



BWC Billion Back Update & Reminder

Most private employers should have received their rebate checks by now for the Third Billion Back announced by the Bureau of Workers' Compensation (BWC) last March. This rebate was based on policy year 2015 premium.

However, private employers that participated in group retrospective rating in policy year 2015 had to wait until the first group retrospective rating adjustment was completed prior to BWC issuing their rebates. The group retrospective evaluation refunds will be issued by the end of October. Therefore, the Third Billion Back refunds should be issued shortly thereafter.

If you are a private employer that participated in group retrospective rating in 2015, be on the lookout for both your group retrospective refund and your billion back rebate.

BWC also encourages employers to look through their old mail. Millions of dollars in rebate checks remain uncashed by Ohio employers. Uncashed checks expire, or stale date, 95 days after the check's issuance date.

As of October 6th, more than 5,500 checks issued under the [Third Billion Back](#) campaign totaling \$9.8 million had not cleared BWC's system, including one check for nearly \$203,000. In all, 152 checks were for amounts of \$10,000 or more. BWC has emailed notices to alert employers who have not cashed their checks. They will reissue checks after the stale date following a brief lag time for processing.

Source: Ohio BWC e-news October 2017

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The History of “Billion Back” Rebate Campaigns

Since Governor John Kasich took office in January 2011, the Ohio Bureau of Workers’ Compensation (BWC) has issued three separate “Billion Back” premium rebates to Ohio employers who pay premiums into the Ohio State Insurance Fund. These rebates have been made primarily due to the amount of excess reserves (“financial net position”) BWC has had in order to pay claims. This strong financial position has been the result of both sound investment strategies and operational efficiencies over the course of time.

BILLION back

Ohio Workers’ Comp Rebates

The following is a summary of when the rebates occurred and BWC’s financial position at that time:

May 2013

Approval was given by the BWC Board of Directors to issue the 1st “Billion Back” rebate and at that time, the financial net position was at **\$8.8 billion**. Rebates were based upon premiums paid upon:

- Private employers: 2011 Policy Year (July 1, 2011 - June 30, 2012)
- Public employers: 2011 Calendar Year

April 2014

During this time, BWC was transitioning to premiums being paid on a prospective basis and in lieu of rebates, they offered a “transition credit”. BWC’s financial net position was at **\$8.9 billion** and the credits were based upon premiums paid as follows:

- Private employers: January 1, 2011 - August 31, 2015
- Public employers: 50% of premiums paid in calendar years 2015 & 2016

September 2014

Approval was given to issue “Another Billion Back” rebate and at that time, the BWC reserves were at **\$9.8 billion**. Rebates were based upon premiums paid upon:

- Private employers: 2012 Policy Year
- Public employers: 2012 Calendar Year

April 2017

The “Third Billion Back” rebate was announced with BWC reserves at **\$9.6 billion**. Rebates were based upon 66% of premiums paid upon:

- Private employers: 2015 Policy Year
- Public employers: 2015 Calendar Year

At the most recent BWC Board meeting in September, it was shared that the current reserves stood at **\$10.3 billion** (as of August 31, 2017). While it is impossible to predict any future rebates, we feel it is important to continually understand and monitor the BWC’s financial situation on an ongoing basis. If the BWC does in fact offer rebates in the future, it could have a significant impact on an employer’s decision to become self-insured or to enter into an agreement with a self-insured professional employer organization. Should you have any questions, please contact your Account Executive or call our Customer Support Unit at (800) 825-6755, option 3.

Bureau of Workers' Compensation (BWC) Board of Directors Update - September 2017

The BWC Board of Directors oversees the agency's operations. The 11 member independent board is appointed by the Governor and is comprised of representatives from business, finance and labor. It also includes members with expertise in financial accounting, investments and securities, as well as actuarial management.

The Board meets on a monthly basis, typically the last Friday of the month and each member serves on at least one committee: actuarial, audit, governance, investments and medical services & safety. The committees typically meet on the last Thursday of the month.

The following are highlights from the September 27-28, 2017 committee and board meetings. The next meetings of the BWC Board are scheduled for October 25-26, 2017.

Actuarial Committee

BWC approved an overall rate reduction for public employers of 6.1%. This includes a provision for the presumptive cancer legislation that was approved last year. Adjustments have been made to city, village, township and volunteer manual classes to account for expected increases in claim costs. All other classifications had no or minimal fire fighter exposure. BWC is expecting \$5.7M in increased claim costs due to the legislation for the 2018 policy year.

