

OMBUDS OFFICE

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# 2011 Annual Report



**Ombuds  
Office**

An Independent Service of  
Ohio's Workers' Comp System

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August 31, 2012

Industrial Commission  
Nominating Council

Dear Council Members:

The Ombuds Office for the Ohio workers' compensation system is pleased to present its 2011 annual report. In accordance with Ohio Revised Code section 4121.45, this report provides statistical information on the office's activities for the year, reviews the prior year's activities, and makes recommendations for improving the Ohio workers' compensation system.

In 2011 the Ombuds Office staff handled 15,378 inquiries from customers of Ohio's workers' compensation system. This volume of customer contacts, from all stakeholders is up substantially from a total 8,767 in calendar year 2010. There are several reasons for this substantial increase from previous year volumes, which are discussed in the executive summary inside this annual report. Of these inquiries, 1,572 were classified as complaints due to the customer expressing dissatisfaction with either the Bureau of Workers' Compensation (BWC) or the Industrial Commission (IC). The Ombuds Office analyzes these complaints to assist in making recommendations for improving Ohio's system. From a high of 198,000 claims filed in 2006, a significant reduction has occurred every year since: 160,000 filed in 2007; 133,000 filed in 2008; 118,000 filed in 2009, 104,000 filed in 2010, and 104,000 filed in 2011.

While Ohio's economy appears to be rising from the depths of the "Great Recession," and moving towards economic growth and full employment, the Ombuds Office continues to perform its legislative mandate: *"To assist claimants and employers in matters dealing with the Bureau of Workers' Compensation and the Industrial Commission."* The Ombuds Office also continues its other key missions, to be an element for positive change and improvement within Ohio's workers' compensation system. This report provides detail on both of these areas, and as always, I await your comments or questions.

Sincerely,



Michael Travis, Esq.  
Chief Ombuds Officer

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# Executive Summary

## Background

Ohio law (ORC 4121.45) creates a workers' compensation ombuds system, that has been in place since the 1970s. It is the responsibility of the Ombuds Office to assist employers, injured workers, and their representatives, in problems and questions arising out of the Ohio workers' compensation system. The Ombuds Office answers inquiries and investigates complaints about the workers' compensation system, mainly as it relates to injured workers' claims and employers policies, facilitating resolution of issues when possible. All inquiry and complaint data is captured and categorized. The data is then analyzed in order to identify areas of potential concern in the workers' compensation system. Both the inquiry/complaint data and areas identified as topics to watch are published annually in this report.

## 2011 Statistical Information

Total inquiries received in 2011 totaled 15,378. The table below segregates these inquiries between general inquiries and complaints, and compares the statistics to the prior year. Inquiries are classified as complaints when dissatisfaction is expressed with the Ohio workers' compensation system.

In calendar year 2011, the Ombuds Office had an increase in the volume of **complaints and general inquiries** handled, compared with 2010. The top issue addressed by Ombuds staff continues to revolve around payment of indemnity benefits to injured workers. The prominent employer issue was concerns about how their premium rates were calculated.

	2011	2010	2009
<b>Complaints</b>	1,572	1,694	2,509
<b>General Inquiries</b>	13,806	7,073	9,673
<b>Total</b>	15,378	8,767	12,182

## **Summary of Ombuds Office 2011 Topics to Watch**

Listed below are summaries of Topics to Watch, for action by the Ombuds Office, as previously discussed by the Industrial Commission Nominating Council at their 2011 annual meeting.

- **Lump Sum Settlements** - *Revisions and improvements to the lump sum settlement process for both internal settlements involving only the BWC, and external settlements involving the BWC and the Ohio Attorney General's office.*

- Questions and concerns about lump sum settlements (LSS) are a common topic of calls received by the Ombuds Office. Many of these calls express concerns about the lack of timeliness in processing LSS applications, and the Ombuds Office continues to observe improvement in this area.
- The overall volume of questions and concerns related to Lump Sum Settlements has seen a decline in 2011, vs. prior years. BWC has continued to reduce its volume of pending LSS applications, and also reduce the length of processing time, leading to these reductions.
- A specific problem related to substantial delays in processing LSS applications against bankrupt self-insured employers has been almost totally resolved. In 2011 BWC claims operations successfully applied additional staff resources, and eliminated almost the entire backlog of pending bankrupt LSS applications.
- Another issue previously addressed by the Ombuds Office, related to LSS, has been largely resolved. Last year's Ombuds annual report highlighted:

*Ombuds continues to receive calls from employers upset over the practice of settling workers' compensation claims that have been appealed into Common Pleas court, and are being defended by the Ohio Attorney General. When a claimant loses at all levels of the administrative process, (BWC & Industrial Commission), appeals into court, and then is offered nuisance value, (often \$1,000 or less) employers feel this action is an unjustified reward that is not warranted.*

- BWC and the Ohio Attorney General have adopted a reasonable policy that addresses this issue, and has resulted in a substantial reduction in the volume of employer complaints. This policy holds that the AG & BWC will not settle a claim appealed into court over the employers' objection, so long as the employer takes an active role in defending against the claim. If an employer has expended no effort in defense, both BWC and AG hold that the employer has waived their right to object to any settlement. This fair and common-sense policy has reduced the volume of complaints received by the Ombuds Office, and accordingly, the Ombuds Office will consider the specific issue largely resolved.
- One final topic related to LSS that remains unresolved is Medicaid set-aside. At issue is how BWC, employers, and injured workers should properly account for LSS payments presented to an injured worker who is, or will soon be, Medicare-eligible. In 2011 and into 2012 this continues to be a controversial and unsettled area, where the Federal Government Medicare Office has sent conflicting information about whether, when, and how much money needs to be set aside from state workers' compensation settlements to satisfy future Medicare claims for injured workers. As with other constantly changing topics, Ombuds Office is monitoring this issue, to ensure accurate information is dispensed to stakeholders.

Ombuds Office will continue to monitor these issues, and work with interested parties on resolving disputes.

- **Ohio Workers' Compensation Forms** - *Edits, revisions, deletions, and combining the current volume of over 125 separate forms available for use by injured workers, employers, medical providers, and their legal representatives.*
  - Starting in 2009, and continuing throughout 2010 and 2011, the Ombuds Office has seen improvement in this area. Rather than arbitrarily reduce the number of forms from 125 to a smaller total, BWC has instead begun to modify procedures that require the use of forms. These re-engineering efforts combine multiple forms that serve the same purpose into one consolidated form, simplifying the process for external stakeholders.
  - A key process improvement implemented in 2010 and expanded in 2011 was the employer policy application process. This included how employers apply for new workers' compensation coverage, cancel an existing policy, or merge two companies together into one coverage policy.
  - The Ombuds Office receives a large volume of calls from employers expressing confusion on these processes. By BWC's actions of reducing paperwork and simplifying the process of creating, modifying, or cancelling coverage, Ombuds data shows that employer contacts in this area show a reduction. Ombuds Office monitored this topic in 2011, but established that stakeholder calls related to this topic diminished in volume. Accordingly Ombuds Office considers this issue largely resolved.
- **Delivery of Workers' Compensation Medical Services** - *Review of both delivery of medical services and the ADR process related to resolving medical disputes.*
  - In 2010, BWC implemented the re-engineered alternative dispute resolution process for resolving medical treatment disputes. Every year, Ombuds Office receives a large volume of calls from medical providers generally concerned about one of two issues—treatment requests being denied, and delays in reimbursements for medical services rendered. In 2011, BWC paid out \$778 million for medical treatment to Ohio's injured workers, a reduction from the \$800 million paid out in 2010 and \$833 million in 2009.
  - In consultation with external parties including managed care organizations, hospitals, attorneys, and physicians, BWC streamlined the dispute resolution process, including eliminating one appeal level that had a 97% concurrence rate. This re-engineering has resulted in a substantial reduction in the time frame for medical disputes to be adjudicated. Ombuds Office monitored this development in 2011, and medical provider calls to the Ombuds Office in 2011 were essentially flat, remaining about 10% of total contact volume.
- **Ohio Executive Agencies Ombuds Initiative** - *Work with Ombuds offices in other State of Ohio executive agencies, in supporting regulatory reform objectives and the Governor's Common Sense Initiative.*
  - Starting in 2009, and continuing into 2010 and 2011, this has been an area of activity for the Ombuds Office. All large state agencies that have substantial

interaction with Ohio businesses, including EPA, Taxation, ODJFS, Commerce, Agriculture, DNR, and ODOT, were required to create an Ombuds Office. Since the workers' compensation Ombuds Office has been in operation since the 1970s, this office has fielded many start-up questions.

