

# CompNotes

A PUBLICATION OF COMPMANAGEMENT



## State Fund Employer Seminars Attend Our Biennial Educational Seminars! April 2020

CompManagement is pleased to announce our 2020 on-site seminar series coming to a location near you this April. Please click on the images below to learn more.

Please join us for our seminars that are scheduled to take place this April. Once again, we are offering half-day sessions that will provide you with relevant information that is focused not only on safety and workers' compensation, but also unemployment. We will address how to best prevent work place injuries from happening, as well as the reporting requirements that are required if an injury does take place. We have assembled a panel of experts that will discuss all of the tools available to effectively manage a workers' compensation claim. Lastly, we will share strategies on how to manage unemployment claims and control your unemployment costs. Please note that these sessions qualify for the two-hour safety credit through the Ohio Bureau of Workers' Compensation. We look forward to seeing you at one of our locations!

Registration fees are \$40.00 per person for CompManagement clients. Tuition, educational materials, continental breakfast and a refreshment break are included in the registration costs.

To register, please click on the image to the left. Be sure to register early as space is limited!

WINTER 2020

ALSO IN THIS  
issue

# Employer Spotlight

## Team-Oriented Approach to Workers' Compensation Program Management



Celebrating their Bi-Centennial in 2020 is just one of many exciting happenings in Union County! Bordering six other central Ohio counties, Union County is booming with business and culture. Recognized as the fastest-growing county in Ohio, the leaders of this rural, industrial community are living for today while building tomorrow's future. With approximately 434 square miles and more than 54,000 residents (as of 2015 census), Union County is thriving. The County's small-town America appeal continues to attract some of the state's largest employers.

The County Commissioners Association of Ohio, CompManagement, LLC (CMI) and Union County have enjoyed a tenured partnership spanning more than two decades. The County has also been a longtime partner with CompManagement Health Systems (CHS), Managed Care Organization. With the County employing more than 500 hard-working Ohioans, it is inevitable their employees may experience work-place accidents. However, with a team-oriented, integrated approach to their workers' compensation program, the County is continually looking for ways to improve.

At one of the meetings that took place early in 2019 that included partners from CMI, CHS, the Ohio Bureau of Workers' Compensation (BWC) and Ginger Yonak from the County an initiative was put into place to meet with the Agencies/Officers from the county as part of the commitment to focus on employee health and safety. The objective was to promote collaboration, information sharing and strengthen our ability to work together. With great interest, a series of workers' compensation overview meetings took place over a four-day period in order to accommodate individual sessions with each Elected Official and/or their designee to discuss critical information relating to BWC claims, safety resources and strategies for keeping employees safe and returning injured employees to work. Fifteen different agencies participated in these productive sessions.

The Human Resources department received positive feedback from many of the participants following these discussions. The County immediately began to implement ideas and satisfy requests by departments.

Working hand-in-hand with the Ohio BWC's Safety & Hygiene Division's Safety Consultant and Ergonomist, the County was able to provide complimentary certification training, educational development, building walk-through and job analyses.

The end result of these meetings is something tangible for the County. Through the in-depth analyses, the County was able to take advantage of several BWC safety intervention grants. Union County was able to utilize the Ohio BWC's Safety Intervention Grant as a means to purchase needed equipment. This grant is a 3:1 match of up to \$40,000!

Coupling a more safety-conscious work-force and grant-purchased equipment will assist Union County in striving to meet their goals, both from a safety and financial perspective.

**Risk reduction = Cost Reduction!**

Since integrating services amongst CompManagement, LLC, CompManagement Health Systems and the Ohio Bureau of Workers' Compensation, Union County has already experienced a 4% reduction in their Experience Modification Rate (EMR); which will equate to lower premium dollars. There has also been a 65% reduction in their claim-reporting lag time and a 50% decrease in Lost Time claims. These reductions have direct BWC premium impact and indirect cultural impacts. A united focus on preventing workplace injuries and mitigating claims costs through a strong partnership with their partners will ultimately have a positive impact on Union County's continued prosperity.

