

**As Reported by the House Finance and Appropriations  
Committee**

**125th General Assembly  
Regular Session  
2003-2004**

**Sub. H. B. No. 91**

**Representatives Young, Core, Grendell, Calvert**

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**A B I L L**

To amend sections 2305.24, 2305.25, 4121.121, 1  
4121.44, 4123.01, 4123.31, 4123.342, and 4123.80 2  
and to enact sections 4121.021 and 4123.15 of the 3  
Revised Code to make appropriations for the Bureau 4  
of Workers' Compensation for the biennium 5  
beginning July 1, 2003, and ending June 30, 2005, 6  
to authorize and provide conditions that govern 7  
the operation of Bureau and Industrial Commission 8  
programs, and to authorize an exemption from 9  
participation in the workers' compensation 10  
insurance program for certain employers and 11  
employees based upon religious tenets or beliefs. 12

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 2305.24, 2305.25, 4121.121, 4121.44, 13  
4123.01, 4123.31, 4123.342, and 4123.80 be amended and sections 14  
4121.021 and 4123.15 of the Revised Code be enacted to read as 15  
follows: 16

**Sec. 2305.24.** Any information, data, reports, or records made 17  
available to a quality assurance committee or utilization 18  
committee of a hospital or long-term care facility or of any 19

not-for-profit health care corporation that is a member of the 20  
hospital or long-term care facility or of which the hospital or 21  
long-term care facility is a member ~~shall be~~ are confidential and 22  
shall be used by the committee and the committee members only in 23  
the exercise of the proper functions of the committee. Any 24  
information, data, reports, or records made available to a 25  
utilization committee of a state or local medical society composed 26  
of doctors of medicine or doctors of osteopathic medicine ~~shall be~~ 27  
are confidential and shall be used by the committee and the 28  
committee members only in the exercise of the proper functions of 29  
the committee. A right of action similar to that a patient may 30  
have against an attending physician for misuse of information, 31  
data, reports, or records arising out of the physician-patient 32  
relationship shall accrue against a member of a quality assurance 33  
committee or utilization committee for misuse of any information, 34  
data, reports, or records furnished to the committee by an 35  
attending physician. No physician, institution, hospital, or 36  
long-term care facility furnishing information, data, reports, or 37  
records to a committee with respect to any patient examined or 38  
treated by the physician or confined in the institution, hospital, 39  
or long-term care facility shall, by reason of the furnishing, be 40  
deemed liable in damages to any person, or be held to answer for 41  
betrayal of a professional confidence within the meaning and 42  
intent of section 4731.22 of the Revised Code. Information, data, 43  
or reports furnished to a utilization committee of a state or 44  
local medical society shall contain no name of any person involved 45  
therein. 46

Any information, data, reports, or records made available to 47  
a quality assurance committee of the bureau of workers' 48  
compensation responsible for reviewing the professional 49  
qualifications and the performance of providers conducting medical 50  
examinations or file reviews for the bureau are confidential and 51  
shall be used by the committee and the committee members only in 52  
the exercise of the proper functions of the committee. 53

As used in this section, "utilization committee" is the 54  
committee established to administer a utilization review plan of a 55  
hospital, of a not-for-profit health care corporation which is a 56  
member of the hospital or of which the hospital is a member, or of 57  
a skilled nursing facility as provided in the "Health Insurance 58  
for the Aged Act," 79 Stat. 313 (1965), 42 U.S.C. 1395x(k). 59

**Sec. 2305.25.** As used in this section and sections 2305.251 60  
to 2305.253 of the Revised Code: 61

(A)(1) "Health care entity" means an entity, whether acting 62  
on its own behalf or on behalf of or in affiliation with other 63  
health care entities, that conducts as part of its regular 64  
business activities professional credentialing or quality review 65  
activities involving the competence of, professional conduct of, 66  
or quality of care provided by health care providers, including 67  
both individuals who provide health care and entities that provide 68  
health care. 69

(2) "Health care entity" includes any entity described in 70  
division (A)(1) of this section, regardless of whether it is a 71  
government entity; for-profit or nonprofit corporation; limited 72  
liability company; partnership; professional corporation; state or 73  
local society composed of physicians, dentists, optometrists, 74  
psychologists, or pharmacists; or other health care organization. 75

(B) "Health insuring corporation" means an entity that holds 76

a certificate of authority under Chapter 1751. of the Revised 77  
Code. "Health insuring corporation" includes wholly owned 78  
subsidiaries of a health insuring corporation. 79

(C) "Hospital" means either of the following: 80

(1) An institution that has been registered or licensed by 81  
the department of health as a hospital; 82

(2) An entity, other than an insurance company authorized to 83  
do business in this state, that owns, controls, or is affiliated 84  
with an institution that has been registered or licensed by the 85  
department of health as a hospital. 86

(D) "Incident report or risk management report" means a 87  
report of an incident involving injury or potential injury to a 88  
patient as a result of patient care provided by health care 89  
providers, including both individuals who provide health care and 90  
entities that provide health care, that is prepared by or for the 91  
use of a peer review committee of a health care entity and is 92  
within the scope of the functions of that committee. 93

(E)(1) "Peer review committee" means a utilization review 94  
committee, quality assessment committee, performance improvement 95  
committee, tissue committee, credentialing committee, or other 96  
committee that does either of the following: 97

(a) Conducts professional credentialing or quality review 98  
activities involving the competence of, professional conduct of, 99  
or quality of care provided by health care providers, including 100  
both individuals who provide health care and entities that provide 101  
health care; 102

(b) Conducts any other attendant hearing process initiated as 103  
a result of a peer review committee's recommendations or actions. 104

(2) "Peer review committee" includes all of the following: 105

(a) A peer review committee of a hospital or long-term care 106

facility or a peer review committee of a nonprofit health care	107
corporation that is a member of the hospital or long-term care	108
facility or of which the hospital or facility is a member;	109
(b) A peer review committee of a community mental health	110
center;	111
(c) A board or committee of a hospital, a long-term care	112
facility, or other health care entity when reviewing professional	113
qualifications or activities of health care providers, including	114
both individuals who provide health care and entities that provide	115
health care;	116
(d) A peer review committee, professional standards review	117
committee, or arbitration committee of a state or local society	118
composed of members who are in active practice as physicians,	119
dentists, optometrists, psychologists, or pharmacists;	120
(e) A peer review committee of a health insuring corporation	121
that has at least a two-thirds majority of member physicians in	122
active practice and that conducts professional credentialing and	123
quality review activities involving the competence or professional	124
conduct of health care providers that adversely affects or could	125
adversely affect the health or welfare of any patient;	126
(f) A peer review committee of a health insuring corporation	127
that has at least a two-thirds majority of member physicians in	128
active practice and that conducts professional credentialing and	129
quality review activities involving the competence or professional	130
conduct of a health care facility that has contracted with the	131
health insuring corporation to provide health care services to	132
enrollees, which conduct adversely affects, or could adversely	133
affect, the health or welfare of any patient;	134
(g) A peer review committee of a sickness and accident	135
insurer that has at least a two-thirds majority of physicians in	136
active practice and that conducts professional credentialing and	137

quality review activities involving the competence or professional 138  
conduct of health care providers that adversely affects or could 139  
adversely affect the health or welfare of any patient; 140

(h) A peer review committee of a sickness and accident 141  
insurer that has at least a two-thirds majority of physicians in 142  
active practice and that conducts professional credentialing and 143  
quality review activities involving the competence or professional 144  
conduct of a health care facility that has contracted with the 145  
insurer to provide health care services to insureds, which conduct 146  
adversely affects, or could adversely affect, the health or 147  
welfare of any patient; 148

(i) A peer review committee of any insurer authorized under 149  
Title XXXIX of the Revised Code to do the business of medical 150  
professional liability insurance in this state that conducts 151  
professional quality review activities involving the competence or 152  
professional conduct of health care providers that adversely 153  
affects or could affect the health or welfare of any patient; 154