Medical & Safety Committee

The quarterly safety report was reviewed and included the following:

- An analysis of industry groups with high injury rates and the program participation for the larger employers in this group (over \$500k in payroll)
- These large, high injury rate employers account for 3% of the policies but have 27% of the claims and 28% of the total costs. Payroll represents 15% of total payroll for private employers.
- Next steps include:
 - Deploying marketing and outreach programs to target these high risk employers
 - Developing safety programming for the high risk industry groups according to policy size
 - Analyzing those employers that are in the high risk group that have better experience to understand what is driving their better than average experience

Enterprise Report

BWC's net position was **\$10.3B** as of August 31, 2017 which is up \$244M from the prior month. The simple funding ratio was 1.66 (outside the recommended guidelines of 1.25 to 1.45) and the net leverage ratio was 1.29 (outside the recommendation of 3.0 to 7.0).

Important Dates to Remember

Public Employers

Program	Action Required
November 15, 2017	Deadline for notifying the Bureau of Workers' Compensation (BWC) of installment plan changes or to request deferred payment for 2018 premium payments (1/1/2018 rating year)
November 30, 2017	Application deadline for Drug Free Safety, Industry Specific Safety and Transitional Work Bonus Programs for the 1/1/2018 rating year.
December 1, 2017	Deadline for Individual Retrospective rated employers to file settlement applications for inclusion on their next retrospective rating bill.
December 31, 2017	Deadline for group employers (group rating & group retrospective rating) with claim(s) in the green period to attend 2 hours of BWC approved safety training or complete BWC's online accident analysis form and safety class.
December 31, 2017	Deadline for employers participating in the Industry Specific Safety Program to complete their loss prevention activities (1-3 activities based on payroll) and SH29 form (onsite consultation survey).
January 2018	Payroll True-Up notices sent by BWC for the 1/1/2017 - 12/31/2017 payroll period (due 2/15/2018).
January 2, 2018	First prospective billing installment payment due for the 1/1/2018 rating year (unless employer opted to defer payment)*
January 31, 2018	Drug Free Safety Program accident analysis training deadline; new supervisors have 60 days from hire date to complete.
January 31, 2018	Drug Free Safety Program and Industry Specific Safety Program online safety management self-assessment (SH26) deadline.

* Any active policy that chooses to pay all of their installment payments in a single payment prior to the first installment due date will receive a 2% Early Payment Discount. (note: this discount cannot reduce premiums below the \$120 annual minimum). When the payment is received, BWC will remove all remaining installment billings for the year and the 2% discount will be refunded to the employer. The 2% discount will not be adjusted during the true-up process at the end of the rating year.

Private Employers

Program	Action Required
November 20, 2017	Application deadline for enrolling in the 7/1/2018 Group Rating program
December 31, 2017	Deadline to submit TWB-2s (offer and acceptance forms) for 2016 Transitional Work Bonus Program participants.
January 31, 2018	Application deadline for Deductible Program, Group Retrospective Rating, Individual Retrospective Rating and One Claim Program for the 7/1/2018 rating year.

If you have any questions regarding the deadlines or safety requirements listed above, or if you would like to learn more about Bureau of Workers' Compensation program options and potential savings they have to offer to your organization, please contact Lora Brooks, program specialist at CompManagement at (800) 825-6755, extension 65436.

Public Employers 2018 Rates Announced

The Bureau of Workers' Compensation (BWC) Board of Directors has approved the following 2018 rates for public employer taxing districts. The rates reflect a 6.1% reduction of overall premium for the 1/1/2018 to 12/31/2018 payroll year.

NCCI Manual #	Description	2017 Base Rate*	2018 Base Rate*
9430	Counties	1.24	1.20
9431	Cities	2.49	2.53
9432	Villages	2.05	2.22
9433	Townships	2.42	2.54
9434	Local School Districts	0.61	0.61
9435	Public Libraries	0.48	0.49
9436	Special Public Universities	0.31	0.31
9437	Joint Vocational Schools	0.31	0.27
9438	Public Work-Relief Employees	0.49	0.54
9439	Public Emergency Service Organizations	12.57	11.61
9440	Public Hospitals	0.64	0.54
9441	Special Public Institutions	0.63	0.53
9442	Public Transit Authorities	1.92	1.99
9443	Special Public Authorities	1.32	1.20

* Rates are based per \$100 of payroll and do not include the additional 10.81% administrative fee.

