



COMPARISON DOCUMENT

Substitute House Bill 15

128th General Assembly

*Appropriations for the
Bureau of Workers' Compensation and
the Workers' Compensation Council
(FY 2010 – FY 2011)*

As Reported by the Senate Insurance, Commerce and Labor Committee

Legislative Service Commission

June 17, 2009

Executive

As Passed by the House

As Reported by Senate Insurance,
Commerce and Labor

1 BWC - 11 Payments to the Deputy Inspector General

R.C. 121.52, Section 211

Creates the Deputy Inspector General for the BWC and OIC Fund (Fund 5FT0) to pay the operating costs associated with the Deputy Inspector General for BWC and OIC.

Requires the Inspector General to bill BWC and OIC on a quarterly basis for costs associated with the Deputy Inspector General and requires BWC and OIC to pay these costs via Intrastate transfer voucher (ISTV).

Requires the Director of Budget and Management to transfer \$106,000 cash in FY 2010 from the Workers' Compensation Fund (Fund 7023) to Fund 5FT0 and appropriates this amount.

Limits the total reimbursement from BWC and OIC to \$425,000 in each fiscal year, but allows BWC and OIC to seek Controlling Board approval for additional appropriations if they are needed.

R.C. 121.52, Section 211

Same as the Executive.

Same as the Executive, but establishes the quarterly billing and reimbursement method in codified rather than uncoded law.

Same as the Executive.

Same as the Executive.

R.C. 121.52, Section 211

Same as the Executive.

No provision.

Replaces the Executive provision with a provision that increases the amount of the initial transfer from Fund 7023 to Fund 5FT0 from \$106,000 to \$212,500 and requires the Director of Budget and Management to make additional transfers in the same amount on January 1, 2010, July 1, 2010, and January 1, 2011.

Replaces the Executive provision with a provision that removes the reimbursement limit and makes the Inspector General responsible for seeking Controlling Board approval for cash transfers and appropriations, should they be necessary.

Executive

As Passed by the House

As Reported by Senate Insurance,
Commerce and Labor**2 BWC - 1 Workers' Compensation Board Appointment Process****R.C. 4121.12**

Requires the BWC Board of Directors Nominating Committee to submit a list of potential replacements to fill a vacancy on the Board to the Governor at least 30 days before the vacancy occurs, rather than within 60 days after the vacancy occurs as currently required by law.

R.C. 4121.12

Same as the Executive, but specifies that if the Governor appoints an individual to fill a vacancy that is the result of a term expiration, the newly appointed individual will begin service as a Board member when the term for which the individual's predecessor was appointed expires or immediately upon appointment by the Governor, which ever occurs later.

R.C. 4121.12

Same as the House.

3 BWC - 14 Annual Investment Report

No provision.

R.C. 4121.12

Requires the BWC Board of Directors to submit an annual report on the performance and value of each investment class to the Workers' Compensation Council in addition to those persons specified in continuing law.

R.C. 4121.12

Same as the House.

4 BWC - 3 Annual Actuarial Report**R.C. 4121.125**

Requires the Bureau of Workers' Compensation Board of Directors to submit its annual actuarial report of the previous fiscal year to the Workers' Compensation Council and the appropriate Standing committees of the House of Representatives and the Senate on or before November 1, instead of September 1 as under current law.

R.C. 4121.125

Same as the Executive.

R.C. 4121.125

Same as the Executive.

Executive

As Passed by the House

As Reported by Senate Insurance,
Commerce and Labor

5 BWC - 2 BWC Division of Rehabilitation

R.C. 4121.62, 4121.70

Removes the authority of the Administrator of Workers' Compensation to establish the Division of Rehabilitation within BWC and all associated Revised Code provisions.

Fiscal effect: The BWC Division of Rehabilitation in BWC was abolished in a previous reorganization of the Bureau's medical claims management operations. Therefore, this provision has no fiscal effect.

R.C. 4121.62, 4121.70

Same as the Executive.

Fiscal effect: Same as the Executive.

R.C. 4121.62, 4121.70

Same as the Executive.

Fiscal effect: Same as the Executive.

6 BWC - 31 Labor-Management Government Advisory Council

No provision.

No provision.

