

COMPARISON DOCUMENT

House Bills 33 and 34
130th General Assembly

Budget Bills for the
Ohio Industrial Commission
and
Bureau of Workers' Compensation

(FY 2014 – FY 2015)

As Introduced

Legislative Service Commission
February 8, 2013

Executive**OICCD1 Rent - William Green Building****Section: 1**

Requires that appropriation item 845402, Rent - William Green Building, be used to pay for rent and operating expenses for the space occupied by the Industrial Commission in the William Green Building.

Executive**BWCCD5 Workers' Compensation Investment Committee Duties****R.C. 4121.129**

Requires the Workers' Compensation Investment Committee to review the performance of the BWC Chief Investment Officer and any investment consultants retained by the BWC Administrator to assure compliance with the approved investment policy and effective management of workers' compensation funds, rather than to determine whether the best possible return on investments is achieved as required under current law.

BWCCD10 Health Partnership Provider Panels**R.C. 4121.44, 4123.93**

Requires any provider panel used by a vendor to provide reasonable access to providers, deliver cost-effective treatment, and achieve quality benchmarks as established by the administrator.

Allows the Administrator of Workers' Compensation to limit a claimant's freedom of choice of health care provider beginning the 46th day after the date of injury or the 46th day after the beginning date for treatment for an occupational disease by requiring claimants that choose a provider not within an MCO provider panel to pay an appropriate out-of-plan copayment.

Requires, similar to current law, the Administrator to allow claimants to use providers not within the provider panel of an MCO in areas outside of the state or within the state where no qualified or an inadequate number of providers within a provider panel of an MCO exist.

Allows an employee who satisfies criteria adopted by the Administrator to continue to receive treatment from a non-panel provider.

Fiscal effect: Potentially reduces payments made from the State Insurance Fund (SIF) by requiring claimants who choose providers not within the provider panel of an MCO to make copayments after 45 days of injury or 45 days after beginning of treatment for an occupational disease.

Executive**BWCCD17 Health Partnership Program Contracts****R.C. 4121.44, 4121.441**

Allows the Administrator to enter into contracts with any managed care organization (MCO) certified to provide medical management and cost containment services in the Health Partnership Program (HPP). Allows the Administrator to include in the contract incentives and penalties that may be imposed within the discretion of the Administrator based upon the MCO's compliance and performance.

Allows BWC to enter into contracts with any health care provider or supplier certified to participate in the HPP. Allows the contract to include incentives and penalties that may be imposed within the discretion of the Administrator based on the health care provider's or supplier's compliance and performance, rather than including the penalties in rules as under current law.

Fiscal effect: Potentially affects payments made from the State Insurance Fund (SIF) depending on any penalties imposed or incentives awarded to health care providers or MCOs.

BWCCD6 Taxing District Employer Participation in the One Claim Program**R.C. 4123.29**

Permits a state fund taxing district employer to participate in the BWC One Claim Program, under which an employer may mitigate the impact of a significant claim that would be a contributing factor in the taxing district employer being excluded from a group rated plan.

Fiscal effect: Only private, state fund employers that are group rated may currently participate in the One Claim Program. Allowing taxing district employers to participate could allow them to maintain the discounted premium of the group rated plan after having a significant claim which would otherwise disqualify them from participating in the group rating plan.

Executive

BWCCD15 Elimination of \$15,000 Medical-Only Program**R.C. 4123.29, Section 741.10**

Eliminates BWC's \$15,000 Medical-Only program, under which a state fund employer or the employer's agent pays to a claimant or on behalf of the claimant the first \$15,000 of a compensable workers' compensation medical-only claim, but applies this provision only to claims filed after the effective date of this section.

Fiscal effect: Potentially increases payments made from the State Insurance Fund (SIF) and potentially affects premiums deposited into the SIF. Under the \$15,000 Medical-Only Plan participating employers, rather than the SIF, fully pay the first \$15,000 of medical services for a medical only compensable injury. Additionally, medical-only claims less than \$15,000 do not come under the employers experience. Presumably, this allows the participating employer to maintain lower rates.

BWCCD9 Self-Insured Public Employer Actuarial Reports**R.C. 4123.353**

Eliminates the current law requirement that most self-insuring public employers must have prepared an actuarial report certifying whether the reserved funds required under continuing law are sufficient to cover the costs the public employer may potentially incur to remain in compliance with Ohio's Workers' Compensation Law, are computed in accordance with accepted loss reserving standards, and are fairly stated in accordance with sound loss reserving principles

Fiscal effect: Eliminates the costs self-insured public employers incur for preparing annual actuarial reports.

