

November 2020 BWC News for Public Employers from CareWorks Comp

*“Instructions for living a life: Pay attention. Be astonished. Tell about it.”
~Mary Oliver, “Sometimes”*

DeWine Proposes \$5 Billion Workers' Compensation Dividend: BWC Board APPROVES

Gov. Mike DeWine hopes the largest Bureau of Workers' Compensation dividend in state history will serve as a lifeline to businesses struggling amid the coronavirus pandemic. The governor asked the BWC's Board of Directors to approve a \$5 billion dividend at its next virtual meeting on November 2, 2020, and the Board of Directors has approved the vote. The dividend will be the third this year, following a \$1.54 billion dividend issued in April and a \$1.34 billion dividend in October.

Checks will be distributed to employers covered by BWC in December. DeWine said the City of Columbus is in line for the single largest dividend payment at about \$64 million. "Our economy is coming back, but many of our businessmen and women continue to struggle," he said. "Another even larger dividend that I'm asking for today will help so many businesses stay open, keep them operating (and) pump money directly into the economy." Despite the economic effects of the pandemic, Gov. DeWine said BWC "remains in a strong fiscal position thanks largely to healthy investment returns on employer premiums, a declining number of claims each year and prudent fiscal management."

BWC Administrator Stephanie McCloud said the dividend will help Ohio employers "when they need it most." "Just since July, we have earned just under another billion dollars in investment income," she said. "What this tells us is that our modeling and our investment policies are solid. Using this information, we are ready to support businesses to stay open, to reduce layoffs and to keep Ohioans employed." BWC board Chair Chan Cochran said he credits the work of bureau staff and "superior investment results over a long period of time" with putting the state in position to provide the proposed dividend. "The BWC exists to help Ohio employees who are hurting," he said. "Because the COVID virus presents unprecedented challenges in Ohio, helping our businesses and their workers is a proper and needed use of these funds."

Mr. Cochran said the BWC will have a net position – assets minus liabilities – of \$6.3 billion after payment of the dividend. Assets will be 1.43 times actuarial liabilities. The bureau's guidelines for that funding ratio are that it should be between 1.3 and 1.5. As of Sept. 30, it was 1.77. (See [Gongwer Ohio Report, October 23, 2020](#)) He predicted that the governor's proposal will be "well received" by the board. Gov. DeWine said the checks would range from hundreds to millions of dollars. He said the average restaurant in the state could receive a check for about \$13,000, while the average farm could see about \$9,500.

Adam Sharp, executive vice president of the Ohio Farm Bureau, said the pandemic and related market conditions have had "a big impact" on the state's agricultural sector. "This announcement becomes even that much more important today because of that," he said. "If you look at this potential to return billions of dollars back to our food and agriculture economy in the state, it will help those businesses remain competitive."

Prospective Billing Process for Public Employers

BWC is currently mailing your Notice of Estimated Premium for 2021. All Public Employers were defaulted to monthly premium installments (or remain the same as last year) unless you notify the BWC by November 15th that you would like to change your installments to bi-monthly, quarterly, semi-annually or annually. This can be done online using your e-account or by contacting your local BWC Service Office. Regardless on your payment selection you will receive your first invoice in late November with a due date of **December 21, 2020**. The BWC is continuing the Early Payment Discount. Employers that pay their premium in full on or before January 4, 2021 will receive a 2% credit. Note: Check payments have to be received and posted on the BWC system by December 31st to receive this credit.

Important Deadlines:

- **November 15, 2020:** Deadline for deferred premium payment option for 2021 policy year, and last date employer can change installment plan for 2021 policy year.
- **November 30, 2020:** Drug-Free Safety Program deadline for a 1/1/2021 start date; Industry-Specific Safety Program deadline for a 1/1/2021 start date; Transitional Work Bonus Program deadline for a 1/1/2021 start date.
- **December 1, 2020:** Deadline for individual retro settlements (close-out year for 10-yr annual evaluation).
- **December 21, 2020:** First installment due for 2021 policy year (employer may opt to defer).