(j) A peer review committee of the bureau of workers' 155  
compensation responsible for reviewing the professional 156  
qualifications and the performance of providers conducting medical 157  
examinations or file reviews for the bureau; 158

(k) Any other peer review committee of a health care entity. 159

(F) "Physician" means an individual authorized to practice 160  
medicine and surgery, osteopathic medicine and surgery, or 161  
podiatric medicine and surgery. 162

(G) "Sickness and accident insurer" means an entity 163  
authorized under Title XXXIX of the Revised Code to do the 164  
business of sickness and accident insurance in this state. 165

(H) "Tort action" means a civil action for damages for 166  
injury, death, or loss to a patient of a health care entity. "Tort 167  
action" includes a product liability claim but does not include a 168

civil action for a breach of contract or another agreement between 169  
persons. 170

Sec. 4121.021. The industrial commission operating fund is 171  
hereby created in the state treasury. The fund shall consist of 172  
all moneys transferred to the fund pursuant to division (C) of 173  
section 4123.342 of the Revised Code. Revenues credited to the 174  
fund shall be used for those costs solely attributable to the 175  
activities of the commission. 176

**Sec. 4121.121.** (A) There is hereby created the bureau of 177  
workers' compensation, which shall be administered by the 178  
administrator of workers' compensation. A person appointed to the 179  
position of administrator shall possess significant management 180  
experience in effectively managing an organization or 181  
organizations of substantial size and complexity. The governor 182  
shall appoint the administrator as provided in section 121.03 of 183  
the Revised Code, and the administrator shall serve at the 184  
pleasure of the governor. The governor shall fix the 185  
administrator's salary on the basis of the administrator's 186  
experience and the administrator's responsibilities and duties 187  
under this chapter and Chapters 4123., 4127., and 4131. of the 188  
Revised Code. The governor shall not appoint to the position of 189  
administrator any person who has, or whose spouse has, given a 190  
contribution to the campaign committee of the governor in an 191  
amount greater than one thousand dollars during the two-year 192  
period immediately preceding the date of the appointment of the 193  
administrator. 194

The administrator shall hold no other public office and shall 195  
devote full time to the duties of administrator. Before entering 196  
upon the duties of the office, the administrator shall take an 197  
oath of office as required by sections 3.22 and 3.23 of the 198  
Revised Code, and shall file in the office of the secretary of 199

state, a bond signed by the administrator and by surety approved 200  
by the governor, for the sum of fifty thousand dollars payable to 201  
the state, conditioned upon the faithful performance of the 202  
administrator's duties. 203

(B) The administrator is responsible for the management of 204  
the bureau of workers' compensation and for the discharge of all 205  
administrative duties imposed upon the administrator in this 206  
chapter and Chapters 4123., 4127., and 4131. of the Revised Code, 207  
and in the discharge thereof shall do all of the following: 208

(1) Establish the overall administrative policy of the bureau 209  
for the purposes of this chapter and Chapters 4123., 4127., and 210  
4131. of the Revised Code, and perform all acts and exercise all 211  
authorities and powers, discretionary and otherwise that are 212  
required of or vested in the bureau or any of its employees in 213  
this chapter and Chapters 4123., 4127., and 4131. of the Revised 214  
Code, except the acts and the exercise of authority and power that 215  
is required of and vested in the oversight commission or the 216  
industrial commission pursuant to those chapters. The treasurer of 217  
state shall honor all warrants signed by the administrator, or by 218  
one or more of the administrator's employees, authorized by the 219  
administrator in writing, or bearing the facsimile signature of 220  
the administrator or such employee under sections 4123.42 and 221  
4123.44 of the Revised Code. 222

(2) Employ, direct, and supervise all employees required in 223  
connection with the performance of the duties assigned to the 224  
bureau by this chapter and Chapters 4123., 4127., and 4131. of the 225  
Revised Code, and may establish job classification plans and 226  
compensation for all employees of the bureau provided that this 227  
grant of authority shall not be construed as affecting any 228  
employee for whom the state employment relations board has 229  
established an appropriate bargaining unit under section 4117.06 230  
of the Revised Code. All positions of employment in the bureau are 231



in the classified civil service except those employees the 232  
administrator may appoint to serve at the administrator's pleasure 233  
in the unclassified civil service pursuant to section 124.11 of 234  
the Revised Code. The administrator shall fix the salaries of 235  
employees the administrator appoints to serve at the 236  
administrator's pleasure, including the chief operating officer, 237  
staff physicians, and other senior management personnel of the 238  
bureau and shall establish the compensation of staff attorneys of 239  
the bureau's legal section and their immediate supervisors, and 240  
take whatever steps are necessary to provide adequate compensation 241  
for other staff attorneys. 242

The administrator may appoint a person holding a certified 243  
position in the classified service to any state position in the 244  
unclassified service of the bureau of workers' compensation. A 245  
person so appointed shall retain the right to resume the position 246  
and status held by the person in the classified service 247  
immediately prior to the person's appointment in the unclassified 248  
service. If the position the person previously held has been 249  
filled or placed in the unclassified service, or is otherwise 250  
unavailable, the person shall be appointed to a position in the 251  
classified service within the bureau that the department of 252  
administrative services certifies is comparable in compensation to 253  
the position the person previously held. Reinstatement to a 254  
position in the classified service shall be to a position 255  
substantially equal to that held previously, as certified by the 256  
department of administrative services. Service in the position in 257  
the unclassified service shall be counted as service in the 258  
position in the classified service held by the person immediately 259  
prior to the person's appointment in the unclassified service. 260  
When a person is reinstated to a position in the classified 261  
service as provided in this section, the person is entitled to all 262  
rights, status, and benefits accruing to the position during the 263  
person's time of service in the position in the unclassified 264

ice. 265

(3) Reorganize the work of the bureau, its sections, 266  
departments, and offices to the extent necessary to achieve the 267  
most efficient performance of its functions and to that end may 268  
establish, change, or abolish positions and assign and reassign 269  
duties and responsibilities of every employee of the bureau. All 270  
persons employed by the commission in positions that, after 271  
November 3, 1989, are supervised and directed by the administrator 272  
under this section are transferred to the bureau in their 273  
respective classifications but subject to reassignment and 274  
reclassification of position and compensation as the administrator 275  
determines to be in the interest of efficient administration. The 276  
civil service status of any person employed by the commission is 277  
not affected by this section. Personnel employed by the bureau or 278  
the commission who are subject to Chapter 4117. of the Revised 279  
Code shall retain all of their rights and benefits conferred 280  
pursuant to that chapter as it presently exists or is hereafter 281  
amended and nothing in this chapter or Chapter 4123. of the 282  
Revised Code shall be construed as eliminating or interfering with 283  
Chapter 4117. of the Revised Code or the rights and benefits 284  
conferred under that chapter to public employees or to any 285  
bargaining unit. 286

(4) Provide offices, equipment, supplies, and other 287  
facilities for the bureau. ~~The administrator also shall provide 288~~  
~~suitable office space in the service offices for the district 289~~  
~~hearing officers, the staff hearing officers, and commission 290~~  
~~employees as requested by the commission. 291~~

(5) Prepare and submit to the oversight commission 292  
information the administrator considers pertinent or the oversight 293  
commission requires, together with the administrator's 294  
recommendations, in the form of administrative rules, for the 295  
advice and consent of the oversight commission, for 296

ations of occupations or industries, for premium rates and 297  
contributions, for the amount to be credited to the surplus fund, 298  
for rules and systems of rating, rate revisions, and merit rating. 299  
The administrator shall obtain, prepare, and submit any other 300  
information the oversight commission requires for the prompt and 301  
efficient discharge of its duties. 302

