What lies ahead
What’s on the horizon in 2015 for Ohio’s workers’ compensation system?

As 2014 comes to a close, we look ahead to the continued changes to be made in the Ohio workers’ compensation system that will bring a few benefits to the employers in the state.

“In 2015, the Ohio Bureau of Workers’ Compensation (BWC) expects to implement several new initiatives that include other states’ coverage, ICD-10 diagnosis codes and a prospective billing system for the collection of workers’ compensation premium versus the current in arrears payment,” says Randy Jones, senior vice president of Ohio TPA operations at CompManagement, Inc.

Smart Business spoke with Jones about why the BWC is planning these changes in 2015 and the advantages that each initiative will bring to employers.

Why is other states’ coverage a problem?
Other states’ refusal to recognize Ohio’s coverage of Ohio employees working temporarily in other states has resulted in fines and ‘stop work’ orders, and has also forced employers to acquire the other state’s policy and pay additional premiums.

A solution was implemented in 2008 to segregate out-of-state payroll and have an employer purchase private insurance in the marketplace. This solution has become too expensive and is not available for certain industries. It has also inflated the employer’s experience modifier — a factor used to calculate premium — because claims continue to be reported to Ohio.

What is the BWC doing to help employers with other states’ coverage?
Through House Bill 493, BWC has been granted the authority to offer limited other states’ coverage. It permits the BWC to enter into a fronting arrangement with an insurer of other states via a request for proposal (RFP) that would provide coverage for employer-requested jurisdictions. Ohio employers would then be able to show proof of coverage, eliminate contingent reciprocity provisions, eliminate the requirement to segregate payroll and be given one combined premium for coverage both in-state and out-of-state. The BWC is expected to issue the RFP by Jan. 1, 2015, and select a provider before the proposed implementation date of July 1, 2015.

Why is the BWC implementing ICD-10 diagnosis codes?
Due to the Health Insurance Portability and Accountability Act (HIPAA), covered entities must convert from the current ICD-9 diagnosis system to ICD-10 in 2015. Although the BWC is exempt from HIPAA, there were still several reasons to implement that included the fact that ICD-9 would not be maintained; medical providers in Ohio would need to treat BWC differently when processing workers’ compensation bills; new diseases would not be listed; ICD-10 is more specific and has approximately 68,000 codes versus the 13,000 under ICD-9; and the impact on Medicare reporting as well as benchmarking for national comparisons. Given these reasons, the BWC is currently modifying its system infrastructure to have the ability to receive both ICD-9 and ICD-10 codes by the deadline date of Oct. 1, 2015.

When it comes to prospective billing, how will employers be able to learn more about it and the changes that are being made to the system?
By now, employers should have received communication from the BWC or their third-party administrator on the key changes for implementation that include earlier enrollment deadlines for premium discount programs, transition credits to be offered, new payment schedules and the implementation of a true-up process. The BWC has plans to continue its communication effort via direct mail; its external website, www.ohiobwc.com; presentations to employer groups; articles in Payroll News; a seminar series to be conducted in the spring of 2015; webinars; social media; newspapers; and sessions to be held at the 2015 Ohio Safety Congress & Expo at the Columbus Convention Center March 31 to April 2.

Employers should have discussions with their third-party administrator and complete a feasibility study to know all of their options for 2015 before automatically re-enrolling in the same premium discount program. Other programs may offer better savings for this next policy year.

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