- One of the key benefits of each major state agency having an Ombuds function is to facilitate the flow of information, questions, and problems efficiently between agencies. This coordinated effort helps existing Ohio employers solve problems efficiently, and also helps economic development, both in job retention and new business growth. The workers' compensation Ombuds Office expects to continue these efforts in 2012.
- **Workers' Compensation Ombuds Offices Best Practices** - *Solicit input from workers compensation Ombuds offices in other states, both public and private sector insurance, to evaluate and incorporate best practices into Ohio's workers' compensation system.*
  - Throughout 2011, the Ohio workers' compensation Ombuds Office solicited information from other Ombuds offices, nationwide, regarding their structure, governance, and scope. A key goal will be to analyze this data on how Ombuds functions outside of Ohio are structured and run, and how to incorporate their best practices into Ohio's system. The Ombuds Office will continue updating members of the ICNC on any proposed restructuring.
  - In 2011, the Workers' compensation Ombuds Office renewed its membership in the International Ombuds Association. For a minimal membership cost (\$195.00), this office receives data on current industry trends, and has access to other Ombuds Offices, both public and private sector, to establish best practices.
- **Industrial Commission Hearing Outcomes** - *Work with the Ohio Industrial Commission to establish methods of improving both the consistency and accountability of Industrial Commission orders, state-wide.*
  - In 2010, the Industrial Commission took a major step in re-engineering the process of how workers' compensation contested hearings are scheduled, and conducted. In 2011 the IC conducted 151,000 hearings, down from 2010's volume of 163,000 hearings, and down from 2009's volume of 175,000 hearings. Every year, the Ombuds Office receives a large volume of calls from external stakeholders with questions and concerns related to the IC hearing process.
  - This re-engineering effort reconfigured the process by which the IC schedules hearings and grants continuances, to minimize scheduling conflicts and maximize the time third party stakeholders are involved in the system. Throughout 2012, the Ombuds Office will be monitoring the volume of calls received from external stakeholders, related to this topic, as an indicator of the effectiveness of these changes.

- **Ohio Employer Risk Issues** - *Work with both BWC and external parties on ensuring that the risk-related recommendations proposed in the 2009 Deloitte study will be implemented timely.*
  - Ombuds Office closely monitors all major changes that BWC makes to risk programs, because such changes frequently result in an increased call volume to the Ombuds Office. Programs that have been introduced, pursuant to the Deloitte recommendations, include a new Drug Free Safety Program, deductible coverage, and simplified procedures to obtain, modify or cancel coverage.
  - Throughout 2012, Ombuds Office will be monitoring volume of calls received from external stakeholders, related to these new programs, as an indicator of the effectiveness of these changes. Ombuds Office staff periodically meet with senior management from BWC Risk Division, to inform them of trends seen by this office.

## 2012 Topics To Watch

Along with processing the large volume of annual stakeholder contacts handled by Ombuds staff (estimated to be approximately 24,000 in CY2012), the Ombuds Office is also charged with looking to the future and anticipating new challenges in Ohio's workers' compensation system.

Listed below are the Ombuds Office top ten list of topics to watch in 2012 and into the future. Most of these topics are currently in the Ohio workers' compensation equation, while a few will be anticipated in the near future. All of these topics reflect subjects that the Ombuds Office anticipates receiving an increased call volume either from injured workers, employers, and/or medical providers.

Over the last four decades, history has shown that any major changes to Ohio's workers' compensation system raise questions, and many of these questions from stakeholders are fielded by the Ombuds Office. In an on-going effort to be proactive and to ensure that the information provided by Ombuds Office staff is 100% timely and 100% accurate about new laws and issues that affect our stakeholders, the Ombuds Office is always keeping an eye on future developments within the workers' compensation system.

Accordingly, listed below is a brief summary of the key issues the Ombuds Office anticipates in 2012. Some of these involve changes to Ohio statutes and administrative rules, while others are legal trends that may be carried over from prior years, but all are topics that are expected to generate questions and concerns handled by Ombuds Office staff in 2012, and beyond.

- 1) Interstate Jurisdiction - Ombuds Office continues to receive inquiries from employers and TPAs on this topic, primarily because there is no easy solution to the underlying conflicts.

At issue is when an employee of an Ohio-based employer is injured, in the course of their employment, while traveling in a state other than Ohio. If the employer is fully compliant with Ohio law, current on their premiums and not in a lapse status, and the employee traveled to the foreign state for a short period of time, Ohio will generally cover the claim. The problem arises, and many Ohio-based employers are caught in this situation, in that the foreign state will not give full faith and credit to Ohio BWC coverage, and may level civil penalties against the employer for failing to purchase workers' compensation insurance in their state.

As stated previously, this on-going problem defies an easy solution, since Ohio is a monopolistic state and all-states coverage is generally not available, or would be an extra expense. Ombuds Office will continue its on-going efforts to address employer concerns, and educate Ohio employers on this potential area of concern.

Increased technological capabilities of the workplace now allow for more work from home, remote computing, and long distance/electronic commuting. As a result, there remains increased legal disputes about the proper location for

obtaining workers' compensation coverage. The Ombuds Office will be closely monitoring all changes in this area, to ensure that accurate information is supplied to both employers and employees, when questions arise.

- 2) Pharmacy Out-Patient Formulary Reforms - In late 2011 and early 2012 through both policy and administrative rule changes, BWC made major modifications to the outpatient medication formulary for injured workers. These changes include limits on the volume and availability of certain opiates prescribed for pain relief. Ombuds has, and anticipates continuing to receive, an increased volume of calls from providers and injured workers, and their representatives, on this topic. Ombuds Office will continue to monitor our stakeholder contact volume on this issue, and report any trends, as warranted.
- 3) Aging Workforce - Based on the Great Recession's negative effects, the number of older employees remaining in the workforce is growing at a much faster pace than prior historical trends. In 1988, the USA had 15 million workers over age 55, while that number more than doubled to 32 million in 2010. This demographic trend has potential impacts on Ohio's workers' compensation system, and the Ombuds Office is anticipating an increase on stakeholder calls related to this issue.
- 4) Destination Excellence - Destination Excellence is BWC's new risk program for employers, that focuses on three main areas: increased focus on safety, increased accident prevention, and increased return-to-work options for injured workers. BWC is implementing this program cross several fronts, including local safety councils, drug testing programs, transferred work opportunities, and vocation rehabilitation.

