

I. Administrator's Flexible Performance Agreement (with Governor Strickland)

1. **Make Ohio's Workers' Compensation System more competitive regionally and nationally by identifying and applying actuarial principles to all aspects of BWC rates and premium assessments and reducing base rates overall, while also maintaining the highest level of quality care for injured workers.**
 - Complete Group Rating design for 2010 (announce plan to stakeholder groups by Fall '09); continue rate reform efforts (split plan, etc.)
 - Communicate BWC's message of restoring operational excellence: "Stable Costs, Better Services, Accurate Rates, Safe Workplaces"

2. **Ohio's employers will have access to a robust and informative reserving system, enabling them to better understand the costs associated with workers' compensation claims.**
 - Completed. (Maintenance mode: Continue evaluation of MIRA II, and preparation of system for Split Plan implementation.)

3. **BWC's administrative expenses will be benchmarked with private insurers and other state funds to determine best practices to ensure lowest assessments consistent with quality service.**
 - Informed by Deloitte findings re: competitive costs, continue to delve into comparison w/ other workers' comp carriers
 - Continue agency-wide process mapping (90% complete at eoFY09)
 - Identify and pursue additional opportunities to centralize non-core services across the Enterprise (State of Ohio)
 - On-board tenants at WGB
 - Implement amendments in HB15 (potential cost increases)

4. **By 2010, BWC will have created the system capacity to effectively evaluate the quality and costs of the managed care system for injured workers.**
 - In partnership with OSU College of Public Health, expand our medical resources and research capabilities
 - Implement and staff new Board Committee to focus on medical issues

II. Leadership:

- Accomplish BWC FY10 Portfolio of Projects, Tier 1 (Agency-wide goals)
- Align goals throughout all levels of agency
- Continue agency-wide efficiency initiatives

III. Planning:

- Continue development and utilization of Enterprise Reporting Package and associated metrics
- Improve structure/organization of Board meetings; implement changes identified in 2009 BOD Self-Assessment
- Implement specified Deloitte Study recommendations, pursuant to plan presented to Board of Directors
- Emphasize Safety & Hygiene as integral part of BWC

IV. Interaction with External Parties

- Continue emphasis on visits, interactions, and informal speaking engagements with trade associations, business groups and labor organizations
- Messages: good governance, transparency, actuarially sound and performance-based rates, planned and timely-announced implementation of agency initiatives

V. Integrity and Ethics

- Continue emphasis on ethics training and adherence for all staff
- Promote documentation and controls rigor to encourage sound decision-making
- Emphasize transparency with internal and external stakeholders

VI. Board of Directors

- Enhance strategic discussions; focus on evaluation of Deloitte Study recommendations

VII. Key Principles for Restoring Operational Excellence:

- BWC will be a stable, performance-focused agency which recognizes and serves its various constituencies while contributing to economic vitality in Ohio;
- BWC will have an internal culture that promotes accountability and innovation, and motivates staff to strive for improvement in quality and efficiencies in all aspects of work; and
- BWC will be a partner with other Ohio state agencies to achieve efficiencies in support services for the entire enterprise (State of Ohio).