

Workers' compensation guide for

State-fund employers and their employees



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Coverage

BWC's Mission

The Ohio Bureau of Workers' Compensation exists to serve its customers, Ohio's injured workers and employers.

The workers' compensation system

The Ohio workers' compensation system is made up of two branches — the Ohio Bureau of Workers' Compensation (BWC), the administrative branch; and the Industrial Commission of Ohio (IC), the claims adjudicative branch.

BWC

A governor-appointed administrator/chief executive officer and an 11-member advisory commission oversee BWC. Of the seven voting members, two represent business, two represent workers, one represents the public and two are investment experts. Four legislative non-voting members round out the commission.

The state's workers' compensation system has provided injured workers with compensation for work-related injuries, diseases and deaths since 1912. BWC maintains a central office in Columbus and customer service offices located throughout the state. It manages all lost-time claims, initiates coverage and determines premium rates and manual classifications. The bureau also collects premiums from employers, determines the initial allowance or denial on claim applications, disburses money to pay compensation and manages the state insurance fund.

In addition, BWC performs research to prevent industrial accidents and diseases, and offers employers and their employees safety training, and accident and occupational disease-prevention programs.

IC

The IC hears and decides contested claims and determines permanent total disability. The governor appoints the three-member IC board and the Ohio Senate confirms it. One member represents labor, one represents industry and one represents the public. There are three appeal levels for workers' compensation claims. See page 24 for more details on the hearing process.

Workers' compensation coverage

Ohio law requires employers with one or more employees to obtain workers' compensation coverage or have BWC grant them the privilege of self-insurance for liabilities associated with work-related accidents or occupational diseases. See page 13 for more information about self-insurance.

Employers may not exclude employees from benefits based on age, citizenship, gender, race or relationship. Workers' compensation insurance protects employers and employees in the event of a work-related injury.

Workers' compensation insurance pays medical benefits and lost wages to employees who are injured or contract an occupational disease on the job. BWC also pays death benefits to a worker's dependent survivors when a death results from a work-related injury or occupational disease.

BWC considers active corporate officers employees for the purpose of workers' compensation. Corporate officers' reportable payroll is subject to a minimum and maximum. Active corporate officers are those engaged in the decision making and day-to-day operations of the corporation. Executive corporate officers include the president, vice president, secretary or treasurer of a corporation registered with the secretary of state or appropriate agency if located in another state. Effective July 1, 2006, the minimum and maximum payroll reporting requirement is based on the statewide average weekly wage (SAWW) calculated annually by the Ohio Department of Job and Family Services (ODJFS). The minimum payroll reporting limit is 50 percent of the SAWW and the maximum payroll reporting limit is 150 percent of the SAWW. The ODJFS determines the SAWW effective Jan. 1 of each year.

BWC also considers domestic workers who earn \$160 or more from one employer during a calendar quarter employees for the purpose of workers' compensation. The law also requires independent contractors and subcontractors to carry workers' compensation insurance for their employees.

An employer's workers' compensation policy covers his or her Ohio employees working out of state. Ohio employers with employees who will perform some or all of their work in states other than Ohio should report those employees' payroll on their payroll report.

If you are an Ohio employer who hires out-of-state employees who perform part of their work in states other than Ohio, submit the appropriate forms: *Agreement to Select the State of Ohio as the Exclusive Remedy* (C-110) or *Agreement to Select a State Other than Ohio as the Exclusive Remedy* (C-112). Employers should call the workers' compensation authority in other states where they perform work to ensure compliance with other state laws.

Workers' compensation coverage is optional for sole proprietor, partners, limited liability companies acting as sole proprietors, limited liability companies acting as partnerships, family farm corporate officers, ordained or associate ministers of religious organizations in the exercise of their ministries and individuals incorporated as a corporation. (see page 9, coverage exceptions).

Obtaining coverage

To obtain coverage, employers can apply online at ohiobwc.com. They also can download *The Application for Ohio Workers' Compensation Coverage* (U-3) from BWC's Web site. Forms are available at local BWC customer service offices or by calling **1-800-OHIOBWC**.

To file this application online, BWC requires employers to pay a minimum deposit of \$10. Employers who do not wish to make their payment at that time can print a blank form to complete and mail with their check, money order or credit card information to: The Ohio Bureau of Workers' Compensation, Attn: Cash Control Unit, P.O. Box 15698, Columbus, OH 43215-0698.

Workers' compensation coverage becomes effective when BWC receives the completed U-3 application and a \$10 minimum security deposit. The maximum deposit is \$1,000. BWC bases the total security deposit employers will eventually pay on a premium estimate.

Confirming coverage

If all the information on the application submitted is accurate and complete, within 30 days after BWC receives the application and deposit, the employer should receive:

- A Certificate of Premium Payment, which includes the effective date of coverage and the employer's seven-digit identification number, called a BWC policy number. Use the policy number on all correspondence and checks whenever communicating with BWC;
- An invoice noting the difference between the initial \$10 deposit and the additional deposit the employer owes;
- A New Employer Kit, which explains the employer's rights and responsibilities, and cost-savings for his or her business;
- An *MCO Selection Guide and Report Card* that includes information about BWC's managed-care system and a listing of certified managed care organizations (MCOs).

Within 30 days, the employer must select an MCO to medically manage his or her employees' workers' compensation claims.

Maintaining coverage

Once employers establish coverage, they receive a bill, called the Payroll Report (DP-21), from BWC each June and December. Payments are due Aug. 31 and Feb. 28, respectively, or coverage will lapse. BWC will cancel an employer's coverage if it does not receive his or her payroll report and premium payment within two months of the end of the six-month reporting period. Private, state-fund employers who require their certificates of coverage before their certificates expire must return their completed payroll reports and payments by July 31 and Jan. 31, respectively.

The payroll report contains instructions for reporting payroll for the preceding six-month period. The form lists your name, address, manual classification(s) rates and the time period covered. To ensure timely processing, do not alter information contained on these forms. Contact BWC if any of this information is not correct.

Public and private, state-fund employers can complete their payroll reports and pay their premiums with a credit card or by authorizing a payment from their checking or savings account online at ohiobwc.com. First, the employer will need to establish an online account by clicking on Create e-account from the home page. An online account will give the employer access to his or her personal policy information, including any claims filed under the employer's policy number.

The employer calculates the premium due, and submits it online with his or her credit card payment or authorizes a payment from his or her checking or savings account, or returns the report with a check for the total premium due to BWC. Make payments for premiums online using your MasterCard, Visa or American Express, or send your check or money order made payable to the Ohio Bureau of Workers' Compensation.

Even if employers have suspended operations or have discontinued business, they must complete the front and back sides of the form and file it with BWC. Report all payroll for any part of the reporting period and pay applicable premium due.

BWC offers its online customers a unique alternative to pay premiums, the Flexible Payment Plan (FlexPay). FlexPay allows employers to set up their own premium payment schedule and receive discounts based on how early they pay their premiums. Any private, state-fund employer can participate in this online program. To participate, sign up for the program each payroll reporting period and pay your premiums online.

After receiving the payroll report and the premium due, BWC issues employers a Certificate of Premium Payment for eight months, showing the dates coverage is in effect. Employers are responsible for keeping their coverage effective by reporting payroll and paying premium due.

Employers must display the Certificate of Premium Payment in their place of business. Employers can photocopy the certificate and post it in multiple locations.

Rebuttable presumption

Under certain circumstances, employers may seek the disallowance of a workers' compensation claim based on an employee testing positive for alcohol or any of nine specified controlled substances (drugs). Effective for claims with dates of injury on or after Oct. 13, 2004, a positive substance test could result in BWC considering rebuttable presumption in determining the claim.

House Bill 223 changed how BWC determines a claim filed by an injured employee who tests positive for alcohol or drugs. The law allows employers to seek disallowance of a claim if an employee tests positive on a qualifying chemical test for alcohol or any of the nine drugs. When BWC considers rebuttable presumption in determining a claim, the burden of proof is on employees to prove alcohol or drugs in their system were not the proximate cause of a workplace injury. The law also applies if an employee refuses the test.

If the employer has timely and conspicuously posted required written notice, which is attached to his or her Certificate of Premium Payment in an area readily viewable by employees, for a claim to be allowed, the injured employee must produce sufficient evidence to prove being intoxicated by alcohol or being under the influence of any of nine controlled substances (not prescribed by the employee's physician) did not cause the injury. The employer must produce reasonable cause

for him or her to have conducted the test for BWC to consider rebuttable presumption in the claim determination process. The quality of documentation of reasonable cause is essential in having rebuttable presumption considered.

Beyond the statutory notice, BWC suggests employers create a written substance abuse policy that outlines for their employees when testing may occur and the consequences for failing a test. A written policy serves as a deterrent and may also protect companies from legal liabilities related to testing while protecting employees' rights and, ultimately, their safety at work.

Transfer of coverage/ Successorship liability

Whenever one employer succeeds another employer in the operation of a business, in whole or in part, through acquisition/merger or purchase/sale it's the successor's (new employer's) responsibility to:

- Notify BWC of the succession;
- Preserve the former employer's payroll records for five years preceding the date of succession.

The succeeding employer must notify BWC of all such changes in business structure to properly calculate the experience rating and to transfer the rights and obligations to the new employer when appropriate.

For successions taking place on or after Sept. 1, 2006, BWC transfers any and all existing and future liabilities or credits of the former employer, and the experience rating when a new employer wholly succeeds another employer in the operation of a business. If the new employer purchases or acquires only a portion of the business, BWC only transfers that portion of the former employer's experience to the new employer. A BWC auditor inspects the former employer's payroll and claims records to allocate payroll and to identify the claims to transfer to the successor for rate calculation purposes.

If you acquire or purchase a business, complete and submit to BWC the *Notification of Business Acquisition/Merger or Purchase/Sale* (U-118). If the succeeding employer does not have Ohio workers' compensation coverage, that employer must submit a U-3 in addition to the U-118.

Lapsed coverage

If BWC does not receive an employer's payroll report with premium payment on time, then the employer's workers' compensation coverage will lapse.

Should an accident occur during a period when coverage lapsed, the injured employee can either sue the employer for all damages and expenses pertinent to the claim or file a claim with BWC. If the bureau allows the filed claim, the employer must reimburse BWC for the claim's cost.

In addition, if workers' compensation coverage is lapsed, BWC assesses penalties to the employer — one for filing the payroll late and a second for paying premium late. The penalty for failure to file a payroll report on time is 1 percent (\$3 minimum, \$15 maximum) of the premium due. Failure to pay premium on time will result in a penalty charge.