R.C. 4121.70, Section 219

Expands the membership of the Labor-Management Government Advisory Council from 12 to 14, by adding two persons who, by training and vocation, represent vocational rehabilitation services providers that deliver services to injured workers, one appointed by the Speaker of the House of Representatives and one appointed by the President of the Senate.

No provision.

No provision.

Requires the Speaker of the House of Representatives and the President of the Senate to make the initial appointments of the members described above within 60 days after the effective date of the amendment.

Executive

As Passed by the House

As Reported by Senate Insurance,
Commerce and Labor

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BWC - 30

Workers' Compensation Council Appointees

R.C. 4121.75, Section 217

(1) No provision.

(1) No provision.

(1) Requires appointments made by the Speaker of the House to include a member who represents employers who employ 100 or more employees and a member who represents employees.

(2) No provision.

(2) No provision.

(2) Requires appointments made by the President of the Senate to include a member who represents employers who employ less than 100 employees and a member who represents injured workers; requires the Speaker and the President to alternate appointment of the member representing the public and reduces this person's term, with the initial appointment of this member made by the President.

(3) No provision.

(3) No provision.

(3) Allows the members appointed as discussed above to serve until the member's successor takes office, instead of for a maximum period of sixty days as provided in current law.

(4) No provision.

(4) No provision.

(4) Requires all members serving on the Council on the effective date of the amendment to serve the duration of their terms as appointed; requires, upon the expiration of the terms of the members serving on the Council on the effective date of the amendment, new appointments to be made to the Council in accordance with the amendment.

Executive

As Passed by the House

As Reported by Senate Insurance,
Commerce and Labor

8 BWC - 18 Notification of Discount Programs

No provision.

No provision.

R.C. 4123.29

Requires the Administrator of Workers' Compensation to supply an employer, at the time the employer institutes coverage and first selects a Managed Care Organization under the Health Partnership Program, with a list of all groups participating in the group rating program and list of all premium discount programs offered by the Administrator.

9 BWC - 20 Certified Health Care Providers and the \$15,000 Medical-Only Program

No provision.

No provision.

R.C. 4123.29

Requires certified health care providers to extend to employers who participate in the \$15,000 Medical-Only Program the same rates for services rendered to an employee of those employers as the provider bills the Administrator of Workers' Compensation for the same type of medical claim processed by the Bureau of Workers' Compensation.

Fiscal effect: None apparent for BWC. The \$15,000 medical only program allows employers to cover the cost of medical claims resulting in seven or fewer lost days from work and under the dollar limit outside of BWC's claims management process.

Executive

As Passed by the House

As Reported by Senate Insurance,
Commerce and Labor

10 BWC - 21 Merger Notifications

No provision.

No provision.

R.C. 4123.29

Requires the Administrator of Workers' Compensation, if the Administrator receives a notice from one or more employers of a pending merger of operations between those employers, and if any employer involved in the pending merger participates in a group plan for purposes of Workers' Compensation, to provide a written notice to the organization that sponsors and the third party administrator that administers the group plan in which an employer who is involved in the pending merger participates informing that organization and the third party administrator about the pending merger.

Requires an employer that is merging operations with another employer to notify the Administrator of Workers' Compensation of the pending merger at least 30 days before the merger takes effect.

Fiscal effect: Minimal increase in administrative costs associated with notifications.

Executive

As Passed by the House

As Reported by Senate Insurance,
Commerce and Labor

11 BWC - 22 Lump Sum Settlements and Handicap Reimbursement Activities

No provision.

No provision.

R.C. 4123.29

Requires the Administrator of Workers' Compensation, prior to charging the experience of an employer who participates in a group plan for any lump sum settlements or handicap reimbursement activities, to provide a written notice to the organization that sponsors the group plan in which the employer participates and the third party administrator that administers the group plan for the employer's group informing that organization and third party administrator about the lump sum settlement or the handicap reimbursement activities.

Fiscal effect: Minimal increase in administrative costs to provide notifications.

12 BWC - 25 Adoption of Rules Affecting Premium Rates

No provision.

No provision.