BWCCD16 Notice of Assessment and Objection Procedure**R.C. 4123.37**

Expands current law regarding a notice of assessment of a workers' compensation premium to include any assessment made under the Workers' Compensation Law except assessments for the payment of compensation or benefits in a claim involving a noncompliant employer. Requires the Administrator of Workers' Compensation to include a demand for payment in the notice.

Executive

Eliminates requirements that a hearing notice provided by the Administrator to an employer objecting to an assessment be sent by certified mail and that the findings from the hearings be sent to an assessed party via certified mail.

Reduces the amount of the bond that must be posted from double the amount found due to the amount found due in order for an employer to appeal an assessment to the court of common pleas.

Fiscal effect: Potential minimal reduction in mailing costs paid from Fund 7023 appropriation item 855409, Administrative Services.

BWCCD7 Disabled Worker Relief Fund Assessments**R.C. 4123.411**

Eliminates the requirement that BWC assess employers at least 5 cents per \$100 of payroll to fund the Disabled Worker Relief Fund for claims that occurred before January 1, 1987.

Fiscal effect: Potentially reduces revenue to the Disabled Worker Relief Fund (Fund 8250) from employers assessed at the rate applicable to cover claims before January 1, 1987, referred to as DWRF I claims. However, the payouts on these claims have been declining as the number of claimants dwindles. Assessments for claims after January 1, 1987 (DWRF II) are unaffected.

BWCCD13 Annual Actuarial Analysis**R.C. 4123.47**

Requires the Administrator of Workers' Compensation to have an actuarial analysis, rather than actuarial audits, of the State Insurance and other funds specified in the Workers' Compensation Law made at least once per year; requires the analysis to be performed by recognized, credentialed property and casualty actuaries, rather than recognized insurance actuaries; and eliminates the requirement that the audit specifically cover the premium rates, classifications, and all other matters involving the administration of these funds.

Fiscal effect: None. This change appears to clarify existing practice. Continuing law requires that these costs be paid from the SIF.

Executive**BWCCD4 Dismissal of Claims Without Prejudice for Claims Requiring Additional Information****R.C. 4123.511**

Allows the Administrator to dismiss a claim for compensation and benefits without prejudice, rather than deny it, if there is insufficient information to render a decision to allow or deny the claim.

Prevents the tolling of the statute of limitations for filing a claim, for a claim that is filed and subsequently dismissed for insufficient information.

Fiscal effect: Potentially results in fewer appeals to the Ohio Industrial Commission (OIC) and some subsequent reduction in costs to the Commission for hearing appeals related to denied claims. OIC operating expenses are paid from the Industrial Commission Operating Fund (Fund 5W30). The provision could also result in increasing the number of claims ultimately allowed by permitting a claimant to refile a claim with more complete information. Compensation and benefits for allowed claims are paid from the State Insurance Fund.

BWCCD8 Early Payment for First Fill of Prescriptions**R.C. 4123.511, 4123.66**

Allows the Administrator to adopt rules, with the advice and consent of the BWC Board of Directors, to specify the circumstances under which BWC may make immediate payment for the first fill of prescription drugs that occurs before an initial determination order concerning the compensability of the claim is issued, rather than making that payment during the later timeframes prescribed in continuing law.

Requires payment for the first fill of prescription drugs to be made from the Surplus Fund Account if the claim is ultimately disallowed and if the employer is a state fund employer that pays assessments into the Surplus fund Account.

Fiscal effect: Potentially increases payments made from the Surplus Fund Account, a sub account of the State Insurance Fund that is used to pay compensation and benefits that cannot be attributed to a state fund employer.

Executive

BWCCD3 **Notice of a Workers' Compensation Claim Appeal****R.C.** **4123.512, Section 741.20**

Requires that the notice of appeal of an Industrial Commission decision that is filed with a court of common pleas on or after the bill's effective date include the name of the Administrator of Workers' Compensation.

Fiscal effect: None apparent.