The administrator may add a late penalty fee of not more than \$30 to the premium plus an additional penalty amount as follows:

- For a premium from 61 to 90 days past due, the prime interest rate, multiplied by the premium due;
- For a premium from 91 to one 120 days past due, the prime interest rate plus 2 percent, multiplied by the premium due;
- For a premium from 121 to one 150 days past due, the prime interest rate plus 4 percent, multiplied by the premium due;
- For a premium from one 151 to one 180 past due, the prime interest rate plus 6 percent, multiplied by the premium due;
- For a premium from one 181 to 210 days past due, the prime interest rate plus 8 percent, multiplied by the premium due;
- For each additional 30-day period or portion thereof that a premium remains past due after it has remained past due for more than 210 days, the prime interest rate plus 8 percent, multiplied by the premium due.

The maximum penalty is 15 percent of the premium due.

BWC will recalculate the prime interest rate for purposes of a late fee penalty or additional penalty semiannually. BWC may file assessment liens for non-payment of premiums and claims cost incurred during a lapse in coverage. BWC will reinstate coverage on the date it receives payment.

BWC extends workers' compensation coverage in advance, based upon payroll for the reporting period and premiums collected. To reinstate a lapsed account, BWC must receive all missing payroll reports and outstanding premiums. Also, an employer can pay any fines assessed for late filing and for late payment at that time. After past premiums are paid, BWC will change the employer's coverage status from lapsed to reinstated. BWC will continue to process claims filed under this lapsed period and bill the costs of these non-compliance claims directly to the employer.

If an employer has lapsed coverage for one payroll period, the employer can file that report and pay premium by mail or with a credit card online. Then, the employer can download and print a Certificate of Premium Payment. If the employer has lapsed coverage for more than one period, he or she cannot access all payroll reports for that time online. BWC must create those payroll reports not available online. In addition, the employer will not have access to a Certificate of Premium Payment for the time of lapsed coverage. BWC will mail that to the employer after it receives all missing payroll reports. For more information, call 1-800-OHIOBWC.

Canceling coverage

To cancel coverage, an employer must make a request with BWC, file a final payroll report and pay any premium or other assessments due.

An employer can request to cancel coverage online at ohiobwc.com. Consider the information listed below before making your request.

- If the request to cancel pertains only to elective coverage for a sole proprietor, partners, ordained or associate ministers, officers of a family farm corporation or an individual incorporated as a corporation (with no employees) and not the entire policy, access Elective coverage.
- If the employer will continue to have employees working for him or her, including casual labor or part-time help, the employer should not cancel his or her coverage.

- If you are leasing your employees from a professional employer organization (PEO), you should not cancel your coverage. As a client in a PEO agreement, you must maintain active workers' compensation coverage.
- If the policy name and/or entity type has changed and your company's ownership remains the same, you should not cancel coverage. Complete and submit *Notification of Policy Update* (U-117).
- To finalize a request for cancellation, the employer must report payroll through the date of cancellation. The employer can void report payroll and pay premium online. If the employer prefers, BWC can mail him or her a paper payroll report to fill out and mail back to the bureau.

To provide written notice of a request to cancel coverage, complete the section on the Policy Update form received with the payroll report or the U-117 and mail to: Ohio Bureau of Workers' Compensation, Policy Processing, 30 W. Spring St., 22nd Floor, Columbus, OH 43215-2256. Otherwise, BWC will consider your account lapsed.

Canceling an account does not relinquish the employer from any outstanding balances due. To request payroll reports or ask questions, call 1-800-OHIOBWC.

Update business information

You can request an update to the legal business name, trade name or doing business as (DBA), federal employer identification/Social Security number, entity type and/or owners/officers on a workers' compensation policy when the employer is essentially the same employer (same or similar ownership group). To provide updated business information, complete the U-117 form and mail to: Ohio Bureau of Workers' Compensation, Policy Processing, 30 W. Spring St., 22nd floor, Columbus, OH 43215-2256.

Coverage for specific employers

Workers' compensation requirements for public employers and other specific types of employers differ from private employers. In addition, workers' compensation coverage is optional for sole proprietor, partners, limited liability company acting as a sole proprietor, limited liability company acting as a partnership, family farm corporate officers, ordained or associate ministers of religious organizations in the exercise of their ministries and individuals incorporated as a corporation.

Domestic coverage

BWC considers domestic workers, such as cooks, gardeners and housekeepers, who earn \$160 or more from one employer during a calendar quarter, employees for the purpose of workers' compensation.

Marine industry coverage

The Longshore and Harbor Workers' Act (USL&H) requires federal workers' compensation coverage for workers engaged in maritime commerce on navigable waterways. Ohio's navigable waterways include Lake Erie and the Ohio, Muskingum, lower Maumee and Cuyahoga rivers.

BWC's Marine Industry Fund can provide Ohio employers USL&H coverage. An employer has the option to obtain coverage from a private insurance carrier or may receive authorization from the Department of Labor for self-insurance. The *State Fund Insurance Manual* requires an additional premium when state and federal jurisdiction overlap.

For more information about USL&H coverage from the Marine Industry Fund, call BWC's law department directly at (614) 466-6600 or toll-free at **1-800-OHIOBWC**, or write to: Ohio Marine Industry Fund, P.O. Box 15398, Columbus, OH 43215.

Coal mine operators' coverage

Coal mine operators obtain black lung coverage either through BWC or a private insurer. BWC can grant employers additional coverage to meet the requirements of the Federal Coal Mine Health and Safety Act. If an employer chooses to obtain coverage from BWC, he or she can obtain an application from BWC's risk policy services department. BWC issues a separate Certificate of Premium Payment denoting the additional coverage and a separate payroll report to pay premiums. Black lung additional coverage includes National Council on Compensation Insurance manual numbers 1112, 1115 and 1116.

For more information about black lung fund coverage, call the Department of Labor at (800) 347-3771, BWC's black lung office at (614) 466-6919, or BWC's law department at (614) 466-6600. You may also write to: Ohio Pneumoconiosis Fund, P.O. Box 15215, Columbus, OH 43215.

Public employers' coverage

BWC considers townships, villages, counties, cities, public school districts, libraries, and some hospitals and fire departments public employers. Public employers pay premiums annually. Their payroll reports and 45 percent of the premiums are due by May 15 and the balance by Sept. 1. If they prefer, public employers can pay the entire amount by May 15 and receive a discount.

Public employers must report their total payroll for all employees, including those in part-time positions. There is no maximum salary reporting amount.

Volunteers' coverage

Volunteers generally do not have workers' compensation coverage because they receive no wages. Public employers, such as political subdivisions, however, must cover their volunteer emergency service personnel, such as volunteer firefighters, auxiliary police and emergency medical technicians. Ohio law considers such volunteers employees; thus, coverage is mandatory for these individuals.

Coverage is in effect when volunteers respond to local emergencies or respond to territories outlined in their mutual aid agreements. For volunteer police officers and firefighters, coverage is in effect from the time they respond to an emergency situation until they return to where they received the call to duty.

A public employer is required to report a minimum yearly payroll of \$300 per volunteer with an annual minimum payroll of \$4,500. If a volunteer receives wages in excess of \$300 for the year, report the actual amount.

Public employers also may cover other volunteer workers who perform non-emergency duties and persons assigned volunteer work instead of a fine or jail sentence. Obtain coverage for these volunteers by completing a *Contract for Coverage of Political Subdivision* (U-69). Return the completed contract with a roster of all personnel, with their addresses and Social Security numbers, with a copy of a court order signed by the judge, if appropriate, to BWC.

Public employers update all contract coverage rosters with BWC as they add or delete personnel from the roster. Workers' compensation also covers bystanders asked by an official in charge to assist at the scene of an emergency. Assisting bystanders receive the same

benefits as volunteers for any injuries, occupational diseases or deaths arising out of their assistance at the emergency scene.

Obtain a U-69 from your local BWC customer service office or by calling **1-800-OHIOBWC**, or send the request in writing to: Ohio Bureau of Workers' Compensation, Attn: Employer Services, 30 W. Spring St., 22nd Floor, Columbus, OH 43215.

Coverage exceptions

Workers' compensation coverage is elective for sole proprietor, partners, limited liability company acting as a sole proprietor, limited liability company acting as a partnership, family farm corporate officers, ordained or associate ministers of religious organizations in the exercise of their ministries and individuals incorporated as a corporation (with no employees). These individuals can elect coverage by completing an *Application for Elective Coverage* (U-3S). This form is available online at ohiobwc.com or from a local BWC customer service office.

Reportable payroll for qualifying individuals who choose to cover themselves is subject to a minimum and maximum. Effective July 1, 2006, the minimum and maximum payroll reporting requirement is based on the SAWW calculated annually by the ODJFS. The minimum payroll reporting limit is 50 percent of the SAWW and the maximum payroll reporting limit is 150 percent of the SAWW. The ODJFS determines the SAWW effective Jan. 1 of each year. These individuals do not have to report more than the maximum. Individuals who earn between the minimum and maximum should report their actual net income.

Obtain the actual minimum and maximum payroll reporting amounts applicable for each payroll reporting period by visiting ohiobwc.com.

Members of a limited liability company acting as a sole proprietorship or partnership for federal income tax purposes are treated as sole proprietors or partners for workers' compensation purposes.

Rates

BWC makes it easy to report payroll.

Paying your premium is simple, too.

Log on to ohiobwc.com at your convenience – 24 hours a day, seven days a week. You can file your payroll report and pay your premium with a just a few clicks of the mouse.

Payroll and assessments

The premiums and assessments employers pay to BWC pay compensation and medical benefits for injured workers' claims, cover administrative and operating costs, and finance BWC's Division of Safety & Hygiene.

Reportable payroll

In defining payroll, BWC generally follows the guidelines of the ODJFS and the Federal Unemployment Tax Act (FUTA). BWC considers the examples listed below as payroll; therefore, employers must include them in the payroll report they submit to BWC.

- Gross hourly wages and gross salaries
- Sick pay, including third party and excluding workers' compensation
- Vacation and holiday pay
- Bonus payments, including stock given as a bonus
- Sales commissions
- Tips
- Severance pay
- Overtime pay
- Shift or holiday differential pay
- Stock gifts and profit sharing going directly to employees as payroll
- Voluntary employee contributions to retirement plans, including 401K
- Portions of cafeteria plans as reportable to FUTA, such as cash options and unqualified benefits
- Reasonable value of board, lodging, house or room rent, unless provided for the convenience of the employer
- Per diem and travel allowance if not paid as reimbursement expense
- Contributions to deferred compensation by employees except for government employees
- Expenses exceeding one-third of an employee's normal pay
- Personal use of a company car

In the case of agricultural or domestic service, compensation includes only cash wages.

