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Today's Learning Objectives

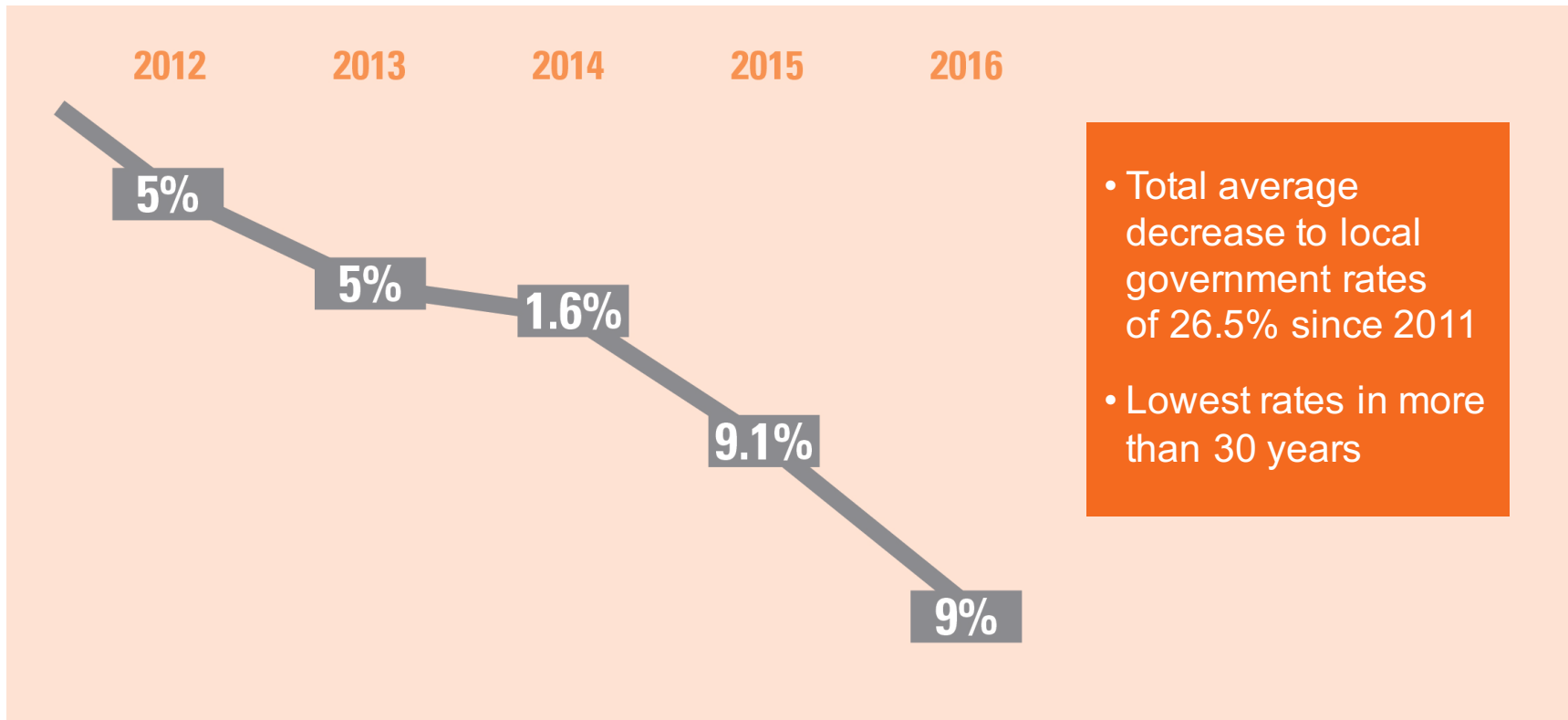
You'll learn about:

- Recent rate changes;
- The three elements of A Billion Back;
- The reasons for switching to prospective billing;
- The differences with prospective billing and what they mean to you;
- Significant dates and deadlines.