## The Ohio Bureau of Workers' Compensation has a New Rule for the Payment of Medical Treatment for Concussion Related Injuries

On January 1, 2020, a new Ohio Administrative Code Rule became effective with respect to payment for treatment of concussion related injuries. Ohio Administrative Code 4123-6-34 now governs the payment of medical services for concussion related workplace injuries. Before the enactment of Ohio Administrative Code Rule 4123-6-34, there was no specific prior rule pertaining to the authorization for medical treatment of concussion injuries.

### Why did the BWC create the new rule?

The Ohio Bureau of Workers' Compensation (BWC) proposed this new rule to facilitate the provision and payment of medically necessary and appropriate services for the treatment of work-related concussion injuries, to avoid prolonged disability.

### Summary of the new rule

In brief, the new rule allows for payment of medical treatment for symptoms related to the concussion for up to six months from the date of injury when there is a documented mechanism of injury consistent with a concussion and documented clinical manifestations consistent with a concussion within six weeks from the date of injury.

Authorization for payment of medical treatment beyond six months from the date of injury will require additional conditions be allowed in the claim.

Please [click here](#) to read more about what specific language is included in the new rule.

### How will this new rule affect my business?

On the positive side of the coin, the timely approval and provision of medical treatment for concussion related injuries, should at least in theory, enable injured workers to either remain at work for more minor injuries, and in the case of more significant injuries, should allow injured workers to return to work more quickly after their injury than they would have been able to without the timely approval and provision of medical treatment post injury.

On the negative side of the coin, medical treatment for head related injuries which are suspect or minimal in nature and which would have likely not been approved for medical treatment related to a concussion diagnosis prior to the enactment of the new rule, will now most likely be treated with less scrutiny by the BWC and be authorized for medical treatment.

For questions or additional information, please contact the Roetzel Attorney listed below:

Corey L. Kleinhenz at (513) 361-8285 or by email at [ckleinhenz@ralaw.com](mailto:ckleinhenz@ralaw.com)

## U.S. Department of Labor Updates National Emphasis Program On Amputations in Manufacturing Industries

The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) recently issued an updated National Emphasis Program (NEP) to focus agency inspections on amputation hazards in manufacturing industries. This directive updates the 2015 NEP on amputations.

The NEP targets industrial and manufacturing workplaces where employees are injured by unguarded or improperly guarded machinery and equipment. NEP focuses on agency enforcement activity and does not create any new obligation to employers.

The updated NEP:

- Revises targeting methodology to include data from amputation reporting requirements;
- Revises coding requirements for amputation inspections in the OSHA Information System; and,
- Adds new appendices on amputations targeting methodology and North American Industry Classification System codes.

The emphasis program will run until March 10, 2020, with a three-month period of education and prevention outreach. During this period, OSHA will continue to respond to complaints, referrals, hospitalizations and fatalities. Enforcement activities will begin after the outreach period and remain in effect until canceled.

To read the full press release and view additional information about the NEP, please [click here](#).

*Source: US Department of Labor*

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### OSHA UPDATE

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## OSHA Summary Information Due March 2, 2020

Each year, the Occupational Safety and Health Administration (OSHA) requires establishments with 250 or more employees that are currently required to keep OSHA injury and illness records, and establishments with 20-249 employees that are classified in certain industries with historically high rates of occupational injuries and illnesses to electronically submit their injury and illness summary data. For employers required to submit injury and illness information for the 2019 calendar year, the deadline is March 2, 2020.

To view OSHA's electronic reporting requirements and a full list of high-risk industries or to report your summary information, please [click here](#).

If you have questions about OSHA recordkeeping and reporting requirements, please contact CompManagement Risk Services at [CMIRiskServices@sedgwick.com](mailto:CMIRiskServices@sedgwick.com).



### 2020 Ohio Safety Congress & Expo March 11-13

For three days, Ohio Safety Congress & Expo (OSC) provides world-class workplace safety and health education, in-depth workshops, live demonstrations and much more. With more than 300 exhibitors, including CompManagement, the Expo Marketplace will be abuzz with energy throughout the event. While you venture through the expo, stop by booth #510 and visit with our experts at CompManagement.

Registration is free! [Click here](#) to register now or [click here](#) for new announcements and event information from OSC.