If you have any questions regarding your rates, please contact your CompManagement rate analyst at (800) 825-6755.

Protecting Ohio firefighters

Residue collected on firefighters' gear during a blaze can cause respiratory disease, cancer and other ailments. That's why it's important for firefighters to wear appropriate protective gear and ensure it is cleaned properly.

BWC's new Firefighter Exposure to Environmental Elements Grant Program provides \$2 million a year to help departments purchase safety gear and equipment designed to protect firefighters from carcinogens and other harmful elements encountered during a fire fight.

Thirty-eight Ohio fire departments were awarded \$406,270 through the program in August and September. View a list of all recipients [here](#). "The dangers of fighting a fire do not stop when the flames are extinguished," said BWC Administrator/CEO Sarah Morrison. "The men and women who risk their lives to save ours deserve access to the best equipment and tools that can minimize long-term threats to their health and wellbeing."

The program provides a 5-to-1 match of up to \$15,000 for public and private employers with annual payroll of at least \$500,000. No match is required for employers with less than \$500,000 in payroll. Learn more about the program at bwc.ohio.gov.

Source: Ohio BWC e-news October 2017



The Unemployment Tax Shell Game

For most private and some non-profit employers, unemployment tax is viewed as just another payroll tax, an accepted, and pretty much ignored, cost of doing business. Some employers understand that unemployment tax is the only controllable payroll tax expense they have and relentlessly monitor and attack the task of minimizing it on a daily basis. Many employers hire a third-party administrator, such as CompManagement's parent company, Sedgwick, to focus on the effort to efficiently, effectively and professionally handle this part of their overall risk management and cost reduction strategy. This approach allows employers to focus on all the other aspects and challenges of running their business.

If multi-state employers focus only on tax rates in the various states in which they do business, they may be missing the bigger picture. For instance, each state assigns a taxable wage base for unemployment. Employers pay unemployment tax up to the state taxable wage base for each individual employee on a calendar year basis. What this means is that employers may have a low tax rate in one state, but be paying more in unemployment tax in that state than in a state where the tax rate is higher, but the taxable wage base is lower. Here is an illustration:

State	# of Employees	Taxable Wage Base	Taxable Payroll	Tax Rate	Tax Amount
AZ	100	\$7,000	\$700,000	4.22%	\$29,540
AK	100	\$39,800	\$3,980,000	2.23%	\$88,754
OH	100	\$9,000	\$900,000	4.20%	\$37,800
WA	100	\$45,000	\$45,000,000	1.24%	\$55,800

This is not to say that our efforts should not be directed toward obtaining the lowest possible tax rate in every state. This is merely an example of how focusing on one measure of the unemployment cost control puzzle can be misleading.

The state taxable wage base becomes even more of a factor for employers with high turnover throughout the year. As employees leave and new employees are hired, employers must start the taxable wage base buildup and pay tax on these new employees, whereas they may have already reached or exceeded the taxable wage base for the employees who have left the organization mid-year. This illustrates the importance of workforce stability in minimizing unemployment costs.

In the next several months, state agencies will be issuing 2018 unemployment tax rate notices. At the same time, many states will be revising the taxable wage bases for 2018. Please keep this in mind when budgeting for your unemployment tax cost for the upcoming year.

As 2018 tax rate notices are issued, we will be reviewing tax savings opportunities for our clients. If you have any questions or would like to take advantage of our unemployment tax management services, please contact your client services manager or Ken Weber at Kenneth.Weber@sedgwick.com.



Upcoming Webinar Sessions

Workers' Compensation

Session	Date	Session Start Time
Public Employers - Understanding Your Rate Calculation and the Factors That Drive Your Cost	Nov 7	10:00 am (est/edt) - public employers only
	Nov 16	2:00 pm (est/edt) - public employers only
Workers' Compensation 101 - An introduction to Ohio's Workers' Compensation System	Dec 7	10:00 am (est/edt) - all employers

For a full description of each course, please [click here](#). All client education programs listed above are offered at no charge to current clients of CompManagement. All sessions are approximately 60 minutes in length and each session listed is certified by the Ohio Bureau of Workers' Compensation (BWC) for 1-hour of the 2-hour safety training requirement for group and group retrospective-rated employers.

REGISTRATION

Registration for our Client Education Program webinar sessions is easy! Simply send an email to: seminarrsvp@sedgwickcms.com. Be sure to indicate the following: company name, BWC policy number, session name, session date, name(s) of those wishing to attend and an email address for each person attending.

