

Ohio Industrial Commission

- Total Request identical to OBM-directed Core Budget Levels
- Average claim heard in approximately 45 days
- OIC considering a new image processing system

OVERVIEW

The Ohio Industrial Commission (OIC) hears worker and employer appeals of workers' compensation claims decisions made by the Bureau of Workers' Compensation (BWC). Disputed claims typically involve conflicts over medical decisions or lost time benefits. OIC operations as well as those of BWC are funded through an Administrative Cost Fund (ACF) assessment that is added to employers' workers compensation premiums. Neither OIC nor BWC receives general revenue funds.

The Commission's hearing process comprises three levels of adjudication. Claimants or employers first make appeals before district hearing officers. Second-level appeals are conducted by staff hearing officers. District and staff level hearings take place at OIC offices located throughout the state, and must occur within 52 days after a claimant or employer files an appeal with the Commission. The three-member panel of commissioners in Columbus hears unresolved cases that members believe warrant further consideration.

Between years 1996 and 2000, hearings conducted at all levels declined from 231,733 to 184,000, a twenty percent decline. Since 1996, total staffing levels at the Commission have fallen from 643 in 1996 to 571 presently. This decline was realized in part because of attrition, and also because the OIC was no longer required to retain staff at all BWC service centers.

The executive funding recommendation for the 2002-2003 biennium is \$56,980,710 in FY 2002 and \$59,999,383 in FY 2003.

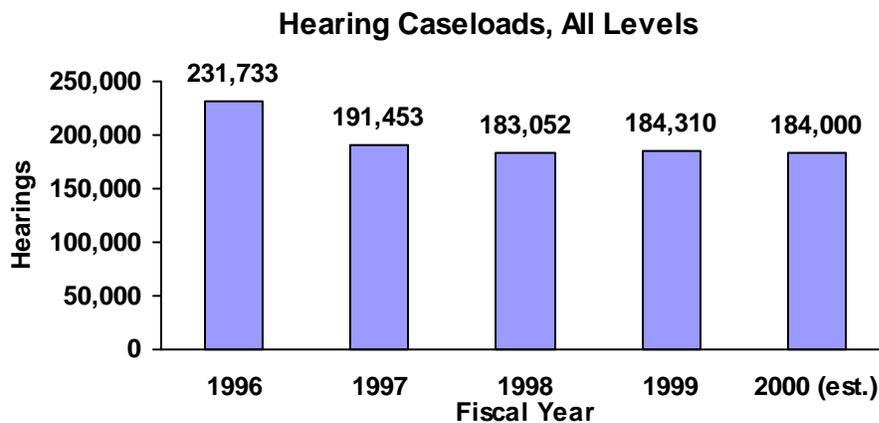
ADDITIONAL FACTS AND FIGURES

Industrial Commission Staffing Levels, Calendar Years 1998 to 2003

Program Series/Division	1998	1999	2000	2001	2002*	2003*
Industrial Commission	591	587	571	587	500-570	500-570
Totals	591	587	571	571	500-570	500-570

Source: OIC. *Estimated figures

Hearing Caseloads, 1996 to 2000



- According to Industrial Commission data, the total number of hearings held between 1996 and 2000 has dropped from 231,733 to an estimated 184,000, a 20.6 percent decrease in workload. This accounts for hearings at the: 1) District Hearing Officer (DHO); 2) Staff Hearing Officer (SHO); and 3) Commission levels.
- OIC has a mandate to hear claims and issue an order at the District level within 52 days. If this decision is appealed, OIC has another 52 days to conduct the second level hearing and issue an order. In the last four quarters (4th quarter of 1999 through 3rd quarter of 2000), OIC compiled a 94% compliance rate at the District Hearing Officer level and a 92% compliance rate at the Staff Hearing Officer level.
- Monthly case backlogs declined from a range of 38,000 to 53,000 in FY 1995, to a range of 28,000 to 29,100 in FY 1998. Currently, OIC has no backlog of claims.

Imaging Process Model

The Ohio Industrial Commission is considering an imaging process system modeled after an imaging process system implemented by the New York State Workers' Compensation Board (NYS Board). This program will take several years to implement. The system would be paperless and allow for greater flexibility among OIC hearing officers. The system would replace paper-filled files and be immediately accessible to hearing officers throughout the state without the requirement of transporting paper files to the proper destination. OIC will work in conjunction with the Bureau of Workers' Compensation to ensure that the system will be compatible with BWC technology.

ANALYSIS OF EXECUTIVE PROPOSAL

OHIO INDUSTRIAL COMMISSION

Program Series 1

Purpose The Ohio Industrial Commission strives to adjudicate disputed workers' compensation claims in an expedient, fair, and impartial manner. Hearings take place in the agency's sixteen offices statewide, as well its headquarters in Columbus.

The following table shows the line items that are used to fund this agency, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
023	845-321	Operating Expenses	\$48,397,439	\$51,055,568
023	845-402	Rent-William Green Building	\$5,165,116	\$5,331,698
023	845-410	Attorney General Payments	\$3,264,855	\$3,454,984
821	845-605	Service Account	\$153,300	\$157,133
Total funding: OHIO INDUSTRIAL COMMISSION			\$56,980,710	\$59,999,383

INDUSTRIAL COMMISSION *Program Description:* All funding for the agency is directed toward adjudicating workers' compensation claims disputes and administering the hearing process at all three levels of the Commission.