#### Private Employer

### Industry Specific Safety Program Participants

If your organization is currently participating in the Ohio Bureau of Workers' Compensation's (BWC) Industry Specific Safety Program (ISSP) for the 2019 policy year, we would like to remind you of the BWC safety requirement for participating in the program. To achieve a 3% refund, you must complete the required number of loss prevention activities, based on the total amount of your organization's payroll, no later than June 30, 2020.

For more information about the participation requirements, please [click here](#). To check your organization's program status online via your e-account on the BWC's ISSP progress page, please [click here](#).

If you have any questions about the ISSP requirements or the necessary training to complete, please contact Lora Brooks, CompManagement Program Specialist, at (800) 825-6755 extension 65436.

## Upcoming BWC Program and Safety Training Deadlines

Most of the Ohio Bureau of Workers' Compensation (BWC) discount and refund programs require annual re-enrollment or participation in safety training. For more information regarding those requirements, click on the links below to visit BWC's website.

If you have any questions regarding safety requirements, or if you would like to learn more about these discount programs and the potential savings these programs have to offer to your organization, please contact Lora Brooks, Program Specialist, at (800) 825-6755, ext. 65436.

| Private Employers |  |
|-------------------|--|
| March 31, 2020    | Last date to request through BWC a change in <a href="#">estimated payroll or installment plan</a> for the current 7/1/2019 through 6/30/2020 rating year. (Final true-up of actual payroll will need to be completed by 8/15/2020.) |
| March 31, 2020    | <a href="#">Drug-Free Safety Program annual report</a> due for those in the 7/1/2019 program.  |
| March 31, 2020    | <a href="#">EM Cap safety requirements</a> must be completed for those in the 7/1/2019 program.  |
| March 31, 2020    | <a href="#">One Claim Program education requirements</a> must be completed for those in the 7/1/2019 program.  |
| June 30, 2020     | <a href="#">Industry-Specific Safety Program loss prevention activities</a> to earn the 3% rebate must be completed for those in the 7/1/2019 program.   |

| Public Employers  |   |
|-------------------|---|
| February 14, 2020 | ** Deadline to submit 2019 payroll True-Up report, and premium payment if estimated payroll was less than actual (a credit will be applied if estimated payroll was greater than actual). |
| February 14, 2020 | Last day to submit settlement applications (C240) for settlement to be applied to the 2021 experience.  |
| March 1, 2020     | Drug-Free Safety Program action plan ( <a href="#">DFSP-5</a> ) must be submitted for those in the advanced program for 1/1/2020.   |
| March 31, 2020    | Survey date (claim cost snapshot) for 1/1/2021 experience rating calculations.  |

\*\*Failure to report and pay by the February 14th deadline can prove to be very costly to employers. Employers that report and/or pay late will be removed from any current discount/rebate programs (2020 rating year) and will be ineligible for next year's programs (2021 rating year). Additionally, if any rebates are still outstanding from 2019 rating year programs, those rebates will be forfeited. Contact your CompManagement Rate Analyst at (800) 825-6755 if you have any questions regarding the True-Up process.

## Lapses in Workers' Compensation Coverage

When premium payments are paid late to the Ohio Bureau of Workers' Compensation (BWC), a lapse in coverage occurs. These lapses can jeopardize eligibility for BWC discount and rebate programs. Also, during a lapsed period, any claim that occurs is considered non-compliant. Unlike a covered claim, medical and compensation costs for a non-compliant claim will be charged directly to the employer and can be very costly.

If a lapse in coverage is less than 60 days, a request to BWC can be made to reinstate coverage. If the lapse period is reinstated, the employer may be admitted back into programs. Additionally, if any claim occurred during the period, the claim becomes covered and all costs paid by the employer will be reimbursed and then charged to the experience for rate-making purposes.

If lapse reinstatement is not possible, the employer can try to settle the period of non-compliance with the BWC by filing a [Legal-16 form](#). If the employer and the BWC can reach an agreement, the employer pays the settlement amount to the BWC and although the period will not be reinstated, future costs in any non-compliant claim will be paid by the BWC and not billed to the employer or charged to the experience.

As CompManagement reviews lapses and non-compliant claims for its clients, employers may be contacted by a Rate Analyst to discuss their options.

Are you finding it difficult to keep up with your premium installment payments to the BWC? You can change the premium installment schedule to better fit the needs of your company which may eliminate the possibility of future lapses. To find your current installment schedule, [click here](#).

