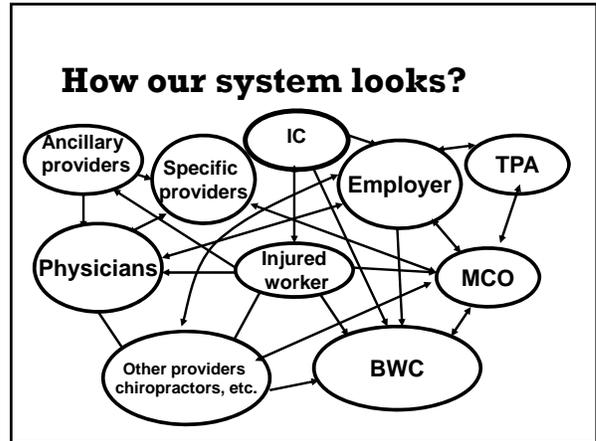


OSC 10
Ohio Safety Congress & Expo

Who's on first? Learning the players in the workers' compensation arena
562

Timothy McDermott
Thursday, April 1, 2010, 9:15 to 10:15 a.m.



History of managed care

Health Partnership Program (HPP)

- o House Bill 107, October 1993
- o Effective March 1, 1997
- o Created as a partnership with providers, employers and labor
- o BWC and managed care organizations (MCOs) working together

Players in BWC's system

- o BWC
- o MCOs
- o Third-party administrators (TPAs)
- o Injured workers
- o Employers

Players in BWC's system

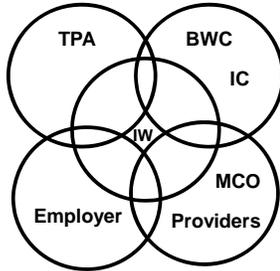
- o Physician of record (POR)
- o Industrial Commission of Ohio (IC)
- o Attorneys/representatives

Parties to the claim

Legal parties to the claim

- o Injured worker
- o Employer
- o Injured worker or employer representatives
- o BWC/IC

How it should look!



Claim timeline

- Claim is reported to BWC within 24 to 48 hours.
- Claims service specialist (CSS) makes three-to five-point contact within 24 to 48 hours.
- To make an initial claim determination, CSS reviews claim information.
- If BWC receives needed information, claim is determined within seven to 14 days.
- If information is not received, claim will be determined within 21 to 28 days.
- Claim determination must be made by the 28th day.

What is BWC?

- Created by Ohio Constitution on Jan. 1, 1913
- Largest single-line insurance company and second largest workers' compensation writer in the United States
- Supported by premiums, not taxes
- Exclusive state fund governed by a board of directors appointed by governor and regulated by the state legislature

What is BWC?

- Other exclusive states are:
 - North Dakota;
 - Nevada;
 - Washington;
 - Wyoming.
- All of Canada is an exclusive workers' compensation country.

About BWC

- BWC covers approximately 275,000 employers.
- In FY '08, premiums and assessments were \$2.1 billion — 5 percent less compared to previous year.
- In FY '08, BWC paid out nearly \$2.2 billion in benefits.

About BWC

- In FY '08, BWC processed 171,000 claims with 154,677 claims allowed.
 - 133,221 medical only (average \$1,007)
 - 19,487 lost time (average \$23,761)
 - The balance are occupational disease or death claims

BWC's role

Administrative branch

- Administers the Ohio State Insurance Fund
- Establishes employer policies, premium rates
- Collects premiums
- Provides discount programs

BWC's role

- Provides cost-control strategy consultation
- Makes initial claim determinations
- Helps manage workers' compensation claims

BWC's role

Overall case management

- Determines compensability
- Determines allowance of medical conditions
- Pays compensation
- Completes final level of dispute-resolution process
- Manages provider enrollment, certification and MCO contract

MCO's role

Private or public corporation oversees:

- Medically managing injuries;
- Authorizing injured workers' medical treatment;
- Initiating payment of medical bills;
- Reviewing and verifying treatment;
- Assisting employers to develop a formal return-to-work program.

How is a MCO assigned?

- Upon opening a BWC policy/account – specific or random
- During BWC/MCO open enrollment – this year in May
- MCO services are paid by BWC.
- Employers are not billed for their services.

Contact your MCO

- Immediately to report a work-related injury (within 24 hours)
- All injuries should be reported (alleged or confirmed) particularly if the injured worker requires external medical care
- If injured worker returns to work or leaves your employment
- Regarding treatment issues, payment of medical bills

MCO measurements

- **Absence duration:** Total days from last day worked until released to return to work
- **Release to return to work:** Rate that injured worker successfully returns to work
- **Relapse rate:** Number of times injured worker leaves work on disability within 90-day period
- **Average cost per claim:** Average costs for claims treated by a specific provider

TPA's role

An employer advocate that provides:

- Assistance with cost-control strategies and managing workers' compensation premiums;
- Representation at IC hearings;
- Workplace safety consultation services;
- Administration of group-rating programs.