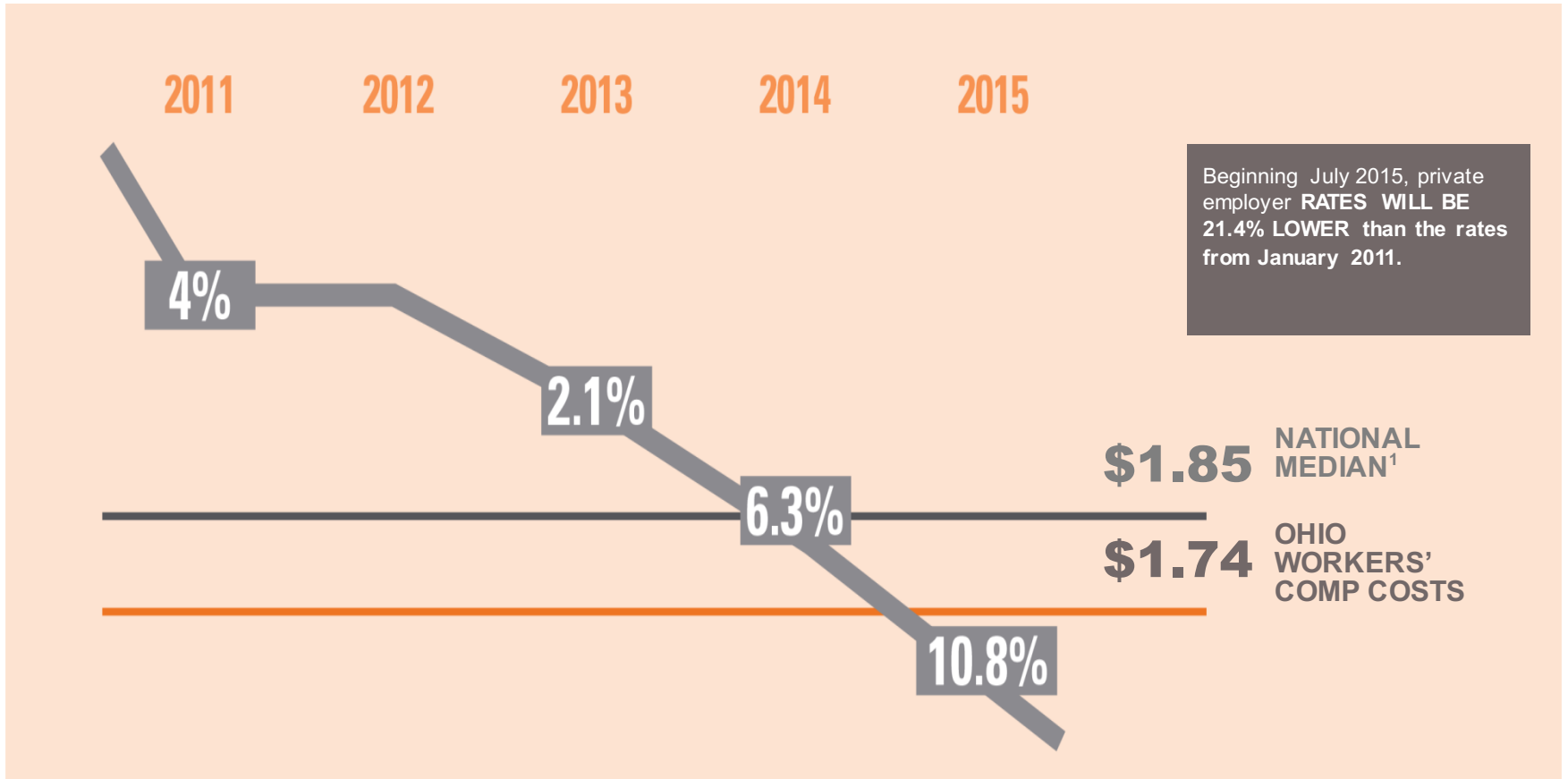


Public Employer Rate Cuts

Public employer taxing district rate reductions (2012 – 2016)



Private employer rate reductions (2011–2015)



¹ 2014 Oregon Premium Rate Ranking Study (per \$100 of payroll)

BWC: A Partner in Ohio's Economic Growth

Since 2011

- Reduced average rates nearly 30%
 - Cumulative savings to date \$1 billion
- Strong investments, conservative management
 - Two \$1 billion rebates

BWC: A Partner in Ohio's Economic Growth

Initiatives since 2011 =
\$4.3 billion more for Ohio employers!