Penalty for misrepresenting payroll and premiums

To ensure employers pay their fair share of workers' compensation costs, BWC enforces the 10-times rule to penalize employers who underpay their premiums. The law allows BWC to assess an employer up to 10 times the difference in premium paid and the amount owed. For example, if an employer paid \$5,000 and should have paid \$12,000, BWC can assess that employer a penalty of up to 10 times the \$7,000 difference.

BWC imposes the 10-times rule in cases where an employer knowingly misrepresents payroll. BWC does not impose the penalty in cases where employers have made honest mistakes on payroll reports.

By enforcing the 10-times rule, BWC seeks to penalize dishonest employers and deter underpayment of premiums, which unfairly increases workers' compensation costs for employers who pay the proper premiums.

Administrative assessments

State-fund employers pay a premium to BWC to maintain workers' compensation coverage. BWC uses premiums for compensation and medical benefits for injured workers' claims. BWC uses 1 percent of the premium to finance its Division of Safety & Hygiene, which educates employers on accident prevention and occupational diseases. Employers also pay assessments for administrative costs — the Disabled Workers' Relief Fund (DWRF) and an additional DWRF assessment.

BWC and the IC cannot use money from premiums to cover operating costs. Thus, the bureau and the IC charge administrative cost assessments based on a flat percentage of premium. For ease of calculation, the payroll report shows the rates and assessments in units of dollars and cents per \$1 payroll. Administrative cost assessments cover both BWC and IC operating costs.

The DWRF and the additional DWRF assessment are funds for permanently and totally disabled employees whose workers' compensation benefits have not kept pace with inflation. The regular DWRF assessment (DWRF 1) varies by employer type and covers injuries occurring prior to Jan. 1, 1987. The additional DWRF assessment (DWRF 2) is included in the premium rates shown on the payroll report. It covers injuries occurring on or after Jan. 1, 1987.

Administrative costs and DWRF assessments are included in the rate listed on the BWC payroll report.

Manual classifications and premium rates

BWC determines employers' manual classifications and premium rates based on the types of business they pursue. BWC uses National Council on Compensation Insurance manual classifications to classify employers by industry and hazard for rating purposes.

It is important that employers describe the exact nature of their business when applying for coverage. If the employer does not describe his or her business operations accurately, BWC may place the employer in an inaccurate classification and assess an incorrect premium for the work performed. Employers who believe BWC has improperly classified their operations may request a rating audit.

When BWC assigns two or more manual classifications to an employer's operation, the employer must maintain records showing correct and verifiable separation of the entire payroll by manual classification. The employer also must report payroll by manual classification and pay premium due. If BWC personnel cannot reasonably determine any specific portion of the payroll by classification, BWC places that portion under the highest rated classification applicable to the enterprise and assesses the premium, accordingly.

Premium rates

The Ohio Constitution requires BWC to classify industries according to the degree of hazard in the business. Each manual classification has its own basic premium rate. The cost of claims in each classification and not just an employer's own experience determines rates.

Based on actuarial data, the administrator recommends premium rates and assessments to the Workers' Compensation Oversight Commission for final approval. The actuarial section calculates, in advance, the projected cost of claims that will occur the next year. The actuarial section accomplishes this by analyzing the costs of accidents and diseases in each manual classification during the oldest four of the most recent five years.

An employer's accident experience, fluctuations in payroll, medical costs, claim reserves and workers' compensation benefit levels set by the Ohio General Assembly are the primary factors affecting premium rates. New rates for private, state-fund employers and state government agencies are effective each July 1, and new rates for public employer taxing districts are effective each Jan. 1.

Base rating

Approximately 81 percent of all Ohio employers are base rated. Base rating represents the average, combined claims experience of employers in the same manual classification. Base-rated employers are statistically too small for BWC to rate them on their experience as individual employers. These employers, may, however, qualify for group rating (see page 14, Group rating). BWC limits the average base-rate increase and/or decrease to a 30-percent yearly maximum. This provides relief from the occasional fluctuation that may occur from one year to the next.

Experience rating

Experience rating is an incentive system to promote safe working conditions. Only private, state-fund employers and public employer taxing districts with \$8,000 or more in expected losses are subject to experience rating. Approximately 19 percent of Ohio's employers are experience rated.

The employer may get a significant credit or penalty rating, depending on the claims-cost record of the business. Employers with lower claims costs than other employers in their classification receive credits against the base rate. Conversely, employers with higher claims costs pay rates higher than the base rate.

Thus, experience rating can reduce or increase an employer's premium burden compared to other employers within his or her classification. The maximum credit is 95 percent. There is no limit on the penalty.

BWC excludes smaller employers from experience rating because rates could severely increase due to one serious accident. Such an accident could dramatically alter the employer's premium stability for the next four experience-rating years. Each year, the actuarial section sends an Experience Exhibit to each experience-rated business, which contains the final experience rating calculation.

Claim costs and reserves

Employers regularly receive detailed claim costs reports, which provide information about the costs for each claim listed. This report includes information on the employer's micro insurance reserve analysis (MIRA). MIRA is designed to be an effective claims management tool. BWC bases the estimated future claims costs on an analysis of 20 individual claim characteristics that it has identified as cost drivers.

Savings

BWC provides cost-control opportunities

BWC offers services geared toward improving safety, claims management, detecting fraud and rehabilitation — cost-savings steps that can lower an employer's workers' compensation premiums. A portion of the premium employers pay funds safety services. By working with BWC and taking an active role in managing their injured workers' claims, employers can reduce workers' compensation costs for their business. That's good news for their company's bottom line.

Alternative rating plans

Alternative rating plans allow employers to select rating options that best meet their specific needs. An employer or group of employers, however, must meet certain eligibility requirements to qualify for an alternative rating plan.

For more information, go to ohiobwc.com, and click on Glossary.

Self-insurance

Employers realize several benefits from self-insurance, including the administration of their own claims and the potential for claims cost savings.

To apply for self-insurance, an employer must:

- Have a minimum of 500 employees within Ohio;
- Have two years experience with the state insurance fund;
- Implement a medical management plan;
- Demonstrate strong financial stability;
- Possess the ability to administer workers' compensation insurance;
- Maintain an account with a financial institution in Ohio, or draw compensation checks from the same account as the payroll checks.

The applicant must submit for review all financial records, documents and data necessary to provide a full financial disclosure (as audited by a certified public accountant). This includes a balance sheet, and a profit-and-loss statement for the current year and the previous four years.

The employer also must submit an organizational plan for processing claims. BWC requires the employer to submit a proposed plan to inform employees of the change from a state-fund insurer to a self-insurer, and procedures employees must follow when filing for compensation and benefits.

If approved, BWC assigns the employer a policy number, used for identification on all correspondence with BWC.

For more information or to obtain the necessary application forms, go to ohiobwc.com, or call 1-800-OHIOBWC.

Group rating

This rating plan allows employers who operate similar businesses to group together to potentially achieve lower premium rates than they could as individual employers. An organization, such as a trade association, sponsors each group. The organization must exist for a purpose other than that of obtaining group workers' compensation coverage.. Each sponsoring organization requires members to pay a membership fee of differing amounts.

The group must demonstrate common purpose and possess proven results from safety and loss-control practices. The sponsoring organization must submit a safety plan each year. BWC adjusts rates for group members taken as a whole, as if the group was one big company.

Group plan sponsors form groups and select which of their members will participate. Each year, BWC reviews each group rating application and ensures each group meets the criteria for group rating.

Retrospective rating

With this plan, the employer agrees to assume a portion of the risk in return for a possible reduction in premiums. The greater the assumed risk, the greater the potential reduction in premiums.

Employers who have a consistent claims history and proven safety practices will benefit the most from retrospective rating. The employer can customize the retrospective rating plan to control the amount of risk assumed and the potential savings by selecting the maximum premium and maximum claims costs he or she is willing to pay. Employers may benefit from retrospective rating because of lower initial premiums and realized cash-flow advantages.

However, the drawbacks of retrospective rating may outweigh the advantages for employers. For example, if an employer incurred high losses in a rating year, premiums could double.

Eligibility requirements

For an employer to participate in either group rating or retrospective rating, he or she must meet certain eligibility requirements established by BWC and/or the group sponsor. BWC has established a business consulting group to work with retrospective employers to

ensure they understand the obligations and the risks associated with retrospective rating.

Group rating and retrospective rating both require the employer to be current on all undisputed premiums, administrative costs, assessments, fines or monies otherwise due to any fund administered by BWC. The employer also must be in an active status on the first day of the policy year for either group rating or retrospective rating.

Additional criteria to qualify for group rating include:

- The employer cannot have cumulative lapses in workers' compensation coverage in excess of 59 days within the past 18 months preceding the application deadline for group rating.

Additional criteria to qualify for retrospective rating include:

- The employer cannot have entered into a part-pay agreement for payment of premiums or assessments due to the state insurance fund within the five years preceding the beginning date of the retrospective policy year;
- The employer cannot have any unpaid audit findings or other unpaid billings;
- The employer cannot have cumulative lapses in workers' compensation coverage in excess of 15 days within the last five rating years;
- The employer's estimated premium for the retrospective rating year must be greater than or equal to the minimum premium listed on the retrospective rating minimum premium percentage;
- The employer must show financial strength, stability and ability to cover all costs of the retrospective plan through closure.

Applying for group or retrospective rating

To obtain application information, deadlines and criteria for retrospective rating or group rating, go to ohiobwc.com, and visit the Programs section under Employer services.

You also can call **1-800-OHIOBWC** or BWC's employer services department at (614) 466-4660. You also may write to: Ohio Bureau of Workers' Compensation, Employer Services, 30 W. Spring St., 22nd Floor, Columbus, OH 43215-2256.

See page 16 for information on BWC's Premium Discount Program + (PDP+), Drug-Free Workplace Program (DFWP) and Drug-Free EZ program (DF-EZ).

Groups must re-apply each year for group premium rates. Continuation of a plan for subsequent years is subject to timely filing of an application and meeting annual eligibility requirements.

Retrospective applicants must submit audited financial statements as part of the application process, and must have acceptable financial conditions. BWC recommends employers apply for either program a few months prior to the application deadline.

Managing workers' compensation costs

Ohio is one of only four states in the United States where the state provides all workers' compensation coverage, known as an exclusive state fund. Exclusive state funds differ from other programs in several important economic aspects. Insurance carriers in most other states pay commission to agents, bonuses to corporate officers and dividends to shareholders. Ohio's program has none of these costs.

In most states that do not have state funds, insurance companies add little if any investment income to funds for payment of claims. In Ohio, BWC adds all money earned from investments to the common fund from which it pays claims. This investment income helps offset the costs of benefits and health-care services.

BWC has made great strides toward making workers' compensation at least neutral, if not a positive force, for business in Ohio. At \$21 billion, BWC is the largest exclusive state-fund workers' compensation system in the United States and the seventh largest underwriter of workers' compensation insurance in the country.

