

State of Ohio  
**Bureau of Workers' Compensation**

**Role and Overview**

The Bureau of Workers' Compensation (BWC) underwrites insurance coverage for work-related injuries and illnesses for public and private sector employers conducting business in Ohio and oversees the workers' compensation programs for self-insured employers (primarily Ohio's largest companies). BWC also assists employers and employees in creating and maintaining a safe work environment.

The bureau manages all medical and lost-time claims, initiates coverage and determines premium rates and manual classifications. BWC 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.

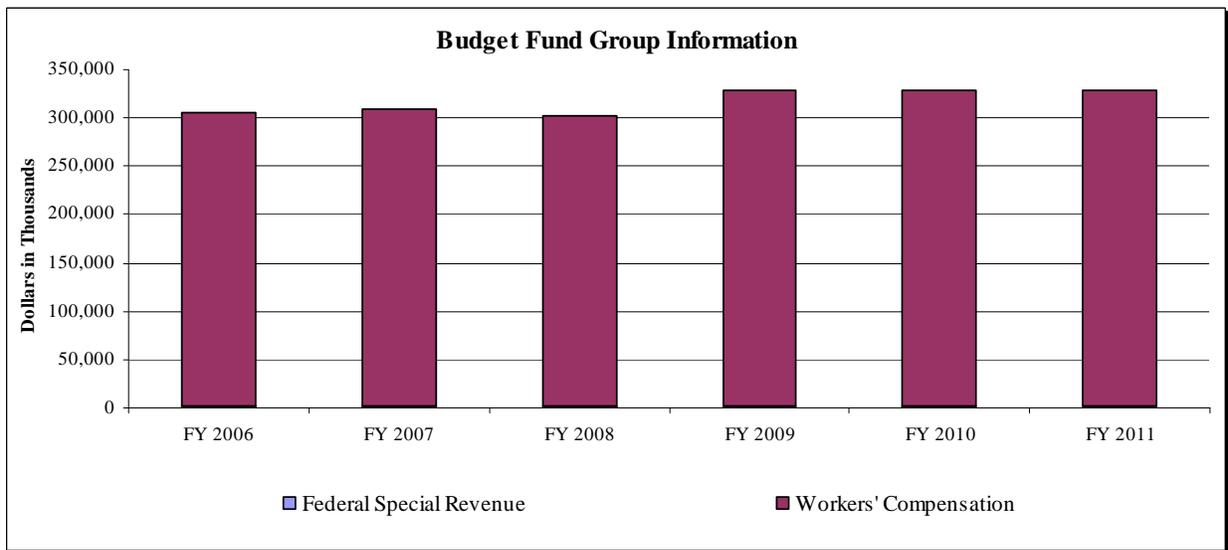
The administrator oversees BWC's annual budget of approximately \$328 million, supporting 2,500 employees. BWC operates 13 statewide customer service offices which house claims, medical, risk, fraud, legal, safety education, accident prevention, and information technology personnel.

More information regarding the Bureau of Workers' Compensation is available at <http://www.ohiobwc.com/>.