The history of the Ombuds Office shows that any new risk initiatives generate many questions from Ohio employers, and many of these inquiries are fielded by Ombuds staff. In the last year, as statistics data elsewhere in this annual report details, over half of our stakeholder contacts come from Ohio employers. Accordingly, Ombuds Office anticipates a future increase in risk-related inquiries, arising out of BWC's Destination Excellence program.

- 5) Hydraulic Fracturing - Hydraulic fracturing (fracking) is a good-news/bad-news circumstance. The good news is that natural gas and oil fracking has the potential to bring many new jobs, especially in North East Ohio.

The bad news is that many of these jobs arise out of start-up companies, founded by individuals with little or no knowledge of Ohio workers' compensation coverage requirements. Ombuds office has already begun to receive calls and anticipates an increasing volume for the near future, from start-up businesses seeking information on Ohio workers' compensation coverage basics.

- 6) Predictive Modeling - A growing trend, especially in the private workers' compensation insurance industry, is to use claims data to predict potentially high-cost claims, so that extra staff resource can be used for claims management. This extra attention to certain predicted claims may involve transitional work and/or vocational rehab, leading to reduced costs and quicker return to work outcomes.

Various entities with Ohio's workers' compensation system, including BWC claims, Industrial Commission, Ombuds Office, BWC call center, and Safety & Hygiene are all repositories of large amounts of claims data, both current and historical.

To some degree, BWC is already using this strategy in its auto-adjudication program, using computer models to automatically render an allow/disallow decision on simple medical-only claims applications. With the 80/20 rule applying to workers' compensation claims, (80% of medical and indemnity costs arise out of 20% of claims), increased use of modeling and database analysis could yield large savings and quicker return to work results. For the foreseeable future, the Ombuds Office will be tracking this topic, and reporting as warranted.

- 7) Core Conversion - This topic to watch involves the Core conversion project, which is a huge software re-build. BWC is developing a new software system in which all claims data (for over 1.5 million open claims), all risk data (for approximately 240,000 Ohio employers), all medical payment data (covering \$800 million in annual spending), and other smaller data bases will be migrated to one single integrated platform. Since Ombuds staff utilize BWC databases thousands of times daily, in the ordinary course of handling stakeholder inquiries, the Ombuds Office will be watching this data migration project with interest. Estimated final conversion date is late 2013. Ombuds Office will be reporting on this topic, as warranted.
- 8) Common Sense Initiative and Governor's Economic Development Efforts - As the State of Ohio continues its efforts to become more business-friendly, the Ombuds Office plays on-going role. The Ombuds Office, as an independent entity, provides a viewpoint removed from both BWC and IC, on policies, procedures and administrative rules related to Ohio's workers' compensation system.

With over half our 24,000 annual inquiries coming from employers, Ombuds Office staff are in an excellent position to gain first-hand knowledge from Ohio business on confusing, burdensome, out-dated, and/or ill-conceived regulations. The Ombuds Office will continue to receive, compile, and analyze these stakeholder concerns, and pass on any trends to the appropriate party, as warranted.

- 9) Independent Contractors and Temporary workforce - With the ongoing economic uncertainty, many employers are reluctant to hire new full-time employees, and are instead looking to independent contractors and/or temporary help. Many Ohio employers wrongfully assume that categorizing an individual as a "temp" or independent contractor relieves them of all workers' compensation liability.

Both the Federal government and State of Ohio have independently announced increased enforcement efforts, on allegations of intentional mis-classification of employees as independent contractors. In addition, the Ohio General Assembly is currently considering legislation to clarify the legal criteria over the distinction between employee and independent contractor.

Accordingly, based on the above information, the Ombuds Office anticipates a future increase in the already high volume of stakeholder contacts, from both employers and injured workers, on this subject.

- 10) Teleworking - In an effort to both reduce costs and improve efficiencies, many entities in both the public sector are looking to (or even have begun to implement) teleworking. For many jobs that utilize phone lines and computers exclusively, with no face-to-face customer contact, work can be performed at any location, including an employee's home. While there are obvious benefits (no commuting costs for the employee and reduced overhead expenses for the employer), such a program raises several legal issues, related to workers' compensation.

If working from home, on a company-supplied computer and phone, when is the employee "on the clock"? When are they at lunch or on break? Do safety rules apply to such home-based work spaces? From a BWC risk and premium viewpoint, what manual classification should those employees be placed in?

The Ombuds Office is receiving calls from private and public sector employers, and third party administrators, raising those questions, and it is anticipated that the volume of inquiries related to this topic will continue to rise in the foreseeable future.

## 2011 Administrative Update

### **Budget:**

Expenditures to operate the Ombuds Office in CY2011 totaled \$631,318. This total includes payroll costs for staff of \$543,972 and operating expenses of \$87,346. A spreadsheet providing budget details can be found on page 26 of this annual report.

Total payroll costs for 2011 vs. 2010 were up about 9.5%, and this increase reflected two items - first, all state of Ohio employees (including Ombuds staff) were required to take ten unpaid leave days reflecting a 3.5% payroll savings in 2010. These cost savings days were not implemented in CY2011, which resulted in increased payroll expenditures. Second, benefits costs for state employees were raised, resulting in increased payroll expenditures. In CY2011 no Ombuds employees received any raises, bonuses or cost of living increases. In calendar year 2011, no overtime was paid. In CY2011, the Ombuds Office had no changes in either FTE headcount or personnel. It is further anticipated that there will be no changes in Ombuds FTE levels in CY2012.

Non-payroll operating costs for the Ombuds Office for 2011 were \$82,782 essentially unchanged from \$82,193 in 2010. The three largest operating expenses for the Ombuds Office are rent, utilities, and building maintenance.

### **Database:**

In December 2011 the Ombuds Office concluded its third full year of the ePowerCenter tracking software. Benefits of this industry standard software include:

- Improved tracking of individual complaints and inquiries
- Improved consistency of information provided to Ombuds Office customers
- Quicker recall history of prior discussions with customers
- Quicker access to injured worker claims data
- Quicker access to employer risk data
- Improved report generating capabilities
- Improved data trend analysis capabilities

The Ombuds Office began collecting data in January 2009, and this data continues to be useful in conducting year over year comparisons, and identifying customer trends. In addition, several BWC divisions are now using ePowerCenter. While the ePowerCenter data on the Ombuds system remains 100% segregated from BWC data, and Ombuds continues to retain its statutory independence and neutrality, this sharing of the same software allows for better data trend analysis of current and future problems.

## **Marketing of Ombuds Office Services**

Over the last few years, through the end of 2008, the overall volume of complaints and inquiries handled by the Ombuds Office showed a slight but steady decline. Some of this downward trend was attributable to overall lack of awareness and utilization of Ombuds services. In a multi-faceted effort to improve this utilization trend, and increase the volume of customer contacts, the Ombuds Office continued marketing efforts in 2011. These included:

### **Printed Material**

The Ombuds Office continues to distribute an updated capabilities brochure, designed to answer questions and provide information to the major stakeholder groups: employers and injured workers. The brochure was produced and printed in-house at minimal cost by BWC Communications and Office Services staff. This brochure is mailed out upon request, distributed at speaking engagements, and provided to injured workers and employers by Industrial Commission hearing officers.