Unemployment Compensation

Session	Date	Session Start Time
UC 202 - Unemployment for Public, Governmental and Educational Employers	Oct 26	10:00 - 11:30 am (est/edt)
UC 201 - Strategies to Prevail in Unemployment Claims	Nov 9	10:00 - 11:30 am (est/edt)
UC 401 - Unemployment Taxes and Rates	Nov 14	10:00 - 11:30 am (est/edt)
UC 301 - Unemployment Hearing Process	Dec 5	10:00 - 11:30 am (est/edt)

For a full description of these courses, please [click here](#). The client education program listed above is offered at no charge to current clients of CompManagement. **All sessions are approximately 90 minutes in length.**

All of these sessions have been approved for 1.5 recertification credit hours (RCHs) by the American Payroll Association (APA). To be eligible for RCHs per APA, the attendee must remain in the session for at least 75% of the total session time. If the qualification is met, we will send a certificate of attendance via email within 3 business days of the session date. Our organization is only responsible to communicate the RCH's earned per APA. We do not submit documentation on your behalf.

REGISTRATION

Registration for our Client Education Program webinar sessions is easy! Simply send an email to: ucwebinars@sedgwickcms.com. Be sure to indicate the following: company name, session name, session date, name(s) of those wishing to attend and an email address for each person attending.



KRATON™

Kraton Corporation is a leading global producer of styrenic block copolymers, specialty polymers and high-value performance products derived from pine wood pulping co-products. Born from the Shell Chemical Company during World War II, Kraton's original mission was to provide an alternative to natural rubber known as styrene butadiene rubber (SBR) used for making tires for US military vehicles during the 1940s.

Fast forward to present day, Kraton has diversified its portfolio of products. The company's specialty products are important components in many end use applications including packaging tapes, cosmetics, medical applications, personal care products and paving and roofing products. With an international presence to support the company's expansive customer growth, Kraton is a global company with manufacturing and R&D facilities in North America, South America, Asia and Europe.

"Working with CompManagement over the past 15 years has been a valuable resource for Kraton. The dedication and service to our organization makes them an invaluable addition to our team, as they have contributed to the success of our workers' compensation program. We are very pleased with CompManagement and their efforts; the service provided has exceeded all expectations."

Two thumbs up to the CompManagement team! Thank you for being an asset and helping Kraton reach our goals in workers' compensation."

– Kim Stewart, Human Resources Business Partner, Kraton Polymers US LLC

Along with Kraton's product evolution, the company has maintained its necessity to mandate a stringent safety policy. With approximately 2,000 employees worldwide, Kraton made a few key decisions in recent years to enhance its safety program. The leadership team at the Belpre, Ohio plant devised a game plan to support their company in taking safety to the next level. In partnering with CompManagement as a Third Party Administrator, the company took a hard look at its overall safety performance and its workers' compensation program.

Key enhancements included:

- Hiring an expert Environmental Health & Safety Director
- Implementing monthly safety meetings
- Frequent meetings with the Third Party Administrator (CompManagement), Managed Care Organization (CompManagement Health Systems) and the Ohio Bureau of Workers' Compensation (BWC)
- Annual Bureau of Workers Compensation rating plan evaluations with CompManagement
- Safety Council participation
- Utilization of BWC's Safety & Hygiene Division, including grant monies

Through these and other initiatives at Kraton, the company has seen a direct correlation with the decrease in frequency and severity of their work-related injury claims, despite increases in the number of people employed. Kraton's workers' compensation claims costs have dropped by more than 70% since 2013. Now averaging less than 1 BWC claim per year, the company is reaping what it has sown by investing in their employees and being proactive to help prevent injuries from occurring.



Fall protection leads OSHA's 'Top 10' list of most frequently cited violations

The preliminary list of OSHA's Top 10 violations for Fiscal Year (FY) 2017 remained largely unchanged from FY 2016, except for one new addition: Fall Protection - Training Requirements (1926.503) entered the list at No. 9 with 1,523 violations, just ahead of Electrical - Wiring Methods (1,405 violations). The entire list was revealed during the 2017 National Safety Council's Congress & Expo.

The top five remained identical to the FY 2016 list, with Fall Protection - General Requirements at No. 1 by a wide margin with 6,072 violations. In a distant second was Hazard Communication with 4,176. Patrick Kapust, deputy director of OSHA's Directorate of Enforcement Programs, and Kevin Druley, associate editor for Safety+Health, presented the preliminary data for FY 2017, which ended Sept. 30. "One thing I've said before in the past on this is, this list doesn't change too much from year to year. These things are readily fixable," Kapust said during the presentation. "I encourage folks to use this list and look at your own workplace."