**Agency Priorities**

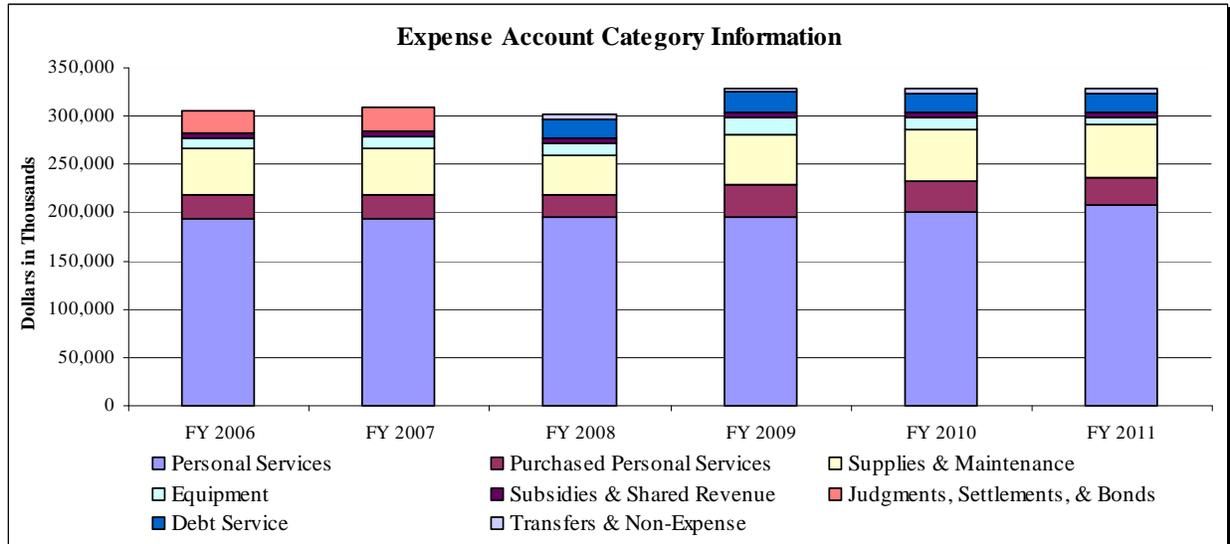
- Provide stable costs to avoid unexpected financial hardship for employers;
- Develop better services to clearly demonstrate BWC's value and enhance Ohio's quality of life;
- Establish accurate rates to fairly match rates with risks and to ensure proper distribution of costs among all employers; and
- Create safe workplaces by promoting safety awareness to prevent claims that cause loss.

**Summary of Budget History and Recommendations**



(In Thousands)	ACTUAL			EST.	%	RECOMMENDED			
	FY 2006	FY 2007	FY 2008	FY 2009	CHANGE	FY 2010	%	FY 2011	%
Federal Special Revenue	1,295	1,355	1,343	1,604	19.4	1,604	0.0	1,604	0.0
Workers' Compensation	305,117	307,380	300,142	327,606	9.2	326,574	-0.3	326,574	0.0
<b>TOTAL</b>	<b>306,412</b>	<b>308,735</b>	<b>301,485</b>	<b>329,210</b>	<b>9.2</b>	<b>328,178</b>	<b>-0.3</b>	<b>328,178</b>	<b>0.0</b>

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(In Thousands) EXPENSE ACCOUNT CATEGORY	ACTUAL			EST.	% CHANGE	RECOMMENDED			
	FY 2006	FY 2007	FY 2008	FY 2009	FY 08-09	FY 2010	% CHANGE	FY 2011	% CHANGE
Personal Services	194,171	192,941	195,160	195,852	0.4	200,988	2.6	208,015	3.5
Purchased Personal Services	24,501	24,913	24,055	32,806	36.4	30,918	-5.8	27,715	-10.4
Supplies & Maintenance	47,357	48,192	40,261	52,334	30.0	53,521	2.3	55,355	3.4
Equipment	11,827	13,487	12,080	17,886	48.1	13,031	-27.1	8,170	-37.3
Subsidies & Shared Revenue	4,566	4,970	5,219	5,045	-3.3	5,066	0.4	5,087	0.4
Judgments, Settlements, & Bonds	23,990	24,231	239	0	-100.0	0	0.0	0	0.0
Debt Service	0	0	20,372	20,844	2.3	20,032	-3.9	19,213	-4.1
Transfers & Non-Expense	0	0	4,099	4,444	8.4	4,622	4.0	4,622	0.0
<b>TOTAL</b>	<b>306,412</b>	<b>308,735</b>	<b>301,485</b>	<b>329,210</b>	<b>9.2</b>	<b>328,178</b>	<b>-0.3</b>	<b>328,178</b>	<b>0.0</b>

**PROGRAM SERIES 01: Injury Management**

This program series is a group of departments and initiatives designed to ensure the appropriate management of workers' compensation claims, availability of appropriate, cost-effective medical care, and development and credentialing of a strong provider network.

**Program 01.01: Field Operations**

This program focuses on claims management from the first report of injury to the resolution of the claim. The goal is to achieve efficient and effective resolution of claims at the lowest possible cost.

**The Executive Recommendation will fund the following objectives:**

- Investigate approximately 300,000 new injury claims;
- Manage over 570,000 injury claims;
- Pay over \$4 billion in benefits to injured workers for health care and lost wages; and
- Settle 60,000 injury claims.