TPA's

- Also known as service companies
- Paid by employer based on contracted services/group-rating relationship

Contact your TPA

- If an injury will result in lost time
- Immediately if a catastrophic injury (death, amputation, or one requiring long-term treatment) occurs
- If circumstances in a claim change
- If claimant is no longer an employee (potential for settlement)
- If claimant returns to work anywhere

Injured worker's role

- Maintain regular work attendance.
- Follow employer policies and procedures.
- Inform employer of incident immediately.
- Seek medical treatment.

Injured worker's role

- Tell the physician it is a workers' compensation claim.
- Inform physician of the MCO.
- Notify BWC, employer, MCO and physician of any changes in condition so necessary modifications and accommodations are made.

Employer's role

- Don't wait until an accident happens, then worry about what to do. Prepare now.
- Investigate every incident.
- Partner with resources.
- Develop early return-to-work (RTW) options.

Employer's role

- Communicate with your injured employee.
- Take charge and be responsible for safety, injury management and the RTW.
- Do not delegate this duty to BWC, the MCO or your TPA.

Physician's role

- Proper assessment of injury
- Appropriate and effective treatment
- Safety issues
- System factors
 - Allowance/authorization
 - Financial incentives/disincentives
- Workplace and psychosocial factors

Physician's role in RTW

- Approves transitional work, indicates if worker can expect to return to his/her job within timeframes
- Identifies work restrictions
- Sets timeframes/expectations for recovery
- Promotes benefits of early RTW
- Conveys optimism, hope and reassurance to the injured worker

IC's role

- The IC is the adjudicatory branch independent from BWC, the agency that pays workers' compensation benefits.
- It is led by a three-person board of commissioners appointed by the governor with the advice and consent of the Ohio Senate.

IC's role

When a BWC claim is disputed, the IC is responsible for:

- Providing a forum for fair and impartial claims resolution;
- Conducting hearings on disputed claims;
- Adjudicating claims involving a violation of specific safety requirements (VSSR);
- Determining eligibility for permanent total disability benefits.

IC-appeal process

1. **District level** — If a workers' compensation claim is contested, it is set for a hearing before a district hearing officer (DHO).
2. **Staff level** — Appeals against the DHO's decision can result in a second hearing before a staff hearing officer (SHO).
3. **Commission level** — If an injured worker or employer is then dissatisfied with the decision of an SHO, they may file an appeal to the Commission level.
4. **Either party** may file a challenge to the IC decision in the appropriate state court. .

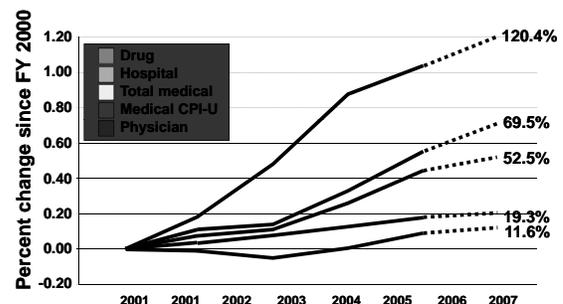
IC-hearing process

- In 2009 the IC conducted more than 235,000 hearings.
- Most were within 45 to 75 days of the original claim appeal.
- The typical hearing lasts only 15 minutes.
- Make the most of the time allowed.

IC-hearing process pointers

- Submit as much evidence as possible and as needed.
- Submit evidence as early as possible to eliminate continuances.
- Most continuances are due to lack of medical records.
- Keep copies of all your records. The IC is shifting to a paperless system, so the on us is on you to be prepared. .

Medical benefits growth



Impact of reserves

For private employers

- BWC now using micro insurance reserving analysis II (MIRA II) reserves.
- Used for rating year beginning July 1, 2010.
- Snapshot taken Dec. 31, 2009.

For public employers

- The same applies for rates effective Jan. 1, 2010.
- Snapshot taken Sept. 30, 2009.

Experience rating

A mandatory rating plan for medium-to large Employers as determined by the employer's loss history, the employer pays a higher or lower percentage of the base rate

— Experience Modification (EM) +

.50	1.00	1.50
Credit	Average	Penalty

Resources available to you

- **BWC resources**
 - Risk and safety
 - Claims and rehabilitation
 - Auditing and fraud
- **TPA resources**
- **Managed care resources**
- **Group sponsor resources**

Questions?

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