

# Risky Business

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**V&A RISK SERVICES**

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## Ohio Employers Must Inform Employees of Termination Within Reasonable Time

A recent Ohio Supreme Court Decision requires employers to inform an employee of his own termination within a “reasonable time” and retain evidence of the notification.

O.R.C 4123.90 protects employees from retaliation by their employers for filing or pursuing workers’ compensation claims. It also requires that employees place the employer on notice of a claimed violation within 90 days of discharge, demotion, reassignment or punitive action. In *Lawrence v City of Youngstown*, the Ohio Supreme Court Decision addressed the issue of when the employee became aware of his discharge. The Supreme Court found that “discharge” means the date the employer issued the notice of termination, not the date that the employee received the notice and created a very limited exception to this general rule. The exception is allowed when 1.) an employee does not become aware of the discharge within a reasonable time after the discharge occurs and 2.) the employee could not have learned of the discharge within a reasonable time. When both exceptions are met, the 90 day time period for the employee to put the employer on notice of a violation begins on the earlier of the date that the employee became aware of the discharge or the date the employee should have become aware of the discharge.

Employers should always provide written notice of termination and retain evidence of the employee’s receipt.

### Important Rating Plan and Deadline Information

Employers eligible to participate in the Group Experience Rating or Group Retrospective Rating programs should have already received offers to join the rating programs. Employers that have received both should contact their V&A risk manager to discuss the best option for your company. Employers that wish to participate in Group Experience Rating or Group Retrospective Rating must return the completed forms to V&A no later than January 18, 2013.

Additional discounts on workers’ compensation premiums may be available to employers eligible to participate in any of the components of the Destination Excellence Program. The Drug Free Safety (4-7%), Transitional Work Bonus (up to 10%), Industry Specific Safety (3%) and Safety Council (2%) applications are due April 30<sup>th</sup>.

To discuss your company’s options, contact your risk manager.

## Important Dates

### November 30

Unemployment tax contributions due

### December 1

Second 50/50 BWC Premium Payment due

### December 31

BWC takes snapshot of private employer's claims to determine July 1 rates.

Changes to Unemployment Rate Determinations due



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## Ohio formulary cuts \$2.1 million in narcotics costs

In September 2011, the Ohio BWC implemented a formulary that provides a list of medications that can be used to treat approved conditions related to an injured worker's claim. In just a few short months, the BWC can report a 15% reduction in the cost of narcotics.

The formulary was put in place to limit inappropriate use of medications, lower prescription costs and improve the efficiency and effectiveness of treatment. Officials also report that they are seeing success with other controls including:

- Screening out prescriptions not related to the injured worker's condition.
- Standardization of drug utilization reviews allowing for a timely objective evaluation of prescriptions an injured worker receives to ensure appropriateness.
- Identification of injured workers who overuse or have a dangerous mix of prescriptions.

In an effort to reduce "doctor shopping", the BWC also created a pharmacy lock-in program that allows the BWC to require an injured worker to use a single pharmacy for non-emergent prescriptions when overuse is suspected. The program may also require the injured worker to identify one doctor to prescribe the medications needed to treat the worker's condition.

## BWC launches "My Policy" page

State fund employers will now see a new home page when they log into their BWC e-account. The "My Policy" page provides employers with the ability to update demographic information, review financial information, report and pay payroll and review claims history as soon as the employer logs into the system.

This one stop shop for information became available to employers on November 15<sup>th</sup>.

## BWC approves 5% rate cut for public employers

For the fourth consecutive year, the BWC Board of Directors approved a recommendation to reduce the average rates for public employer taxing districts by 5%.

The BWC projects the reduction will lower combined premiums by an estimated \$21.7 million for Ohio's 3,900 cities, counties, townships, villages, schools and special districts beginning January 1, 2013.

Over the last two years, public employers will experience an estimated savings of approximately \$40 million.