

John R. Kasich, Governor
Thomas H. Bainbridge, *Chairman*
Jodie M. Taylor, *Member*
Karen L. Gillmor, Ph.D., *Member*
Tim Adams, *Executive Director*

**The Industrial Commission of Ohio
Biennial Budget Request for
Fiscal Years 2016 & 2017**

Chairman Hackett, Vice-Chairman Henne, Ranking Minority Member Bishoff and Members of the House Insurance Committee: Good morning, I am Tim Bainbridge, Chairman and Chief Executive Officer of the Industrial Commission of Ohio.

It is my pleasure to present to you the Industrial Commission's 2016 and 2017 Biennial Budget Request, which is less than the previous biennium budget request for the fourth consecutive submission. Our agency is one of process innovation and a commitment to fiscal prudence, quality, and timeliness.

These innovations have allowed the Industrial Commission to reduce staff by 41% through attrition from 643 positions in 1997 to 376 positions at the end of 2014, without sacrificing the quality of service. As a result, the Industrial Commission's budget has been reduced from a ten-year high of \$62.6 million in FY 2011 to \$54.4 million in FY 2015. Looking ahead, our budget request is \$50.7 million in FY 2016 and \$51.8 million in FY 2017. Our proposed budget for Fiscal Years 2016-2017 is less than the current budget for Fiscal Years 2014-2015 by 6.9%.

Consequently, Administrative Cost rates for three of four Ohio employer groups were reduced for 2015. The fourth group, while not realizing a reduction, remained stable with no rate increase. We intend to maintain the lowest possible rate structure through the end of the next biennial budget period.

Quality in our hearing process is also of paramount importance. Our 88 hearing officers, all of which are licensed attorneys, adjudicated more than 131,000 claims in 2014, of which only 88 were advanced through a writ of mandamus to the Tenth District Court of Appeals. This is the same number of mandamus claims for the preceding year. For the exception of 2013, these 88 claims represent the lowest number of new mandamus cases filed in decades and reflect a 28% decrease from 2011.

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To put this achievement in perspective, 248 of these cases were filed in 2005 and 295 such cases were filed in 2001. As the number of mandamus cases has remained stable over the past two years, the appellate court's affirmation rate, too, has remained stable.

The appellate court decided 55 cases in 2014, of which only 12 were decided against the Commission, representing an affirmation rate of 78%. Plainly put, the Industrial Commission has been upheld on appeal 78% of the time in 2014.

The performance of the OIC continues to meet the statutory mandates of providing a hearing within 45 days of appeal filing and 7 days to issue an order after that hearing, for a 52-day period maximum. For **Fiscal Year 2014** at the DHO level, 62,032 claims were heard that qualified under the mandate. These claims were heard and issued an order, on average, at 33 days with 90.4% meeting the 52 day combined time frame. At the SHO level, 29,548 claims were heard that qualified under the mandate. These claims were heard and issued an order, on average, at 36 days with 95.2% receiving a hearing within the 52-day time frame.

The OIC intends to maintain our momentum by continuing to upgrade our technological systems and focusing on the assurance of quality decisions rendered in a timely manner, while building on our history of fiscal prudence through realized savings.

Your valuable consideration of our budget request is appreciated. Thank you Chairman Hackett and members of the House Insurance Committee for your time; our Chief Financial Officer, Brian Kelly and the rest of our staff will be happy to answer any questions you may have at this time.