BWC: A Partner in Ohio's Economic Growth

Since 2011

- A modern, flexible billing system
 - \$1.2 billion in credits
- Tripled safety grants to \$15 million annually
 - \$40 million in grants

Increased Commitment to Safety

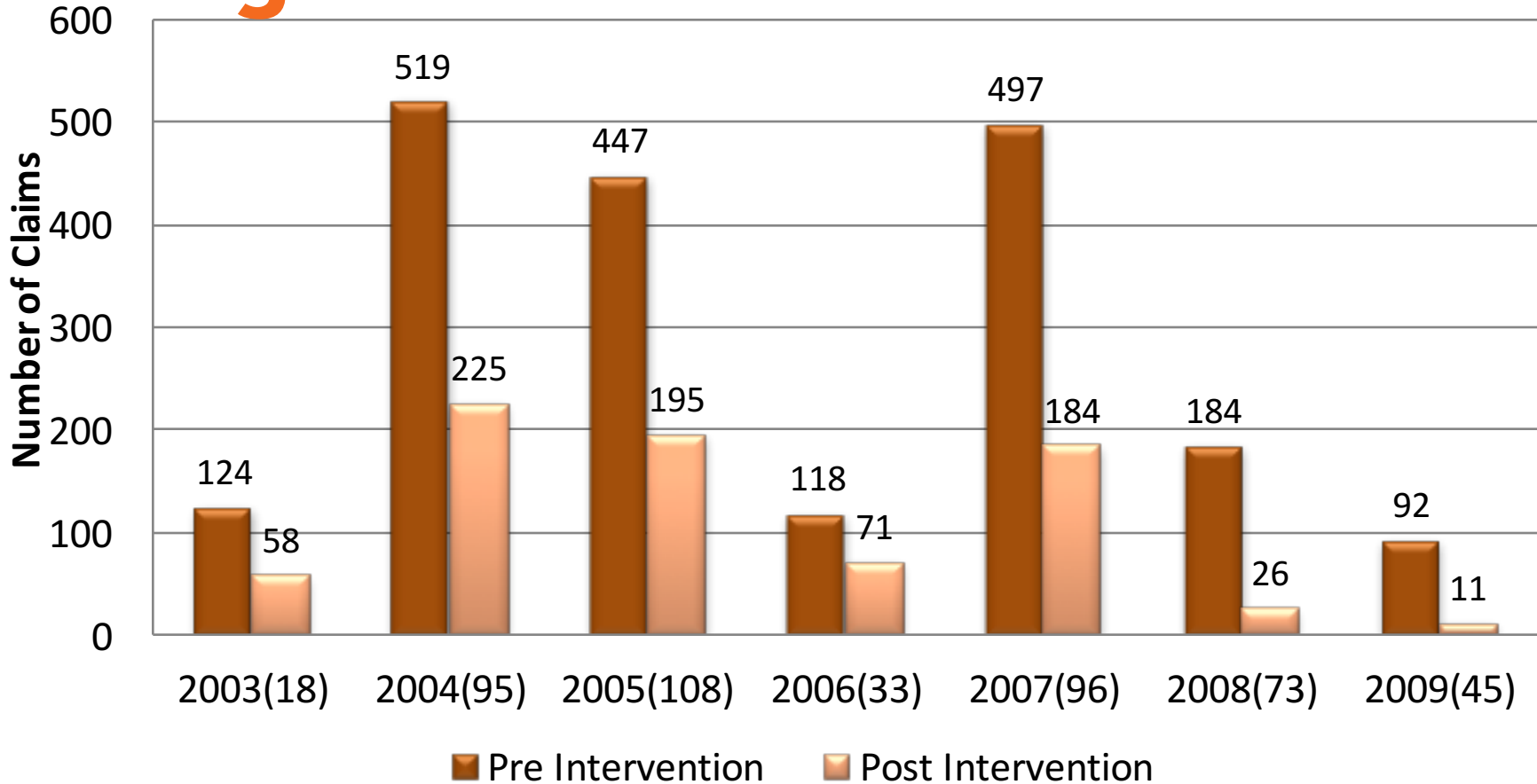
- Last year, BWC awarded \$15 million in safety grants to 539 employers.
- \$15 million will also be available to employers this year and next.
 - Fiscal year July 1, 2015 – June 30, 2016 – **SPENT!**
 - As well as July 1, 2016 – June 30, 2017-
 - Early April, 2016 open to apps



