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PRESS RELEASE

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FOR IMMEDIATE RELEASE

BWC Finalizes Alternative Rating Program Changes

The Ohio Bureau of Workers' Compensation (BWC) has approved a number of changes to its alternative rating programs. These changes are designed to encourage meaningful behaviors by employers. Specific areas of focus are injury prevention, loss control and return-to-work efforts.

The first of these changes was announced when the BWC Board of Directors eliminated the Break Even Factor which was an assessment used in calculating rates for employers in traditional group rating programs. BWC also adjusted their credibility table to reflect a 53% maximum discount. Taken together, the significance of these changes is that the maximum allowable discount through traditional group experience rating has increased to 53% for the 2012 policy year from its prior 51% ceiling.

BWC completed its changes in December by approving a plan branded **Destination: Excellence**. Under **Destination: Excellence**, changes were made to various existing programs, while new initiatives were created to encourage loss control and employer behavior.

The changes to the existing alternative rating programs are listed below:

- **100% EM Cap Program (effective 7/1/2012)**
 - Eliminated the requirement for an employer to be penalty-rated in order to qualify. Under the new rules, any employer whose individual experience modifier increases more than two-fold – even those who remain base- or credit-rated – would be able to use this program to limit the increase in premium. This change should increase the number of employers eligible to benefit from the program.
 - Eliminated the requirement to implement the 10-Step Business Plan for Safety and replaced it with a requirement to complete an industry-specific half-day training during the first year of participation and online training classes in subsequent years. These changes will make the program less burdensome and more business friendly.
- **Small Deductible Program - Deductible Levels of \$500 - \$10,000 (effective 7/1/2012)**
 - Payments made under the small deductible program are excluded from employers' experience and therefore do not impact rate calculations. As a result employers will theoretically have lower claims values and reduced rates and premium.
- **One Claim Program - (effective 7/1/2012)**
 - Reduces the discount to 20% in the first year, 15% in the second year, 10% in the third and 5% in the fourth year of participation. The current discount through the One Claim Program is 40% for all four years.

- **Ten-Step Business Plan for Safety (effective 7/1/2012)**
 - Replaces requirements to implement the 10-Step Business Plan with more tailored safety programs to fit employers' industry, accident history and size. Many employers have asked for more industry specific safety programming for a number of years.

BWC's new programs are listed below:

- **Industry Safety Discount (effective 7/1/2012)**
Establishes a 3% discount for employers who agree to complete a safety risk assessment and provide employer-specific safety data to the BWC upon request. Depending on size, employers will be required to complete one, two or all of the following activities:
 - Industry-specific safety classes offered by the Division of Safety & Hygiene;
 - On-site safety consulting with BWC staff; and/or
 - Attend BWC Safety Congress.
- **Transitional Work Grant Program & Bonus (effective 7/1/2012)**
Provides a grant for employers to establish a transitional work plan and a bonus for employers who use the plan to return an injured employee to work.
- **Administrative Discounts (effective 7/1/2012)**
 - *Go Green Discount*
Designed to reward employers for paying premiums online and on time, the "Go Green" discount provides a 1% premium discount (up to a maximum of \$1,000) to employers who elect to receive their payroll report, report payroll and pay their premiums through ohiobwc.com. Participants must also make first reports of injury online (if they are the party filing the claim). The "Go Green" discount is not available to employers using the FlexPay Program, the 50/50 program or report no payroll.
 - *Lapse Free Discount*
Employers who have not lapsed for the preceding 60 months (5 years) will receive a "Lapse-Free" discount of 1% (up to a maximum of \$1,000). This discount will not be available to employers reporting no payroll.
- **Claim-Free Discount (effective 7/1/2013)**
The "Claim-Free" discount will be applied to employers who have not incurred a compensable injury for one calendar year **AND** maintains a safety committee.
- **Program Compatibility (effective 7/1/2012)**
 - Drug-Free Safety Program is now compatible with group rating and the 15K Program.
 - The 2% Safety Council participation discount is available to employers in the Group Retrospective Rating Program.
 - One Claim Program and 100% EM Cap are **NOT** compatible with Small Deductible.
 - Small deductible program is not compatible with Group Rating.
 - Salary continuation is compatible with all programs.

Taken together as a package, an employer could effectively reduce their workers' compensation rates by 59%. For example, an employer with individual premium of \$1,000 in a maximum 53% discount group rating program would see their premium reduced to \$470. The Go Green and Lapse Free administrative discounts would reduce their premium even further to \$461. If this same employer participated in their local Safety Council, the Advanced level of the Drug Free Safety Program and implemented industry-specific safety strategies, they could see their premium reduced to \$407.

For more information on how you can take advantage of these new programs, please call your CareWorks Consultants' Program Manager toll-free, at (800) 837-3200.