(6) Keep the accounts required by division (A) of section 303  
4123.34 of the Revised Code and all other accounts and records 304  
necessary to the collection, administration, and distribution of 305  
the workers' compensation funds and shall obtain the statistical 306  
and other information required by section 4123.19 of the Revised 307  
Code. 308

(7) Exercise the investment powers vested in the 309  
administrator by section 4123.44 of the Revised Code in accordance 310  
with the investment objectives, policies, and criteria established 311  
by the oversight commission pursuant to section 4121.12 of the 312  
Revised Code. The administrator shall not engage in any prohibited 313  
investment activity specified by the oversight commission pursuant 314  
to division (F)(6) of section 4121.12 of the Revised Code. All 315  
business shall be transacted, all funds invested, all warrants for 316  
money drawn and payments made, and all cash and securities and 317  
other property held, in the name of the bureau, or in the name of 318  
its nominee, provided that nominees are authorized by the 319  
administrator solely for the purpose of facilitating the transfer 320  
of securities, and restricted to the administrator and designated 321  
employees. 322

(8) Make contracts for and supervise the construction of any 323  
project or improvement or the construction or repair of buildings 324  
under the control of the bureau. 325

(9) Purchase supplies, materials, equipment, and services; 326  
make contracts for, operate, and superintend the telephone, other 327  
telecommunication, and computer services for the use of the 328

bureau; and make contracts in connection with office reproduction, 329  
forms management, printing, and other services. Notwithstanding 330  
sections 125.12 to 125.14 of the Revised Code, the administrator 331  
may transfer surplus computers and computer equipment directly to 332  
an accredited public school within the state. The computers and 333  
computer equipment may be repaired or refurbished prior to the 334  
transfer. 335

(10) Separately from the budget the industrial commission 336  
submits, prepare and submit to the director of budget and 337  
management a budget for each biennium. The budget submitted shall 338  
include estimates of the costs and necessary expenditures of the 339  
bureau in the discharge of any duty imposed by law ~~as well as the~~ 340  
~~costs of furnishing office space to the district hearing officers,~~ 341  
~~staff hearing officers, and commission employees under division~~ 342  
~~(D) of this section.~~ 343

(11) As promptly as possible in the course of efficient 344  
administration, decentralize and relocate such of the personnel 345  
and activities of the bureau as is appropriate to the end that the 346  
receipt, investigation, determination, and payment of claims may 347  
be undertaken at or near the place of injury or the residence of 348  
the claimant and for that purpose establish regional offices, in 349  
such places as the administrator considers proper, capable of 350  
discharging as many of the functions of the bureau as is 351  
practicable so as to promote prompt and efficient administration 352  
in the processing of claims. All active and inactive lost-time 353  
claims files shall be held at the service office responsible for 354  
the claim. A claimant, at the claimant's request, shall be 355  
provided with information by telephone as to the location of the 356  
file pertaining to claim. The administrator shall ensure that all 357  
service office employees report directly to the director for their 358  
service office. 359

(12) Provide a written binder on new coverage where the 360

administrator considers it to be in the best interest of the risk. 361  
The administrator, or any other person authorized by the 362  
administrator, shall grant the binder upon submission of a request 363  
for coverage by the employer. A binder is effective for a period 364  
of thirty days from date of issuance and is nonrenewable. Payroll 365  
reports and premium charges shall coincide with the effective date 366  
of the binder. 367

(13) Set standards for the reasonable and maximum handling 368  
time of claims payment functions, ensure, by rules, the impartial 369  
and prompt treatment of all claims and employer risk accounts, and 370  
establish a secure, accurate method of time stamping all incoming 371  
mail and documents hand delivered to bureau employees. 372

(14) Ensure that all employees of the bureau follow the 373  
orders and rules of the commission as such orders and rules relate 374  
to the commission's overall adjudicatory policy-making and 375  
management duties under this chapter and Chapters 4123., 4127., 376  
and 4131. of the Revised Code. 377

(15) Manage and operate a data processing system with a 378  
common data base for the use of both the bureau and the commission 379  
and, in consultation with the commission, using electronic data 380  
processing equipment, shall develop a claims tracking system that 381  
is sufficient to monitor the status of a claim at any time and 382  
that lists appeals that have been filed and orders or 383  
determinations that have been issued pursuant to section 4123.511 384  
or 4123.512 of the Revised Code, including the dates of such 385  
filings and issuances. 386

(16) Establish and maintain a medical section within the 387  
bureau. The medical section shall do all of the following: 388

(a) Assist the administrator in establishing standard medical 389  
fees, approving medical procedures, and determining eligibility 390  
and reasonableness of the compensation payments for medical, 391

hospital, and nursing services, and in establishing guidelines for	392
payment policies which recognize usual, customary, and reasonable	393
methods of payment for covered services;	394
(b) Provide a resource to respond to questions from claims	395
examiners for employees of the bureau;	396
(c) Audit fee bill payments;	397
(d) Implement a program to utilize, to the maximum extent	398
possible, electronic data processing equipment for storage of	399
information to facilitate authorizations of compensation payments	400
for medical, hospital, drug, and nursing services;	401
(e) Perform other duties assigned to it by the administrator.	402
(17) Appoint, as the administrator determines necessary,	403
panels to review and advise the administrator on disputes arising	404
over a determination that a health care service or supply provided	405
to a claimant is not covered under this chapter or Chapter 4123.	406
of the Revised Code or is medically unnecessary. If an individual	407
health care provider is involved in the dispute, the panel shall	408
consist of individuals licensed pursuant to the same section of	409
the Revised Code as such health care provider.	410
(18) Pursuant to section 4123.65 of the Revised Code, approve	411
applications for the final settlement of claims for compensation	412
or benefits under this chapter and Chapters 4123., 4127., and	413
4131. of the Revised Code as the administrator determines	414
appropriate, except in regard to the applications of self-insuring	415
employers and their employees.	416
(19) Comply with section 3517.13 of the Revised Code, and	417
except in regard to contracts entered into pursuant to the	418
authority contained in section 4121.44 of the Revised Code, comply	419
with the competitive bidding procedures set forth in the Revised	420
Code for all contracts into which the administrator enters	421
provided that those contracts fall within the type of contracts	422

and dollar amounts specified in the Revised Code for competitive 423  
bidding and further provided that those contracts are not 424  
otherwise specifically exempt from the competitive bidding 425  
procedures contained in the Revised Code. 426

(20) Adopt, with the advice and consent of the oversight 427  
commission, rules for the operation of the bureau. 428

(21) Prepare and submit to the oversight commission 429  
information the administrator considers pertinent or the oversight 430  
commission requires, together with the administrator's 431  
recommendations, in the form of administrative rules, for the 432  
advice and consent of the oversight commission, for the health 433  
partnership program and the qualified health plan system, as 434  
provided in sections 4121.44, 4121.441, and 4121.442 of the 435  
Revised Code. 436

(C) The administrator, with the advice and consent of the 437  
senate, shall appoint a chief operating officer who has 438  
significant experience in the field of workers' compensation 439  
insurance or other similar insurance industry experience if the 440  
administrator does not possess such experience. The chief 441  
operating officer shall not commence the chief operating officer's 442  
duties until after the senate consents to the chief operating 443  
officer's appointment. The chief operating officer shall serve in 444  
the unclassified civil service of the state. 445

**Sec. 4121.44.** (A) The administrator of workers' compensation 446  
shall oversee the implementation of the Ohio workers' compensation 447  
qualified health plan system as established under section 4121.442 448  
of the Revised Code. 449

(B) The administrator shall direct the implementation of the 450  
health partnership program administered by the bureau as set forth 451  
in section 4121.441 of the Revised Code. To implement the health 452  
partnership program, the bureau: 453

(1) Shall certify one or more external vendors, which shall 454  
be known as "managed care organizations," to provide medical 455  
management and cost containment services in the health partnership 456  
program for a period of two years beginning on the date of 457  
certification, consistent with the standards established under 458  
this section; 459