Safety Grants

- Grants to assist employers in purchasing equipment that will substantially reduce or eliminate injuries
- 3-to-1 matching funds (up to \$40,000)
- Last year, BWC awarded \$15 million in grants to 539 employers
- Have you applied for your safety grant? If not ... what are you waiting for?

Program Results



Overview of Prospective Billing

Why Transition to Prospective Billing?

- Industry standard
- More flexible payment options
- Decrease in base rates by 4%
- Increased ability for us to detect non-compliance and fraud



Implementing Prospective Billing

- BWC will base estimated premium on the most recently reported policy year.
- Each year employers will receive a Notice of Estimated Annual Premium and their annual certificate of coverage.



Implementing Prospective Billing

- BWC will always use the most recently reported policy year to estimate an individual employer's premium obligation.
 - BWC used the July 1, 2013 - June 30, 2014, payroll for policy year 2015. (Private Employer)
 - BWC used the January 1, 2014 – December 31, 2014 payroll for policy year 2016. (Public Employer)

Implementing Prospective Billing

- In May of each year: (Private Employers)
 - Employers will receive a notice of estimated annual premium along with their annual certificate of coverage.
- The 2017 Notice of Estimated Annual Premium will be sent by Oct. 31, 2016. (Public Employers)

Installment Options – Starting 2017

- Annual (1);
 - Semi-annual (2);
 - Quarterly (4);
 - Bi-monthly (6);
 - Monthly (12).
- Minimum payers (\$120 + fees and assessments) will not receive installment options.



Payroll True-up Report

- Prospective requires an annual payroll report true-up. BWC will send a reminder in July of each year.
- The employer must report actual payroll for the previous policy year.
 - Online or over the phone only
 - If additional premium is calculated, it is also due by Aug. 15.
 - If credit calculated, it will be released in normal process.
 - Employers must pay online to be eligible for the Go-green rebate.

Payroll True-up Report

- Actual payroll is critical for rate setting. For that reason, any outstanding true-ups will result in:
 - Immediate disqualification from rating plans and programs for that current policy year;
 - Ineligibility to receive any rebates for the programs completed in the previous policy year;
 - Ineligibility for rating plan or programs in the upcoming program year.



Payroll True-up Report



- Failure to complete* the payroll true-up report will result in immediate disqualification from rating plans and programs.

*Complete = reporting and paying (if necessary).

Lapsing Coverage

- Coverage will lapse if installment is not paid on time.
- BWC will not lapse an employer who does not true-up, but BWC will certify to the Attorney General's office.



BWC E-account

- E-Account User ID and Password
 - Different from your account number
 - User specific
 - Primary User
 - Secondary User
- Your BWC E-account gives you access to claim and policy information.
 - Report and pay online
 - Review individual claims and transaction history
 - Complete year-end true-up



Rating Plan and Program Deadline (Private Employers)