BWC cost-control efforts

BWC continues to control workers' compensation costs through cost-cutting reform efforts, claims-process improvements, increased investigation of suspected fraud cases and medical managed-care initiatives.

It's also why BWC strives to help employers get an edge on managing their own workers' compensation costs. The bureau's employer services staff can link employers with the experts and the tools to design their own cost-efficient workers' compensation program.

BWC offers services geared toward improving safety, claims management, detecting fraud and rehabilitation — cost-savings steps that can lower an employer's workers' compensation premiums. A portion of the premium employers pay funds safety services. By working with BWC and taking an active role in managing their injured workers' claims, employers can reduce workers' compensation costs for their business. That's good news for their company's bottom line.

Workplace safety

BWC's Division of Safety & Hygiene can help employers maintain a safe workplace through a variety of safety and health consulting services, including industrial and construction safety, industrial hygiene, ergonomics and engineering. BWC consultants work with employers to tailor the best safety and health approaches for their workplaces. For example, safety experts can help workers avoid back injuries, or select and use appropriate safety equipment.

Each year, BWC's Division of Safety & Hygiene hosts the largest regional safety and health convention in the United States. Hear dynamic keynote speakers, attend educational sessions that appeal to more than 6,000 attendees and see exhibits of the most up-to-date safety products and services. For more information, go to ohiobwc.com, or call 1-800-OHIOBWC.

The division also offers employers and employees a variety of publications, books, videos and training courses on safety and health topics. Topics range from basic safety manuals to tool-specific safe practices and from confined space entry to lockout/tagout.

The division's library, with online databases, more than 2,500 bound volumes and numerous periodicals, is one of the most comprehensive safety and health resources in the country. Its Ohio Center for Occupational Safety and Health, the division's safety and health training center, annually sponsors approximately 175 training courses for more than 3,500 students.

BWC is not associated with the Occupational Safety and Health Administration (OSHA) or any other compliance organization. Companies are free to voluntarily decide to accept and use BWC's recommendations. For more information on safety, log on to ohiobwc.com, or call 1-800-OHIOBWC.

Claims management

Unfortunately, work-related injuries occur even in the safest workplaces. It is crucial for employers to take an aggressive and active role in controlling the cost of their workers' compensation claims. When an accident does occur, prompt claim reporting significantly reduces the cost of a claim and the likeliness of attorney involvement.

Studies show claims reported within 10 days of occurrence cost nearly 50 percent less than claims reported after 30 days from occurrence. The MCO, which medically manages employees' workers' compensation claims, will quickly report claims to BWC, and help get injured workers back on the job as quickly as possible.

Employers, their representatives and their designees can log on to ohiobwc.com, and view a list of all claims and the costs associated with these claims by entering their BWC policy number. The claims costs are broken down into medical, indemnity (wage benefits) and reserve categories. These are further broken down into risk and surplus costs. The Claim Info section subrogation costs, handicapped percentages, the claim present value and total unlimited charges. It divides the latter two into risk and surplus categories. Employers can access the Claim Info menu by selecting any individual claim number.

To speak to a BWC employer services specialist, contact the nearest BWC customer service office and speak with the employer services department, or call 1-800-OHIOBWC.

Return to work

BWC is here to help employers keep their employees at work or return them to the job as quickly and safely as possible after an injury occurs. Along with the injured worker's doctor, employer and a team of rehabilitation professionals, BWC will work with the employee's MCO to coordinate a treatment plan personally tailored for the injured worker's job, as well as the injury.

Rehabilitation services

These services help the injured worker regain the capability to work again. When workers return to the job after an injury, employers get an experienced employee back, which saves them the cost of hiring and training a new employee. Rehabilitation services may include a variety of vocational services designed to increase the injured worker's ability to do the job.

Cost-control programs

BWC offers several programs designed to help control and lower workers' compensation costs.

- **DFWP and DF-EZ** — DFWP offers private and public state-fund employers premium discounts of between 10 percent and 20 percent for up to five years for establishing a safer and more cost-effective workplace through a substance-free environment. Like DFWP, DF-EZ makes it possible for Ohio employers with 25 or fewer employees to receive premium discounts of up to 20 percent for up to five years by implementing a substance-free environment in their workplaces. Employers can use DF-EZ in conjunction with other premium discount programs and group-rating programs.
- **PDP +** — BWC designed this incentive program to assist experience-rated qualifying employers with an experience modifier of 0.90 or higher to establish a safer, more cost-effective workplace. For implementing BWC's 10-Step Business Plan, employers will receive premium discounts of up to 10 percent for each of the first two years of participation and up to 5 percent for the third year, upon meeting program requirements. An employer participating in PDP+ also can participate in DFWP and obtain additional credits, and both discounts will apply.
- **One Claim Program** — BWC's One Claim Program is open to private, state-fund employers enrolled in a group-rating plan. Qualifying employers will receive a 40-percent discount off of their base rate. The program also provides the opportunity for employers to work closer with their MCO, third-party administrator and BWC representatives to better manage claims and prevent future claims. A strong relationship with workers' compensation partners and effective claims management can help employer get back into a group-rating program faster.

- **10-Step Business Plan** — This plan is BWC’s initiative to help employers in developing, implementing and managing a workplace safety and health program. The program’s goal is to help companies develop a culture where every employee values and takes responsibility for safe job performance, and is actively involved in the management of workplace safety and health.
- **SafetyGRANT\$** — Employers can receive matching funds to implement BWC’s DFWP or DF-EZ, or implement a comparable drug-free program. Matching grants are also available to assist employers with the elimination of injuries and illnesses in the workplace by aiding in the purchase of safety intervention equipment.
- **The Health Partnership Program (HPP)** — This program provides access to high-quality medical care for injured workers. HPP’s fundamental goal is to provide quality, cost-effective health care that will facilitate an early return-to-work or return the injured worker to a functional lifestyle.
- **Qualified Health Plan (QHP)** — A parallel managed-care system for self-insuring employers allowing greater flexibility to address individual needs and resources. Employers who are eligible to select a QHP will have the opportunity to contract with MCOs for medical-management and cost-containment services, and will directly pay medical costs.
- **Personalized policy scenarios** — Personalized policy scenarios allow employers to view the online substantial premium savings they can receive by participating in an alternative rating program or discount program. It also allows them to see what effect settling a claim, applying a handicap reimbursement, participating in a certified rehabilitation program, eliminating a claim or changing payroll may have on their experience modification.

For more information about these programs, log on to ohiobwc.com, call **1-800-OHIOBWC** or contact the employer services department at your local BWC customer service office.

Fraud detection

Fraud occurs when injured workers go back to work, but still collect benefits; doctors bill for services they never provided; and when employers underreport payroll to reduce their premiums.

Fraud is a hidden cost of workers’ compensation insurance, with an impact on both employers and injured workers. BWC fraud operations have identified more than \$1 billion in savings since 1993.

BWC is aggressively attacking fraud through its special investigations department. If you suspect an employer, injured worker or medical provider of workers’ compensation fraud, you can report it anonymously by calling **1-800-OHIOBWC**, or log on to ohiobwc.com.

SafetyGRANT\$

Through BWC’s SafetyGRANT\$ program, all employers need to do to find the capital to improve safety, is to ask. The SafetyGRANT\$ program provides matching grants to eligible employers who implement a drug-free workplace program and want to eliminate injuries and illnesses.

Private and public employers are eligible for matching grants to implement a DFWP, and employers in the automotive assembly and parts business can apply for a 4-to-1 matching grant to eliminate injuries and illnesses through purchase of safety intervention equipment. While applying for a grant to offset your safety costs is easy, funds are limited.

For more information and an application, view the *SafetyGRANT\$ Guide* online at ohiobwc.com. You can view and print the application, too. Or, call your local BWC employer services specialist or **1-800-OHIOBWC**.

Claims

Injured Worker

Pledge of Service

The Injured Worker Pledge of Service is BWC's pledge to its most important customers, the injured workers of Ohio. Anyone who suffers an on-the-job injury in Ohio deserves BWC employees to treat them fairly and to promptly receive the benefits to which he or she is entitled.

As an injured worker in Ohio, you have the right:

- 1 To workers' compensation benefits if you sustain a work-related injury or contract an occupational disease;
- 2 To quick access to high-quality health care from any BWC-certified health-care provider you choose;
- 3 To have your approved medical bills paid and not to be billed an additional amount;
- 4 To expect prompt, professional and courteous customer service from all BWC employees;
- 5 To have access to your records;
- 6 To receive timely payments for the allowed conditions in your claim;
- 7 To be considered for all benefits and rehabilitation services for which you may be eligible;
- 8 To a quality independent medical examination when required in your claim;
- 9 To appeal a decision made in your claim to BWC, the managed care organization or the IC;
- 10 To represent yourself or hire a lawyer at your own expense.

Reporting a claim

BWC understands the period following a workplace injury is difficult for the injured worker. That's why BWC wants to make sure the workers' compensation process is as simple and smooth for employees as possible. BWC's focus is to provide employees with a safe return to work.

Immediately after a workplace injury, an employee should:

- Seek medical attention;
- Tell the employer he or she has been injured. Ask the employer if an internal accident report is needed;
- Tell the doctor or emergency room staff the name of his or her MCO at the time of service, so the physician can file the claim within 24 hours of treatment;
- Ask the doctor or emergency room staff to file his or her claim with the MCO, or file it online at **ohiobwc.com**. The doctor is required to file the claim with the MCO within 24 hours.

MCOs provide employers with MCO identification cards. Employers distribute these cards to their employees.

The online claims services listed below are available to employers, injured workers and medical providers to make the claims process easier and more expedient.

- File a claim — The employee's physician can immediately file the claim online and receive a claim number.
- Claim assignment — Using the claim number, find out who is managing the claim and its location.
- Claim information — Using the claim number, obtain specific information about the claim and get answers to the most frequently asked questions.

The claims process

BWC is here to help employees throughout the claims process. If an employee misses eight or more days of work, a BWC claims service specialist will call the individual within one week of filing the claim with the MCO.

The employee also will receive an informational packet, including a BWC identification card. The identification card contains the employee's claim number, the name of the designated claims service specialist, and the MCO's name and phone number. BWC, the MCO or their doctor will ask injured workers for their claim number when communicating with them.

Employers, injured workers and medical providers can access claim status information and forms 24 hours a day. Log on to ohiobwc.com to get consistent, convenient service quickly and easily.

If an injured worker has not received an informational packet from BWC within two weeks of the injury, the employee should call the local BWC customer service office to verify BWC received the claim.