R.C. 4123.29

Requires the Administrator of Workers' Compensation, when adopting rules concerning premium rates or programs that affect premium rates, to adopt those rules not later than the first day of September prior to the policy year in which the program or alternative premium plan is to be in effect, except for the premium year beginning July 1, 2010, in which case the rules must be adopted no later than January 1, 2010.

Fiscal effect: Uncertain impact on the implementation of any program changes or new programs.

Executive

As Passed by the House

As Reported by Senate Insurance, Commerce and Labor

13 BWC - 10 Disposition of Surplus Account

R.C. 4123.34

Makes the existing Surplus Fund an account within the State Insurance Fund. Grants the Administrator of Workers' Compensation the authority to transfer the portion of the State Insurance Fund to the Surplus Fund Account as necessary to guarantee the solvency of the Fund and the Account. Eliminates the requirement that 10% of the money paid into State Insurance Fund be set aside to create the surplus and the limits specified for the amount of money that must be allocated to the surplus. Deems various references to the Surplus Fund or the statutory surplus as references to the Surplus Fund Account.

R.C. 4123.34

Same as the Executive, but specifies that the Administrator of Workers' Compensation is responsible for determining how much should be transferred from the Surplus Fund Account in order to satisfy the needs of the Account and to guarantee the solvency of the State Insurance Fund and the Account.

R.C. 4123.34

Same as the House.

14 BWC - 19 Drug-Free Workplace Program Time Limit

No provision.

No provision.

R.C. 4123.34

Prohibits the Administrator of Workers' Compensation from placing a limit on the length of time that an employer may participate in the Bureau of Workers' Compensation Drug-Free Workplace Program.

Executive

As Passed by the House

As Reported by Senate Insurance,
Commerce and Labor

15 BWC - 27 Drug-Free Workplace Discount Program

No provision.

No provision.

R.C. **4123.34**

Requires the Administrator of Workers' Compensation to offer a Drug-Free Workplace Program that is substantially similar to the Drug-Free Workplace Program currently offered by the Bureau to all employers, whether or not the employers participate in a group for rating purposes, commencing July 1, 2010.

No provision.

No provision.

Requires the Administrator to provide any employer who participates in the Drug-Free Workplace Program a discount on the employer's premiums.

Fiscal effect: Indeterminate impact on premium collections. The Bureau currently offers a Drug-Free Workplace premium reduction program. Recently, the Bureau's Board of Directors adopted a policy change that prohibits employers from receiving additional premium discounts if they already receive a group rating discount.

16 BWC - 28 Workplace Safety Program

No provision.

No provision.

R.C. **4123.34**

Requires the Administrator of Workers' Compensation to offer a Workplace Safety Program that is substantially similar to the Workplace Safety Program currently offered by the Bureau to all employers, whether or not the employers participate in a group for rating purposes, commencing July 1, 2010.

Executive	As Passed by the House	As Reported by Senate Insurance, Commerce and Labor
No provision.	No provision.	<p>Requires the Administrator to provide any employer who participates in the Workplace Safety Program a discount on the employer's premiums.</p> <p>Fiscal effect: Indeterminate impact on premium collections. The Bureau currently offers a Workplace Safety premium reduction program. Recently, the Bureau's Board of Directors adopted a policy change that prohibits employers from receiving additional premium discounts if they already receive a group rating discount.</p>
<p>17 BWC - 23 Self-Insurance for Municipal Power Agency Construction Projects</p>		
No provision.	No provision.	<p>R.C. 4123.35</p> <p>Adds municipal power agencies to the list of public entities defined as being "self-insured" for the purpose of applying to the Bureau of Worker's Compensation to self-insure construction projects.</p>
<p>18 BWC - 32 Insurance Contract Enforcement</p>		
No provision.	No provision.	<p>R.C. 4123.82</p> <p>Stipulates that the Superintendent of Insurance has the sole authority to regulate any insurance products that indemnify or insure employers against workers' compensation losses in Ohio or that are sold to employers in Ohio, excepting those products offered by the Bureau of Workers' Compensation.</p>

Executive

As Passed by the House

As Reported by Senate Insurance,
Commerce and Labor

19 BWC - 4 William Green Lease Payments

Section: 201

Requires that appropriation item 855401, William Green Lease Payments, be used for lease payments to the Ohio Building Authority in fiscal years 2010 and 2011. Specifies that up to \$41,123,100 be used for such lease payments and provides for additional appropriations to be made for this purpose if necessary.

