

Deductible Program is new savings option for employers

The BWC Deductible Program allows employers to participate in a per claim deductible plan, resulting in a prospective premium discount; the goal is to encourage safety and effective claims management.

How the Deductible Program Works

The employer selects a deductible level when applying. The deductible level cannot exceed 25 percent of your premium in a policy year. The employer is responsible for claim costs up to the deductible level for any claim that occurs in the policy year of enrollment. As a result of paying a deductible, the employer is eligible for a workers' compensation premium discount.

Paying your Deductible

BWC continues to pay claims costs in full. The employer reimburses BWC for any claims costs up to the chosen deductible level. BWC sends the employer monthly bills for the claims costs occurring during the policy year of participation. You will continue to be billed by BWC until the deductible level has been reached for each claim. Deductible bills must be paid within 28 days of the invoice date.

Applying your Discount

BWC determines your level of discount based on your chosen deductible level and National Council on Compensation Insurance (NCCI) hazard group determined using your primary manual classification.

The discount for base-rated employers is applied directly to the base rate established for the policy year. The discount for experience-rated employers is calculated after BWC establishes the modified premium rate and prior to any other premium discounts. Administrative costs and Disabled Workers' Relief Fund assessments are not included in the discount.

Continuing Participation

Each year, BWC will automatically renew eligible employers at their current deductible level. If any employer wants to change their deductible level, the employer must re-submit the U-148 application. To leave the program, an employer must submit a Deductible Program Withdrawal Form (U-152). It is important to note that once BWC approves an employer's participation in the program, you cannot withdraw or make changes until the next policy year.

Participation Requirements

An employer must submit a BWC Application for Deductible Program (U-148) and meet the following criteria:

- Be a private, state-fund employer or a public employer taxing district;
- Be current on all premium payments and deductible billings;

- Be in good standing;
- Have active coverage;
- Not have cumulative lapses in coverage exceeding 40 days within 12 months prior to application deadline; and,
- Meet a required credit score.

The enrollment period for private employers is April 1 through May 31, with coverage beginning July 1 through June 30. Public-employer enrollment is October 1 through November 30, with coverage beginning January 1 through December 31.

Deductible Levels

- \$500 per claim;
- \$1,000 per claim;
- \$2,500 per claim;
- \$5,000 per claim;
- \$10,000 per claim.

Program Compatibility

If you are participating in the BWC Deductible Program, you may not participate in the following:

- Group retrospective rating;
- Individual retrospective rating;
- Salary Continuation; and,
- \$15,000 Medical-Only Program.

Combined discounts for employers participating in both the Deductible Program and a group rating plan cannot exceed the maximum credit allowable for group during that rating year.

[Before joining the program, allow CCI to help determine potential savings for your company. Call 1-800-837-3200 and ask to speak with your CCI account executive.](#)

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Walk the safety walk but don't forget your feet!

Employers may not realize it, but something as simple as improper footwear can leave employees open to health and safety risks. Learn to prevent injuries with these simple tips.

More than 100,000 on-the-job foot injuries occur every year. If an injury is sustained to one or both of your feet, how would you get around or work? The injury could possibly cause permanent damage or pain every time you put weight on your foot.

To avoid foot injuries, you should be able to recognize and avoid foot hazards such as:

- Heavy falling or dropped objects;
- Rolling objects or equipment;
- Puncture wounds from sharp objects;
- Slips, trips and falls;
- Splashes of chemicals or hot substances; and,
- Electric shock.

Tips to protect your feet:

- Wear appropriate footwear for the task;
- Avoid open-toed shoes and flip flops;
- Keep aisles and traffic ways clear for unnecessary boxes and trash to prevent trips;
- Clean up spills, especially liquids, to prevent falling or slipping;

- Never allow employees to walk barefooted to prevent stepping on sharp objects and puncturing feet; and,
- Ensure shoes provide proper support for those required to stand for long periods of time.

Make sure your feet are protected against the hazards you may encounter. It is the employer's responsibility to determine what foot hazards exist, and if necessary, what type of personal protective footwear is required. If special protective footwear is not required, wear comfortable, sturdy shoes with nonskid soles. Wearing appropriate footwear will provide some protection against foot hazards and you may be able to avoid an injury.

[If you would like more information about this topic or have questions, contact RiskControl360's Rejeana Woolum at 1-877-360-3608, Ext. 2364. You may also email \[rwoolum@riskcontrol360.com\]\(mailto:rwoolum@riskcontrol360.com\).](#)



steppingstones

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CCI begins implementing an exciting name change

Compensation Consultants, Inc. (CCI) announces new brand identity with name change to CareWorks Consultants, Inc. (CCI)

Compensation Consultants, Inc. (CCI), Ohio's leading Third Party Administrator (TPA) with more than 26,000 customers, announced our new company name - CareWorks Consultants, Inc. (CCI).