Claim decisions

Injured workers can assist the MCO with collecting information from their health-care provider and their employer. This will speed up the decision on employees' claims and their payments. Quick response to inquiries from BWC or the MCO keeps the claims process moving.

BWC issues its decision to allow or deny the claim whether or not the employer has certified or rejected the claim. The bureau publishes all of its decisions by a BWC order. Within 28 days, BWC will determine whether or not your employee has a valid claim.

Employers, representatives and their designees also can certify or reject a claim that's in a new, pending or allowed-appeal status at ohiobwc.com. When certifying a claim, it means the facts reported in the claim are correct and valid to the best of one's knowledge.

While employers have the right to appeal any claim, the law penalizes employers who file appeals designed to harass injured employees and delay the claims process. If an employer disagrees with the claim, a BWC claims service specialist will review it and decide whether or not to allow the claim.

If the injured worker or employer disagrees with BWC's decision to allow or deny a claim, either party may file an appeal with the IC within 14 days of receipt of the BWC order. For more information about the appeals process, see IC hearings and appeals on page 24, or call the IC at (800) 521-2691 or (614) 466-6136.

BWC pays compensation on allowed claims after the 14-day appeal period; or sooner if the employer certified the claim or if both parties waive the appeal period.

Benefit payments

If BWC allows the claim, the MCO will reimburse the injured worker or the medical provider for medical expenses. The MCO will only pay for medical services directly related to an allowed workplace injury or occupational disease.

If an injured worker cannot return to work for eight or more days, BWC will pay a percentage of the wages the employee loses.

After BWC approves a claim, it reports subsequent payments to the employer. Employers should review these payments carefully and contact the local BWC customer service office if they have questions.

Review of a claim file

BWC can divulge information contained in a workers' compensation claim file only to the employer, employee or a duly-appointed representative. The appointed representative of an employer or injured worker must have written authorization from either the employer or injured worker to inspect the file.

To obtain authorization forms for an appointed representative, log on to ohiobwc.com and complete the form online or print and complete it, or call **1-800-OHIOBWC**. Appointed representatives also can review files in service offices with appropriate authorization. Injured workers and employers also can grant online designees access to secure claim information on the Web site.

Working toward recovery

After an injured worker has received compensation payments for 90 consecutive days or more, BWC will schedule a medical examination with an independent, BWC-certified physician to evaluate progress. This examination ensures injured workers are getting the proper treatment, determines whether they can return to work and assesses their rehabilitation potential.

Return-to-work programs

BWC's return-to-work programs reduce employers' workers' compensation costs while lessening the financial, emotional and physical burden for the injured worker. The programs consist of the following:

- **Transitional WorkGRANT\$** — BWC will reimburse up to 80 percent in funding to employers who develop a transitional work program designed specifically for

their businesses and employees. A transitional work program uses real job duties for a specified period of time to gradually return the injured worker to his or her original job. An employer's remaining 20-percent investment could save thousands of dollars in disability costs;

- **Remain at work** — Managed by the employer's MCO, this service provides injured workers with rehabilitation services to reduce or eliminate the number of days an employee is off work. Although these services require additional up-front costs, it is far more costly to both the employer and employee to have a worker out of the workplace;
- **Expanded vocational rehabilitation services** — MCOs manage each lost-time claim with the goal of an optimal return-to-work date. If an injured worker has not returned to the job 30 days after that optimum date, BWC and the MCO will work together to provide the injured worker with specialized in-depth services to prepare and integrate him or her back into the work force.

For more information about BWC's return-to-work services, log to ohiobwc.com, or contact your local BWC employer services specialist.

BWC's health-care system: HPP

Under the HPP, MCOs medically manage claims. This includes treatment and surgery approvals, payment of medical bills and rehabilitation referrals.

When an employee is hurt on the job, the employee can see any doctor for the first visit. After that, the employee must visit a BWC-certified provider. The employer may suggest a specific doctor to an employee, but the employee has the right to visit any BWC-certified provider.

BWC-certified providers have agreed to provide injured workers with the quality care they need to get back to work. To locate a BWC-certified provider, call your local customer service office or **1-800-OHIOBWC**, or go to the Medical providers section at ohiobwc.com to access a list of providers.

Occupational diseases vs. accidents

Employers must keep a record of all injuries and occupational diseases from which employees sustain eight or more days of total disability. Disabilities resulting from occupational disease differ in several ways from those resulting from accidents.

- An accident is the consequence of a sudden, unexpected single occurrence that happened at a specific time and place, usually without warning. An occupational disease results from an injurious exposure over a period of time to a substance that is common to the workplace but uncommon elsewhere.
- Medical providers usually diagnose an injury from an accident quickly, whereas the diagnosis of an occupational disease may take months or even years.
- With few exceptions, injuries from accidents are not unusual in most businesses, but occupational diseases tend to be relatively rare.
- The cause of an injury is generally easily detected, but the cause of an occupational disease will often affect a number of employees before professionals identify and correct that cause.

Workers' compensation benefits

When a work-related injury or occupational disease causes an employee to lose eight or more calendar days from work, BWC provides benefits and services to help replace lost income, pay related medical expenses and return the injured employee to work. The bureau pays benefits according to the laws in effect on the date of injury, or the date of disability or diagnosis for occupational diseases.

BWC does not cover purposely self-inflicted injuries or those primarily caused by the use of alcohol or non-prescription drugs. If the work-related injury is fatal, BWC provides an allowance for funeral expenses and may provide compensation to dependent survivors of the deceased.

Medical benefits

For a work-related injury resulting in the loss of seven or fewer calendar days of work, BWC pays related medical expenses. Under HPP, if BWC allows an injured worker's claim – whether a medical-only or lost-time claim – BWC will pay the employer's MCO, which in turn will reimburse the health-care provider for medical services related to the workplace injury. The MCO pays the health-care provider upon receipt of a properly completed and signed fee bill, and according to usual, customary and reasonable fees for the geographic area.

For the MCO to consider payment, the health-care provider must file the injured worker's health-care bills with it within two years of the date of treatment. MCOs must process medical bills within 21 days of submission. If an MCO questions a medical bill, it may request additional medical documentation from the attending physician. Once the MCO receives the additional information, it has another 21 days to pay or deny the medical bill.

Health-care services include, but are not limited to, routine physician care, hospitalization, surgery, tests, nursing home care, prescribed medicine costs, artificial limbs, hearing aids, eyeglasses, special or modified shoes, canes and crutches. Except in cases of emergency, the MCO must approve certain medical services in advance. Medical services requiring advanced approval include surgery, hospitalization or nursing home stays, special medical equipment, physical therapy, nursing services, dental work, elective amputations and weekly injections.

If the health-care provider treats an injured worker for a condition not allowed in his or her claim, BWC is not responsible for payment. If, however, the injured worker believes the condition relates to the claim, he or she may apply to have it recognized in the claim by filing a *Motion* (C-86). This form is available from your local customer service office or online at ohiobwc.com.

Pharmacy benefits

Newly injured workers should inform their pharmacist their prescriptions are for the treatment of a workers' compensation claim and supply the pharmacist with their Social Security number, date of injury and BWC claim number. The pharmacist submits this information along with the drug information to BWC's pharmacy benefit manager (PBM) does this.

The PBM will inform the pharmacist the injured worker has a new claim and notify the pharmacist the amount BWC will reimburse for the prescription. The PBM usually indicates the amount in the co-payment area on the prescription receipt. The pharmacist can elect to collect this amount from the newly injured worker or choose to accept assignment.

If the pharmacist accepts assignments, he or she should reverse the previously submitted bill, and then submit the bill to the PBM with the Prior Authorization code of 999000000. When the pharmacy accepts

assignment, the injured worker's co-pay field will default to \$0 so the injured worker receives the prescription at no charge. When allows the claim, the PBM will automatically reimburse the pharmacy the fee schedule amount for the prescription plus an additional dispensing fee of \$2.50.

If the pharmacist does not accept assignment, he or she will ask the injured worker to pay the BWC fee schedule amount that appears in the co-pay field of the prescription receipt. When this occurs, the PBM will automatically reimburse the injured worker once BWC allows the claim. In either case, if BWC disallows the claim, the bill becomes the injured worker's responsibility. Pharmacy providers should not submit any portion of a bill for a medication used to treat a work-related injury to a private health insurance carrier.

BWC expects pharmacy providers to submit bills for outpatient drugs electronically through the PBM for all injured workers, including situations where the injured worker does not have a BWC claim number and before the claim reaches an allowed status. This benefits injured workers as they do not have to complete a paper invoice for the PBM to reimburse them for medications the pharmacy asks them to pay for prior to their claim allowance. The pharmacy charges them the BWC allowed amount. So when the PBM reimburses injured workers for the prescription it is for the same amount the pharmacy charged them.

The PBM pays all bills according to the BWC fee schedule. Therefore, when an injured worker does not identify him or herself an injured worker and pays for prescriptions as a cash customer, or the pharmacist does not submit the bills electronically to the PBM, and then seeks reimbursement, the injured worker is responsible for the difference between the amount he or she paid and the amount BWC reimbursed by BWC. It is in the best interest of the injured worker for the pharmacy to submit the bill(s) for outpatient medication to the PBM electronically.

In 2005, BWC introduced the relatedness prior authorization and preferred drug programs for state-fund claims. BWC designed these initiatives to ensure it reimburses pharmacies for only medications related to treatment of industrial injuries or occupational diseases, and it provides a preferred drug program to Ohio injured workers.

Temporary total disability compensation

If an injured worker loses eight or more calendar days of work as a result of a work-related injury, BWC pays compensation for lost wages and related medical expenses.

Temporary total benefits are usually the first form of compensation that injured workers receive during their recovery from a work-related injury. Employees cannot work and receive temporary total benefits. If your employee cannot return to work and the IC declares the individual permanently and totally disabled due to a work-related injury, the injured worker will receive permanent total disability compensation.

Temporary total benefits begin on the eighth day following the accident. BWC issues benefits on a biweekly basis. If an injured worker is off work for 14 consecutive days, BWC will pay the employee for the first seven days. Once the injured worker returns to work, temporary total benefits cease.

BWC pays temporary total benefits based on medical evidence from the attending physician, furnished on the *Request for Temporary Total Compensation (C-84)* or the *Physician's Report of WORKABILITY (MEDCO-14)*. These periodic reports ensure the continuous payment of compensation. The severity of the injury and the length of time off work determine the frequency at which these reports are required.

After 90 consecutive days, a claims service specialist may refer injured workers for an examination to determine whether they still qualify for temporary total, rehabilitation and if they are receiving the right medical treatment.

BWC bases injured workers' weekly rate of compensation on their wages earned at the time of injury. Injured employee's weekly benefit rate cannot exceed the statewide average weekly wage — the average weekly wage for all Ohioans — for the year in which the employee was injured. The ODJFS establishes the rate.