Funding Source: Line items within the 023 fund group are supported by Administrative Cost Fund (ACF) assessments that the Bureau of Workers' Compensation charges state-insured employers. ACF assessment revenue is shared proportionately between BWC and the OIC. Fund 821 is supported by conference income, as well as income received from coin copiers and the sale of publications.

Line Items: Fund 023 845-321 Operating Expenses; 023 845-402 Rent-William Green Building; 023 845-410 Attorney General Payments; Fund 821 845-605 Service Account.

Implication of Recommendation: At the recommended funding level, OIC will have sufficient funding to continue its current level of service. Due to OIC's reduced need for personnel, a small adjustment in Core Budget Level (CBL) was made between the line item for rent at the William Green Building and Personal Services in the Operating Expenses line.

PERMANENT AND TEMPORARY LAW

The executive budget contains no proposed changes in permanent law or temporary law related to the operations of the Industrial Commission.

REQUESTS NOT FUNDED

All OIC requests were fully funded. The executive recommendation calls for FY 2002 appropriations of \$56,980,710, and FY 2003 appropriations of \$59,999,383.

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	Revised Estimated 2001	As Introduced 2002	House Sub Bill 2002	% Change Est. 2001 to House 2002	As Introduced 2003	House Sub Bill 2003	% Change House 2002 to House 2003
<i>OIC Ohio Industrial Commission</i>									
023	845-321	Operating Expenses	\$45,040,356	\$ 48,397,439	\$ 48,397,439	7.5%	\$ 51,055,568	\$ 51,055,568	5.5%
023	845-402	Rent-William Green Building	\$4,982,679	\$ 5,165,116	\$ 5,165,116	3.7%	\$ 5,331,698	\$ 5,331,698	3.2%
023	845-410	Attorney General Payments	\$3,020,270	\$ 3,264,855	\$ 3,264,855	8.1%	\$ 3,454,984	\$ 3,454,984	5.8%
821	845-605	Service Account	\$150,000	\$ 153,300	\$ 153,300	2.2%	\$ 157,133	\$ 157,133	2.5%
Workers' Compensation Fund Group Total			\$ 53,193,305	\$ 56,980,710	\$ 56,980,710	7.1%	\$ 59,999,383	\$ 59,999,383	5.3%
<i>Total All Budget Fund Groups</i>			\$ 53,193,305	\$ 56,980,710	\$ 56,980,710	7.1%	\$ 59,999,383	\$ 59,999,383	5.3%

Workers' Compensation Fund Group

023 845-321 Operating Expenses

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$36,543,093	\$38,750,234	\$40,216,494	\$45,040,356	\$48,397,439	\$51,055,568
	6.0%	3.8%	12.0%	7.5%	5.5%

Source: WCF: Administrative Cost Fund assessments paid by employers

Legal Basis: originally established by Am. Sub. H.B. 362, the OIC budget act for FY1998-FY1999

Purpose: This new line item funds personal services, maintenance, and equipment costs involved with Commission operations. The combined account replaces the previous 100 Personal Services, 200 Maintenance, and 300 Equipment accounts.

023 845-402 Rent-William Green Building

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$4,218,885	\$4,386,886	\$4,591,819	\$4,982,679	\$5,165,116	\$5,331,698
	4.0%	4.7%	8.5%	3.7%	3.2%

Source: WCF: Administrative Cost Fund assessments paid by employers

Legal Basis: ORC 4123.443

Purpose: This account is used to pay rental costs for the Commission's offices at the William Green Building.

023 845-410 Attorney General Payments

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,358,762	\$2,551,421	\$2,955,394	\$3,020,270	\$3,264,855	\$3,454,984
	8.2%	15.8%	2.2%	8.1%	5.8%

Source: WCF: Administrative Cost Fund assessments charged to employers

Legal Basis: ORC 4123.92

Purpose: This line item funds 50 percent of the costs related to legal costs of the Attorney General's Workers' Compensation unit. BWC pays the remaining portion. Both agencies make these payments to the Attorney General at the beginning of each quarter of the fiscal year. Previously the Commission had paid these costs from the 845-200 Maintenance account.

Ohio Industrial Commission - Catalog of Budget Line Items

821 845-605 Service Account

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$91,243	\$33,817	\$86,309	\$150,000	\$153,300	\$157,133
	-62.9%	155.2%	73.8%	2.2%	2.5%

Source: WCF: revenues from coin copiers, pay telephones, publications sold, and income from conferences

Legal Basis: ORC 4121.03 and 131.32

Purpose: This line item pays for expenses related to photocopiers, replacement of office equipment and furniture, and conferences sponsored by the Commission.

As Introduced*

In House Finance and Appropriations

Permanent Law Changes

Subject: Exempts Industrial Commission from list of agencies reviewed by Sunset Review

sections: 101.82, Temporary Law

No provision.

No provision.

As Introduced*

In House Finance and Appropriations

Temporary Law Changes

Subject: OIC Appropriations

Appropriates money to Ohio Industrial Commission. Specifies that appropriation item 845-402, Rent-William Green Building be used for rent and operating expenses in the William Green Building. Also specifies that appropriation item 845-605 be used for any expense related to Fund 821.

No change.