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Private employer base rates to fall to their lowest level in two decades

The BWC Board of Directors on April 30 approved an overall premium rate decrease of 3.9 percent for private employers effective July 1, 2010. The vote will place 2010 private employer rates 35-percent lower than they were in policy year 2007.

"This decision represents another milestone in setting fair, equitable and competitive workers' compensation rates for Ohio," said BWC Administrator Marsha Ryan. "With this latest reduction, private employer base rates are at their lowest level in the last two decades. The lower rates being paid by the majority of Ohio's private employers are providing savings they can now invest in their operations, supporting future job growth and economic development in Ohio."

Led by the Board of Directors, BWC is now midway through comprehensive reform efforts that began with a year-long, legislatively-mandated comprehensive study. The study serves as guide for BWC as it moves toward a fair and equitable system that supports the growth of business in Ohio. It does this by making certain the amount paid by each employer matches the risk they bring to the system.

BWC actuarial staff recommended the decrease in private employer rates, consistent with the recommendation of actuarial consultant, Deloitte Consulting LLP. The change meets a requirement that BWC establish rates at the lowest level possible to maintain a solvent State Insurance Fund. The average rate change will impact employers based on their manual classification. Some manual classifications will realize a rate reduction higher or lower than 3.9 percent.

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Watch for more news about rate reform and BWC's transition toward actuarially sound rates in upcoming editions of BWC E-News.

Group experience rates set for 2010 and 2011

BWC will maintain the maximum group discount for the next two program years. Effective July 1, 2010, the maximum discount for group-rated employers will be 51 percent. This is the result of the 65-percent credibility table and the break-even factors. This rate was approved by the BWC Board of Directors and announced last fall. BWC will keep the same 51-percent maximum discount for group employers in the policy year starting July 1, 2011.

Plans under way to implement split-experience rating in Ohio

To further BWC's efforts toward fair, equitable and stable rates, the agency will soon adopt the split-experience rating plan. Three-dozen states use this national standard rating plan. The split plan puts more emphasis on claim frequency instead of severity. BWC expects workers' compensation rates for Ohio employers will more accurately represent their true risk to the system as a result of implementing the split plan.

BWC will begin using split-plan methodology in 2011, but it will not impact employers' rates. This first year is a "beta" year where the system will run in the background, giving BWC a year to determine how rates will be impacted. Formal implementation will take place on July 1, 2012. This additional time will allow BWC to plan operational changes, develop education and training programs for employers, and to review and evaluate the impact to individual and group employers.

BWC Web site menu simplified for easier navigation

BWC has updated your options on the Ohio Employers section of ohiobwc.com. The Employer Services category has been divided into more user-friendly categories, so the online services you need are easier to find.

Here are some of the new menu categories you'll find under Ohio Employers.

- **Payroll/Premium** - Find any online service that assists you with reporting payroll or paying premium here, e.g., payroll reports, accounts receivable balance, FlexPay.
- **Policy Management** - This category covers everything from printing a copy of your coverage certificate to applying for elective coverage.
- **Programs** - Program descriptions, applications and online

services for employers participating in a particular program are available here.

BWC hopes these menu changes will make it easier for you to find and use the many online services it provides. Remember, you also can also use the Employer Section Map or call 1-800-OHIOBWC for more assistance.

MCO open enrollment continues until May 28

The open enrollment period to select a new Managed Care Organization (MCO) is under way and wraps up May 28. MCOs are the primary link between injured workers, medical providers, employers and BWC. Selection of an MCO is an important decision that directly impacts the health and safety of your employees and your bottom line.

To explain your options and help you make the best choice for your employees, BWC produces the *MCO Selection Guide and the MCO Report Card*. The report card provides an objective snapshot of how effectively each MCO manages injury reporting and returning injured employees to work. The guide and report card will be available online at ohiobwc.com.

No action is required if you are satisfied with your current MCO and the service it provides.

Please take a moment to [forward this email](#) to other managers in your organization and to your colleagues who may find it of value.

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