Requires all other tenants of the William Green Building not funded by Workers' Compensation Fund (Fund 7023) appropriations to pay their share of the costs of lease payments into the Workers' Compensation Fund via intrastate transfer voucher (ISTV).

Section: 201

Same as the Executive, but changes the amount to \$38,921,190 to correctly reflect the total appropriated to this line item over the FY 2010-FY 2011 biennium.

Same as the Executive.

Section: 201

Same as the House.

Same as the Executive.

20 BWC - 5 Workers' Compensation Fraud Unit

Section: 201

Specifies that the Workers' Compensation Fund (Fund 1950) used by the Attorney General's Office (AGO) is to receive quarterly payments from BWC to fund the expenses of AGO's Workers' Compensation Fraud Unit. Earmarks \$796,346 in each fiscal year of Fund 7023 appropriation item 855410, Attorney General Payments, for these payments.

Section: 201

Same as the Executive, but increases the earmark to \$828,200 in each fiscal year.

Section: 201

Same as the House.

Executive

As Passed by the House

As Reported by Senate Insurance,
Commerce and Labor

21 BWC - 6 Safety and Hygiene

Section: 201

Requires cash transfers from the State Insurance Fund (Fund 7023) to the Safety and Hygiene Fund (Fund 8260) as necessary to provide appropriation item 855609, Safety and Hygiene Operating, with \$20,734,750 in both fiscal years.

Section: 201

Same as the Executive.

Section: 201

Same as the Executive.

22 BWC - 7 OSHA On-Site Consultation Program

Section: 201

Allows BWC to designate a portion of Fund 8260 appropriation item 855609, Safety and Hygiene Operating, to be used to match federal funding for the federal Occupational and Health Administration's (OSHA) on-site consultation program.

Section: 201

Same as the Executive.

Section: 201

Same as the Executive.

23 BWC - 8 Vocational Rehabilitation

Section: 201

Requires BWC to enter into an interagency agreement with the Rehabilitation Services Commission for the provision of vocational rehabilitation services and staff to mutually eligible clients. Requires BWC to provide \$605,407 in FY2010 and in FY2011 from the State Insurance Fund for this purpose.

Section: 201

Same as the Executive.

Section: 201

Same as the Executive.

Executive

As Passed by the House

As Reported by Senate Insurance,
Commerce and Labor

24 BWC - 9 Workers' Compensation Fund Balance

Section: 201

Requires that any unencumbered cash balance in excess of \$45,000,000 in the State Insurance Fund (Fund 7023) at the end of each fiscal year be used to reduce the administrative cost assessments charged to employers.

Section: 201

Same as the Executive.

Section: 201

Same as the Executive.

25 BWC - 13 Workers' Compensation Council Funding

No provision.

Section: 203

Specifies that Fund 5FV0 appropriation item 321600, Remuneration Expenses, be used to pay for the payroll expenses of the Workers' Compensation Council (WCC).

Section: 203

Same as the House.

No provision.

Requires the Administrator of Workers' Compensation, between July 1, 2009 and December 31, 2009, to direct the Treasurer of State to transfer \$325,000 cash from the Workers' Compensation Fund (Fund 7023) to the Workers' Compensation Council Fund (Fund 5FV0) created in section 4121.79 of the Revised Code.

Same as the House.

Fiscal effect: The bill appropriates \$471,200 for WCC in each fiscal year. It increases BWC's Fund 7023 appropriation item 855410, Administrative Services, by \$325,000 to accommodate a transfer of the same amount from Fund 7023 to Fund 5FV0. The \$325,000 transferred to Fund 5FV0 will be used to cover all of WCC's operating costs for the first six months of FY 2010. Thereafter, WCC's operating costs will be paid through assessments charged to employers.

Fiscal effect: Same as the House.

Executive

As Passed by the House

As Reported by Senate Insurance,
Commerce and Labor

26 BWC - 29 Construction Industry Experience Modification Rate

No provision.

No provision.

Section: 220

Requires the Bureau to offer to an eligible construction industry employer a construction industry cap on the employer's experience modification for Policy 2009 and thereafter until the Bureau completes its transition to the adoption of a split-experienced rating plan in conformity with the current methodology of the National Council of Compensation Insurance

No provision.