### **Marketing to Industrial Commission Staff**

The Ombuds Office continued marketing of its services to the Industrial Commission in 2011 in several ways. These included:

- Distributed Ombuds Office brochure, as described above, in IC hearing locations, state-wide
- Met first-hand with IC support staff, in IC offices state-wide, to discuss available Ombuds Office services
- Enhanced placement of link to Ombuds Office information on IC's Web site, [www.ohioic.com](http://www.ohioic.com)

### **Marketing to Bureau of Workers' Compensation Staff**

The Ombuds Office continued marketing of its services to the BWC in 2011, in several ways. These included:

- Met first-hand with BWC service office managers and claims staff, to discuss available Ombuds Office services
- Met first-hand with BWC risk staff and employer services specialists, to raise awareness of Ombuds Office services available to Ohio employers
- Met first-hand with Safety & Hygiene Division staff, both at headquarters in Pickerington, and in locations across Ohio, to increase awareness of Ombuds Office services available to Ohio employers
- Met first-hand with BWC business consultants, state-wide, to increase their awareness of Ombuds Office services

- Worked with BWC's 1-800-OHIO-BWC call center staff to increase awareness of Ombuds Office services and to increase referrals
- Enhanced placement of link to Ombuds Office information on BWC's Web site, [www.ohiobwc.com](http://www.ohiobwc.com)

### **Marketing to Ohio Employers**

In 2011 the Ombuds Office continued marketing and awareness of its services to Ohio employers in several ways. These include:

- Distributed Ombuds Office capabilities brochure to business trade groups for distribution to their members
- Spoke at special events and/or seminars with target audiences present, including Ohio Safety Congress
- Provide information on Ombuds Office services to local and regional chambers of commerce and safety councils

### **Marketing to Government Officials**

In 2011 Ombuds Office continued marketing and awareness of its services to various Ohio government entities. These include:

- Provided information on the services available through the Ombuds Office to members of the Ohio General Assembly, and their staff, as a resource when handling complaints and inquiries from constituents
- Provided updated information on Ombuds Office services to call centers and action lines of local government entities, including Ohio cities, counties, and townships
- Provided updated information on Ombuds Office to court personnel across Ohio, through speaking engagements at the Ohio Judicial College
- Exchanged information about workers' compensation Ombuds Office services with the newly established Ombuds offices in other state agencies

### **Marketing to Labor Groups**

In 2011 Ombuds Office increased the marketing of its services to Ohio labor groups in several ways. These include:

- Distributed Ombuds Office capabilities brochure to local unions, across Ohio
- Spoke at labor seminars, including AFL-CIO, UAW, and Teamsters
- Provided links to Ombuds Office information on the Web sites of local unions
- Conducted meetings with local union stewards, to increase their awareness of the services offered by the Ombuds Office

## Ohio Bureau of Workers' Compensation Year-End Statistics

	FY 2011	FY 2010	FY 2009
<b>State-Fund Claims Filed</b>			
Lost Time	13,404	13,296	15,428
Medical Only	90,132	89,505	101,791
Occupational Disease	1,130	1,112	1,439
Death	169	238	197
Disallowed or Dismissed	11,543	11,891	13,694
Total	116,378	116,042	132,549
 Net Allowed Injuries	 104,835	 104,151	 118,855

**NOTE:** Every claim is evaluated at 60 days after filing for purposes of claim type, State Fund versus Self-Insured, combine status, and allowance status. Values exclude combined and Self-Insured claims.

### Open Claims (Per Statute)

Lost Time	366,142	386,503	407,841
Medical Only	763,731	834,799	913,373
Total	1,129,873	1,221,302	1,321,214

### Benefits Paid

Medical Benefits Paid	\$ 778,853,015	\$ 800,805,344	\$ 833,508,906
 Compensation Paid			
Wage Loss	\$ 21,397,029	\$ 21,352,353	\$ 19,123,153
Temporary Total	273,321,156	267,470,408	258,845,993
Temporary Partial	29,326	56,996	48,179
Permanent Partial	21,033,715	20,353,634	23,361,375
% Permanent Partial	70,258,487	79,543,300	84,406,058
Lump Sum Settlement	115,918,814	151,257,527	206,137,108
Lump Sum Advancement	30,191,113	21,772,977	20,581,269
Permanent Total & DWRF	383,895,419	386,973,795	385,463,075
Death	82,884,488	82,894,164	82,396,222
Rehabilitation	46,989,884	47,821,615	43,429,274
Other	7,851,564	6,084,179	6,973,290
Total Compensation Paid	\$ 1,053,770,995	\$ 1,085,580,948	\$ 1,130,764,997
Total Benefits Paid	\$ 1,832,624,010	\$ 1,886,386,292	\$ 1,964,273,902

**NOTE:** Due to improvements in BWC data capture and reporting systems, prior year data may not agree with amounts previously reported.

BWC year-end statistics continued

	FY 2011	FY 2010	FY 2009
<b>Fraud Statistics</b>			
Fraud Dollars Identified	\$ 58,155,950	\$ 66,184,460	\$ 65,183,784
\$\$\$ Saved to \$\$\$ Spent Ratio	5.41 to 1	6.30 to 1	5.65 to 1
Prosecution Referrals	245	240	222
<b>Active Employers By Type</b>			
Private	250,432	251,009	257,012
Public (Local)	3,802	3,790	3,791
Public (State)	125	124	124
Self-Insured	1,203	1,202	1,188
Black Lung	39	37	38
Marine Fund	120	106	98
Total	<u>255,721</u>	<u>256,268</u>	<u>262,251</u>
<b>BWC Personnel</b>	2,064	2,262	2,346
<b>IC Personnel</b>	401	438	468
<b>MCO Fees Paid</b>	\$ 166,960,072	\$ 165,187,219	\$ 161,317,153

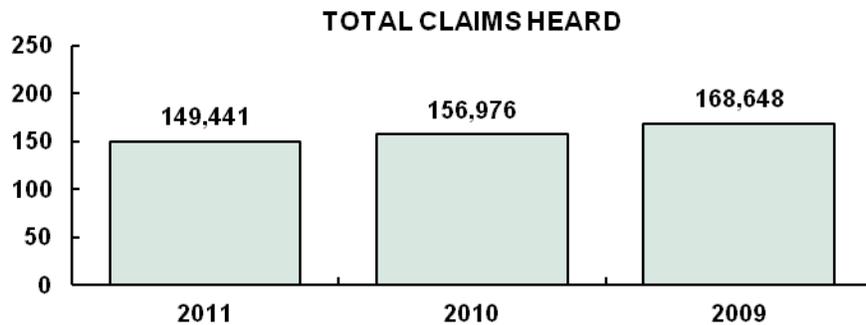
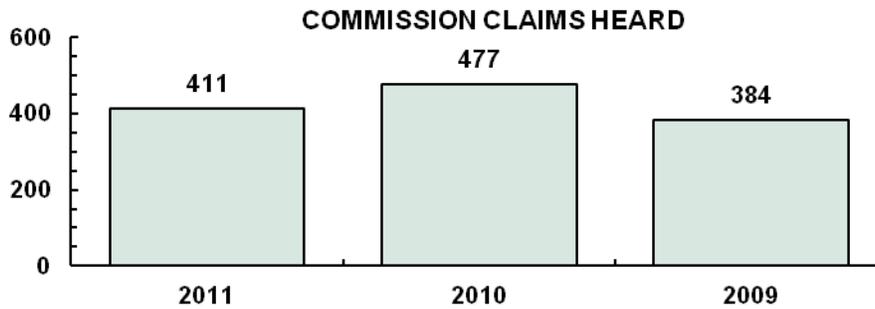
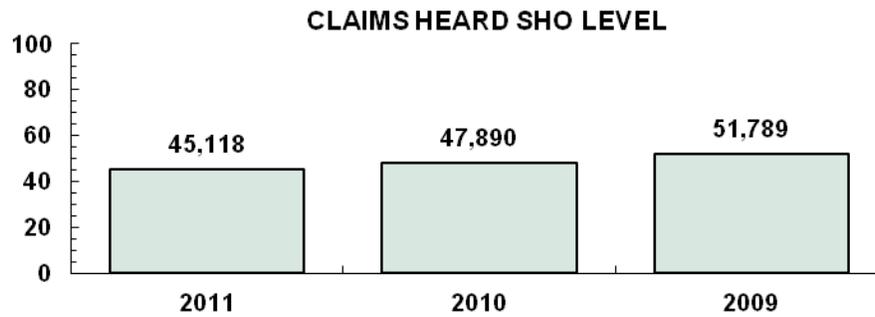
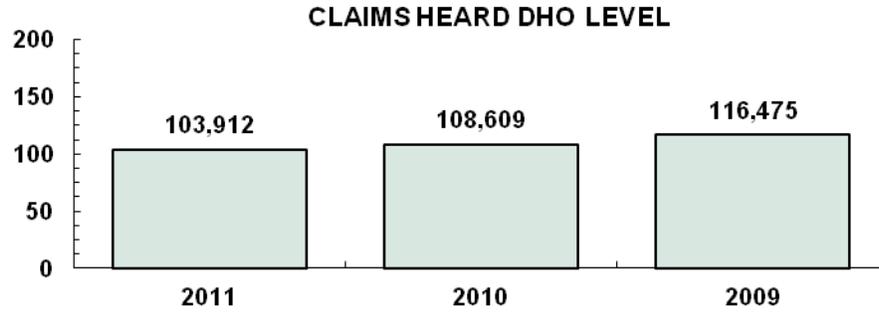
**BWC COMBINED FUNDS FINANCIAL DATA**