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FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
WCF	7023	855407	Claims, Risk & Medical Mangmnt	94,532,589	98,728,215
<b>TOTAL FOR PROGRAM</b>				<b>94,532,589</b>	<b>98,728,215</b>

**Program 01.02: Injury Management Services**

This program ensures that prompt, quality, cost-effective healthcare is provided to injured workers to facilitate their early, safe return to work and restored quality of life. BWC administers the Health Partnership Program, acts as a liaison and provides development assistance to the healthcare community and develops and provides internal and external training on issues impacting medical policy.

**The Executive Recommendation will fund the following objectives:**

- Provide high quality cost-effective medical treatment for injured workers; and
- Work with 21 Managed Care Organizations to provide medical care to approximately 300,000 injured workers.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
WCF	7023	855407	Claims, Risk & Medical Mangmnt	19,000,155	19,286,085
<b>TOTAL FOR PROGRAM</b>				<b>19,000,155</b>	<b>19,286,085</b>

**PROGRAM SERIES 02: Employer Management**

This program series provides a link between Ohio's employers and BWC. This series includes services directed toward large, financially stable employers who retain the financial risk for their companies' workers' compensation claims (self-insured employer services). This series also includes the investigation of potential safety violations.

**Program 02.01: Employer Services**

This program provides underwriting and technical support to help employers reduce their workers' compensation costs through accident/illness prevention and various risk management programs. The goals are to ensure employers are paying the appropriate premium, risk classifications are properly assigned, and employers are provided the appropriate services.

**The Executive Recommendation will fund the following objectives:**

- Manage approximately 242,000 employer policies relative to statewide coverage initiation, policy maintenance, payroll processing and financial adjustment transactions.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
WCF	7023	855407	Claims, Risk & Medical Mangmnt	12,466,688	13,249,870
<b>TOTAL FOR PROGRAM</b>				<b>12,466,688</b>	<b>13,249,870</b>

**Program 02.02: Self Insured Services**

Employers who are self-insured employ approximately one-third of Ohio's workforce. This program is responsible for investigating all inquiries/complaints, providing underwriting activities, managing claims for bankrupt self-insuring employers, and auditing self-insuring employers for compliance with state and federal rules and laws.

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**The Executive Recommendation will fund the following objectives:**

- Oversee and monitor approximately 1,150 self insured employer policies; and
- Provide for the audit of approximately 1,200 self-insured employer programs to ensure compliance with state and federal rules and laws.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
WCF	7023	855407	Claims, Risk & Medical Mangmnt	3,131,862	3,188,308
<b>TOTAL FOR PROGRAM</b>				<b>3,131,862</b>	<b>3,188,308</b>

**Program 02.03: Safety Violations Investigation**

This program is responsible for investigating and preparing impartial, fact-finding summary reports for the Industrial Commission for all safety violation allegations in Ohio concerning workers' compensation.

**The Executive Recommendation will fund the following objectives:**

- Investigate and prepare reports for the Industrial Commission on over 1,000 safety violation allegations concerning workers' compensation.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
WCF	7023	855407	Claims, Risk & Medical Mangmnt	727,896	752,668
<b>TOTAL FOR PROGRAM</b>				<b>727,896</b>	<b>752,668</b>

**PROGRAM SERIES 03: Fraud Investigations**

This program series proactively prevents loss through fraud, whether from an operational or resource standpoint, for external and internal customers.

**Program 03.01: Special Investigations**

This program's mission is to effectively and proactively prevent financial losses to the workers' compensation system by deterring, detecting, investigating, and prosecuting fraudulent behavior. The goal is to ensure that workers' compensation benefits are paid appropriately.

**The Executive Recommendation will fund the following objectives:**

- Process 5,000 new fraud allegations annually;
- Close 2,900 investigations annually; and
- Refer 300 subjects for criminal prosecution annually.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
WCF	7023	855407	Claims, Risk & Medical Mangmnt	2,056,412	2,053,944
WCF	7023	855408	Fraud Prevention	12,546,239	13,101,761
<b>TOTAL FOR PROGRAM</b>				<b>14,602,651</b>	<b>15,155,705</b>

**PROGRAM SERIES 04: Accident Prevention**

The Division of Safety and Hygiene is committed to the creation of safe work environments in Ohio through the investigation and prevention of industrial accidents and disease.

**Program 04.01: Safety and Hygiene**

This program provides workplace consultation, training, seminars, and materials to create a safe work environment throughout the state. The program helps ensure Ohio's employees have a safe work environment through the investigation and prevention of industrial accidents and disease.

