

# Risky Business

## Important Information about Changes to Workers' Compensation Billing

### In This Issue

- ❖ **Important Information about Changes to Workers' Compensation Billing**
- ❖ **New Deadline for Group Rating Applications**
- ❖ **Changes to the Drug Free Safety Program**
- ❖ **MCO Open Enrollment**
- ❖ **Important Dates**

On April 25, 2014, the Ohio Bureau of Workers' Compensation's Board of Directors approved a \$1.2 billion credit to Ohio employers to allow for the transition to a "prospective billing" model. The change will bring the BWC to the industry standard of collecting payment before the employer is extended coverage. Currently, employers in Ohio pay workers' compensation premiums in arrears. The move to prospective billing will begin July 1, 2015 for private employers and January 1, 2016 for public employers.

In order to make the transition and avoid double billing, the Ohio BWC will extend a one time transition credit, equal to eight months of the private employer's premium. The credit will cover six months of retrospective premiums (covering January through June 2015) and two months of prospective payments (July and August 2015).

In June, 2015, employers will receive an invoice and pay their first installment by September 1. All employers will initially be set up for six equal installments and later be able to choose 1,2,4,6. Because the BWC is requesting payment based on estimated payrolls, employers must "true-up" their actual payroll for the July 1, 2015 policy year in July 2016. The amount owed will be compared to the premium amount already paid. Employers that have over paid will receive a refund or the employer will be required to immediately pay, if the employer owes more.

The new billing system will benefit employers with an overall rate reduction of 2 percent for private employers and 4 percent for public employers and allow employers more flexible payment options (up to 12 installments).

As the BWC begins this process, V&A Risk Services will keep you informed. Please call our offices with any questions about the new billing system.



**V&A RISK SERVICES**

*Workers' Compensation Services*

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### New Deadline for Group Rating Applications

Due to a change in the deadline for group rating applications for the July 1, 2015 program period, eligible employers should expect to see information packets in their mail soon.

Applications will be due to V&A Risk Services no later than November 10, 2014. Roster submission will be completed by our staff and be submitted to the BWC by the deadline of November 24, 2014.

## Important Dates

**April 28 – May 23**  
**MCO Open Enrollment**

**May 30**  
**Public employer 45**  
**percent BWC premium**  
**due**

**May 30**  
**Unemployment tax**  
**contributions due**  
**(first quarter)**

**June 1**  
**Second 50/50 BWC**  
**premium payment due**

**July 1**  
**Private employer**  
**premium year begins**

**July 31**  
**Deadline to enroll in**  
**Safety Council Rebate**  
**Program**



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## Changes to the Drug Free Safety Program

With the transition to the prospective billing system, adjustments to calendar dates for the Drug Free Safety Program will be made. Beginning July 1, 2014, the BWC will eliminate the January 1 program period for private employers. All private employers currently in the January 1 program period will be moved to the July 1, 2014 program period. Because affected employers have already completed their requirements in the first quarter of 2014, private employers will not have to repeat the components of the program in July. There is no change to the program for public employers or application deadlines. There are no changes to the other Destination: Excellence programs at this time.

The program will also transition from a discount to a rebate. Currently, participating employers see a discount on their payroll report. Beginning with the July 1, 2014 period, participating employers will complete all requirements of the program and submit the required annual report before receiving a rebate for the appropriate level. The rebates will reflect the same discount percentages employers receive in the current program (4% for the basic level; 7% for the advanced level). The change will eliminate the need for the BWC to bill an employer who is unable to complete the requirements or is non compliant.

*Note: Because employers currently pay workers' compensation premiums in arrears, participating employers will see a discount on its July, 2014 payroll report. The discount will cover the period of January 1, 2014- June 30, 2014.*

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## MCO Open Enrollment is April 28 – May 23

Once every two years, the Ohio BWC allows employers in the state fund workers' compensation system the opportunity to interview and select a new Managed Care Organization to medically manage its workers' compensation claims. Open enrollment 2014 begins on April 28<sup>th</sup> and ends on May 23<sup>rd</sup>. During this time, employers that wish to select a new Managed Care Organization may do so by submitting an application on the Ohio BWC website's informational page for [Open Enrollment](#).

Choosing a Managed Care Organization (MCO) that works well with your company is important to both the injured worker and the financial health of your company. For this reason, it is important that you review all information you may receive about the different MCOs carefully.

For our employers that wish to make a change, V&A Risk Services recommends that you contact [Health Management Solutions](#) and [Occupational Health Link](#) to schedule a meeting. As always, if you would like to discuss MCO options, please call our offices.