(000s omitted)

	FY 2011 (Unaudited)	FY 2010	FY 2009
<b>Operating Revenues</b>			
Premium & Assessment Income, net of Provision for Uncollectibles and Ceded Premiums	\$ 1,856,443	\$ 2,118,421	\$ 2,360,930
Other Income	14,989	15,018	17,197
Total Operating Revenues	<u>\$ 1,871,432</u>	<u>\$ 2,133,439</u>	<u>\$ 2,378,127</u>
<b>Non-Operating Revenues</b>			
Net Investment Earnings	\$ 764,745	\$ 715,387	\$ 733,284
Increase (Decrease) in Fair Value	1,599,649	1,334,234	(928,019)
Net Investment Income (Loss)	<u>\$ 2,364,394</u>	<u>\$ 2,049,621</u>	<u>\$ (194,735)</u>
<b>Total BWC Assets</b>	\$ 26,015,362	\$ 24,095,908	\$ 22,420,349
<b>Total Net Assets</b>	\$ 5,661,741	\$ 3,825,079	\$ 2,515,342

Note: Due to improvements in BWC data capture and reporting systems, prior year data may not agree with amounts previously reported.

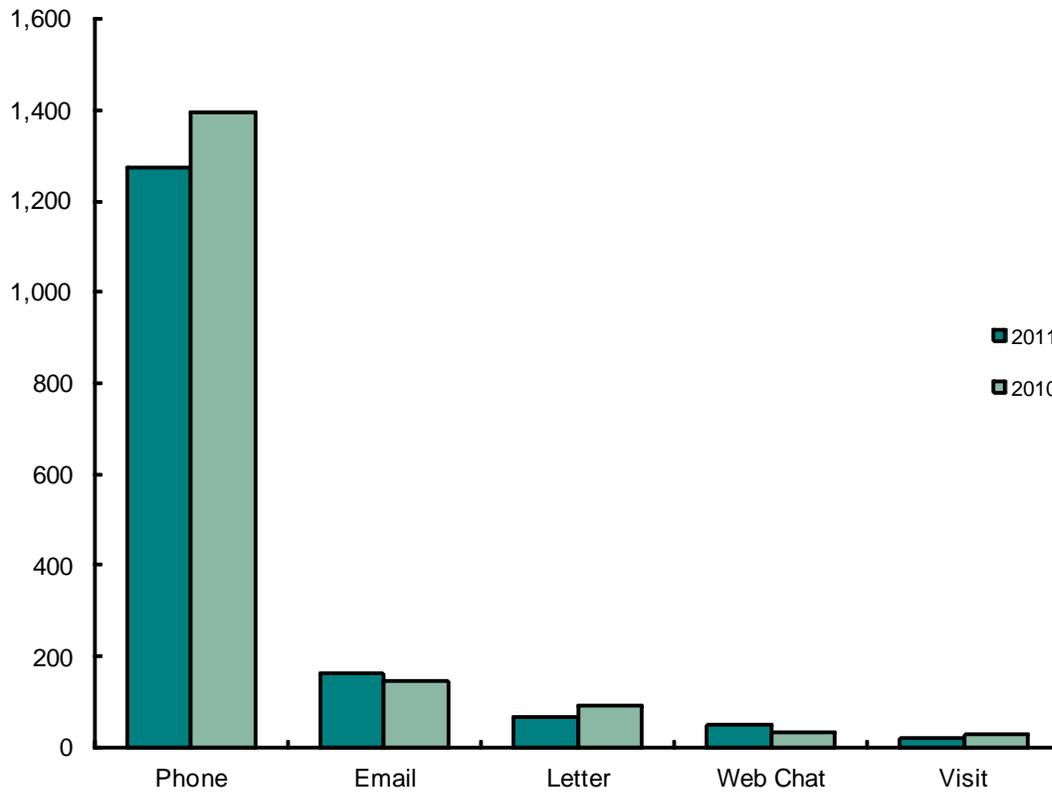
## Industrial Commission 2011 Year End Statistics



# Statistical Information

## Contact Method

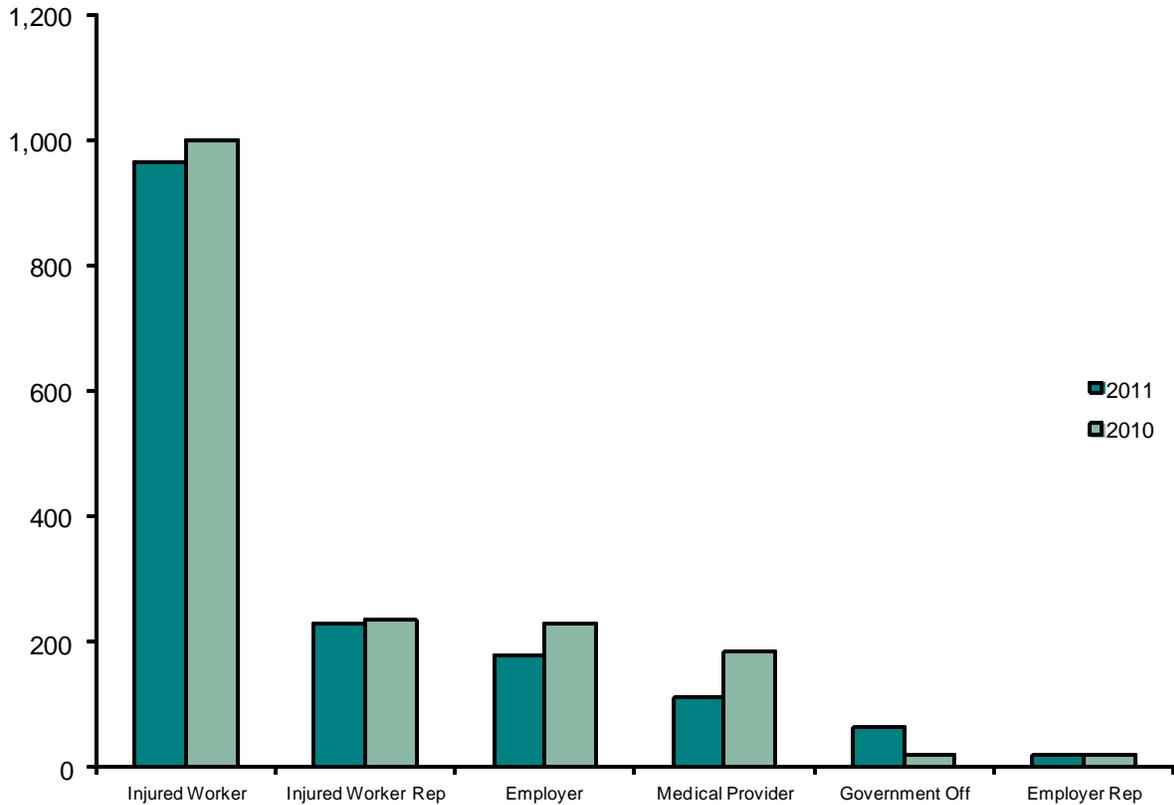
The Ombuds Office resolved 1,572 complaints during 2011. The complaints were received by the following methods:



	2011	2010	Percent Change
Phone	1,275	1396	-9%
Email	161	147	10%
Letter	66	91	-27%
Web Chat	49	33	48%
Visit	21	27	-22%
<b>Total</b>	<b>1,572</b>	<b>1,694</b>	<b>-7%</b>

## Originator Report

Complaints are recorded for the purpose of identifying which group of individuals use Ombuds Office services. Injured workers and injured worker representatives accounted for more than 76% of our business in 2011, up from 72% market share in 2010.



Originator Type	2011	2010	Percent Change
Injured Worker	967	1,001	-3%
Injured Worker Representative	230	235	-2%
Employer	178	229	-22%
Medical Provider	113	187	-40%
Government Office	65	21	210%
Employer Representative	19	21	-10%
<b>Total</b>	<b>1,572</b>	<b>1,694</b>	<b>-7%</b>

## Executive Summary of Complaint Statistics

Charts on the next three pages analyze the volume of complaints received and processed by the Ombuds Office. In calendar year 2011 the Ombuds Office handled 1,572 separate complaints, down 7% from the same period of 2010.

The first chart, ***Initial Complaint Report***, shows who or what was initially established by Ombuds Office staff to be the subject of the complaint.

The second chart, ***Accountability Report***, identifies who is the party ultimately responsible for the problem. This determination is made by Ombuds Office staff after the complaint has been fully researched.

The third chart, ***Complaint Resolution Report***, denotes what the Ombuds Office staff found to be the problem. This determination is made after a complete review and analysis of this complaint has been made, by Ombuds Office staff.

Note that all three of these reports are useful tools in determining trends and identifying areas where the workers' compensation system can be improved.

## Initial Complaint Report

The codes below are used to describe what the Ombuds Office staff considered to be the problem, when the complaint was initially received.

<b>Complaint Type</b>	<b>2011</b>	<b>2010</b>	<b>Percent Change</b>
Compensation	392	420	-7%
Bureau of Workers' Compensation	214	228	-6%
Processing Delay	192	168	14%
Employer Policy Issues	167	192	-13%
Self-Insured Bills Non-Payment	83	158	-47%
Employer Delay of Claim Processing	80	85	-6%
Industrial Commission - Hearing Issues	74	69	7%
MCO - Medical Bills Non-Payment	72	72	0%
MCO - Authorization of Medical Treatment	65	60	8%
Medical Provider	65	50	30%
Pharmacy Benefits Manager	62	68	-9%
Claim Allow/Disallow	59	75	-21%
Attorney Delay	29	16	81%
MCO Vocational Rehabilitation	10	15	-33%
MCO - Find Medical Provider	6	13	-54%
Injured Worker Attorney Fee Disputes	2	5	-60%
<b>Total</b>	<b>1,572</b>	<b>1,694</b>	<b>-7%</b>

## Accountability Report

This chart identifies the area that the Ombuds Office staff found to be responsible, for the complaint, after investigation.

<b>Accountability</b>	<b>2011</b>	<b>2010</b>	<b>Percent Change</b>
Injured Worker	561	577	-3%
BWC	419	377	11%
Employer	266	374	-29%
Medical Provider	151	173	-13%
Injured Worker Representative	48	61	-21%
MCO	45	56	-20%
IC	23	23	0%
Employer Representative	22	17	29%
Government Office	12	13	-8%
Unverified Complaint	10	11	-9%
Financial Institution	7	7	0%
Pharmacy Benefits Manager	6	4	50%
UCR	2	0	NA
U.S. Post Office	0	1	-100%
<b>Total</b>	<b>1,572</b>	<b>1,694</b>	<b>-7%</b>

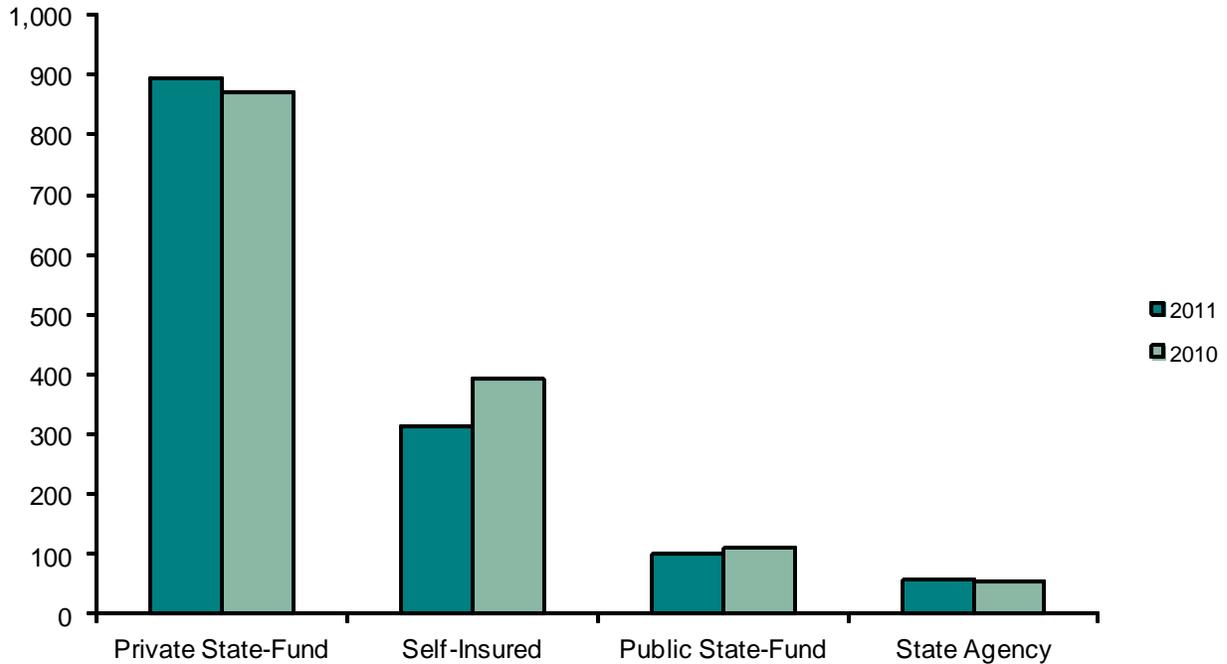
## Complaint Resolution Report

This chart denotes what the Ombuds Office staff found to be the problem, after investigating the complaint.