**The Executive Recommendation will fund the following objectives:**

- Process over 900 industrial hygiene air sampling surveys and over 800 noise surveys;
- Provided \$4 million annually to Ohio employers through the safety intervention grant program;
- Assist nursing homes with the purchase of no lift equipment; and
- Provided approximately 150 safety educational sessions to Ohio employers.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
FED	3490	855601	OSHA Enforcement	1,604,140	1,604,140
WCF	8260	855609	Safety & Hygiene Operating	20,734,750	20,734,750
WCF	8260	855610	Gear Program	4,000,000	4,000,000
WCF	8290	855604	Long Term Care Loan Program	2,000,000	2,000,000
<b>TOTAL FOR PROGRAM</b>				<b>28,338,890</b>	<b>28,338,890</b>

**PROGRAM SERIES 05: Special Benefits Funds**

This program series includes the administration of the Disabled Workers' Relief Fund (DWRP), the Coal Workers' Pneumoconiosis Fund, and the Marine Industry Fund.

**Program 05.01: Special Benefits Funds**

BWC administers the programs associated with providing supplemental cost-of-living benefits to over 20,000 persons permanently and totally disabled, provides benefits to injured workers covered under Title 4 of the Federal Coal Mine Health and Safety Act of 1969, and provides benefits to injured workers covered under the Longshoreman's and Harbor Workers' Compensation Act Amendments of 1972.

**The Executive Recommendation will fund the following objectives:**

- Administer the Disabled Workers' Relief Fund that provides supplemental cost-of-living benefits to over 29,000 persons permanently and totally disabled;
- Administer the Coal Workers Pneumoconiosis fund that provides benefits to injured workers covered under Title 4 of the Federal Coal Mine Health and Safety Act of 1969; and
- Administer the Marine Industry Fund that provides benefits to injured workers covered under the Longshoreman's and Harbor Workers' Compensation Act Amendments of 1972.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
WCF	8220	855606	Coal Workers' Fund	91,894	91,894
WCF	8230	855608	Marine Industry	53,952	53,952
WCF	8250	855605	Disabled Workers Relief Acct	492,500	492,500
<b>TOTAL FOR PROGRAM</b>				<b>638,346</b>	<b>638,346</b>

**PROGRAM SERIES 06: Customer Service**

This program series addresses the needs and concerns of Ohio's employers, injured workers, and other interested parties.

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**Program 06.01: Customer Contact Center**

This program handles customer contacts via phone, e-mail, walk-in, and written correspondence to educate, provide forms, and benefit option information to customers on BWC processes, law, policies, and procedures. This program also helps new employers obtain BWC coverage, issues certificates of coverage, and helps established employers with policy account information.

**The Executive Recommendation will fund the following objectives:**

- Respond to approximately 42,000 calls, 2,000 web chats and 2,800 faxes and e-mails.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
WCF	7023	855407	Claims, Risk & Medical Mangmnt	5,549,828	4,676,920
<b>TOTAL FOR PROGRAM</b>				<b>5,549,828</b>	<b>4,676,920</b>

**Program 06.02: Communications**

This program ensures that internal and external customers receive appropriate, timely, and accurate information about BWC programs, services, initiatives and processes.

**The Executive Recommendation will fund the following objectives:**

- Provide information to about 100,000 customers through Workers' Compensation University, MCO Summits and e-mail newsletters.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
WCF	7023	855409	Administrative Services	3,793,540	3,913,125
<b>TOTAL FOR PROGRAM</b>				<b>3,793,540</b>	<b>3,913,125</b>

**Program 06.03: Ombudsman**

The Ombudsman Program assists injured workers and employers in matters dealing with the Bureau of Workers' Compensation and Industrial Commission. The goal is to ensure customers receive appropriate, timely, and accurate resolution to workers' compensation system issues in a fair and objective manner.

**The Executive Recommendation will fund the following objectives:**

- Respond to over 14,000 general inquiries and approximately 4,000 complaints.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
WCF	7023	855407	Claims, Risk & Medical Mangmnt	664,443	723,518
<b>TOTAL FOR PROGRAM</b>				<b>664,443</b>	<b>723,518</b>

**PROGRAM SERIES 07: Program Management**

This program series contains the various internal administrative support services necessary to support the workers' compensation program. Support services needed include fiscal and planning, actuarial, human resources, legal, infrastructure and technology, and investment.