(2) May recertify external vendors for additional periods of 460  
two years; and 461

(3) May integrate the certified vendors with bureau staff and 462  
existing bureau services for purposes of operation and training to 463  
allow the bureau to assume operation of the health partnership 464  
program at the conclusion of the certification periods set forth 465  
in division (B)(1) or (2) of this section. 466

(C) Any vendor selected shall demonstrate all of the 467  
following: 468

(1) Arrangements and reimbursement agreements with a 469  
substantial number of the medical, professional and pharmacy 470  
providers currently being utilized by claimants. 471

(2) Ability to accept a common format of medical bill data in 472  
an electronic fashion from any provider who wishes to submit 473  
medical bill data in that form. 474

(3) A computer system able to handle the volume of medical 475  
bills and willingness to customize that system to the bureau's 476  
needs and to be operated by the vendor's staff, bureau staff, or 477  
some combination of both staffs. 478

(4) A prescription drug system where pharmacies on a 479  
statewide basis have access to the eligibility and pricing, at a 480  
discounted rate, of all prescription drugs. 481

(5) A tracking system to record all telephone calls from 482  
claimants and providers regarding the status of submitted medical 483



bills so as to be able to track each inquiry. 484

(6) Data processing capacity to absorb all of the bureau's 485  
medical bill processing or at least that part of the processing 486  
which the bureau arranges to delegate. 487

(7) Capacity to store, retrieve, array, simulate, and model 488  
in a relational mode all of the detailed medical bill data so that 489  
analysis can be performed in a variety of ways and so that the 490  
bureau and its governing authority can make informed decisions. 491

(8) Wide variety of software programs which translate medical 492  
terminology into standard codes, and which reveal if a provider is 493  
manipulating the procedures codes, commonly called "unbundling." 494

(9) Necessary professional staff to conduct, at a minimum, 495  
authorizations for treatment, medical necessity, utilization 496  
review, concurrent review, post-utilization review, and have the 497  
attendant computer system which supports such activity and 498  
measures the outcomes and the savings. 499

(10) Management experience and flexibility to be able to 500  
react quickly to the needs of the bureau in the case of required 501  
change in federal or state requirements. 502

(D)(1) Information contained in a vendor's application for 503  
certification in the health partnership program, and other 504  
information furnished to the bureau by a vendor for purposes of 505  
obtaining certification or to comply with performance and 506  
financial auditing requirements established by the ~~administrator~~ 507  
administrator, is for the exclusive use and information of the 508  
bureau in the discharge of its official duties, and shall not be 509  
open to the public or be used in any court in any proceeding 510  
pending therein, unless the bureau is a party to the action or 511  
proceeding, but the information may be tabulated and published by 512  
the bureau in statistical form for the use and information of 513  
other state departments and the public. No employee of the bureau, 514

except as otherwise authorized by the administrator, shall divulge 515  
any information secured by the employee while in the employ of the 516  
bureau in respect to a vendor's application for certification or 517  
in respect to the business or other trade processes of any vendor 518  
to any person other than the administrator or to the employee's 519  
superior. 520

(2) Notwithstanding the restrictions imposed by division 521  
(D)(1) of this section, the governor, members of select or 522  
standing committees of the senate or house of representatives, the 523  
auditor of state, the attorney general, or their designees, 524  
pursuant to the authority granted in this chapter and Chapter 525  
4123. of the Revised Code, may examine any vendor application or 526  
other information furnished to the bureau by the vendor. None of 527  
those individuals shall divulge any information secured in the 528  
exercise of that authority in respect to a vendor's application 529  
for certification or in respect to the business or other trade 530  
processes of any vendor to any person. 531

(E) On and after January 1, 2001, a vendor shall not be any 532  
insurance company holding a certificate of authority issued 533  
pursuant to Title XXXIX of the Revised Code or any health insuring 534  
corporation holding a certificate of authority under Chapter 1751. 535  
of the Revised Code. 536

(F) The administrator may limit freedom of choice of health 537  
care provider or supplier by requiring, beginning with the period 538  
set forth in division (B)(1) or (2) of this section, that 539  
claimants shall pay an appropriate out-of-plan copayment for 540  
selecting a medical provider not within the health partnership 541  
program as provided for in this section. 542

(G) The administrator, six months prior to the expiration of 543  
the bureau's certification or recertification of the vendor or 544  
vendors as set forth in division (B)(1) or (2) of this section, 545  
may certify and provide evidence to the governor, the speaker of 546

the house of representatives, and the president of the senate that 547  
the existing bureau staff is able to match or exceed the 548  
performance and outcomes of the external vendor or vendors and 549  
that the bureau should be permitted to internally administer the 550  
health partnership program upon the expiration of the 551  
certification or recertification as set forth in division (B)(1) 552  
or (2) of this section. 553

(H) The administrator shall establish and operate a bureau of 554  
workers' compensation health care data program. The administrator 555  
shall develop reporting requirements from all employees, employers 556  
and medical providers, medical vendors, and plans that participate 557  
in the workers' compensation system. The administrator shall do 558  
all of the following: 559

(1) Utilize the collected data to measure and perform 560  
comparison analyses of costs, quality, appropriateness of medical 561  
care, and effectiveness of medical care delivered by all 562  
components of the workers' compensation system. 563

(2) Compile data to support activities of the selected vendor 564  
or vendors and to measure the outcomes and savings of the health 565  
partnership program. 566

(3) Publish and report compiled data to the governor, the 567  
speaker of the house of representatives, and the president of the 568  
senate on the first day of each January and July, the measures of 569  
outcomes and savings of the health partnership program and the 570  
qualified health plan system. The administrator shall protect the 571  
confidentiality of all proprietary pricing data. 572

(I) Any rehabilitation facility the bureau operates is 573  
eligible for inclusion in the Ohio workers' compensation qualified 574  
health plan system or the health partnership program under the 575  
same terms as other providers within health care plans or the 576  
program. 577

(J) In areas outside the state or within the state where no 578  
qualified health plan or an inadequate number of providers within 579  
the health partnership program exist, the administrator shall 580  
permit employees to use a nonplan or nonprogram health care 581  
provider and shall pay the provider for the services or supplies 582  
provided to or on behalf of an employee for an injury or 583  
occupational disease that is compensable under this chapter or 584  
Chapter 4123., 4127., or 4131. of the Revised Code on a fee 585  
schedule the administrator adopts. 586

(K) No ~~certified~~ health care provider, whether certified or 587  
not, shall charge, assess, or otherwise attempt to collect from an 588  
employee, employer, a managed care organization, or the bureau any 589  
amount for covered services or supplies that is in excess of the 590  
allowed amount paid by a managed care organization, the bureau, or 591  
a qualified health plan. 592

(L) The administrator shall permit any employer or group of 593  
employers who agree to abide by the rules adopted under this 594  
section and sections 4121.441 and 4121.442 of the Revised Code to 595  
provide services or supplies to or on behalf of an employee for an 596  
injury or occupational disease that is compensable under this 597  
chapter or Chapter 4123., 4127., or 4131. of the Revised Code 598  
through qualified health plans of the Ohio workers' compensation 599  
qualified health plan system pursuant to section 4121.442 of the 600  
Revised Code or through the health partnership program pursuant to 601  
section 4121.441 of the Revised Code. No amount paid under the 602  
qualified health plan system pursuant to section 4121.442 of the 603  
Revised Code by an employer who is a state fund employer shall be 604  
charged to the employer's experience or otherwise be used in 605  
merit-rating or determining the risk of that employer for the 606  
purpose of the payment of premiums under this chapter, and if the 607  
employer is a self-insuring employer, the employer shall not 608  
include that amount in the paid compensation the employer reports 609

under section 4123.35 of the Revised Code. 610

**Sec. 4123.01.** As used in this chapter: 611

(A)(1) "Employee" means: 612

(a) Every person in the service of the state, or of any 613  
county, municipal corporation, township, or school district 614  
therein, including regular members of lawfully constituted police 615  
and fire departments of municipal corporations and townships, 616  
whether paid or volunteer, and wherever serving within the state 617  
or on temporary assignment outside thereof, and executive officers 618  
of boards of education, under any appointment or contract of hire, 619  
express or implied, oral or written, including any elected 620  
official of the state, or of any county, municipal corporation, or 621  
township, or members of boards of education. 622