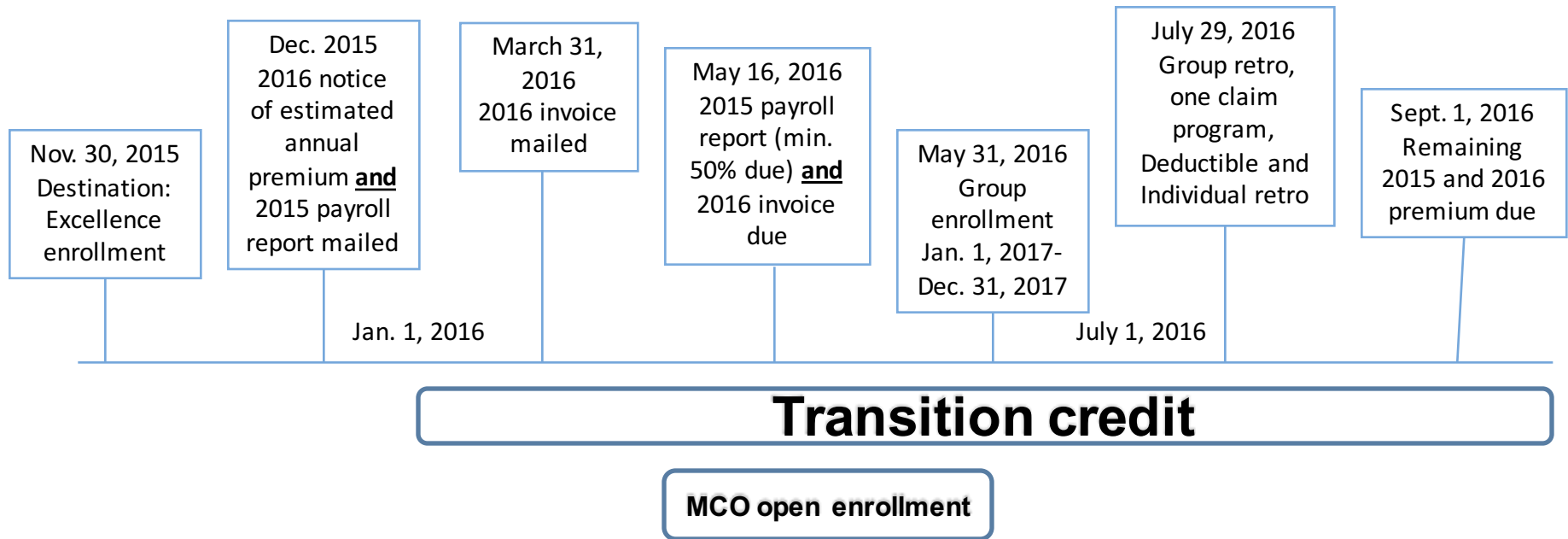
- Group-experience rating – Monday prior to Thanksgiving
- Group retro, One Claim Program, Deductible, Individual retro – Last business day in January
- Destination: Excellence programs – Last business day in May

Key Dates to Remember (Public Employers)



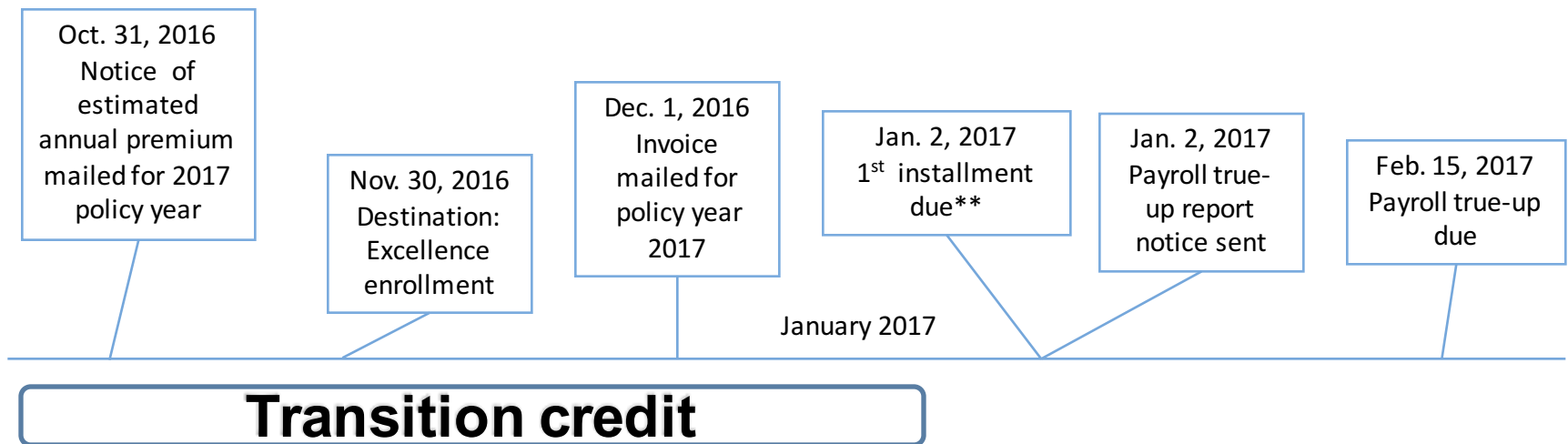
- May 2016 – 2015 payroll report payroll and first installment
- September 2016 – second invoice and remaining premium due
- November 2016 – Notice of Estimated Annual Premium
- December 2016 – First installment for policy year 2017
- February 2017 – First payroll true-up report due