For questions regarding a notice from the BWC about a lapse in coverage, a program removal or invoices for non-compliant claims, please contact your Rate Analyst at (800)825-6755.

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### 2020 Rate Reductions

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The Ohio Bureau of Workers' Compensation (BWC) cut the average collectible rate for Public employers by 10% for 2020. This reduction went into effect January 1, 2020, and was reflected in the recent public employer premium installments due last month.

At the recent January meetings, the BWC proposed an overall statewide rate decrease of 13% for Private Employers. The resulting impact on the Private Employer base rates will vary by classification code based upon the recent and projected experience at that level of detail. Actual changes at the employer level may vary significantly based upon their assigned classification codes, their recent actual experience versus their expected recent historical loss as well as their rating plan and any program participation.

If approved, this will be one of the largest Private Employer reductions in rates and the third double-digit rate decrease in a row (2018 – 12% reduction, 2019 – 20% reduction).

## Public Employers 2021 Experience Rating Changes

The Ohio Bureau of Workers' Compensation (BWC) and their actuarial consultants have been reviewing how rates are calculated in an effort to better match premium with costs. For Private Employers, changes were made back in 2019. For Public Employers, the BWC Board approved similar changes that are being implemented for the upcoming 2021 rating year.

1. Maximum claim limit reductions for smaller employers:
  - Employers with expected losses below 15,000 will see a reduction in their maximum claim limit. This is in an effort to reduce the impact of one "large" claim to a small employer's premium rates.

| Expected Losses | Prior Per Claim Max | 2020 Per Claim Max |
|-----------------|---------------------|--------------------|
| \$2,000         | \$12,500            | \$2,000            |
| \$4,000         | \$12,500            | \$4,000            |
| \$6,000         | \$12,500            | \$6,000            |
| \$8,000         | \$12,500            | \$8,000            |
| \$15,000        | \$12,500            | \$12,500           |

2. EM Adjustment Factor: A factor applied to an individual employer's EMR. Employers with a better than average EMR will see a 5% reduction, while employers with the worst EMRs in the state will see a 5% increase.
  - If the calculated EMR is 0.75 or below, the EMR will be multiplied by 0.95
  - If the calculated EMR is between 0.76 and 1.75, the EMR will not be adjusted
  - If the calculated EMR is 1.76 or above, the EMR will be multiplied by 1.05

Examples:

| Initial EMR | EM Adj Factor | Final EMR |
|-------------|---------------|-----------|
| .65         | .95           | .62       |
| .95         | 1.00          | .95       |
| 1.25        | 1.00          | 1.25      |
| 1.85        | 1.05          | 1.94      |

3. Group Rating Break-Even Factors: These factors have been in place since the 2013 rating year and are used to equalize the loss ratios between individually experience-rated employers and group experience-rated employers. Factors are applied to group rating EMRs only and will see increases.

In light of these changes, we recommend reviewing your 2021 program options closely as the updates to the BWC premium calculations may impact which BWC program is most advantageous for your organization.

If you would like to learn more about these BWC changes or how it may impact your rates, contact your CompManagement Rate Analyst at (800)825-6755.

# Upcoming Educational Webinar Sessions

## Workers' Compensation

| Sessions  | Date              | Time (EST/EDT) |
|---|-------------------|----------------|
| Introduction to Workers' Compensation (Public & Private Employers)                        | February 25, 2020 | 10:00 AM       |
| Understanding Your Rate Calculation & the Factors that Drive Your Cost (Public Employers) | February 13, 2020 | 2:00 PM        |

For more information about these courses, as well as full course descriptions, please [click here](#). The client education program listed above is offered at no charge to current clients of CompManagement.

The sessions are approximately 60 minutes in length and are 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. To be eligible for the safety training credit, 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.

### REGISTRATION

Registration for our Client Education Program webinar session is easy!