As a member of The CareWorks Family of Companies since 2006, the CCI name is now aligned with the CareWorks' companies leading brand recognition and reputation for workplace excellence. The CareWorks companies, who serve more than 170,000 business customers, were recognized in 2005, 2006 and 2008 as the #1 Large Best Place to Work by Business First newspaper.

"CCI's vision to be a best-in-class provider of workers' compensation cost control services and solutions hasn't changed since 1950. What has changed is our renewed commitment to refine and customize our services, utilize advanced technologies and deliver the highest value products and services available in the market to our customers," said Frank Pagnatta, CCI president.

CCI has experienced 63 percent growth in group rating since 2002 and has become a customer-centric company. CCI continues to differentiate itself by aggressively implementing, managing and overseeing clients' workers' compensation programs. Our claims examiners understand that early intervention is a key component to achieving desired outcomes and reaching healthy, successful claim resolution.

"Our new brand reflects who we are, and the innovation that differentiates us in our industry. By effectively managing each unique workplace absence, whether injury-related or not, employers can maintain productivity and control costs as their valuable employees return

to work in a safe and healthy manner," said Pagnatta.

"The new brand is designed to reflect on a continuing history of innovative ideas, and products and services that meet the needs of businesses small to large," he added.

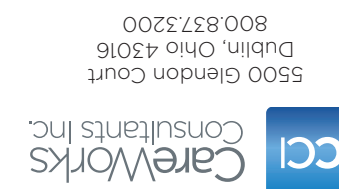
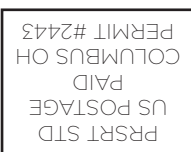
[The new name has no direct impact on any CCI customers. For more information, please call CCI toll-free, at 1-800-837-3200 or visit us online at \[www.cciworkerscomp.com\]\(http://www.cciworkerscomp.com\).](#)

About The CareWorks Family of Companies

- CareWorks - Ohio's largest workers' compensation managed care organization.
- VocWorks - Ohio's largest vocational rehabilitation and therapy services network.
- CareWorks USA - National case management and integrated disability company.
- CareWorks Technologies - Regional information technology solutions provider.
- RiskControl360 - Ohio's fastest growing risk management and safety company.

Inside this issue...

- New Deductible Program
- Audit Tips
- WebWatch
- BWC Rate Changes
- Foot Safety on the Job



BWC audits may find errors in manual classifications

The Ohio Bureau of Workers' Compensation (BWC) frequently audits employers to ensure correct premium payment. Accurate manual classifications may prevent over or underpaying.

At some point, it is likely that every employer in Ohio with an active workers' compensation policy will be audited by the Ohio Bureau of Workers' Compensation (BWC).

While the thought of a BWC audit strikes fear in the hearts of many business owners, CareWorks Consultants, Inc. (CCI) members enrolled in one of our workers' compensation programs can use their service team to help them through this experience. Specifically, a members' assigned CCI Rates Analyst can help prepare for the audit and advise how to best address any BWC findings.

One of the most common issues that arises from a BWC audit is the misclassification of payroll. BWC currently uses manual codes from the National Council on Compensation Insurance (NCCI) to classify employees and the associated risk of workplace injury. Each manual classification has a corresponding base rate and expected loss rate, which in large part determines the amount of premium you pay. Misclassifying payroll creates discrepancies between the premium employers

actually paid and what they should have paid. In some instances, this can result in higher workers' compensation premium expenses.

If the nature of a business has changed since it first established a policy number with BWC (i.e. changes to the number of employees or the business has evolved into different types of work), in all likelihood the allocation of payroll and the classification of that payroll has changed as well.

If a BWC audit determines there are discrepancies in payroll classification, they will issue audit findings. In the event this happens, participants of CCI's workers' compensation programs can work with the assigned rates analyst to review and protest these findings, if necessary.

If you need help preparing for a BWC audit or if you would like to confirm that you are using the correct manual code, please contact CCI at 1-800-837-3200 and ask to speak with someone in the Rates department.



WebWatch

www.nypl.org

- The online home to the New York Public Library, widely considered one of the best libraries in the world;
- For a small fee, anyone is eligible for a non-resident library card which can be used to access dozens of remote databases, including Morningstar, S&P Net Advantage and Market Research Monitor; and,
- Your library card also entitles you to other collections such as the arts, science, technology and culture.

www.recovery.ohio.gov

- Website run by the State of Ohio to provide news and updates on money received through the American Recovery and Reinvestment Act, or federal stimulus package;
- Check for information on upcoming and ongoing projects funded by the program;
- Submit business proposals to make use of the funds; and,
- Provides a link for individuals looking for assistance through programs funded by the stimulus package.

New rule changes & considerations for employers

These new rules, as explained by our safety partner, RiskControl360°, effect group experience and group retrospective safety programs.