The full list:

- | | |
|--|--|
| 1. Fall Protection -General Req (1926.501): 6,072 violations | 1. Ladders (1926.1053): 2,241 violations |
| 2. Hazard Communication (1910.1200): 4,176 violations | 2. Powered Industrial Trucks (1910.178): 2,162 violations |
| 3. Scaffolding (1926.451): 3,288 violations | 3. Machine Guarding (1910.212): 1,933 violations |
| 4. Respiratory Protection (1910.134): 3,097 violations | 4. Fall Protection - Training Requirements: 1,523 violations |
| 5. Lockout/Tagout (1910.147): 2,877 violations | 5. Electrical - Wiring Methods (1910.305): 1,405 violations |

"The OSHA Top 10 is more than just a list, it is a blueprint for keeping workers safe," NSC President and CEO Deborah A.P. Hersman said in a Sept. 26 press release. "When we all work together to address hazards, we can do the best job possible to ensure employees go home safely each day." Finalized data, along with additional details and exclusive content, will be published in the December issue of S+H.

If you have any of these exposures, please contact CompManagement's Risk Services safety consultants to assist in properly managing these concerns at (800) 825-6755.

Source: Safety + Health, the official magazine of the NSC Congress & Expo, September 2017

Safety Academy

CompManagement's Safety Academy courses provide you with compliance programs to meet OSHA's core regulatory standards, while also equipping you with industry-specific and safety oriented tools to reduce occupational incidents and eliminate physical hazards. Our courses are also a great way to fulfill the Ohio Bureau of Workers' Compensation (BWC) 2-hour training requirements for group or group retrospective rating participants who have had a claim in the past year. Sessions scheduled for the remainder of the year include:

Session	Date	Session Start Time
Emergency Action Plan (EAP) (2 hour session)	November 9	10:00 am (est/edt)
Safety Strategies for Claim Prevention, Job Safety Analysis and Accident Investigation (1 hour session)	November 30	10:00 am (est/edt)
Driver Safety (1 hour session)	December 14	10:00 am (est/edt)

REGISTRATION

For a full description of each course, please [click here](#). To register online, [click here](#). Registration is \$25 per person for 1 hour sessions and \$50 per person for 2 hour sessions for CompManagement clients. For non-clients, the cost to attend is \$50 per person for 1 hour sessions and \$75 per person for 2 hour sessions. If you have any questions regarding registration, please contact Cassy Taylor via email at Cassy.Taylor@sedgwick.com or via phone at (800) 825-6755, extension 65434.



Claims Management Tips

Nurse Practitioners, Clinical Nurse Specialists and Physician Assistants

This past summer, a change to Ohio BWC policy permits medical documentation from Nurse Practitioners (NP), Certified Nurse Practitioners (CNP) and Physician Assistants (PA) to support an initial six-week period of disability immediately following the injury date. The policy recognizes these licensees as an extension of physicians with whom they work and collaborate while adhering to Ohio law.

Therefore, for an initial six-week period of disability immediately following the injury date, an NP, CNP or PA may:

- Examine injured workers
- Submit medical documentation, which may be used as evidence supporting the injured worker's disability due to an allowed work-related injury or disease
- Complete and submit a Physician's Report of Work Ability (MEDCO-14), including capabilities and restrictions
- Submit office notes, including a detailed treatment and return-to-work plan

For subsequent periods of disability, a physician must either examine the injured worker or review the PA, NP or CNP's office notes and co-sign the MEDCO-14. If you have further questions, please contact your claims professional at CompManagement at (800) 825-6755.

Claim Related Appointments and Working Wage Loss (WWL)

In most situations, the injured worker (IW) is not eligible for compensation for work time missed to attend claims related doctor appointments. However, there are a few exceptions. In order for an IW to be eligible to receive payment from the employer or WWL from the BWC for time missed due to claims related medical appointments, the missed work must be for:

- Medical treatment related to the allowed conditions in the claim
- The treatment cannot be obtained outside of work hours
- The treatment is medically necessary for the IW to perform his or her job
- The IW could not continue to work full time without the treatment

If the above criteria are not met, the IW is not entitled to compensation for time missed due to claim related appointments. If you have further questions, please contact your claims professional at CompManagement at (800) 825-6755.

For more news & information connect with us!

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