

Mike DeWine, Governor
Jim Hughes, *Chairman*
Jodie M. Taylor, *Member*
Karen L. Gillmor, Ph.D., *Member*
Tim Adams, *Executive Director*

Ohio House Finance Committee
March 25, 2021
Amended House Bill 76

Chairman Oelslager, Vice Chair Plummer, Ranking Member Crawley and members of the Ohio House Finance Committee. My name is Jim Hughes and I am the Chairman and Chief Executive Officer of the Ohio Industrial Commission (OIC). Thank you for the opportunity to submit my written only testimony this morning. It is my pleasure to present to you Amended House Bill 76 the Industrial Commission's 2022 and 2023 Biennial Budget Request.

The OIC is responsible for providing a forum for fair and impartial resolutions of disputed workers' compensation claims, including adjudicating claims involving an employer's violation of specific safety requirements, and determining eligibility for permanent total disability benefits. We serve the injured workers and employers of Ohio across a footprint of 12 offices and through an internet portal with a clear mission of customer service.

To provide you with a little background information about the Ohio Industrial Commission, I have included a Fact Sheet regarding the Hearing Process for the Ohio Industrial Commission and a statewide map to show the Ohio Industrial Commission offices throughout the state.

Also, for your convenience, I have provided below the biographies of myself and my fellow Commissioners.



**Jim Hughes, Chairman
Employee Member**

Dates of Service: July 2019 - June 2025

Jim Hughes has spent his career demonstrating his passion for public service.

He was appointed by Governor Mike DeWine to be the chairman and employee member of the Ohio Industrial Commission for a term that began on July 1, 2019.

Jim brings decades of legal knowledge and public policy experience to his role as chairman. He began his career as a bailiff and court constable in the Franklin County Court of Common Pleas. He later served as assistant prosecutor in the City of Columbus Prosecutor's Office and then as assistant prosecutor for Franklin County. He also worked previously as an attorney and partner at the Isaac Wiles law firm in Columbus.

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In 2000, he was appointed to the Ohio House of Representatives and was later elected to the Ohio Senate in 2008. During his 18 years in the Ohio General Assembly, Jim supported legislation that toughened criminal penalties, protected children, reformed taxes, streamlined regulations, and incentivized businesses to settle in Ohio. He also served on many legislative committees including Civil Justice, Insurance and Financial Institutions, Energy and Public Utilities, Transportation and Public Safety, and Criminal Justice.

Jim has received numerous accolades from several groups over the course of his career. He has been named Legislator of the Year by the FOP Capitol City Lodge No. 9, the Ohio Fire Chief's Association, the Ohio Nurses Association, the Ohio Association of Professional Firefighters and the AMVETS Department of Ohio. In addition, he has received the Ohio Association for Justice Workers Compensation Outstanding Service Award, and the Watchdog of the Treasury Award, among others.

Jim earned his Juris Doctorate at Capital University Law School after completing his bachelor's degree in business administration at The Ohio State University. He and his wife Susan live in Upper Arlington, and have a daughter, Kaela.



Jodie M. Taylor

Employer Member

Dates of Service: July 2015 – June 2021

Jodie Taylor brings years of workers' compensation experience to her role as Commissioner of the Industrial Commission of Ohio. In July 2009, Jodie was appointed as the employer member of the Commission. On January 14, 2011, Governor John Kasich appointed Commissioner Taylor as Chairperson of the Commission. Jodie served in this capacity until July 2011. On February 13, 2013, Governor Kasich again appointed Jodie as Chairperson of the Commission. Jodie served in this position until July 2013. In June 2015, Governor Kasich reappointed Jodie to a second term which will end in June 2021.

Her first day on the job was a homecoming for Jodie. From 1997 to 2000, Jodie served as an assistant to an IC Commissioner. In this role, she performed legal and legislative research, assisted during hearings, and gained an extensive understanding of the agency. After leaving the Commission, Jodie served as an attorney for two Columbus law firms, where she represented state-fund and self-insured employers at all levels of IC hearings and in court actions throughout Ohio. She is also a frequent lecturer on workers' compensation issues with extensive legal knowledge in both the private and public sectors.

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Jodie earned her bachelor's degree in diplomacy and foreign affairs from Miami University in 1991. While at Miami, Jodie studied overseas in Luxembourg. In 1995, she received her law degree from the University of Akron School of Law. She is an Ohio State Bar Association member and is a board-certified specialist in workers' compensation.

Jodie lives in Dublin with her husband, Michael. In October 2009, they welcomed twins, a boy and a girl, Evan and Elizabeth.



Karen L. Gillmor, Ph.D.

Public Member

Dates of Service: July 2017 - June 2023

With over three decades of dedicated public service, Karen brings a tremendous knowledge of workers' compensation issues to the Industrial Commission of Ohio. A native of Ohio, she earned her diploma from Rocky River High School before earning a bachelor's degree with honors from Michigan State University and a master's degree and Ph.D. from The Ohio State University.