Simply send an email to: [seminarrsvp@sedgwick.com](mailto:seminarrsvp@sedgwick.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           | Time (EST/EDT) |
|--|----------------|----------------|
| Introduction to Unemployment             | April 21, 2020 | 2:00 PM        |
| How to Prevail at Unemployment Claims    | March 3, 2020  | 2:00 PM        |
| Hearing Preparation & Winning Strategies | March 17, 2020 | 2:00 PM        |

For more information about these courses, as well as full course descriptions, please [click here](#). The client education program listed above is offered at no charge to current clients of CompManagement. All sessions are approximately 60 - 90 minutes in length.

### REGISTRATION

Registration for our Client Education Program webinar sessions is easy!

Simply send an email to: [ucwebinars@sedgwick.com](mailto:ucwebinars@sedgwick.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.

# Unemployment Update

## Ohio is Updating Their Unemployment System

Ohio will soon have a new unemployment insurance system: The SOURCE (State of Ohio Unemployment Resource for Claimants and Employers). The SOURCE will provide a user-friendly, self-service experience tailored to meet the needs of claimants, employers and agents alike.

### How will The SOURCE be different than ERIC, the system employers use now?

The SOURCE will allow employers and their agents to manage all their unemployment tax, benefits and appeals information in one place. It also will have:

- Multiple reporting and payment options
- Online tutorials
- Easier navigation
- An easier way to request information and upload documents
- Electronic notifications to keep users up to date



### When can I start using The SOURCE?

Employers and agents will start using The SOURCE in 2020 for tax-related activities. The Ohio Department of Job and Family Services (ODJFS) does not have a confirmed date; however, it will be after the first quarter of 2020. Employers will still use the existing system, ERIC, to complete their first-quarter filing. ODJFS plans on providing sufficient notice to employers prior to making the change to The SOURCE.

The benefits portion is not anticipated to go live until 2021, which is when claimants will begin using the SOURCE as well.

### When will I learn more?

Watch for information at [unemployment.ohio.gov](https://unemployment.ohio.gov). In addition, as the launch date approaches, employers will receive information in letters and emails, with links to online tutorials.

### What can employers and agents do to get ready?

- Make sure ODJFS has your Federal Employer Identification Number (FEIN).
- Make sure you have working log-in credentials at [eric.ohio.gov](https://eric.ohio.gov). Once the transition to The SOURCE occurs, users with existing ERIC logins will go through a credentialing process to get into The SOURCE and then have access to any information that was previously housed in ERIC.
- Make sure your contact information, including your email address, is up to date at [eric.ohio.gov](https://eric.ohio.gov).
- Make sure your employer/agent authorizations are up to date at [eric.ohio.gov](https://eric.ohio.gov).

Source: [The Source](#)

## Ohio Updating Their Unemployment System

Unemployment laws are constantly evolving and changing. There were twenty-two states that enacted legislation in 2019, that impacts their unemployment compensation programs either directly or indirectly. The various legislation impacted benefit rates and duration, taxable wage base, benefit eligibility, who is considered an employee, as well as other aspects of their unemployment program. Below is a summary of states that enacted legislation as well as links to a summary of the changes.

In addition to all the state unemployment legislation activity, President Trump's fiscal year 2020 budget proposes to effectively mandate that employers with employees in states with low trust fund balances pay higher amounts to the Federal Unemployment Tax (FUTA). The proposed budget bill effectively would impose higher taxes on employers that do business in states with lower trust fund balances, regardless of their individual state account balances.

Although trust fund solvency has steadily improved in all states, some states still do not have an amount that the U.S. Department of Labor (USDOL) deems necessary to be prepared for the next recession. There are twenty-nine states that meet the USDOL recommended minimum solvency levels. Twenty-four states and jurisdictions fall below the USDOL recommendations, one jurisdiction (Virgin Islands) still has an outstanding Federal Title XII loan, and two states have outstanding private borrowing instruments (Michigan and Pennsylvania). The USDOL believes that the following states have the greatest risk of needing to borrow funds during the next recession or economic downturn: California, Connecticut, Illinois, Virgin Islands, Indiana, Massachusetts, New York, Ohio, Texas and West Virginia.

Please click on the image below for more information on the bills recently signed into law, including a brief description of the primary objectives of the proposals and links to the actual bills that were approved:

*Source: 2019 SUCAP Year in Review Report*

*For more news & information connect with us!*

**Phone: 800.825.6755 • Fax: 866.567.9380 • [www.compmgt.com](http://www.compmgt.com)**

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