No provision.

Requires the Bureau to contact eligible construction industry employers and require an employer to notify the Bureau of the employer's intention to participate in the construction industry cap by the deadline established by the Bureau.

Establishes the specific parameters of the construction industry cap and the minimum requirements for a construction industry employer to participate in the plan.

Fiscal effect: Indeterminate fiscal effect on premium collections.

Executive

As Passed by the House

As Reported by Senate Insurance,
Commerce and Labor

27 BWC - 17 Competitive Workers' Compensation Task Force

(1) No provision.

(1) No provision.

Section: 301

(1) Creates the Competitive Workers' Compensation Task Force for the purpose of reviewing the feasibility of allowing employers the option to obtain private insurance to insure their obligations under the workers' compensation system of Ohio; specifies the task force is to consist of 14 members, who those members are to be and who is to appoint them, and requires the members to be appointed not later than 60 days after the effective date of the act.

(2) No provision.

(2) No provision.

(2) Allows the Task Force to contract with a firm to: (1) evaluate the current workers' compensation insurance offerings offered by the Bureau of Workers' Compensation to determine if such offerings are actuarially sound and competitive with similar offerings in other states while taking into account variations in available benefit levels; (2) Evaluate and describe the efforts made by other states within the last fifteen years to open those states' workers' compensation markets to private competition, which must include the identification and description of those states' best practices in planning for and implementing a transition from a state-fund monopolistic workers' compensation system to a market that includes private competition; and (3) identify at least three business plan options through which this state can introduce viable private workers' competition along with or without the current state fund administered by the Bureau of Workers' Compensation and the Industrial Commission.

(6) No provision.

(6) No provision.

(3) Prohibits the agenda, discussions, or outcomes of the work of the Task Force, or any firm with which the Task Force contracts, from being constrained in any manner by

Executive

As Passed by the House

As Reported by Senate Insurance,
Commerce and Labor

(7) No provision.

(7) No provision.

current law with respect to workers' compensation insurance.

(4) Requires the Task Force to make findings on the issues addressed in the actuarial evaluation and to report such findings to the Governor, the Speaker of the House of Representatives, and the President of the Senate not later than June 30, 2010.

(8) No provision.

(8) No provision.

(5) Requires the members of the Task Force to be reimbursed for travel expenses.

Fiscal effect: Potentially substantial cost for the Task Force to contract with an actuarial firm to conduct feasibility study.

Executive

As Passed by the House

As Reported by Senate Insurance,
Commerce and Labor

28 WCC - 1 Workers' Compensation Council Actuarial Valuation or Review

No provision.

No provision.

Sections: 215.01, 215.02

(1) Allows, instead of requires, the Workers' Compensation Council to contract with an independent actuary to have that actuary perform an actuarial valuation of the assets, liabilities, and funding requirements of the funds specified in the Workers' Compensation Law . Also allows the Council to review a recent actuarial valuation, study, or any actuarial analysis of any of the funds specified in the Workers' Compensation Law that is completed as required by the Auditor of State.

No provision.

No provision.

(2) Requires an actuary with whom the Council contracts for either a valuation or review to prepare a report of the valuation or review in accordance with the standards of practice promulgated by the Actuarial Standards Board of the American Academy of Actuaries; specifies what is to be included in any actuarial review.

No provision.

No provision.

(3) Requires the Council to submit a report summarizing any report completed by an actuary to the Governor and the General Assembly no later than September 10, 2011, instead of September 10, 2009 as required under current law.

No provision.

No provision.

(4) Requires the Director of the Workers' Compensation Council to request the funds necessary to cover the expenses of the valuation or review from the Administrator of Workers' Compensation in an amount no more than \$650,000, if the Council contracts with an independent actuary for such a valuation or review. Requires the Administrator to direct the Treasurer of State to transfer the

Executive

As Passed by the House

As Reported by Senate Insurance,
Commerce and Labor

amount requested by the Director from the Workers' Compensation Fund (Fund 7023) to the Workers' Compensation Council Fund (5FV0). Requires the Director and Administrator to agree to a schedule for the transfer.