As used in division (A)(1)(a) of this section, the term 623  
"employee" includes the following persons when responding to an 624  
inherently dangerous situation that calls for an immediate 625  
response on the part of the person, regardless of whether the 626  
person is within the limits of the jurisdiction of the person's 627  
regular employment or voluntary service when responding, on the 628  
condition that the person responds to the situation as the person 629  
otherwise would if the person were on duty in the person's 630  
jurisdiction: 631

(i) Off-duty peace officers. As used in division (A)(1)(a)(i) 632  
of this section, "peace officer" has the same meaning as in 633  
section 2935.01 of the Revised Code. 634

(ii) Off-duty firefighters, whether paid or volunteer, of a 635  
lawfully constituted fire department. 636

(iii) Off-duty first responders, emergency medical 637  
technicians-basic, emergency medical technicians-intermediate, or 638  
emergency medical technicians-paramedic, whether paid or 639

volunteer, of an ambulance service organization or emergency 640  
medical service organization pursuant to Chapter 4765. of the 641  
Revised Code. 642

(b) Every person in the service of any person, firm, or 643  
private corporation, including any public service corporation, 644  
that (i) employs one or more persons regularly in the same 645  
business or in or about the same establishment under any contract 646  
of hire, express or implied, oral or written, including aliens and 647  
minors, household workers who earn one hundred sixty dollars or 648  
more in cash in any calendar quarter from a single household and 649  
casual workers who earn one hundred sixty dollars or more in cash 650  
in any calendar quarter from a single employer, or (ii) is bound 651  
by any such contract of hire or by any other written contract, to 652  
pay into the state insurance fund the premiums provided by this 653  
chapter. 654

(c) Every person who performs labor or provides services 655  
pursuant to a construction contract, as defined in section 4123.79 656  
of the Revised Code, if at least ten of the following criteria 657  
apply: 658

(i) The person is required to comply with instructions from 659  
the other contracting party regarding the manner or method of 660  
performing services; 661

(ii) The person is required by the other contracting party to 662  
have particular training; 663

(iii) The person's services are integrated into the regular 664  
functioning of the other contracting party; 665

(iv) The person is required to perform the work personally; 666

(v) The person is hired, supervised, or paid by the other 667  
contracting party; 668

(vi) A continuing relationship exists between the person and 669

the other contracting party that contemplates continuing or	670
recurring work even if the work is not full time;	671
(vii) The person's hours of work are established by the other	672
contracting party;	673
(viii) The person is required to devote full time to the	674
business of the other contracting party;	675
(ix) The person is required to perform the work on the	676
premises of the other contracting party;	677
(x) The person is required to follow the order of work set by	678
the other contracting party;	679
(xi) The person is required to make oral or written reports	680
of progress to the other contracting party;	681
(xii) The person is paid for services on a regular basis such	682
as hourly, weekly, or monthly;	683
(xiii) The person's expenses are paid for by the other	684
contracting party;	685
(xiv) The person's tools and materials are furnished by the	686
other contracting party;	687
(xv) The person is provided with the facilities used to	688
perform services;	689
(xvi) The person does not realize a profit or suffer a loss	690
as a result of the services provided;	691
(xvii) The person is not performing services for a number of	692
employers at the same time;	693
(xviii) The person does not make the same services available	694
to the general public;	695
(xix) The other contracting party has a right to discharge	696
the person;	697
(xx) The person has the right to end the relationship with	698

the other contracting party without incurring liability pursuant 699  
to an employment contract or agreement. 700

Every person in the service of any independent contractor or 701  
subcontractor who has failed to pay into the state insurance fund 702  
the amount of premium determined and fixed by the administrator of 703  
workers' compensation for the person's employment or occupation or 704  
if a self-insuring employer has failed to pay compensation and 705  
benefits directly to the employer's injured and to the dependents 706  
of the employer's killed employees as required by section 4123.35 707  
of the Revised Code, shall be considered as the employee of the 708  
person who has entered into a contract, whether written or verbal, 709  
with such independent contractor unless such employees or their 710  
legal representatives or beneficiaries elect, after injury or 711  
death, to regard such independent contractor as the employer. 712

(2) "Employee" does not mean: 713

(a) A duly ordained, commissioned, or licensed minister or 714  
assistant or associate minister of a church in the exercise of 715  
ministry; ~~or~~ 716

(b) Any officer of a family farm corporation; or 717

(c) An individual who otherwise is an employee of an employer 718  
but who signs the waiver and affidavit specified in section 719  
4123.15 of the Revised Code on the condition that the 720  
administrator has granted a waiver and exception to the 721  
individual's employer under section 4123.15 of the Revised Code. 722

Any employer may elect to include as an "employee" within 723  
this chapter, any person excluded from the definition of 724  
"employee" pursuant to division (A)(2) of this section. If an 725  
employer is a partnership, sole proprietorship, or family farm 726  
corporation, such employer may elect to include as an "employee" 727  
within this chapter, any member of such partnership, the owner of 728  
the sole proprietorship, or the officers of the family farm 729



corporation. In the event of an election, the employer shall serve 730  
upon the bureau of workers' compensation written notice naming the 731  
persons to be covered, include such employee's remuneration for 732  
premium purposes in all future payroll reports, and no person 733  
excluded from the definition of "employee" pursuant to division 734  
(A)(2) of this section, proprietor, or partner shall be deemed an 735  
employee within this division until the employer has served such 736  
notice. 737

For informational purposes only, the bureau shall prescribe 738  
such language as it considers appropriate, on such of its forms as 739  
it considers appropriate, to advise employers of their right to 740  
elect to include as an "employee" within this chapter a sole 741  
proprietor, any member of a partnership, the officers of a family 742  
farm corporation, or a person excluded from the definition of 743  
"employee" under division (A)(2)(a) of this section, that they 744  
should check any health and disability insurance policy, or other 745  
form of health and disability plan or contract, presently covering 746  
them, or the purchase of which they may be considering, to 747  
determine whether such policy, plan, or contract excludes benefits 748  
for illness or injury that they might have elected to have covered 749  
by workers' compensation. 750

(B) "Employer" means: 751

(1) The state, including state hospitals, each county, 752  
municipal corporation, township, school district, and hospital 753  
owned by a political subdivision or subdivisions other than the 754  
state; 755

(2) Every person, firm, and private corporation, including 756  
any public service corporation, that (a) has in service one or 757  
more employees regularly in the same business or in or about the 758  
same establishment under any contract of hire, express or implied, 759  
oral or written, or (b) is bound by any such contract of hire or 760  
by any other written contract, to pay into the insurance fund the 761

premiums provided by this chapter. 762

All such employers are subject to this chapter. Any member of 763  
a firm or association, who regularly performs manual labor in or 764  
about a mine, factory, or other establishment, including a 765  
household establishment, shall be considered an employee in 766  
determining whether such person, firm, or private corporation, or 767  
public service corporation, has in its service, one or more 768  
employees and the employer shall report the income derived from 769  
such labor to the bureau as part of the payroll of such employer, 770  
and such member shall thereupon be entitled to all the benefits of 771  
an employee. 772

(C) "Injury" includes any injury, whether caused by external 773  
accidental means or accidental in character and result, received 774  
in the course of, and arising out of, the injured employee's 775  
employment. "Injury" does not include: 776

(1) Psychiatric conditions except where the conditions have 777  
arisen from an injury or occupational disease; 778