BWCCD14 **Assessments for Violation of a Specific Safety Requirement****R.C.** **4123.512**

Requires the Administrator to reimburse a State Fund employer from the Surplus Fund Account for assessments paid by the employer for a violation of a specific safety requirement when it is ultimately determined that the employer did not violate the specific safety requirement.

Fiscal effect: Potentially increases payments made from the Surplus Fund Account, expenses that will not thus be charged against an employer's experience.

BWCCD11 **Presumptive Authorization for Specified Medical Services****R.C.** **4123.66, 4123.511; Section 741.10**

Allows the Administrator of Workers' Compensation to identify specified medical services to be presumptively authorized and payable to a provider who complies with rules the Administrator adopts and who provides the services to a claimant within 45 days after the date the claimant's claim or additional condition is allowed by the Administrator. Requires that payment for presumptively authorized services under claims that are ultimately disallowed be made from the Surplus Fund Account of the State Insurance Fund.

Fiscal effect: The provision might allow for medical services given by a provider to be paid more quickly than under the timeframes permitted under current law. Potentially increases payments made from the Surplus Fund Account within the State Insurance Fund.

Executive**BWCCD12 Increased Indemnity Limit for Self-Insuring Employers****R.C. 4123.82**

Increases, from \$50,000 to \$300,000, the amount in excess of which a self-insuring employer may seek insurance against liability for workers' compensation benefits arising from a single disaster or event.

Fiscal effect: None on the State Insurance Fund, as the provision affects only self-insuring employers.

BWCCD25 BWC Administrator's Access to Drug Database Information Maintained by the State Board of Pharmacy**R.C. 4729.80**

Requires (rather than permits as under current law) the Board of Pharmacy to provide BWC with information concerning a workers' compensation claimant from the Ohio Automated Rx Reporting System (OARRS) upon request of the Administrator.

Fiscal effect: None.

BWCCD18 William Green Building Lease Payments**Section: 201**

Requires that appropriation item 855401, William Green Lease Payments, be used to make lease payments to the Treasurer of State over the FY 2014-FY 2015 biennium for leases on the William Green Building in Columbus. Appropriates additional amounts if they are needed to make these payments.

Fiscal effect: The last scheduled lease rental payments for the building, totaling \$16.03 million, will occur in FY 2014. Thereafter, the building will become an asset of the Workers' Compensation Fund (Fund 7023).

Executive**BWCCD19 Workers' Compensation Fraud Unit****Section: 201**

Earmarks \$828,200 in each fiscal year of appropriation item 855410, Attorney General Payments, to fund the expenses of the Workers' Compensation Fraud Unit within the Attorney General's Office. Requires the payments to be processed at the beginning of each quarter of each fiscal year and deposited into the Workers' Compensation Section Fund (Fund 1950) used by the Attorney General.

BWCCD20 Safety and Hygiene**Section: 201**

Requires the Treasurer of State to transfer \$20,382,567 in cash in FY 2014 and \$20,161,132 in cash in FY 2015 from the State Insurance Fund to the Safety and Hygiene Fund (Fund 8260).

BWCCD21 OSHA On-Site Consultation Program**Section: 201**

Allows a portion of appropriation item 55609, Safety and Hygiene Operating, to be used to match federal funding for the federal Occupational Safety and Health Administration's on-site consultation program.

BWCCD22 Vocational Rehabilitation**Section: 201**

Requires BWC and the Rehabilitation Services Commission to enter into an interagency agreement for the provision of vocational rehabilitation services and staff to mutually eligible clients, and requires BWC to provide \$605,407 in each fiscal year from the State Insurance Fund as part of the interagency agreement.

Executive**BWCCD23 Fund Balance****Section: 201**

Requires that any unencumbered cash balance in excess of \$45,000,000 in the Workers' Compensation Fund (Fund 7023) on the 30th day of June of each fiscal year be used to reduce the administrative cost rate charged to employers to cover appropriations for BWC operations.

BWCCD24 Deputy Inspector General for BWC and OIC Funding**Section: 211**

Requires that the Director of Budget and Management transfer \$212,500 in cash from the Workers' Compensation Fund (Fund 7023) to the Deputy Inspector General for the Bureau of Workers' Compensation and Industrial Commission Fund (Fund 5FT0) on July 1 and January 1 of each fiscal year, or as soon as possible after each of these dates, to pay for the costs of the Deputy Inspector General for the Bureau of Workers' Compensation and Industrial Commission over the FY 2014-FY 2015 biennium.
