



Representative Michael E. Henne
Ohio House District 40

Sponsor Testimony – HB 269

Chairman Brinkman, Ranking Member Boccieri and members of the Insurance Committee, thank you for the opportunity to present HB 269, Ohio Workers' Compensation Reform.

On its own, Ohio's Bureau of Workers Compensation is one of the largest insurance companies in the world. In 46 other states in this country, workers' compensation is another policy you purchase from your insurance agent. In Ohio, BWC is the only game in town, so it is imperative they follow best practices for the good of every business in the state and for every one of their employees.

HB 269:

- It's about keeping the worker safe
- It's about getting the injured worker the care they need and deserve
- It's about making sure the injured workers get back to work ASAP
- It's about getting the worker appropriate benefits
- It's about taking care of the family if tragedy strikes
- It's about refocusing the agency

Ohio has made great strides in our workers' compensation under the leadership of Administrator Sarah Morrison and her predecessor Steve Buehrer. I have worked very well with both of these two and their staffs. I think when BWC and the legislature work together we can do even better.

(1) Workers compensation is an insurance policy and we all know the best insurance policy is the one that you never use. In the property and casualty world, loss prevention has become an important part of the underwriting process and the first step in any risk management plan. BWC has a variety of safety programs they offer to employers on a voluntary basis but there is limited participation. Quite often employers do not seek out these programs until after they have had claims and rates have increased.

HB 269 requires BWC to develop and make incentives available for employers to participate in these loss prevention programs. They must set goals targeting high-risk employers and industry sectors, then report to the General Assembly with the progress.

(2) When a worker is injured, it is important that they get the proper care as soon as possible. They must have adequate, appropriate and focused care. This means they must have choices for

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patient driven care. BWC has a list of over 70,000 providers yet in some areas choices are very limited. There may be 70,000 on the list but many of those providers have decided it is just not worth accepting BWC patients. This may be due to:

- Reimbursement rates
- Timeliness of payments
- Bureaucracy they must maneuver to provide the needed care the patient requires.

Whatever it is, many have decided they just cannot work under the restrictions.

The network adequacy provision requires BWC to determine how many providers of each discipline in an area are needed to provide injured workers with choices. Then BWC will work to achieve those goals and report to the General Assembly with progress. (This provision was included in HB 49, Biennial Budget).

(3) When a worker is injured, it is critical they return to work as soon as possible and it is important everyone is on the same page. This provision statutorily defines that every TTD worker will return to work. A plan will be developed and adjusted as needed to get the injured worker back to full employment. This can easily coordinate with the regular review already in the claim management process. The plan can include rehabilitation, retraining or even reeducation, but we need to get the injured back to work.

(4) When a worker is injured to where he/she will not return to work, workers comp provides a benefit that replaces a portion of that employee's wages. It is a "wage replacement" benefit and was never intended to be part of any retirement plan, yet the fewer years they are able to participate in the work force can affect their retirement benefits. This provision would end all wage replacement benefits at retirement but to make up for any reduction in retirement plan, an Extended Benefit Plan will be added to extend beyond that retirement age. The Extended Benefit Plan starts at retirement and will add 10% of the wage replacement benefit for each year the worker is short of retirement, max 100%. (1 year short = 10%, 2 years short = 20%, 3 years short = 30%...10+ years short = 100%). In addition, since this benefit is expected to extend the rest of their life, we are adding a COLA.

(5) When a bread winner leaves for work every day, he/she is expected to return home. When that does not happen, it can be devastating to a family. Time is needed to adjust to their new reality.

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Current death benefits under BWC include burial expenses of up to \$5,000 and a complicated wage replacement benefit. This proposal would add an additional \$35,000 one-time death benefit to give the family a little breathing room.

In addition, the goals of the dependents do not need to end at this tragedy. This plan also includes a \$5,000 annual scholarship (max 4 years) for each dependent to continue to pursue their futures.

(6) What is in a name? You may not have known it, but BWC has a lot going on. There are good things happening and this bill aims to add upon them. However, the organization is named the Bureau of Workers Compensation. A bureaucracy to give workers money for injuries. That is a worst-case scenario.

No other state name has a "bureau" for their workers' compensation and there is a reason for that. There are only two bureaus in Ohio, Bureau of Workers' Compensation and Bureau of Motor Vehicles. Neither of these agencies gives us a positive feeling.

It is time the name better reflects their entire mission statement. Rather than a name that generates a negative reaction, we want the name to reflect what they truly are about:

Office of Worker Safety and Rehabilitation

As a business owner, I do not see this as just an additional expense but as an investment. More emphasis on the positive through policy and branding can result in better outcomes for employers and workers.

In conclusion: The policy changes we are pursuing will help protect workers, give them the care they need if they do get injured and get them back to work as soon as possible, provide appropriate benefits when seriously injured or killed and rebrand the organization to better reflect their mission.

Thank you for your attention and at this time I would be happy to answer any questions.

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