Public Employer Timeline



- Destination: Excellence enrollment – Last business day of November
- Dual premium billings: Payroll report and prospective invoice due May 16 – transition credit on both
- 2nd invoice in 2016 for both policy year 2015 and 2016 due Sept. 1 (again, transition credits on both)

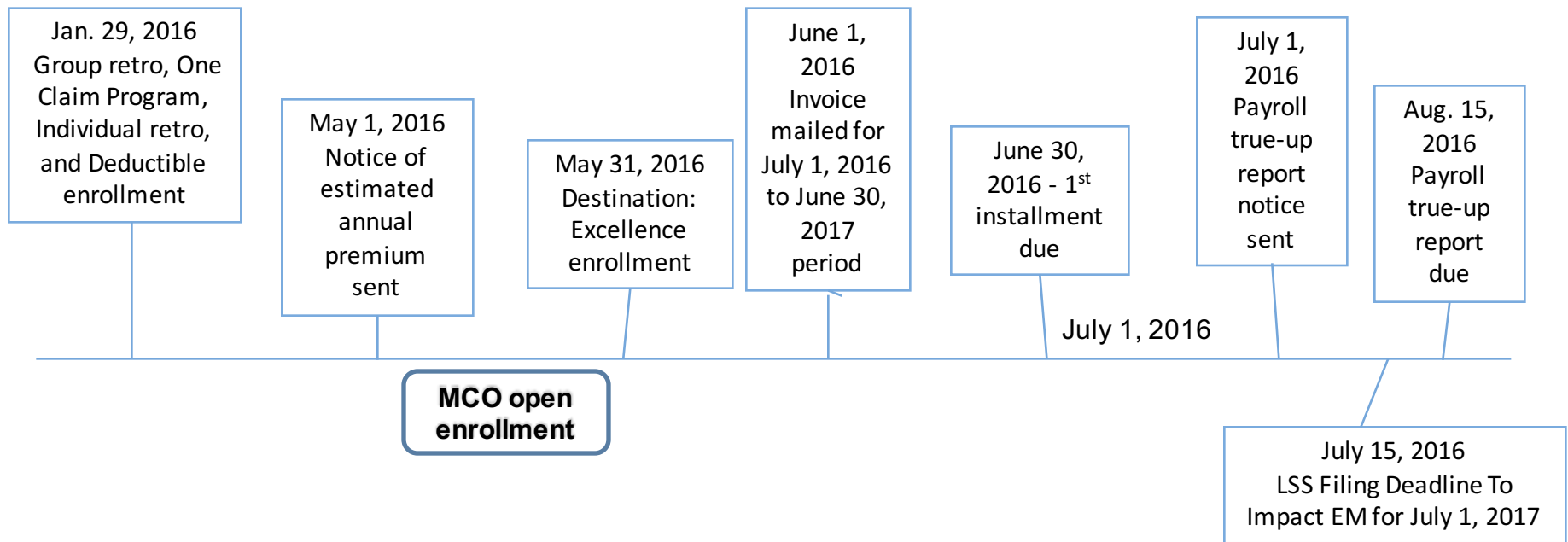
Public Employer Timeline



- Policy year 2017 notice of estimated annual premium sent late October.
- Policy year 2017 invoice sent Dec. 1; due Dec. 31.
- Payroll true-up report sent Jan. 2, due Feb. 15.

**Deferred payment option can be used.

Private Emp. Policy Year – May 1, 2016 and Beyond



- Invoice mailed June 1 – first installment due June 30
- Payroll true-up report notice sent July 1; due Aug. 15