Her career shows a passionate interest in the fields of health care, labor relations and workers' compensation.

From 1983 to 1986, Karen served as Chief of Management Planning and Research at the Industrial Commission of Ohio. In this position, she authored a study of self-insurance, which was incorporated into Ohio's omnibus workers' compensation reform law. She also served as the employee representative to the Industrial Commission of Ohio's Regional Board of Review and the Ohio Bureau of Workers' Compensation Oversight Commission. Karen was first appointed to the IC by Governor John Kasich in July 2011 and was appointed to a second term in July 2017.

Before coming to the IC, Karen was elected to Ohio's 26th Senate District seat in 1992, 1996 and 2008. She chaired the Senate Insurance, Commerce and Labor Committee, was a member of the Unemployment Compensation Advisory Committee, and the Labor-Management-Government Committee. She served as vice chair of the State Employment Relations Board from 1997 to 2007 and was a consultant to the United States Secretary of Labor. Nationally, Karen served on the Health Committee of the American Legislative Exchange Council, as well as on the Health and Human Services Committee of the Council of State Governments' Midwestern Region.

Karen was married to United States Congressman Paul Gillmor, who tragically passed away in 2007. They have five children, Linda, Julie, Paul Michael and twins Connor and Adam.

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The Ohio Industrial Commission is a state agency with an OBM approved employee ceiling count of 328, which includes the three appointed Commissioners. As of February 10, 2021, 59% of the agency was comprised of female employees and the entire workforce of the agency was comprised of 23% minorities. The Ohio Industrial Commission far exceeded the state minimums for MBE and EDGE as it achieved a Minority Business Enterprise (MBE) Set-Aside rate of 32.4 percent versus the 15 percent statutory threshold in FY 2020. The Encouraging Diversity, Growth and Equality (EDGE) compliance rate is 27.4 percent vs. the 5 percent policy requirement for the same period.

Since early 2020, the world has undergone a dramatic transformation. The COVID-19 pandemic has created challenging times for every Ohioan, business enterprise, and State agency. I am proud to lead an agency that has responded to this global pandemic with innovation, dedication and courage. Due to our adaptation and hard-working employees, we have continued to serve Ohio's injured workers and employers in a timely manner. The Ohio Industrial Commission retooled its hearing forum to move from a physical site to a telephonic / laptop platform allowing hearing officers to conduct hearings from their home using OIC resources. These technical and work process innovations have allowed the Industrial Commission to reduce staff by 49.8% through attrition from 643 positions in 1997 to 323 positions at the end of Fiscal Year 2020, without sacrificing the quality of service. In the months since, staffing has fallen to 303 brought on by a surge in retirements.

In keeping with Governor DeWine's directive for cost minimization, the OIC has submitted a budget that includes a 1.4% reduction from Fiscal Year 2021's appropriation level. Only once in the past 8 bienniums has OIC requested an increase. This enviable record of accomplishment reflects an agency of innovation with a commitment to fiscal prudence, quality, and timeliness.

As a non-GRF agency, the Ohio Industrial Commission is funded solely by an Administrative Cost Fund surcharge applied to the workers' compensation insurance base coverage rate. Prudent fiscal management has enabled the Commission to maintain a stable environment for Administrative Cost rates for our Ohio employer group stakeholders as BWC base rates have been reduced significantly over the decade. We intend to maintain the optimal rate structure through the end of the next biennial budget period to fund operations and benefit employers.

Amended House Bill 76 has three non GRF line items for your consideration:

5W30 845321**\$49,885,128 for operating expenses in each year**

To fund the day to day operations of the Ohio Industrial Commission including but not limited to: employee salaries; benefits; supplies, utilities; Information Technology; rents for the other Ohio Industrial Commission offices throughout the state; contract employee services; etc.

2022 – 2023

Ohio | Industrial Commission

BIENNIAL BUDGET QUICK FACTS

The Ohio Industrial Commission is responsible for providing a forum for fair and impartial resolutions of disputed workers' compensation claims, including adjudicating claims involving an employer's violation of specific safety requirements, and determining eligibility for permanent total disability benefits. We serve the injured workers and employers of Ohio across a footprint of 12 offices and through an internet portal with a clear mission of customer service.

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AMENDED HOUSE BILL 76 HAS THREE NON GRF LINE ITEMS FOR YOUR CONSIDERATION:

5W30 845321 – \$49,885,128 for operating expenses in each year

To fund the day to day operations of the Ohio Industrial Commission including but not limited to: employee salaries; benefits; supplies, utilities; Information Technology; rents for the other Ohio Industrial Commission offices throughout the state; contract employee services; etc.

5W30 845402 – \$1,150,000 for Rent William Green Building in each year

For rent and operating expenses for the space occupied by the Industrial Commission in the William Green Building

5W30 845410 – \$3,034,920 each year for the Ohio Industrial Commission's payments to the Ohio Attorney General's office

Traditionally, the Ohio Industrial Commission and the Bureau of Workers' Compensation split the payment to the Attorney General for legal services on an equal basis. As we reviewed the services provided, it was clear that this split did not reflect the actual distribution of the services and fees. In an effort to better reflect the distribution of these legal services, the OIC and BWC agreed to reduce the amount paid by the OIC. We believe the "60/40" split more accurately reflects the actual costs for the services provided.