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**Program 07.01: Program Management**

The goals of the Fiscal and Planning division are to increase customer satisfaction and pursue cost reductions without impairing quality or productivity. Actuarial is responsible for the calculation and promulgation of premium rates for all employer groups, all funds, all rating plans, and for the calculation of the fund liabilities (reserves). Human Resources provide leadership and guidance for BWC management and staff in the areas of equal employment opportunity, employee/labor relations, benefits and personnel, training, and employee safety and health. The Legal Division provides advice and assistance to BWC management regarding claims procedures, policies, and appeals lodged on behalf of the State Insurance Fund. The Infrastructure and Technology Division is responsible for all computer equipment and software in use at BWC along with facilities, fleet management, inventory control and mail room services. Investment develops and executes investment management strategies consistent with the bureau's investment policy.

**The Executive Recommendation will fund the following objectives:**

- Provide Finance, Actuarial, IT, Legal and Human Resource support for BWC programs;
- Fund William Green debt payments; and
- Fund payment made to the Attorney General's office for legal services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
WCF	7023	855401	William Green Lease Pymnt-OBA	19,871,795	19,049,395
WCF	7023	855409	Administrative Services	120,237,232	115,854,870
WCF	7023	855410	Attorney General Payments	4,621,850	4,621,850
<b>TOTAL FOR PROGRAM</b>				<b>144,730,877</b>	<b>139,526,115</b>

**LINE ITEM SUMMARY - Bureau of Workers' Compensation**

FUND	ALI	ALI NAME	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 RECOMMENDED	% CHANGE	FY 2011 RECOMMENDED	% CHANGE
3490	855601	OSHA Enforcement	1,294,709	1,354,545	1,343,249	1,604,140	1,604,140	0.0	1,604,140	0.0
<b>TOTAL Federal Special Revenue</b>			<b>1,294,709</b>	<b>1,354,545</b>	<b>1,343,249</b>	<b>1,604,140</b>	<b>1,604,140</b>	<b>0.0</b>	<b>1,604,140</b>	<b>0.0</b>
7023	855401	William Green Lease Payment-Oba	19,552,046	19,923,134	20,237,720	20,686,500	19,871,795	-3.9	19,049,395	-4.1
7023	855407	Claims, Risk & Medical Management	130,447,316	132,144,421	124,950,724	140,367,719	138,129,873	-1.6	142,659,528	3.3
7023	855408	Fraud Prevention	10,918,394	10,982,231	11,133,024	11,772,551	12,546,239	6.6	13,101,761	4.4
7023	855409	Administrative Services	115,941,444	116,210,892	115,756,351	122,962,388	124,030,772	0.9	119,767,995	-3.4
7023	855410	Attorney General Payments	4,062,146	4,023,297	4,099,303	4,444,085	4,621,850	4.0	4,621,850	0.0
8220	855606	Coal Workers' Fund	84,837	75,714	80,912	91,894	91,894	0.0	91,894	0.0
8230	855608	Marine Industry	53,186	52,337	45,101	53,952	53,952	0.0	53,952	0.0
8250	855605	Disabled Workers Relief Acct	514,992	489,446	432,432	492,500	492,500	0.0	492,500	0.0
8260	855609	Safety & Hygiene Operating	19,818,015	19,930,843	19,696,991	20,734,750	20,734,750	0.0	20,734,750	0.0
8260	855610	Gear Program	3,724,967	3,547,945	3,707,753	4,000,000	4,000,000	0.0	4,000,000	0.0
8290	855604	Long Term Care Loan Program	0	0	1,725	2,000,000	2,000,000	0.0	2,000,000	0.0
<b>TOTAL Workers' Compensation</b>			<b>305,117,344</b>	<b>307,380,260</b>	<b>300,142,037</b>	<b>327,606,339</b>	<b>326,573,625</b>	<b>-0.3</b>	<b>326,573,625</b>	<b>0.0</b>
<b>TOTAL Bureau of Workers' Compensation</b>			<b>306,412,052</b>	<b>308,734,806</b>	<b>308,734,806</b>	<b>329,210,479</b>	<b>328,177,765</b>	<b>-0.3</b>	<b>328,177,765</b>	<b>0.0</b>