Important Change: 2021 Ohio Safety Congress Going Virtual

The 2021 [Ohio Safety Congress & Expo \(OSC21\)](#) — sponsored by the Ohio Bureau of Workers' Compensation — is about keeping people safe. With all the uncertainty surrounding the future of the COVID-19 pandemic, the BWC will host OSC21 totally online March 10 – 11, 2021. The virtual event offers plenty of online learning sessions *and* a digital expo, allowing you to learn remotely and chat virtually with presenters and exhibitors. As always, attendance is FREE, and registration for the virtual event opens in December.

Who should attend?

Individuals with an interest in occupational safety and health, wellness, rehabilitation, and workers' compensation are encouraged to attend.

OSC21 highlights

- Learn to improve safety management programs and best practices.
- View the newest workforce safety products and services.
- Chat with business representatives, safety pros, and workers' compensation specialists.
- Connect with exhibitors to discuss cost-saving solutions.
- Keep your workers healthy and productive

Important note: The new March 10 – 11 dates are a change from the original dates of March 31 – April 2 that the BWC announced earlier this year. **Look for updates on social media using #OSC21. Mark your calendar and join the BWC online! March 10-11, 2021**

For more information about all the Ohio BWC's training opportunities, visit the BWC's Learning Center at: [BWC Learning Center Login](#)

Let's Learn: Important BWC Acronyms

- **RTW: Return to Work**—The date when the injured worker has returned to employment.
- **TTD: Temporary Total Disability**—Compensation paid by the Ohio BWC to an injured worker who is totally disabled from employment on a temporary basis.
- **MMI: Maximum Medical Improvement**—The point where the allowed conditions in the claim have stabilized and no improvements and/or changes can be expected with reasonable medical probability.
- **IW: Injured Worker**—The employee who has filed a workers' compensation claim with the Ohio BWC.
- **EOR: Employer of Record**—A term that both the Ohio BWC and the Ohio Industrial Commission use in describing who the employer is of the injured worker that filed the workers' comp claim.
- **DOI: Date of Injury**—The calendar date that the employee sustained the injury.

Claim Status Questions: Active? Open? Closed?

When it comes to Ohio workers' compensation, some of the verbiage used is a bit different than other states' usage of descriptions, especially when it comes to describing the status of claims.

Here in Ohio, a workers' comp claim is either a Lost Time (LT) claim or a Medical Only (MO) claim. A Lost Time claim is when the injured worker loses 8 or more calendar days of work due to his/her injury, and compensation needs to be paid to the injured worker either by the Ohio BWC or by the employer. A Medical Only claim is when the injured worker has missed 7 or fewer days of work due to the work-related injury. The injured worker can receive treatment and/or benefits for the injury, yet still report to work.

When determining whether a claim is "active" or "open" or "closed", one must evaluate the status of medical treatment, compensation being paid, and if the claim has been Lump Sum Settled or not.

In Ohio, a claim is considered “closed” when the injury exceeded the statute of limitations, or when the claim is Lump Sum Settled, or when the injured worker is deceased (not from the cause of the injury).

In Ohio, a claim is considered “open” when there is current medical activity or compensation being paid by either the BWC or the employer. It’s important to know that medical reserves on a claim go to \$0 after 6 months of medical inactivity, and compensation reserves go to \$0 after 3 months of compensation inactivity. It is safe to say when you see a claims total reserves at \$0, the claim is not active. The claim is used to determine the employer’s experience (EMR) for 4 rating years. A claim takes 2 rate years to enter into an employer’s experience and then is used for 4 years to determine the employer’s EMR (Experience Modification Rate).

From a medical standpoint, a claim is still “open” but “inactive” after 24 months of inactivity...BUT can be “reactivated” by the injured worker.