<b>Resolution</b>	<b>2011</b>	<b>2010</b>	<b>Percent Change</b>
Unjustified Complaint	357	326	10%
Claims Representative Error	288	250	15%
Appeals	153	152	1%
Claims Representative Information	106	79	34%
Treatment/Bills Denied	105	111	-5%
Employer Error	88	178	-51%
Injured Worker	83	100	-17%
Provider Error	82	86	-5%
Information Missing	64	96	-33%
Employer Representative Error	52	80	-35%
Wanted Claim Expedited	43	17	153%
MCO Error	28	44	-36%
Policy Services Error	27	40	-33%
Medical Exam/Review Required	24	27	-11%
Claim Disallowed	21	27	-22%
Unresponsiveness CSS/MCS	11	17	-35%
Industrial Commission Error	9	8	13%
Injured Worker Representative Error	8	16	-50%
Overpaid	5	5	0%
Claim Settled	4	5	-20%
Statute of Limitations	4	3	33%
Hearing Problems	4	2	100%
New Claim Status	3	7	-57%
Claim Inactive	2	8	-75%
Warrant Returned/Reissued	1	6	-83%
Warrant Lost or Stolen	0	3	-100%
Injured Worker Out of State	0	1	-100%
<b>Total</b>	<b>1,572</b>	<b>1,694</b>	<b>-7%</b>

## Complaint by Claim Type

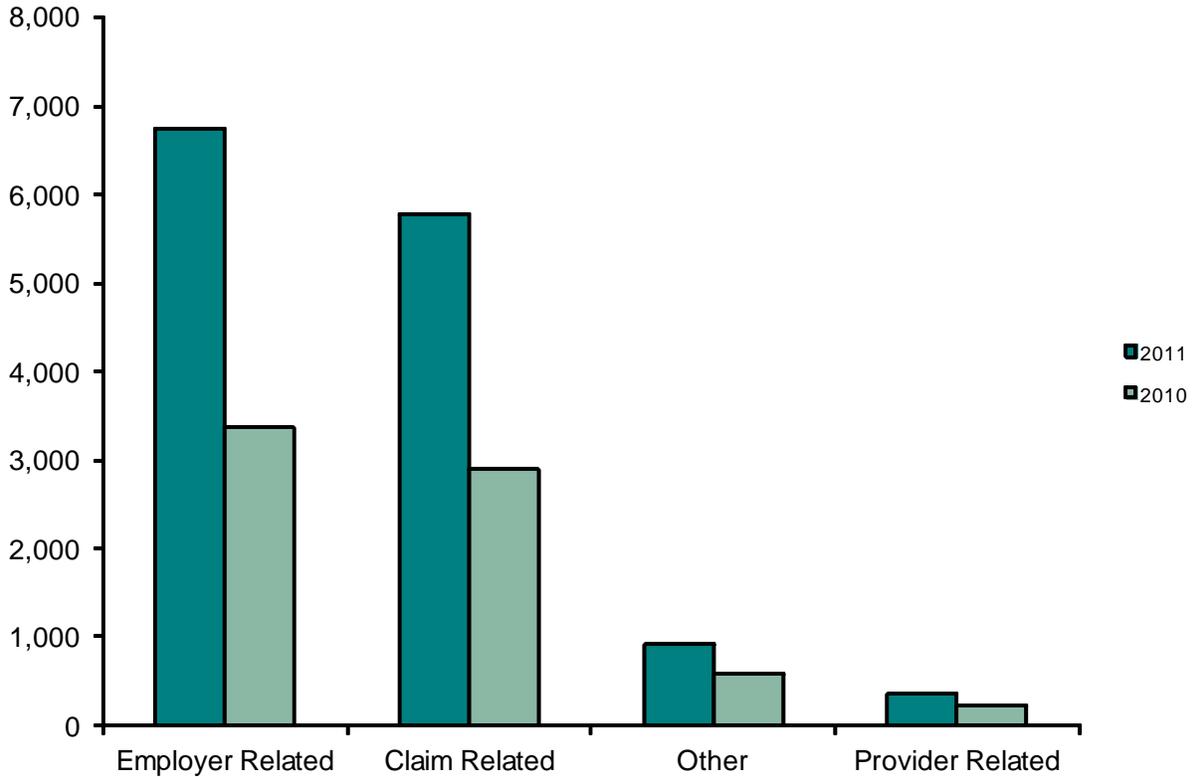
The data and chart below provide information on the type of claim, giving rise to the initial complaint.



Claim Type	2011	2010	Percent Change
Private State-Fund			
Lost Time	729	713	2%
Medical Only	167	157	6%
Total	<b>896</b>	<b>870</b>	<b>3%</b>
Self-Insured			
Lost Time	222	289	-23%
Medical Only	90	105	-14%
Total	<b>312</b>	<b>394</b>	<b>-21%</b>
Public State-Fund			
Lost Time	78	82	-5%
Medical Only	24	28	-14%
Total	<b>102</b>	<b>110</b>	<b>-7%</b>
State Agency			
Lost Time	44	49	-10%
Medical Only	14	4	250%
Total	<b>58</b>	<b>53</b>	<b>9%</b>
<b>Grand Total</b>	<b>1,368</b>	<b>1,427</b>	<b>-4%</b>

## General Inquiries

This data and chart below provide information on the various types of general inquiries, that are not categorized as complaints.

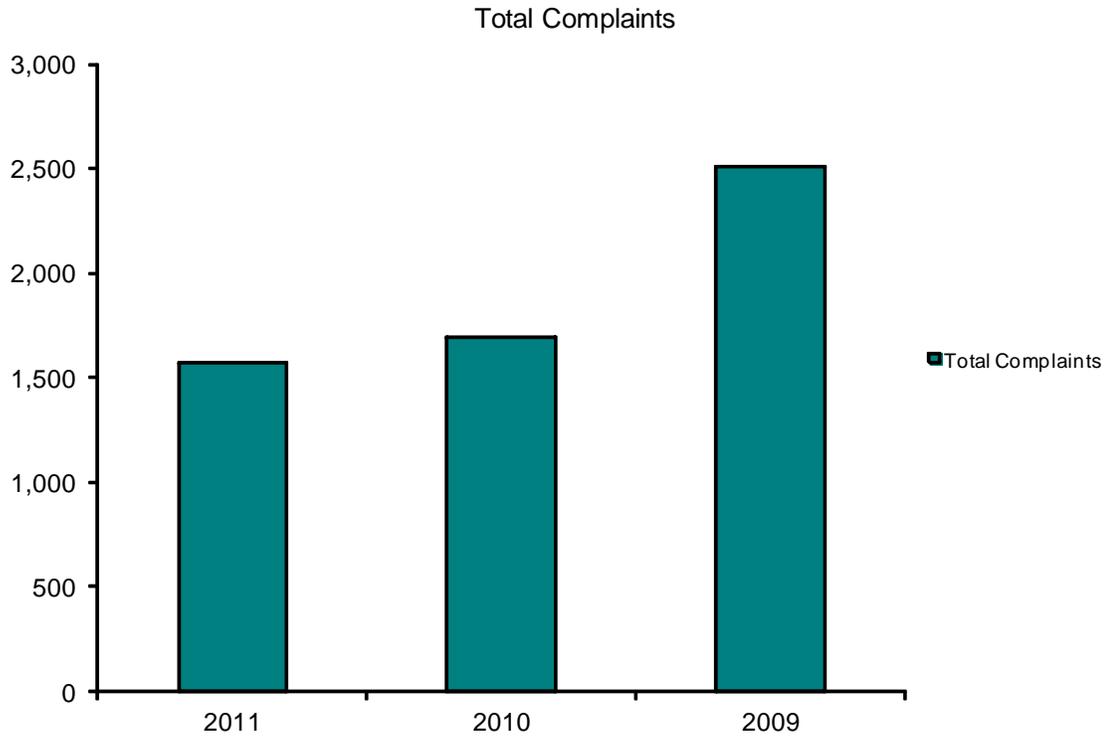


<b>General Inquiries</b>	<b>2011</b>	<b>2010</b>	<b>Percent Change</b>
Employer Related	6,755	2,896	133%
Claim Related	5,768	3,374	71%
Other <sup>1</sup>	917	590	55%
Provider Related	366	213	72%
<b>Total</b>	<b>13,806</b>	<b>7,073</b>	<b>95%</b>

<sup>1</sup>Primarily calls related to other government benefits.