(2) Injury or disability caused primarily by the natural 779  
deterioration of tissue, an organ, or part of the body; 780

(3) Injury or disability incurred in voluntary participation 781  
in an employer-sponsored recreation or fitness activity if the 782  
employee signs a waiver of the employee's right to compensation or 783  
benefits under this chapter prior to engaging in the recreation or 784  
fitness activity. 785

(D) "Child" includes a posthumous child and a child legally 786  
adopted prior to the injury. 787

(E) "Family farm corporation" means a corporation founded for 788  
the purpose of farming agricultural land in which the majority of 789  
the voting stock is held by and the majority of the stockholders 790  
are persons or the spouse of persons related to each other within 791  
the fourth degree of kinship, according to the rules of the civil 792

law, and at least one of the related persons is residing on or 793  
actively operating the farm, and none of whose stockholders are a 794  
corporation. A family farm corporation does not cease to qualify 795  
under this division where, by reason of any devise, bequest, or 796  
the operation of the laws of descent or distribution, the 797  
ownership of shares of voting stock is transferred to another 798  
person, as long as that person is within the degree of kinship 799  
stipulated in this division. 800

(F) "Occupational disease" means a disease contracted in the 801  
course of employment, which by its causes and the characteristics 802  
of its manifestation or the condition of the employment results in 803  
a hazard which distinguishes the employment in character from 804  
employment generally, and the employment creates a risk of 805  
contracting the disease in greater degree and in a different 806  
manner from the public in general. 807

(G) "Self-insuring employer" means an employer who is granted 808  
the privilege of paying compensation and benefits directly under 809  
section 4123.35 of the Revised Code, including a board of county 810  
commissioners for the sole purpose of constructing a sports 811  
facility as defined in section 307.696 of the Revised Code, 812  
provided that the electors of the county in which the sports 813  
facility is to be built have approved construction of a sports 814  
facility by ballot election no later than November 6, 1997. 815

(H) "Public employer" means an employer as defined in 816  
division (B)(1) of this section. 817

Sec. 4123.15. (A) An employer who is a member of a recognized religious sect or division of a recognized religious sect and who is an adherent of established tenets or teachings of that sect or division by reason of which the employer is conscientiously opposed to benefits to employers and employees from any public or private insurance that makes payment in the event of death, disability, impairment, old age, or retirement or makes payments toward the cost of, or provides services in connection with the payment for, medical services, including the benefits from any insurance system established by the "Social Security Act," 42 U.S.C.A. 301, et seq., may apply to the administrator of workers' compensation to be excepted from payment of premiums and other charges assessed under this chapter and Chapter 4121. of the Revised Code with respect to, or if the employer is a self-insuring employer, from payment of direct compensation and benefits to and assessments required by this chapter and Chapter 4121. of the Revised Code on account of, an individual employee who meets the requirements of this section. The employer shall make an application on forms provided by the bureau of workers' compensation which forms may be those used by or similar to those used by the United States internal revenue service for the purpose of granting an exemption from payment of social security taxes under 26 U.S.C.A. 1402(g) of the Internal Revenue Code, and shall include a written waiver signed by the individual employee to be excepted from all the benefits and compensation provided in this chapter and Chapter 4121. of the Revised Code.

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The application also shall include affidavits signed by the 844  
employer and the individual employee that the employer and the 845  
individual employee are members of a recognized religious sect or 846  
division of a recognized religious sect and are adherents of 847  
established tenets or teaching of that sect or division by reason 848  
of which the employer and the individual employee are 849  
conscientiously opposed to benefits to employers and employees 850  
received from any public or private insurance that makes payments 851  
in the event of death, disability, impairment, old age, or 852  
retirement or makes payments toward the cost of, or provides 853  
services in connection with the payment for, medical services, 854  
including the benefits from any insurance system established by 855  
the "Social Security Act," 42 U.S.C.A. 301, et seq. If the 856  
individual is a minor, the guardian of the minor shall complete 857  
the waiver and affidavit required by this division. 858

(B) The administrator shall grant the waiver and exception to 859  
the employer for a particular individual employee if the 860  
administrator finds that the employer and the individual employee 861  
are members of a sect or division having the established tenets or 862  
teachings described in division (A) of this section, that it is 863  
the practice, and has been for a substantial number of years, for 864  
members of the sect or division of the sect to make provision for 865  
their dependent members which, in the administrator's judgment, is 866  
reasonable in view of their general level of hiring, and that the 867  
sect or division of the sect has been in existence at all times 868  
since December 31, 1950. 869

(C) A waiver and exception under division (B) of this section 870  
is effective on the date the administrator grants the waiver and 871  
exception. An employer who complies with this chapter and the 872  
employer's other employees, with respect to an individual employee 873  
for whom the administrator grants the waiver and exception, are 874  
entitled, as to that individual employee and as to all injuries 875  
and occupational diseases of the individual employee that occurred 876  
prior to the effective date of the waiver and exception, to the 877  
protections of sections 4123.74 and 4123.741 of the Revised Code. 878  
On and after the effective date of the waiver and exception, the 879  
employer is not liable for the payment of any premiums or other 880  
charges assessed under this chapter or Chapter 4121. of the 881  
Revised Code, or if the individual is a self-insuring employer, 882  
the employer is not liable for the payment of any compensation or 883  
benefits directly or other charges assessed under this chapter or 884  
Chapter 4121. of the Revised Code in regard to that individual 885  
employee, and is considered a complying employer under those 886  
chapters, and the employer and the employer's other employees are 887  
entitled to the protections of sections 4123.74 and 4123.741 of 888  
the Revised Code, as to that individual employee, and as to 889  
injuries and occupational diseases of that individual employee 890  
that occur on and after the effective date of the waiver and 891  
exception. 892

(D) A waiver and exception granted in regard to a specific 893  
employer and individual employee are valid for all future years 894  
unless the administrator determines that the employer, individual 895  
employee, or sect or division ceases to meet the requirements of 896  
this section. If the administrator makes this determination, the 897  
employer is liable for the payment of premiums and other charges 898  
assessed under this chapter and Chapter 4121. of the Revised Code, 899  
or if the employer is a self-insuring employer, the employer is 900  
liable for the payment of compensation and benefits directly and 901  
other charges assessed under those chapters, in regard to the 902  
individual employee for all injuries and occupational diseases of 903  
that individual that occur on and after the date of the 904  
administrator's determination, and the individual employee is 905  
entitled to all of the benefits and compensation provided in those 906  
chapters for an injury or occupational disease that occurs on or 907  
after the date of the administrator's determination. 908

**Sec. 4123.31.** The moneys in the state treasury for the use of 909  
the bureau of workers' compensation and the industrial commission 910  
shall be known as the workers' compensation fund ~~and~~ group. The 911  
moneys from each fund shall be disbursed respectively pursuant to 912  
vouchers approved by the administrator of workers' compensation or 913  
the administrator's designee, or by the chairperson of the 914  
commission or the chairperson's designee. 915

The bureau and the commission shall provide for the custody, 916  
safekeeping, and deposit of all moneys, checks, and drafts 917  
received by ~~it~~ the bureau or commission or any ~~of its~~ employees or 918  
agents prior to paying the moneys, checks, and drafts to the 919  
treasurer of state as provided by section 113.08 of the Revised 920  
Code. 921

