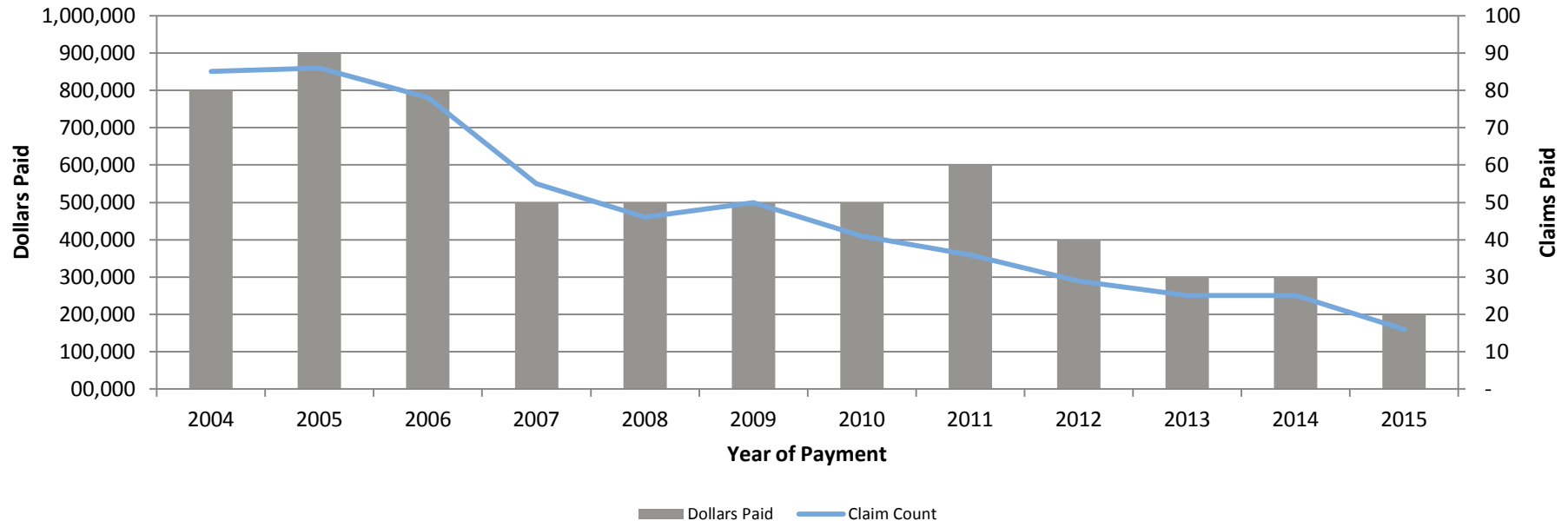
Bankrupt Claims

- TT payments have decreased 73% since 2004



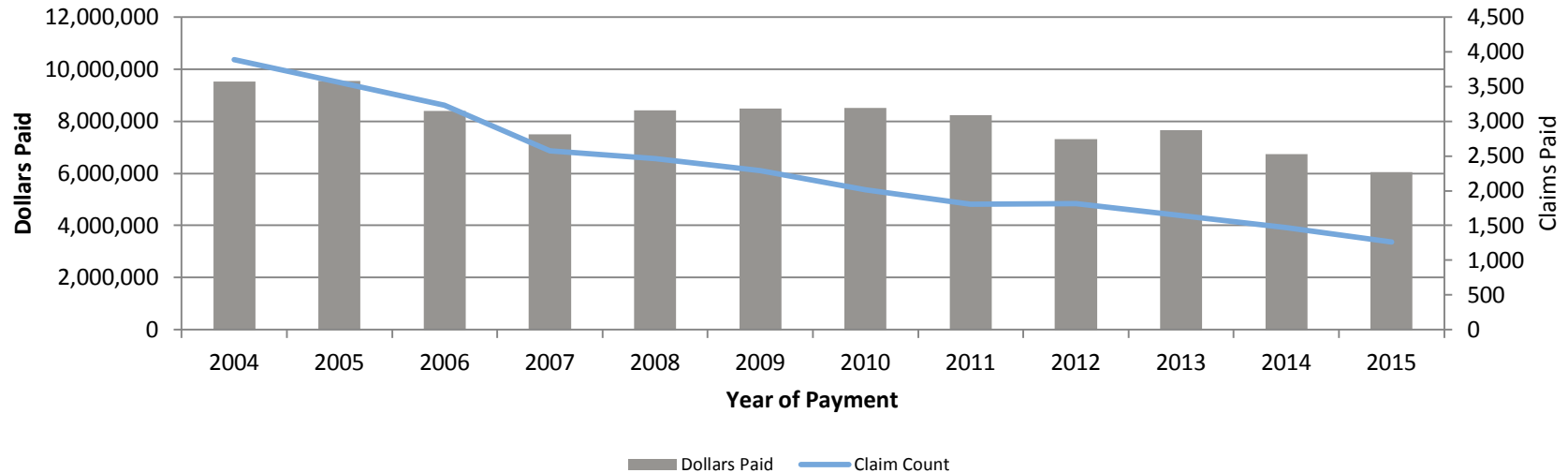
Bankrupt Claims

- WL payments have decreased 70% since 2004



Bankrupt Claims

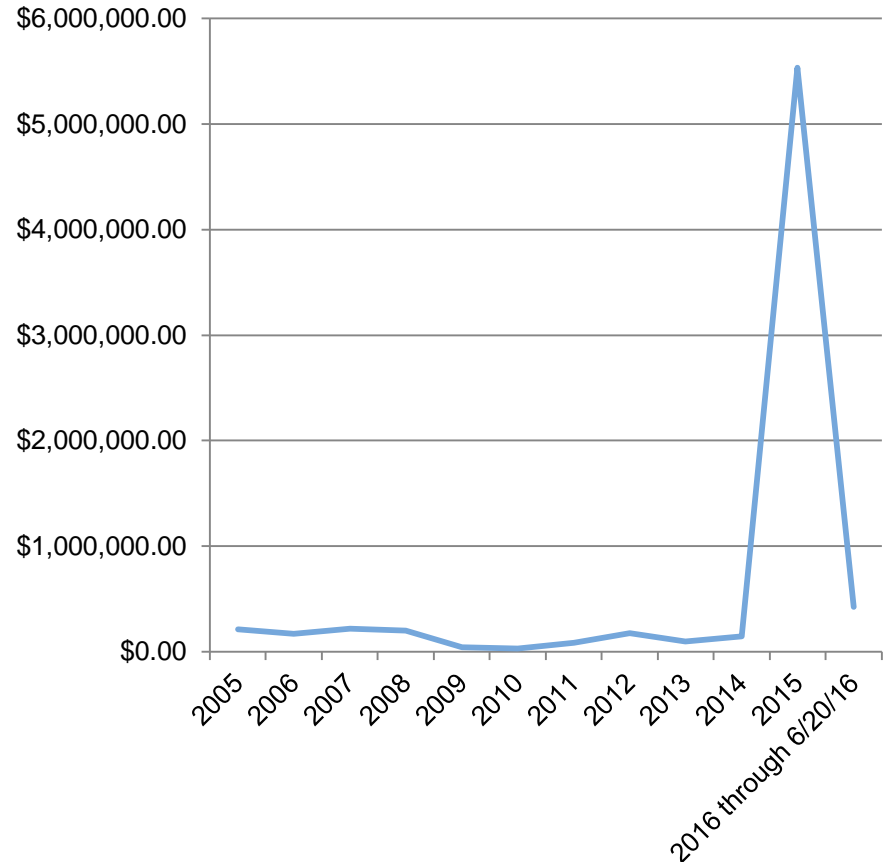
Medical payments have decreased approximately 35% since 2004



Excess Insurance

- Excess policy information obtained with renewal applications
- Claims currently beyond retention identified with renewal applications
- SI Department has developed relationships with multiple carriers, with ongoing communication.
- Ongoing invoices sent to carriers for recovery of BWC paid costs.
- Detailed excess policy information gathered when bankruptcy is filed
- Contact made with carriers immediately upon notice of default.
- Procedures to initiate recovery at notice of default are in place.

Year	Excess Payments received
2005	\$213,409.34
2006	\$171,816.48
2007	\$221,009.46
2008	\$202,398.59
2009	\$41,451.05
2010	\$27,260.20
2011	\$82,519.78
2012	\$177,616.45
2013	\$96,900.14
2014	\$142,856.93
2015	\$5,536,277.90
2016 through 6/20/16	\$422,891.00
Total	\$7,336,407.32



Securitization

- For high risk SI employers we have 150% security-letters of credit.
- For those in the lowest category, we have 100% of actuarial study reserves.
- For recent defaults with recent cancellations security has been over 100% of reserves

Treatment Requests

- C9's requested treatment should not be modified
- Can not direct to specific vendor
- When requesting new information or obtaining an IME, act on C9 as soon as the information is requested

Miscellaneous

- SI Medical only claims
- C256 forms for PPD applications. Please send them in, use ICD 10
- Notify BWC if you settle PTD claim
- Power Suite Rollout- Impact of transition Mid November

Contacting BWC

When contacting the BWC self-insured department, please include self-insured policy number

614-466-6737 or 1-800-OHIOBWC, select SI

30 W. Spring St., Level 22

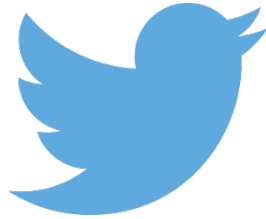
Columbus, OH 43215

Email: SIINQ@bwc.state.oh.us

Questions?

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efforts to detect and deter workers' compensation fraud**



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