



PRESS RELEASE

FOR IMMEDIATE RELEASE

Ohio Bureau of Workers' Compensation (BWC) Changes Its Premium Collection Process

Historically, BWC has billed Ohio employers in arrears or 'retrospectively'. Employers currently report their actual payroll and pay their premium on a semi-annual basis for the previous six months of coverage. Prospective billing is a national industry standard and builds upon ongoing efforts by BWC to modernize its operation. Under prospective billing, BWC will, like most insurance companies, collect employer premiums at the beginning of and throughout the policy period.

According to BWC the benefits of changing to the prospective payment process for Ohio employers will include:

- More flexible payment options (e.g., monthly, quarterly, semi-annually and annually) with possible discounts for those who pay in advance.
- Better ability to anticipate budgetary impacts of workers' compensation program cost changes.
- Better opportunities for BWC to provide quotes online or via phone.
- Lower mutualized costs from employers who don't pay premiums timely or have workers injured without coverage for employers in good standing.
- Increases BWC's ability to detect employer non-compliance and fraud.

Transition:

The transition is expected to become effective July 1, 2015 for private employers and January 1, 2016 for public employers.

Private Employers: As they switch to the new prospective billing process, BWC will offer two transition credits that will cover the employer's actual premium expenses for an eight month period of time. These credits will prevent employers from paying two premiums at once, one for the period in arrears and one for the prospective period. The first transition credit will be a full one-time premium credit for the period January 1, 2015 through June 30, 2015. The second credit will be for the next two months (July and August of 2015) out of the first annual prospective premium payment. Employers will be billed premium payments in August for the remaining 10 months of the rate year, paid in installments throughout the period.

In subsequent years, employers will receive their invoice in June and begin paying premiums before July. This premium will be based on estimated payroll. At the end of the rate year, employers will need to 'true-up' their actual payroll with the estimation.

Public Employers: Public employers will receive two 50% transition credits. The first for the policy period beginning January 1, 2015 through December 31, 2015 and then again for the period January 1, 2016 through December 31, 2016.

True-up Process: With these changes, BWC will be extending coverage to employers based on estimated payroll figures. In order to adjust to actual, they will also require employers to report their actual payroll for the prior coverage periods and pay any shortage or receive a refund of any overage in actual premium.

Earlier BWC filing deadlines for rating programs: As BWC transitions to the Prospective Payment process, they are also changing the employer deadlines for applying for the various BWC group rating and other incentive programs as follows:

Private Employer Deadlines for the policy period beginning July 1, 2015:

Group Rating – November 24, 2014 (was last business day of February).

Group Retrospective Rating and other rating programs – January 30, 2015 (was last business day of April).

Destination: Excellence Programs – May 29, 2015 (was last day of April).

Public Employer Deadlines for the policy period beginning January 1, 2016:

Group Rating – May 29, 2015 (was last business day of August).

Group Retrospective Rating and other rating programs – July 31, 2015 (was last business day of October).

Destination: Excellence Programs – November 30, 2015 (was last day of October).

More information to come: Additional information about the changes to come can be found on CareWorks Consultants website at www.careworksconsultants.com. We welcome you to contact us with any questions you may have on these topics or any other Ohio workers' compensation program concerns.