For the first 12 weeks of missed work, injured workers will receive 72 percent of their full weekly wage. After 12 weeks of missed work, injured workers will receive temporary total benefits at the rate of 66.67 percent of their average weekly wage.

Maximum medical improvement

BWC has the authority to make initial determinations on all claim actions, including determining whether to continue or terminate temporary total compensation based on evidence of maximum medical improvement (MMI). MMI occurs when an individual's medical condition stabilizes to the point the injured worker's physical or mental condition will not change, despite continued medical treatment and/or rehabilitation.

MMI doesn't indicate a person is 100-percent recovered, but that he or she meets the maximum healing level. For example, if an employee sustains a severed finger injury, and medical personnel cannot reattach the finger, this individual will eventually reach MMI. BWC can terminate temporary total benefits only when there is no contradicting medical evidence that the injured worker has reached MMI. In all other situations, BWC refers the claim to the IC for determination of MMI through a hearing.

If the IC decides an injured worker has reached MMI, he or she still may be entitled to other forms of workers' compensation, such as wage loss compensation, permanent partial compensation, permanent total compensation or settlement of the claim.

Other types of compensation

BWC also provides other types of disability compensation for work-related injuries.

Living maintenance is a payment(s) made to an injured worker instead of temporary total compensation payments while he or she is actively involved in an approved rehabilitation program. Injured workers actively participating in an approved rehabilitation plan, with the goal of returning to work, may be eligible to receive living maintenance. An employee cannot work and receive living maintenance payments.

Injured workers may be entitled to **wage loss** compensation under two circumstances: (1) if they have found work other than their former position and now receive less pay than they did at the time of the injury; (2) if they cannot find work within their specified medical restrictions.

BWC pays wage loss benefits at a rate of 66.67 percent of the difference between present earnings and earnings at the time of injury. Wage loss compensation is only

available for injuries occurring after Aug. 22, 1986. Wage loss provides temporary support to help make up some of the wages lost after a work-related injury. To apply for wage loss compensation, an injured worker should complete the *Application for Wage Loss Compensation (C-140)*.

Injured workers may be eligible to receive **living maintenance wage loss** compensation if they complete an approved rehabilitation program and return to a job agreed to by the physician of record, the case manager and re-employment specialist, but suffer a wage loss compared to the wages earned at the time of injury.

Injured workers may receive **permanent total disability** when the IC declares them permanently and totally disabled due to a work-related injury. An injured worker with one or more claims cannot return to work and receive permanent total disability payments unless the injury resulted in the loss, or loss of the use of, both hands or both arms, or both feet or both legs or both eyes or of any two of these — referred to as statutory permanent total disability. To apply for permanent total disability, an injured worker should file an *Application for Compensation for Permanent Total Disability (IC-2)*.

BWC may grant benefits from the **DWRF** to permanently and totally disabled employees whose workers' compensation benefits have not kept up with inflation. BWC automatically evaluates permanent total disability recipients each year to determine eligibility.

BWC pays **death benefits** when a death results from a work-related injury. Dependents of the deceased at the time of death may be eligible. Dependents file the *First Report of an Injury, Occupational Disease or Death (FROI)* and *Additional Information for Death Benefits (C-5)*. If an injured worker dies while receiving workers' compensation benefits and the death is not related to the claim, BWC does not consider this a death claim. However, dependents may be eligible for any unpaid portion of a workers' compensation benefit in an existing claim.

BWC awards **percentage of permanent partial disability** benefits, also known as C-92 benefits, as compensation for residual impairment that may result from a work-related injury. Every injured worker may file for permanent partial disability. BWC determines the percentage of permanent partial impairment based on the recommendation of an independent medical examiner.

Injured workers may apply for percentage of permanent partial disability 40 weeks after they receive their last payment of temporary total compensation or 40 weeks from the date of injury if compensation is not paid for claims with dates of injury prior to June 30, 2006. You may file for permanent partial disability 26 weeks after receiving your last payment of temporary total compensation or wage loss, or 26 weeks from the date of injury if compensation is not paid for claims with dates of injury on or after June 30, 2006.

To apply for percentage of permanent partial disability, an injured worker can file an *Application for the Determination of the Percentage of Permanent Partial Disability or Increase of Permanent Partial Disability (C-92)*. Use the same form to apply for an increase of permanent partial disability.

A statewide network of physicians, with offices convenient to most communities, provides medical examinations for permanent partial (percentage) disability applicants. BWC requires a medical exam to determine the extent of permanent damage, if any, the worker's injury has caused.

If an injured worker has received permanent partial (percentage) disability benefits totaling 100 percent (collectively) in a claim since Oct. 1, 1963, he or she is not eligible to file an application for an additional percentage.

The processing procedure for increases of permanent partial disability allows BWC to conduct a medical file review before acting on a request for an increase of permanent partial disability. BWC will only schedule the injured worker for an examination in exceptional situations (complex injuries or when a psychological exam is necessary). The physical reviewer also may request an examination.

BWC will consider a request for an increase whether or not it has allowed an additional condition in the claim. If no additional conditions have been added since the last exam, submit medical documentation supporting the increase with the application. Then, a medical review may be done before BWC makes the determination.

If BWC has allowed an additional condition in the claim since the claim, the injured worker only needs to submit the C-92, BWC will schedule an exam.

Permanent partial (scheduled losses) disability compensation is payment made to an injured worker for loss of, or loss of use of, specific body parts due to a work-related injury or occupational disease. The location of the amputation or ankylosis, a total stiffness of the body part, determines the period of time for which BWC will pay compensation.

The attending physician must submit evidence of the exact point at which amputation or ankylosis occurred. BWC may pay this benefit at any time when the claim is active. An injured worker should just file a C-86 and submit supporting medical evidence. There is no waiting period.

Facial disfigurement is a one-time benefit if an injured worker experiences a work-related facial or head disfigurement that either impairs or may in the future impair, opportunities to seek or retain employment. The maximum facial disfigurement benefit is \$5,000 for claims with dates of injury prior to June 30, 2006, and \$10,000 for claims with dates of injury on or after June 30, 2006. To apply for a facial disfigurement award, an employee can file a C-92.

BWC may grant an additional benefit if an injured worker proves the employer violated a specific safety requirement (VSSR) established by Ohio law. An injured worker has two years to file for **VSSR compensation**. An employee files an *Application for Additional Award for Violation of Specific Requirement in a Workers' Compensation Claim* (IC-8). In the case of a fatal injury, the employee's dependents can file an *Application for Additional Award for Violation of Specific Requirement* (IC-9).

Another benefit, **lump sum advancement**, enables injured workers to receive a partial lump sum payment of permanent partial or permanent total benefits, and eligible dependents may receive a partial lump sum payment of death benefits.

BWC reduces future compensation payments to offset the amount of the advancement and reduces benefits for life. BWC determines the maximum amount available for a lump sum advancement by the biweekly amount of compensation and age of the injured worker. To apply for lump sum advancement, an injured worker files an *Application for Lump Sum Payment* (C-32).

An injured worker also may file an application for a one-time, final lump sum settlement or partial settlement of his or her workers' compensation claim. Partial settle-

ment may be for medical benefits only, compensation benefits only or for a particular condition(s).

If an injured worker settles a claim in its entirety, BWC closes it and can issue no further payment on that claim. Partial settlement closes only the settled portion of the claim. Apply for a lump sum settlement by filing the *Settlement Agreement and/or Application for Approval of Settlement Agreement (for State-Fund Claims Only)* (C-240).

Employers and injured workers can access claim and settlement information online at ohiobwc.com using the assigned claim number for access.

If all parties and BWC agree upon the settlement amount, BWC sends an approval letter to all parties involved and to the IC to determine that the settlement is fair. A 30-day waiting period follows, which begins when the approval letter is postmarked. Any party to the settlement can withdraw from the agreement, or the IC can reject the agreement during that time.

If the IC fails to notify the parties of its rejection of the agreement, or if none of the parties withdraw their consent to the agreement within this 30-day period, BWC automatically approves the lump sum settlement agreement.

IC hearings and appeals

BWC makes initial decisions to allow or deny all state-fund workers' compensation claims, except for medical issues. For medical issues, under the HPP, the MCO provides one level of dispute resolution and BWC provides a second. Then, if the injured worker or employer disagrees with BWC's decision, either party may appeal the decision to the IC.

Hearings before the IC are informal in nature and do not require legal representation. However, parties may choose to have an attorney or other authorized person represent them.

The employer and injured worker should bring all evidence relating to the claim, including medical records, written statements of witnesses or other documentation and information on the case, to hearings. Parties should be prepared to furnish two copies of their reports — one for the hearing officer, one for the opposing side — while keeping the originals.

For more information, go to the IC's Web site at www.ohioic.com or call the IC's customer service department at (800) 521-2691 or (614) 466-6136.

If the employer or injured worker contests the payment of compensation in a claim, the IC hears the dispute. There are three appeal levels for workers' compensation claims at the IC: district hearing officer level, staff hearing officer level and the commission.

District level

If the employer or the injured worker contests a BWC decision, an IC district hearing officer hears the appeal. District hearings take place in 16 IC offices throughout Ohio. The IC holds a hearing at the commission office nearest the injured worker's residence. District hearings take place within 45 days of the filing of the appeal.

The district hearing officer will issue a decision within seven days of the hearing. Then, the IC sends the employer and the injured employee a written notice, called an order, of the district hearing officer's decision.

The law guarantees injured workers and employers the right to appeal a district hearing officer's decision to a higher level, the staff hearing level. The dissatisfied party must appeal the decision within 14 days of receipt of the decision by filing a *Notice of Appeal* (IC-12).

If, however, the district hearing officer is making a judgment regarding the percentage of permanent partial disability, either the employer or injured worker may apply for reconsideration, using the *Application for Reconsideration* (IC-88), within 10 days of receipt of the hearing officer's decision.

Staff level

Staff hearings take place within 45 days after the filing of an appeal of the district hearing officer's decision. The procedure is much the same as a district hearing. The staff hearing officer will ask both parties to present their views, including any evidence and witnesses.

The staff hearing officer will make a decision within seven days of the hearing. Then, the IC sends the employer and injured worker a written notice of the staff hearing officer's decision.

Each party has 14 days from receipt of the staff hearing officer's decision to file an appeal to the next level, the commission, by submitting an IC-12.

Commission level

After thoroughly studying the staff hearing officer's decision, the IC either agrees to hear the appeal or refuses the appeal. If the commission accepts an appeal, it will hold a hearing within 45 days of the employer or injured worker filing the appeal. The commission issues a decision within seven days of the hearing. If the commission refuses to hear the appeal, the staff hearing officer's decision becomes final.

