

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the department's activities during the next biennium. This section analyzes all law changes known to LSC at the time of printing. It is possible that more permanent law changes will be added to the budget bill. If more changes are added, an addendum to this section analyzing those changes will be prepared.

Permanent Law Provisions

Modification of Penalty for Employer Failure to Report Proper Premium (ORC 4123.25)

Currently, an employer that misrepresents to BWC the amount of payroll upon which the workers' compensation premium is to be paid is liable to the state ten times the difference of the premium paid and the premium that should have been paid. The change would require that the employer *knowingly* misrepresent the amount or classification of payroll. The administrator of BWC with the advice and consent of the BWC Oversight Commission shall make rules for the assessment of a fine or penalty against employers for violations of this division *up to* ten times the difference of the premium paid and the premium that should have been paid.

Current law reads that a self-insuring employer that misrepresents the amount of their paid compensation shall be liable to the state in an amount determined by the self-insuring employers evaluation board or ten times the difference between the assessment paid and the amount of the assessment that should have been paid. This change would give the BWC administrator the authority to determine the amount of the employer's liability to the state *up to* ten times the difference between the assessment paid and the assessment that should have been paid.

Due to the inflexibility of the current statute in so far as it requires the penalty to be ten times the difference between the compensation premiums that should have been paid and those actually paid, BWC limits its use. This change will allow BWC some flexibility in the penalty and will therefore most likely be implemented more often.

Permits BWC to Establish Rules to Pay Certain Medical Conditions Without Prejudice (ORC 4123.511)

Current law requires BWC to investigate the facts concerning an injury or occupational disease surrounding any claims. This change would allow the BWC Administrator to establish rules so that certain medical conditions can be determined and paid promptly without medical evidence. If the allowance were to be contested by the employer and disallowed, the medical bills would be charged to and paid from the surplus fund. BWC has identified approximately 175 conditions that may qualify for this change.

Such a change would lead to quicker payments to certain injured workers and less time spent by staff investigating these cases. An unknown number of such cases would be disallowed and therefore slightly impact the surplus fund.

Time Limit for Employer Protests of BWC Decisions to the Adjudicating Committee (ORC 4123.291)

Under current law, there is no time limit for employers wishing to file a request, protest or petition to the adjudicating committee. This change would place a 180-day time limit on employers wishing to file any of the above with the adjudicating committee. The 180-day period would commence from the time the BWC made a determination on any of the six matters specified in ORC Section 4123.291 (B) (1) to (6).

Eliminate the Camera Center Fund Following the Closure of the Facility (ORC 4121.62)

BWC plans to close the BWC Rehabilitation Center before the end of FY 2001. This change will eliminate the fund used to support the Rehab Center.

Eliminate the Occupational Safety Loan Fund (ORC 4121.47, 4121.48, 4121.37)

Under current law, BWC operates an occupational safety loan program. Money received from penalties collected for violations within twenty-four months of an employer's last violation are deposited into the occupational safety loan fund. These fines can be up to \$50,000. Current law also grants authority to the administrator of BWC, with the advice and consent of the oversight commission, to transfer funds from the safety and hygiene fund to the occupational safety loan fund. This change will eliminate the occupational safety loan program and the occupational safety loan fund. Presently, there is \$1.3 million in the fund. It also eliminates the \$50,000 fining authority of a hearing officer for employer violations occurring within twenty-four months of the employer's last violation.

Temporary Law Provisions

Safety and Hygiene

This temporary law provision requires the Administrator to transfer moneys from the State Insurance Fund to insure that Fund 826 855-609 Safety and Hygiene Operating is provided \$18,888,294 in FY 2002 and \$20,130,820 in FY 2003. Safety and Hygiene funds available could fall below this level should premium receipts not match expectations.

Occupational Safety Loan Fund

The administrator of BWC is directed, by no later than January 1, 2002, to transfer the cash balance remaining in the occupational safety loan fund to the safety and hygiene fund. Presently, there is \$1.3 million in the occupational safety loan fund.

Workers' Compensation Fraud Unit Earmark

BWC makes quarterly payments to the Attorney General to offset costs related to the operation of that agency's Workers' Compensation Section, Fund 195, as well as the Workers' Compensation Fraud Unit. This provision stipulates that in FY 2002, BWC will transfer \$751,694 to the Attorney General's Workers' Compensation Fraud Unit from Fund 023 855-410 Attorney General Payments. For FY 2003, the amount is \$773,151.

William Green Lease Payments

This temporary law prescribes the manner in which appropriations in Fund 023 855-401 William Green Lease Payments to OBA are to be expended. Over the biennium, up to \$35,745,400 is available for this purpose.

Camera Center

Appropriation line item 855-611, J.L. Camera Center Rent is not funded. It was used to pay rent for the J. Leonard Camera Rehabilitation Center in Columbus. In the past, appropriation line item 855-612, J.L. Camera Center Operating was used for all other expenses for the Rehabilitation Center. Now, it will be used for expenses related to the closing of the Center. Furthermore, the Director of Budget and Management is to transfer, on January 1, 2002, or as soon thereafter as possible, the cash balance in the Camera Center Fund (Fund 4Y6) to the Administrative Fund (Fund 023). Any encumbrances against appropriation items 865-611 and 855-612, relating to the Camera Center shall be cancelled and reestablished against appropriation line item 855-409, Administrative Services Fund.

Vocational Rehabilitation

BWC enters into an interagency agreement with the Rehabilitation Services Commission for the provision of vocational rehabilitation services and staff for mutually eligible clients. For this purpose, BWC shall provide from the State Insurance Fund \$554,033 in FY 2002 and \$570,654 in FY 2003.