Ohio Administrative Code (OAC) 4123-17-68, governing safety requirements for group sponsors, was recently amended with three major changes:

1. Members participating in a group plan or retrospective group who had a claim within the two preceding years are to attend two hours of safety training during the policy year.
2. Shift the responsibility of sponsoring organizations from "promoting" key safety parameters to "verifying" they are being adopted by group members.
3. In addition to the original nine key safety parameters, a tenth requirement has been added. Group members must develop all programs and conduct all training required by the federal Occupational Safety and Health Administration (OSHA).



- Underwriting.
- Support services that drive performance.
- Identifying "at risk" members.
- Improved communication with members.

3. Addition of the OSHA Requirement to the Key Safety Parameters.

Group members are already required by federal regulations to develop all programs and conduct all training required by OSHA. Inclusion of this tenth requirement in the group and retrospective group safety plan rule simply means sponsoring organizations must incorporate this element in their education, communication and verification efforts.

CONSIDERATIONS:

- Impact of OSHA citations.
- Integration with support services.

For more information on these rules, and ways in which you can receive assistance in meeting them, please contact RiskControl360° at 1-877-360-3608. You may also visit their website at www.riskcontrol360.com.

1. Two-Hour Safety Training Requirement for Group Members with Claims.

Safety training can be provided by the sponsor, Third Party Administrator (TPA) or BWC. BWC can disqualify an organization from sponsoring a group if the training requirement is not met and reserves the right to request information from the sponsor to ensure compliance.

CONSIDERATIONS:

- Identifying employers meeting the claim requirement.
- Notification of new requirement and instructions on member responsibility.
- Addressing non-compliance of members.

2. Transition From "Promotion" to "Verification" of Key Safety Parameters.

Sponsors must now verify members are adopting safety management best practices. This step toward performance-focused group and retrospective group plans where the sponsor is accountable for directing member performance will require a significant change in how programs are administered.

CONSIDERATIONS:

- Verification methods.
- Development of best practice models.

Information regarding 2009 BWC changes for employers

On March 20, 2009, the Ohio Bureau of Workers' Compensation's (BWC's) Board of Directors approved several changes affecting group-rated and non group-rated employers.

Changes Affecting Rates

- **Base Rate Reduction** – The BWC Board approved an average 25.3 percent base rate reduction for all Ohio employers. However, this reduction will be offset for group-rated employers by a group assessment factor.
- **Group Assessment Factor** – BWC will impose a 31.1 percent assessment factor for group-rated employers only. This 31.1 percent assessment factor is applied to the group discount, essentially offsetting the base rate reduction for group employers. Because of the base rate reduction, group-rated employers will not pay more premium as a result of this change.

New Programs

- **Deductible Program** – This program will allow employers to participate in a per claim deductible plan, resulting in a prospective premium discount. Employers may select the deductible level, ranging from \$500 per claim to \$10,000 per claim. Employers can participate in the program in conjunction with group rating.
- **Group Retrospective Rating** – BWC is finalizing the program rules which should be determined at the next BWC Board meeting in April 2009. The program will be similar to individual retrospective rating, only with groups of small employers pooling together to achieve the benefits of good safety performance and cost control.
- **100% Experience Modifier (EM) Cap** – Employers with a 2009 EM of 1.01 or greater may be protected by this cap which limits the EM increase to no more than double the 2008 EM. To participate, employers must be in good standing with BWC, agree to implement a 10-Step Business Plan and implement claims best practices through a sponsor or BWC.

Other

- **Drug Free Work Place** – Beginning July 1, 2009, group-rated employers may no longer receive discounts from the Drug Free Work Place (or DFEZ) program and participate in group rating.
- **Premium Discount Program +** – The Premium Discount Program + was eliminated.

Frequently Asked Questions (Affecting Group Rated Employers Only)

Q. What impact will the recent changes have on my premium?

According to BWC, group-rated employers will realize an average 9.6 percent increase in premium.

Q. How much will my discount change?

While the discount level will be lower, the projected premium payment sent to you by CCI should be relatively close due to the base rate reduction. Please see example below.

Q. Are we still receiving the highest discount possible?

Yes. Group rating continues to offer the best option available to eligible employers.

Q. What BWC programs are still stackable with group rating?

The only program stackable with group rating is the new deductible program.

| 2009 | Base Premium | Discount % | Discount | Premium Owed |
|-----------------------|--------------|------------|----------|--------------|
| Original Quote | \$1,000 | 50% | \$500 | \$500 |
| With Changes | \$750 | 34% | \$258 | \$492 |
| Original Quote | \$1,000 | 77% | \$770 | \$230 |
| With Changes | \$750 | 70% | \$524 | \$226 |

Important Dates in 2009

May 31, 2009 — BWC's Deductible Program applications are due for private state funded employers.

June 26, 2009 — Group Retrospective Rating Program applications are due.