## Ombuds Office Complaint History

This chart shows the recent trend of total complaint volume, handled by the Ombuds Office.



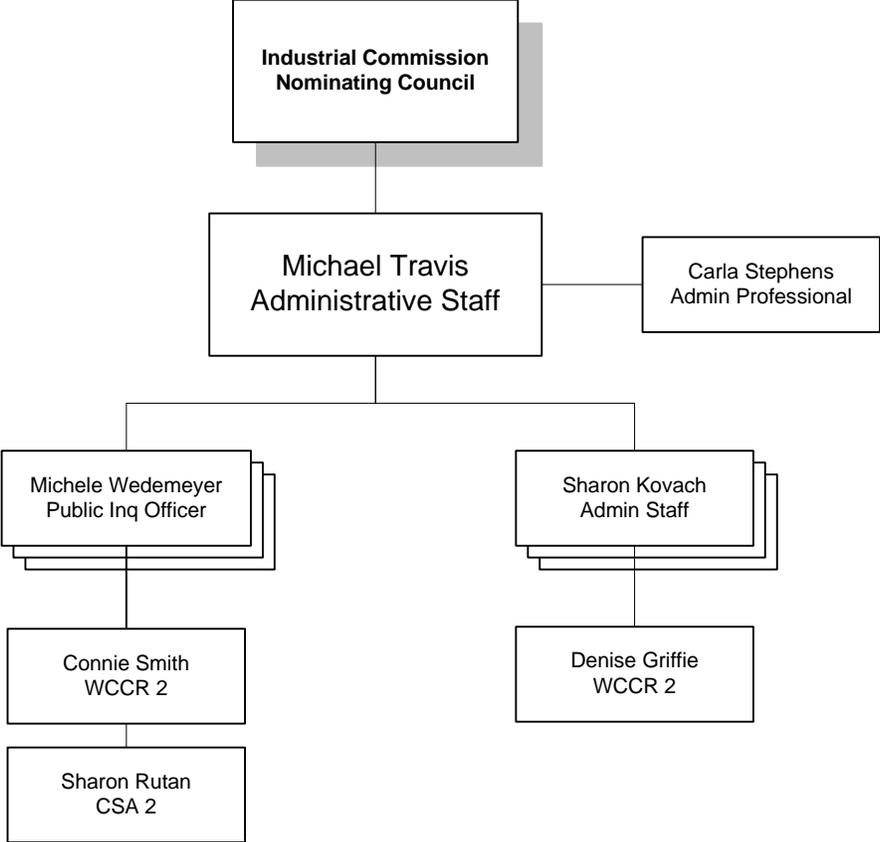
	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Total Complaints</b>	<b>1,572</b>	<b>1,694</b>	<b>2,509</b>

**BWC OMBUDS OFFICE EXPENDITURE REPORT - CALENDAR YEAR 2011**

OBJECT CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL EXPENSES
10 Payroll	41,685	41,623	40,456	38,754	57,561	40,839	42,461	48,680	42,622	63,698	42,815	42,778	543,972
10 Overtime Paid	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Personal Service	0	0	1,859	0	0	828	0	0	497	0	0	742	3,926
15 Other P.S.	195	56	78	100	24	189	0	0	0	0	0	0	641
<b>Total 100</b>	<b>41,880</b>	<b>41,679</b>	<b>42,393</b>	<b>38,854</b>	<b>57,585</b>	<b>41,856</b>	<b>42,461</b>	<b>48,680</b>	<b>43,119</b>	<b>63,698</b>	<b>42,815</b>	<b>43,519</b>	<b>548,538</b>
20 Edible Products	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Supplies	0	0	0	0	0	0	0	0	249	0	510	0	759
211 INTRNL SUPPLIES	14	0	298	52	74	251	357	44	268	3	69	43	1,473
22 Vehicle Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0
221 INTRNL VEHICLE	021	149	208	0	195	82	147	30	0	231	54	0	1,116
23 Travel Fees	0	0	0	0	0	0	0	0	0	0	447	0	447
24 Communications	52	52	52	126	52	52	52	52	52	52	52	52	698
241 INTRNL COMM	719	177	253	273	293	355	391	458	573	544	423	442	4,899
25 Fuel/Utilities	0	0	1,214	0	0	912	0	0	1,684	0	0	969	4,779
26 Maintenance	0	0	1,773	0	1	2,145	0	0	234	0	0	2,847	7,000
27 Rentals	0	0	52,103	0	0	0	0	0	3,353	0	0	0	55,456
28 Printing/Advertising	0	0	0	0	0	0	0	0	0	0	0	0	0
281 INTRNL PRT/ADV	0	0	0	0	0	0	0	0	0	0	0	0	0
29 General/Other	491	64	608	289	321	0	1,877	196	600	371	739	600	6,155
291 GENERAL	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total 200</b>	<b>1,297</b>	<b>442</b>	<b>56,508</b>	<b>740</b>	<b>935</b>	<b>3,797</b>	<b>2,824</b>	<b>780</b>	<b>7,012</b>	<b>1,201</b>	<b>2,292</b>	<b>4,953</b>	<b>82,780</b>
30 Food Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
31 Office Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
32 Motor Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	0
33 Construction	0	0	0	0	0	0	0	0	0	0	0	0	0
34 Communications Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
35 Medical/Lab Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
36 Educational/Rec Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
37 Data Processing Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
371 INTRNL DP EQP	0	0	0	0	0	0	0	0	0	0	0	0	0
38 Copy/Print Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
39 Other Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total 300</b>	<b>0</b>												
<b>Grand Total</b>	<b>43,177</b>	<b>42,120</b>	<b>98,901</b>	<b>39,593</b>	<b>58,520</b>	<b>45,653</b>	<b>45,284</b>	<b>49,460</b>	<b>50,131</b>	<b>64,899</b>	<b>45,107</b>	<b>48,473</b>	<b>631,318</b>

Note: Mass Allocations included in March, June, September, and December.

### Ombuds Office Table of Organization



## Industrial Commission Nominating Council

Roster current as of September 2011

### Employer Representatives:

**Eric Burkland\***  
Ohio Manufacturers Association

**Andrew Doehrel\*\*\***  
Ohio Chamber of Commerce

**Catherine Duhigg**  
Eaton Corporation

**Gordon M. Gough**  
Ohio Council of Retail Merchants

### Public Members:

**Bruce Bailey**  
Metz, Bailey & McLoughlin

### Labor Representatives:

**Tim Burga\*\***  
Ohio AFL-CIO

**Frank Gallucci, Esq**  
Plevin & Gallucci

**JoAnn Johntony**  
Ohio Association of Public  
School Employees Union

**David Prentice**  
United Steelworkers

### Individual Business:

**Roger Geiger**  
National Federation of  
Independent Business

### Association of Justice:

**Phillip Fulton**  
Fulton Law Office

- \* Chairperson
- \*\* Vice Chairperson
- \*\*\* Secretary