Beyond the commission

The employer or injured worker may file an appeal of final commission decisions that do not address questions of extent of disability to the court of common pleas by filing a notice of appeal within 60 days from receipt of the commission order. Neither party, however, may file an appeal of the commission decisions, which decide questions of extent of disability. Injured workers and employers can only challenge these decisions in mandamus, a formal action requesting a court issue an order directing the commission to take certain action.

Payment during appeals

BWC will make payments for allowed claims pending appeal outcomes. If the decision of the district hearing officer is favorable to the injured worker, BWC pays compensation, regardless of further appeal. BWC does not make medical payments, however, until final administrative or judicial determination.

If the IC awards compensation and the employer or injured worker appeals to the Court of Common Pleas, payment continues during the appeal period until the court makes a final decision.

Reference

Ohiobwc.com

Ohiobwc.com, BWC's Web site, provides consistent, customized services 24 hours a day. Just click to find information on all of your workers' comp questions.

1-800-OHIOBWC

Call 1-800-OHIOBWC, to reach key information areas and customer service representatives ready to respond to inquiries. Automated information is available from 7 a.m. to 7 p.m.

Workers' Comp Quarterly

Don't miss an issue of *Workers' Comp Quarterly*, BWC's award-winning magazine, distributed to more than 140,000 employers. Stay informed about breaking developments in workers' compensation news.

Workers' Comp Quarterly, the broadcast version of the magazine, airs locally on government and public access channels statewide. Check with your local cable provider for dates and times.

Special circumstances

Reimbursement for those hiring handicapped employees

To help offset the disadvantages that handicapped persons often experience in the job market; BWC offers employers hiring incentives through its Handicap Reimbursement program as a means for employers to reduce their claims experience costs.

For purposes of workers' compensation, Ohio law defines a handicapped employee as:

One who has a physical or mental impairment, whether congenital or due to injury or disease, where the impairment jeopardizes the person's ability to obtain employment or re-employment. and the handicap is due to one of 25 specified diseases or conditions recognized by law, including arthritis, ankylosis, diabetes, cardiac disease and epilepsy.

If the employee's pre-existing handicap either causes a work-related accident, occupational disease or death, or contributes to increased costs or a delay in recovery, BWC may charge the portion of the claim costs resulting from the pre-existing handicap to the surplus fund. BWC does not include these costs in the employer's individual rate calculations.

Experience-rated employers may apply for reimbursement of claims costs by filing an *Application for Handicap Reimbursement* (CHP-4-A). File an application while the claim is in the experience period. BWC initially approves or denies applications, but these decisions are appealable to the IC.

Armed service-related disabilities

Employers may also file for relief similar to handicap reimbursement when a service-connected injury pre-existed the date of injury, and all or part of the claim cost is attributable to the service-connected injury. Service-connected injuries eligible for relief are not limited to the 25 conditions eligible for handicap reimbursement. Apply for service-connected injury relief by filing the CHP-4-A.

Employer-sponsored fitness activities

Employees may waive any rights to workers' compensation claims for injuries or diseases arising from employer-sponsored fitness or recreational activities. Employers can obtain a *Waiver of Workers' Compensation Benefits for Recreational Fitness Activities* (C-159), which is effective for two calendar years, through BWC's forms and publications department at 30 W. Spring St., Columbus, OH 43215. Employers can also obtain a C-159 by calling the department at (614) 752-8843 or **1-800-OHIOBWC**.

Questions

BWC's interactive Web site, **ohiobwc.com**, is available 24 hours a day. From the frequently asked questions section to the expansive Glossary, employers and injured workers can find the information they need, when they need it at **ohiobwc.com**.

Also, BWC staff is available to answer questions, including the status of a claim. Call a local BWC customer service office from 8 a.m. to 4:45 p.m., or call **1-800-OHIOBWC**. Have the appropriate claim number and policy number available before calling. Because people make fewer calls during the first and last hour of each business day, this may be the best time to call.

Additional resources

Ohiobwc.com

Ohiobwc.com, BWC's e-business Web site, provides consistent, customized services 24 hours a day to all Ohio employers, employees and medical providers. And the bureau's online services are continually expanding to better meet your needs.

For example, log on to **ohiobwc.com** to:

- File a claim and receive a claim number;
- Look up basic claim information, such as correspondence, accident description and assigned claims service specialist;
- Report payroll and pay premium;
- Evaluate personalized policy scenarios;
- Update your business information;
- Obtain information about group rating;
- View premium rating detail history;
- Apply for the DFWP and retrospective rating programs;
- Enroll in safety classes or reserve safety videos that can help your company reduce accidents and premiums;
- Download and print, or order forms and publications.

Telephone numbers and addresses

By calling **1-800-OHIOBWC**, you can reach key information areas and customer service representatives ready to respond to your inquiries. The number is effective nationwide and in Canada and Mexico. Automated information is available weekdays from 7 a.m. to 7 p.m.

1-800-OHIOBWC options:

Option 1: Injured worker information

Option 2: Employer information

Option 3: Medical and pharmacy providers

Option 4: To report fraud

Option 9: For service in Spanish

Option 0: Customer contact center

TTY/TDD Ohio Relay Service

Statewide (800) 292-4833

Ombudsman's Office

Columbus (614) 466-5935

Cleveland (216) 787-4191

Nationwide (800) 335-0996

Ohio Center for Occupational Safety & Health

Local (614) 577-9456
Statewide (800) 533-7723

Industrial Commission of Ohio

30 W. Spring St.
Columbus, OH 43266-0581
General Information (614) 466-6136
Statewide toll-free (800) 521-2691
TTY/TDD (614) 752-4782
Statewide toll-free (800) 686-1589

Customer service offices

Call the local BWC customer service office for account and claims information, as well as help managing your workers' compensation claims.

Cambridge

61501 Southgate Road
Cambridge, OH 43725
Claims (740) 435-4200
Employer services (740) 435-4210
Imaging fax (866) 281-9351

Canton

400 Third St. S.E.
Canton, OH 44702-1102
Claims (330) 438-0638
Employer services (330) 471-0937
Toll free (800) 713-0991
Imaging fax (866) 281-9352

Cincinnati

125 E. Court St.
Cincinnati, OH 45202-2196
Claims (513) 852-3341
Employer services (513) 852-3216
Imaging fax (866) 281-9353

Cleveland

615 Superior Ave. W., Sixth Floor
Cleveland, OH 44113-1889
Claims (216) 787-3050
Employer services (216) 787-3060
Toll free (800) 821-7075
Imaging fax (866) 336-8345

Columbus

30 W. Spring St., 11th floor
Columbus, OH 43215-2256
Claims (614) 728-5416
Employer services (614) 752-4538
Imaging fax (866) 336-8352

Dayton

3401 Park Center Drive
Dayton, OH 45414
Claims (937) 264-5000
Employer services (937) 264-5217
Imaging fax (866) 281-9356

Garfield Heights

4800 E. 131 St.
Garfield Heights, OH 44105
Claims (216) 584-0100
Employer services (216) 584-0115
Toll free (800) 224-6446
Imaging fax (866) 457-0590

Governor's Hill

8650 Governor's Hill Drive
Cincinnati, OH 45249-1369
Claims (513) 583-4400
Employer services (513) 583-4403
Imaging fax (866) 281-9357

Hamilton

1 Renaissance Center
345 High St.
Hamilton, OH 45011
Claims (513) 785-4500
Employer services (513) 785-4510
Imaging fax (866) 336-8343

Lima

2025 E. Fourth St.
Lima, OH 45804-4101
Claims (419) 227-3127
Employer services (419) 227-4116
Toll free (888) 419-3127
Imaging fax (866) 336-8346

Logan

P.O. Box 630
1225 W. Hunter St.
Logan, OH 43138-0630
Claims (740) 385-5607
Employer services (740) 385-9848
Toll free (800) 385-5607
Imaging fax (866) 336-8348

Mansfield

P.O. Box 8051
240 Tappan Drive N.
Mansfield, OH 44906-8051
Claims (419) 747-4090
Employer services (419) 529-4528
Imaging fax (866) 336-8350

Portsmouth

P.O. Box 1307
1005 Fourth St.
Portsmouth, OH 45662-1307
Claims (740) 353-2187
Employer services (740) 353-3419
Imaging fax (866) 336-8353

Springfield

P.O. Box 1467
1 S. Limestone St.
Springfield, OH 45501-1467
Claims (937) 327-1425
Employer services (937) 327-1365
Imaging fax (866) 457-0593

Toledo

P.O. Box 794
1 Government Center, Suite 1136
Toledo, OH 43697-0794
Claims (419) 245-2700
Employer services (419) 245-2474
Imaging fax (866) 457-0594

Youngstown

242 Federal Plaza W.
Youngstown, OH 44503
Claims (330) 797-5500
Employer services (330) 797-5010
Toll free (800) 551-6446
Imaging fax (866) 457-0596

Customer focus center

BWC's customer focus center offers all the services the bureau's customer service offices provide. Contact the local center for help with account and claims information.

Bridgeport

56104 National Road, Suite 112C
Bridgeport, OH 43912-2506
Claims (740) 635-1163
Employer services (740) 635-0942

For more information

Visit BWC at ohiobwc.com, or call 1-800-OHIOBWC.

Publications and forms

BWC offers a variety of free publications, including Ohio's leading workers' comp magazine, informational brochures, guides, fact sheets, forms and more to assist employers, injured workers and other parties.

Workers' Comp Quarterly Magazine

Don't miss an issue of *Workers' Comp Quarterly*, BWC's award-winning magazine, distributed to more than 150,000 employers. For a free subscription, contact *Workers' Comp Quarterly* by fax at (607) 273-0846, or e-mail ohiomailing@vanguardprintingllc.com

Many of the publications and forms listed here are available at ohiobwc.com. Those that are available online have an asterisk (*) at the end of the title. Publications only available online have two asterisks (**). Order the publications and forms available in print list below by calling 1-800-OHIOBWC or writing to: Ohio Bureau of Workers' Compensation, Forms and Publications, 30 W. Spring St., Level B-2, Columbus, OH 43215-2256.