**Sec. 4123.342.** (A) The administrator of workers' compensation 922

shall allocate among counties and taxing districts therein as a 923  
class, the state and its instrumentalities as a class, private 924  
employers who are insured under the private fund as a class, and 925  
self-insuring employers as a class their fair shares of the 926  
administrative costs which are to be borne by such employers under 927  
division (D) of section 4123.341 of the Revised Code, separately 928  
allocating to each class those costs solely attributable to the 929  
activities of the industrial commission, and those costs solely 930  
attributable to the activities of the workers' compensation 931  
oversight commission, and the bureau of workers' compensation in 932  
respect of the class, allocating to any combination of classes 933  
those costs attributable to the activities of the industrial 934  
commission, oversight commission, or bureau in respect of the 935  
classes, and allocating to all four classes those costs 936  
attributable to the activities of the industrial commission, 937  
oversight commission, and bureau in respect of all classes. The 938  
administrator shall separately calculate each employer's 939  
assessment in the class, except self-insuring employers, on the 940  
basis of the following three factors: payroll, paid compensation, 941  
and paid medical costs of the employer for those costs solely 942  
attributable to the activities of the oversight commission and the 943  
bureau. The administrator shall separately calculate each 944  
employer's assessment in the class, except self-insuring 945  
employers, on the basis of the following three factors: payroll, 946  
paid compensation, and paid medical costs of the employer for 947  
those costs solely attributable to the activities of the 948  
industrial commission. The administrator shall separately 949  
calculate each self-insuring employer's assessment in accordance 950  
with section 4123.35 of the Revised Code for those costs solely 951  
attributable to the activities of the oversight commission and the 952  
bureau. The administrator shall separately calculate each 953  
self-insuring employer's assessment in accordance with section 954



4123.35 of the Revised Code for those costs solely attributable to 955  
the activities of the industrial commission. In a timely manner, 956  
the industrial commission shall provide to the administrator, the 957  
information necessary for the administrator to allocate and 958  
calculate, with the approval of the chairperson of the industrial 959  
commission, for each class of employer as described in this 960  
division, the costs solely attributable to the activities of the 961  
industrial commission. 962

(B) The administrator shall divide the administrative cost 963  
assessments collected by the administrator into two administrative 964  
assessment accounts within the state insurance fund. One of the 965  
administrative assessment accounts shall consist of the 966  
administrative cost assessment collected by the administrator for 967  
the industrial commission. The other administrative assessment 968  
account shall consist of the administrative cost assessments 969  
collected by the administrator for the bureau and the workers' 970  
compensation oversight commission. The administrator may invest 971  
the administrative cost assessments in these accounts on behalf of 972  
the bureau and the industrial commission as authorized in section 973  
4123.44 of the Revised Code. In a timely manner, the administrator 974  
shall provide to the industrial commission the information and 975  
reports the commission deems necessary for the commission to 976  
monitor the receipts and the disbursements from the administrative 977  
assessment account for the industrial commission. 978

(C) The administrator or the administrator's designee shall 979  
transfer moneys as necessary from the administrative assessment 980  
account identified for the bureau and the workers' compensation 981  
oversight commission to the workers' compensation fund for the use 982  
of the bureau and the oversight commission. As necessary and upon 983  
the authorization of the industrial commission, the administrator 984  
or the administrator's designee shall transfer moneys from the 985  
administrative assessment account identified for the industrial 986  
commission to the industrial commission operating fund created 987  
under section 4121.021 of the Revised Code. To the extent that the 988  
moneys collected by the administrator in any fiscal biennium of 989  
the state equal the sum appropriated by the general assembly for 990  
administrative costs of the industrial commission, oversight 991  
commission, and bureau for the biennium, the moneys shall be paid 992  
into the workers' compensation fund and the industrial commission 993  
operating fund of the state and any remainder shall be retained in 994  
the state insurance fund and applied to reduce the amount 995  
collected during the next biennium. Sections 4123.41, 4123.35, and 996  
4123.37 of the Revised Code apply to the collection of assessments 997  
from public and private employers respectively, except that for 998  
boards of county hospital trustees that are self-insuring 999  
employers, only those provisions applicable to the collection of 1000  
assessments for private employers apply. 1001

**Sec. 4123.80.** No agreement by an employee to waive his an 1002  
employee's rights to compensation under this chapter is valid, 1003  
except that: 1004

(A) An employee who is blind may waive the compensation that 1005  
may become due him to the employee for injury or disability in 1006  
cases where the injury or disability may be directly caused by or 1007  
due to his the employee's blindness. The administrator of workers' 1008  
compensation, with the advice and consent of the workers' 1009

compensation oversight commission, may adopt and enforce rules 1010  
governing the employment of such persons and the inspection of 1011  
their places of employment. 1012

(B) An employee may waive ~~his~~ the employee's rights to 1013  
compensation or benefits as authorized pursuant to division (C)(3) 1014  
of section 4123.01 or section 4123.15 of the Revised Code. 1015

No agreement by an employee to pay any portion of the premium 1016  
paid by ~~his~~ the employee's employer into the state insurance fund 1017  
is valid. 1018

**Section 2.** That existing sections 2305.24, 2305.25, 4121.121, 1019  
4121.44, 4123.01, 4123.31, 4123.342, and 4123.80 of the Revised 1020  
Code are hereby repealed. 1021

**Section 3.** All items in this section are hereby appropriated 1022  
out of any moneys in the state treasury to the credit of the 1023  
designated fund. For all appropriations made in this act, those in 1024  
the first column are for fiscal year 2004, and those in the second 1025  
column are for fiscal year 2005. 1026

FND	AI	AI TITLE	Appropriations		
		BWC BUREAU OF WORKERS' COMPENSATION			1028
		Workers' Compensation Fund Group			1029
023	855-401	William Green Lease	\$ 18,734,613	\$ 19,239,613	1030
		Payments to OBA			
023	855-407	Claims, Risk & Medical	\$ 140,052,037	\$ 140,052,037	1031
		Management			
023	855-408	Fraud Prevention	\$ 11,713,797	\$ 11,713,797	1032
023	855-409	Administrative	\$ 119,246,553	\$ 119,246,553	1033
		Services			
023	855-410	Attorney General	\$ 4,314,644	\$ 4,314,644	1034
		Payments			
822	855-606	Coal Workers' Fund	\$ 91,894	\$ 91,894	1035

823	855-608	Marine Industry	\$	53,952	\$	53,952	1036
825	855-605	Disabled Workers	\$	693,764	\$	693,764	1037
		Relief Fund					
826	855-609	Safety & Hygiene	\$	20,130,820	\$	20,130,820	1038
		Operating					
826	855-610	Safety Grants Program	\$	2,000,000	\$	2,000,000	1039
		TOTAL WCF Workers' Compensation					1040
		Fund Group	\$	317,032,074	\$	317,537,074	1041
		TOTAL ALL BUDGET FUND GROUPS	\$	317,032,074	\$	317,537,074	1042

WILLIAM GREEN LEASE PAYMENTS 1043

The foregoing appropriation item 855-401, William Green Lease 1044  
 Payments to OBA, shall be used for lease payments to the Ohio 1045  
 Building Authority, and these appropriations shall be used to meet 1046  
 all payments at the times they are required to be made during the 1047  
 period from July 1, 2004, to June 30, 2005, by the Bureau of 1048  
 Workers' Compensation to the Ohio Building Authority pursuant to 1049  
 leases and agreements made under Chapter 152. of the Revised Code 1050  
 and Section 6 of Am. Sub. H.B. 743 of the 118th General Assembly. 1051  
 Of the amounts received in Fund 023, appropriation item 855-401, 1052  
 up to \$37,974,226 shall be restricted for lease rental payments to 1053  
 the Ohio Building Authority. If it is determined that additional 1054  
 appropriations are necessary for such purpose, such amounts are 1055  
 hereby appropriated. 1056

Notwithstanding any other provision of law to the contrary, 1057  
 all tenants of the William Green Building not funded by the 1058  
 Workers' Compensation Fund (Fund 023) shall pay their fair share 1059  
 of the costs of lease payments to the Workers' Compensation Fund 1060  
 (Fund 023) by intrastate transfer voucher. 1061