The proposed budget for FY 2022 at \$54.1m is a 1.4% reduction from the current FY 2021 budget. The proposed budget for FY 2023 is also lower at the \$54.1m level. The combined biennium is \$108.1 million.

LEGISLATIVE HISTORY:

Amended House Bill 76 was amended in the Ohio House of Representatives Commerce and Labor Committee to reduce the line item for the Ohio Industrial Commission's payments to the Ohio Attorney General's office to more accurately reflect the 60/40 split.

Amended House Bill 76 was reported from committee 11–0 on March 10, 2021 and received no opposition testimony.



Where the Process Begins

The Ohio Bureau of Workers' Compensation (BWC) administers the collection of premiums from employers and the payment of compensation and medical benefits to injured workers who have been determined to have compensable claims. Some large employers may qualify with the state to be self-insured for workers' compensation and administer their own programs. Self-insured employers bypass the BWC but are still obligated to the Industrial Commission (IC) hearing process.

About the Commission

The State of Ohio charges the IC with the responsibility of resolving disputes over the payment of compensation and medical benefits in claims filed for work-related injuries and occupational diseases. The IC conducts hearings at its offices throughout Ohio for the convenience of injured workers and employers and makes decisions in all contested workers' compensation claims.

Hearings Before the Commission

Hearings before the IC are informal in nature and legal representation is not required. However, parties may choose to be represented by an attorney or other authorized person.

The Commission encourages the free exchange of information prior to the hearing, in accordance with Rule 4121-3-09(A)(1)(a) which states, "The parties or their representatives shall provide to each other, as soon as available and prior to hearing, a copy of the evidence which the parties intend to submit at a Commission proceeding."

The Appeals Process

There are three levels at which a contested claim may be heard within the Industrial Commission.

District Level - If a workers' compensation claim is contested, it is set for a hearing before a district hearing officer (DHO). A hearing will be held at the Commission office nearest the injured worker's residence. If either party is dissatisfied with the decision of the DHO, an appeal must be made in writing or online and filed within 14 days of receipt of that decision. The Notice of Appeal should be filed in the Commission office where the hearing took place or by using the IC's website.

Staff Level - Appeals from the DHO's decision will result in a second hearing before a staff hearing officer (SHO). The law guarantees injured workers and employers the right to appeal a DHO's decision to the SHO level.

Commission Level - If an injured worker or employer is dissatisfied with the decision of an SHO, they may file an appeal to the Commission level. The appeal must be made in writing or online and filed within 14 days of receipt of the decision. The Notice of Appeal should be filed in the office where the hearing took place or by using the IC's website. The three Commissioners may either refuse to hear the appeal or accept it for a hearing.

Beyond the Commission - If the injured worker or employer is not satisfied with the decision of the IC Commissioners (or if Commissioners refuse to hear the appeal), they may file a challenge to the IC decision in the appropriate state court.

NOTE: Injured workers, employers, and their authorized representatives may review their active claims information through the Industrial Commission website at www.ic.ohio.gov. Once on the home page of the website, please click ICON and follow the instructions for obtaining a password. Once you have obtained a password, you should be able to access your active claim(s). If you have difficulty obtaining a password, please contact the Industrial Commission's IT Helpdesk at (614) 644.6595 or (877) 218.4810, between 8 a.m. and 5 p.m. weekdays.

If you have a disability that requires special accommodations at a hearing, please contact the IC in advance of your hearing. Interpreter services for language or hearing impairment are available through Customer Service.

Questions About the Hearing Process

Does every claim require a hearing?

No. Hearings are held only if there is a dispute between the injured worker, employer, or BWC.

When will parties be notified of a hearing?

Notification will be mailed at least 14 days prior to a hearing. The notice will state the time, date, and location of the hearing and the issue(s) in dispute.

Should the injured worker and employer attend a hearing?

Attendance is not mandatory, but it is recommended that all parties be present to give their side of the disputed issue(s).

How should the parties prepare for a hearing?

Gather and prepare any documents pertinent to the issue set for hearing like current medical reports, written witness statements, etc. These documents should be submitted prior to or at the

hearing (bring original and two date-stamped copies). You should also keep a copy of any paperwork filed with the IC or BWC for your records. After the hearing, an order announcing the decision will be mailed to all parties.

Is legal representation required?

Hearings before the IC are informal in nature and legal representation is not required. However, parties may choose to be represented by an attorney or other authorized person.

How is an appeal filed?

An employer or injured worker may file an appeal from an order of the BWC, or a district or staff hearing officer of the IC. Form IC-12, located at local offices or on the IC's website, should be used for this purpose. Notices of Appeal should be filed in the office where the hearing took place, or through I.C.O.N., on the IC's website.