Annual report

*Fiscal Year 2005 Annual Report***

Manuals

PA960 *The Workers' Compensation Law of Ohio*

Booklets

CD-30 *We Care About You***
CD-40 *Workers' Compensation Guide for self-insuring employers and their employees***
CD-50 *Workers' compensation guide for state-fund employers and their employees***

Brochures

CD-105 *Self-Insurance***
 CD-106 *HPP Reference Guide for Physicians & Providers**
 CD-108 *Safety Grants Guide***
 CD-113 *Conducting E-Business***
 CD-130 *Getting back 2 work***
 FB-01 *Fraud**
 OMBUDS *The OMBUDS Office can help**

Fact sheets

*Public Participation in BWC Rule Making***
*Remain at Work***
*Service offices/Focus centers Contact Information***
*Transitional WorkGRANT\$***
*Understanding Alternative Rating Plans***
*Understanding the Claims Hearing Process***
*Understanding Claim Reactivation***
*Understanding Death Benefits***
*Understanding the Disabled Workers' Relief Fund***
*Understanding Fraud***
*Understanding Group Rating***
*Understanding Lump Sum Settlements***
*Understanding Maximum Medical Improvement***
*Understanding Permanent Partial Scheduled Losses Disability***
*Understanding Premium Audits***
*Understanding Premium Rates***
*Understanding Safety & Hygiene Services***
*Understanding Subrogation***
*Understanding Temporary Total Disability***
*Understanding Wage Loss Compensation***
*Understanding Workers' Compensation Benefits***
*What to do before, during and after a workplace injury occurs***

Forms

AC-2 *Permanent Authorization**
 AC-3 *Temporary Authorization**
 AC-20 *Application for Retrospective Rating**

BWC-7500 *Plan of Action**
 C-5 *Additional Information for Death Benefits**
 C-11 *Request to Appeal the MCO Medical Treatment/Service Decision**
 C-59 *Self-Insurer's Agreement as to Compensation on Account of Death**
 C-84 *Request for Temporary Total Compensation**
 C-86 *Motion**
 C-92 *Application for the Determination of Percentage of Permanent Partial Disability or Increase of Permanent Partial Disability**
 C-94-A *Wage Statement**
 C-108 *Request for Waiver of Appeal**
 C-167-T *Objection to Tentative Order Awarding Permanent Partial Disability Compensation**
 C-240 *Settlement Agreement and Application for Approval of Settlement Agreement**
 CHP-2-A *Annual Listing of Ohio BWC Handicapped Employees*
 CHP-4-A *Application for Handicap Reimbursement**
 FROI *First Report of an Injury, Occupational Disease or Death**
 OIC-1004 *Request for Continuance*
 OIC-1084 *Settlement of Alleged Violation for a Specific Safety Requirement*
 IC-12 *Notice of Appeal*
 IC-88 *Application for Reconsideration*
 IC-2 *Application for Compensation for Permanent Total Disability*
 IC-8/IC-9 *Application for Additional Award for Violation for a Specific Safety Requirement in a Workers' Compensation Claim*
 IC-32A *Application for Lump Sum Payment of Attorney Fees*
 IC-52 *Request for .552/.52 Relief*
 IC-90 *Election*
 MEDCO-6 *Waiver of Examination**
 MEDCO-8 *Self-Insured Employer/Injured Worker Screening**
 OD-58-22 *Application for Adjustment of Claim in Case of Death due to Occupational Disease**

R-1	<i>Authorization of Representative of Employer*</i>
RH-5	<i>Trainer's Report*</i>
RH-6	<i>On-the-Job Training Agreement*</i>
RH-19	<i>Employer Incentive Contract*</i>
RH-24	<i>Gradual Return to Work Contract Employer Reimbursement Method*</i>
RH-25	<i>Gradual Return to Work Living Maintenance Reimbursement Method</i>
SI-6	<i>Initial Application by Employer for Authority to Pay Compensation, Etc. Directly*</i>
SI-7	<i>Application for Renewal of Authorization to Operate as a Self-Insured Risk*</i>
SI-8	<i>Rehabilitation Election *</i>
SI-16	<i>Agreement Between Employer and the Ohio Bureau of Workers' Compensation Regarding Amount of Self-Insured Buyout*</i>
SI-28	<i>Filing of an Allegation Against Self-Insured Employer*</i>
SI-38	<i>Contract of Guaranty*</i>
SI-41	<i>Handicap Reimbursement Election*</i>
SI-42	<i>Self-Insured Joint Settlement Agreement and Release*</i>
SI-43	<i>Acknowledgement of the Self-Insured Joint Settlement Agreement and Release*</i>
TWG-100	<i>Transitional WorkGRANTS\$ Reimbursement Request*</i>
TWG-110	<i>Transitional WorkGRANTS\$ Program Agreement*</i>
U-3	<i>Application for Ohio Workers' Compensation Coverage*</i>
U-3S	<i>Application for Optional Supplemental Coverage *</i>
U-9	<i>Application for Transfer of Workers' Compensation Account and Premium Obligation to Succeeding Employer*</i>
U-69	<i>Contract for Coverage of Political Subdivisions (non-profit organizations, etc.)</i>
U-140	<i>Application Drug-Free Workplace Program*</i>
UA-5	<i>Application for The Premium Discount Program +*</i>

*Available online at ohiobwc.com

**Available online only at ohiobwc.com

Glossary

Allowed condition - A condition recognized by BWC as a direct result of an industrial injury or occupational disease.

Base rating - This represents the average, combined claims experience of employers in the same manual classification. Approximately 81 percent of all Ohio employers are base rated.

Calendar quarter - BWC defines a calendar quarter as any consecutive 13-week period during a year.

Certificate of premium payment - A certificate issued to employers that shows the effective dates of coverage.

Commission level - The third of three IC appeal levels for workers' compensation claims.

Compensation - Money paid by BWC to an injured worker or dependent (in allowed death claims) for lost wages due to a work-related injury or occupational disease.

Disabled Workers' Relief Fund (DWRP) - A fund for permanently and totally disabled employees whose workers' compensation benefits have not kept up with inflation.

District level - The first of three IC appeal levels for workers' compensation claims.

Division of Safety & Hygiene - A division of BWC that helps employers maintain a safe workplace through a variety of safety and health consulting services.

Drug-Free Workplace Program (DFWP) - This program offers private and public state-fund employers premium discounts between 10 percent and 20 percent for up to five years for establishing a safer and more cost-effective workplace through a substance-free environment.

Experience exhibit - Annual statement sent to each experience-rated employer that shows how the final experience modification (credit or penalty applied to the base rate) was calculated.

Experience rating - An incentive system that promotes safe working conditions by providing employers with credits or penalties based on their safety records. About 19 percent of Ohio's employers are experience rated.

Facial disfigurement - A one-time award to an injured worker who has experienced a work-related facial or head disfigurement that either impairs or may impair opportunities to seek or retain employment in the future.

Group rating - A plan that allows employers who operate similar businesses to group together to potentially achieve lower premium rates.

Health Partnership Program (HPP) - A program that provides access to high-quality, cost-effective medical care for injured workers that will facilitate an early return-to-work or return the injured worker to a functional lifestyle.

Industrial Commission of Ohio (IC) - The adjudicative branch of the Ohio workers' compensation system.

Living maintenance - The payment(s) made to an injured worker instead of temporary total compensation payments while he or she is actively involved in an approved rehabilitation program.

Lost-time claim - A claim filed when an employee loses eight or more calendar days from his or her job due to an industrial injury or occupational disease.

Lump sum advancement - An advancement of future compensation given to an employee to enable payment of sizable outstanding debts or certain large purchases, as permitted by workers' compensation law.

Lump sum settlement - A one-time, final or partial settlement of a workers' compensation claim.

Managed care organizations (MCOs) - Private-sector organizations certified by BWC to medically manage an employer's workers' compensation claims.

Manual classifications - The categories or groups of industries pursued and work performed by employees upon which BWC determines premium rates. BWC uses the National Council on Compensation Insurance manual classifications.

Maximum medical improvement (MMI) - MMI occurs when an individual's medical condition has stabilized to the point that he or she can expect no fundamental functional or physical change in the condition, despite continued medical treatment and/or rehabilitation.

Medical-only claim - A claim filed when an employee loses seven or fewer calendar days from his or her job due to an industrial injury or occupational disease.

MCO Selection Guide - Guide that includes information about BWC's managed-care system and a listing of certified MCOs.

Non-complying employer - Employers who have either allowed their coverage to lapse or who have failed to provide workers' compensation coverage as required by Ohio law.

Occupational disease - A disease contracted in the course of employment.

Ohio Bureau of Workers' Compensation (BWC) - The administrative branch of the Ohio workers' compensation system.

Ohio BWC State Insurance Fund Manual - Manual that explains rules concerning specific workers' compensation situations.

\$5,000 Medical-Only - A program in which employers may elect to pay the first \$5,000 of their employees' medical-only claims.

Elective coverage - Workers' compensation coverage is elective for sole proprietors and partners, ministers and associate ministers, officers of family farm corporations, and individuals incorporated as a corporation (with no employees).

Payroll report - The *Payroll Report* (DP-21) contains instructions for reporting the payroll for the preceding six-month period. The preprinted form lists the employer's name, address, rates and the time period covered. Payments are due Feb. 28 and Aug. 31, respectively.

Permanent partial (percentage) - Compensation that BWC may pay in claims where there is continuing impairment.

Permanent partial (scheduled losses) - Compensation provided when an employee loses specific body part(s) or suffers loss of function due to a work-related injury or occupational disease.

Permanent total - Compensation provided when the IC declares an employee permanently and totally disabled due to a work-related injury or occupational disease.

Policy number - A seven-digit identification number assigned to an employer by BWC.

Premium Discount Program + (PDP+) - This program offers penalty-rated employers premium discount incentives for creating safe work environments and reducing workplace accidents.

Premium rates - Rates paid by employers based on the degree of hazard for the almost 600 National Council on Compensation Insurance industry classifications.

Premium security deposit - A deposit based on an employer's payroll that gives the employer an initial 30-day provisional coverage period.

Qualified Health Plan (QHP) - A managed-care system parallel to HPP that allows self-insuring employers greater flexibility to address individual needs and resources.

Rehabilitation services - Services that help your employee make a safe return to work.

Retrospective rating - A program in which the employer agrees to assume a portion of the risk in return for a possible reduction in premiums.

Self-insurance - Self-insuring employers administer their own claims for liabilities associated with work-related accidents or occupational diseases.

Staff level - The second of three IC appeal levels for workers' compensation claims.

Temporary total - Compensation awarded for a temporary disability that prevents an employee from returning to his or her job at the time of injury.

10-times rule - The law allows BWC to assess an employer no more than 10 times the difference in premium paid and the amount owed. BWC imposes the 10-times rule in cases where an employer intentionally misrepresents payroll.

Transitional work - A progressive, individualized, time-limited program focused on returning the worker with physical restrictions to the original employment site. Transitional work allows the injured worker to perform productive work at the workplace under the direction of rehabilitation professionals. The program may include progressive conditioning, on-site work activities, education for safe work practices, work re-adjustment and job modification.

Wage loss - Compensation available in claims filed for injuries occurring on or after Aug. 22, 1986, where an employee suffers wage loss due to a work-related injury.