WORKERS' COMPENSATION FRAUD UNIT 1062

The Workers' Compensation Section Fund (Fund 195) shall 1063  
 receive payments from the Bureau of Workers' Compensation at the 1064

beginning of each quarter of each fiscal year to fund expenses of 1065  
the Workers' Compensation Fraud Unit of the Attorney General's 1066  
Office. Of the foregoing appropriation item 855-410, Attorney 1067  
General Payments, \$773,151 in fiscal year 2004 and \$773,151 in 1068  
fiscal year 2005 shall be used to provide these payments. 1069

SAFETY AND HYGIENE 1070

Notwithstanding section 4121.37 of the Revised Code, the 1071  
Administrator of Workers' Compensation shall transfer moneys from 1072  
the State Insurance Fund so that appropriation item 855-609, 1073  
Safety and Hygiene Operating, is provided \$20,130,820 in fiscal 1074  
year 2004 and \$20,130,820 in fiscal year 2005. 1075

BALANCES 1076

Notwithstanding any provision of law to the contrary, the 1077  
Director of Budget and Management shall make any transfers of cash 1078  
balances between funds made necessary by the creation of new funds 1079  
or the consolidation of funds as authorized by the General 1080  
Assembly. Within the first five days after the effective date of 1081  
this section, the head of the Industrial Commission shall certify 1082  
to the Director of Budget and Management the amount of the cash 1083  
balance to be transferred to the Industrial Commission Operating 1084  
Fund (Fund 5W3). The Director of Budget and Management may 1085  
transfer the amount. Within thirty days after the effective date 1086  
of this section, the head of the Industrial Commission shall 1087  
certify the final transfer amount to the Director of Budget and 1088  
Management. The Director shall transfer the cash from the Workers' 1089  
Compensation Fund (Fund 023) to the Industrial Commission 1090  
Operating Fund (Fund 5W3). 1091

To implement funding changes as described above pertaining to 1092  
prior year encumbrance balances and commensurate appropriation 1093  
authority, in fiscal year 2004 the Director of Budget and 1094  
Management may cancel encumbrances outstanding on June 30, 2003, 1095

and reestablish such prior year encumbrances or parts of 1096  
encumbrances as needed in fiscal year 2004 in the appropriate fund 1097  
or appropriation item as authorized in this act for the same 1098  
purpose and to the same vendor. As determined by the director, the 1099  
appropriation authority necessary to reestablish such prior year 1100  
encumbrances in fiscal year 2004 in a different fund or 1101  
appropriation item within an agency or between agencies is 1102  
authorized. The director shall reduce each prior year's 1103  
appropriation authority by the amount of the encumbrances canceled 1104  
in their respective funds and appropriation items. 1105

VOCATIONAL REHABILITATION 1106

The Bureau of Workers' Compensation and the Rehabilitation 1107  
Services Commission shall enter into an interagency agreement for 1108  
the provision of vocational rehabilitation services and staff to 1109  
mutually eligible clients. The bureau shall provide \$587,774 in 1110  
fiscal year 2004 and \$605,407 in fiscal year 2005 from the State 1111  
Insurance Fund to fund vocational rehabilitation services and 1112  
staff in accordance with the interagency agreement. 1113

FUND BALANCE 1114

Any unencumbered cash balance in excess of \$45,000,000 in the 1115  
Workers' Compensation Fund (Fund 023) on the thirtieth day of June 1116  
of each fiscal year shall be used to reduce the administrative 1117  
cost rate charged to employers to cover appropriations for Bureau 1118  
of Workers' Compensation operations. 1119

**Section 4.** On July 1, 2003, or as soon thereafter as 1120  
possible, the Director of Budget and Management shall transfer an 1121  
amount equal to the amount of existing encumbrances in Fund 023 1122  
appropriation items 845-321, Operating Expenses; 845-402, Rent - 1123  
William Green Building; and 845-410, Attorney General Payments, 1124  
from Fund 023 to Fund 5W3 under the Ohio Industrial Commission. 1125

On July 1, 2003, or as soon thereafter as possible, the 1126  
Director of Budget and Management shall transfer the amount 1127  
certified by the Ohio Industrial Commission from Fund 023 to Fund 1128  
5W3. Any existing encumbrances in appropriation items 845-321, 1129  
Operating Expenses; 845-402, Rent - William Green Building; and 1130  
845-410, Attorney General Payments, under Fund 023 shall be 1131  
canceled and re-established against appropriation items 845-321, 1132  
Operating Expenses; 845-402, Rent - William Green Building; and 1133  
845-410, Attorney General Payments, under Fund 5W3, respectively. 1134  
The amounts of the re-established encumbrances are hereby 1135  
appropriated. 1136

**Section 5.** The Director of the Legislative Service Commission 1137  
shall renumber the Bureau of Workers' Compensation safety and 1138  
hygiene rules currently bearing Administrative Code division-level 1139  
designation 4121:1 so that the rules bear instead division-level 1140  
designation 4123:1. Thereafter, division-level designation 4123:1 1141  
constitutes an official part of the official Administrative Code 1142  
rule numbers of the Bureau of Workers' Compensation safety and 1143  
hygiene rules, and a reference in a statute, rule, contract, or 1144  
other document to a safety and hygiene rule bearing Administrative 1145  
Code division-level designation 4121:1 is deemed to refer to the 1146  
same rule as officially renumbered pursuant to this section. 1147

**Section 6.** Law contained in the main operating appropriations 1148  
act of the 125th General Assembly that applies generally to the 1149  
appropriations made in that act also applies generally to the 1150  
appropriations made in this act. 1151

**Section 7.** Sections 2305.24, 2305.25, 4121.121, 4121.44, 1152  
4123.01, 4123.31, 4123.342, and 4123.80 of the Revised Code as 1153  
amended by this act and sections 4121.021 and 4123.15 of the 1154  
Revised Code as enacted by this act are subject to the referendum. 1155

Therefore, under Ohio Constitution, Article II, Section 1c and 1156  
section 1.471 of the Revised Code, the sections as amended or 1157  
enacted take effect on the ninety-first day after this act is 1158  
filed with the Secretary of State. If, however, a referendum 1159  
petition is filed against such a section as amended or enacted, or 1160  
against an item of which such a section is composed, the section 1161  
as amended or enacted or item, unless rejected at the referendum, 1162  
takes effect at the earliest time permitted by law. 1163

**Section 8.** The uncodified sections of law contained in this 1164  
act, and the items of law of which the uncodified sections of law 1165  
contained in this act are composed, are not subject to the 1166  
referendum. Therefore, under Ohio Constitution, Article II, 1167  
Section 1d and section 1.471 of the Revised Code, the uncodified 1168  
sections of law contained in this act, and the items of law of 1169  
which the uncodified sections of law contained in this act are 1170  
composed, go into immediate effect when this act becomes law. 1171

**Section 9.** An item that composes the whole or part of an 1172  
uncodified section contained in this act has no effect after June 1173  
30, 2005, unless the context clearly indicates otherwise. 1174

**Section 10.** Section 4123.01 of the Revised Code is presented 1175  
in this act as a composite of the section as amended by both H.B. 1176  
675 and Am. Sub. S.B. 223 of the 124th General Assembly. The 1177  
General Assembly, applying the principle stated in division (B) of 1178  
section 1.52 of the Revised Code that amendments are to be 1179  
harmonized if reasonably capable of simultaneous operation, finds 1180  
that the composite is the resulting version of the section in 1181  
effect prior to the effective date of the section as presented in 1182  
this act. 1183

**Section 11.** If any item of law that constitutes the whole or 1184



part of a codified or uncodified section of law contained in this 1185  
act, or if any application of any item of law that constitutes the 1186  
whole or part of a codified or uncodified section of law contained 1187  
in this act, is held invalid, the invalidity does not affect other 1188  
times of law or applications of items of law that can be given 1189  
effect without the invalid item of law or application. To this 1190  
end, the items of law of which the codified and uncodified 1191  
sections of law contained in this act are composed, and their 1192  
applications, are independent and severable. 1193