



Notable Knows

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Medical Plan Enrollment Tool Saves Money and Time

If you hate the current methods of choosing your group medical plan, this article is a must read.

The current process of looks like this: The employer is given preliminary medical rates and chooses one application to fill out for one company. Then the employer waits, hoping final rates come back close to the original quote. This process is costly, time consuming and UNNECESSARY!

ESAO member companies have been given access at no cost to a process call *EasyEnrollment*. Employees complete ONE application and employers receive underwritten proposals from FIVE insurance companies. Employers make informed decisions on final rates the FIRST time. No waiting. No guessing. Contact Jim Scarborough at Benefit Resources at 800-422-7844 or email Jim@BenefitResourcesInc.net.

<p>ESAO 8044 Montgomery Rd. Suite 700 Cincinnati, Ohio 45236</p> <ul style="list-style-type: none"> • Phone: 513-792-2260 • Fax: 513-792-2261 • Web: www.ohioemployer.com

Multi-Year Rate Guarantees for Medical Plans

Companies with 50 or more eligible employees may be able to lock in their medical renewals for THREE YEARS! Rate increases can be capped as low as 4.5% for multiple years. Switching insurance plans every year to save money is no longer necessary. Employers can rest easy for 3 years.

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New Online Course at Division of Safety & Hygiene

The Division of Safety & Hygiene Training Center is pleased to announce that a new online course is available to Ohio workers, **Preventing Cuts and Lacerations**. Intended for those who work in industries that cut products or anyone with cut or laceration concerns, this course describes different types of cuts and lacerations, the causes of each, and controls and prevention measures to avoid and eliminate cutting hazards. Internet access is needed.

To review this course:

Log into www.bwclearningcenter.com

Select "Learning Center"

Select "Course Information & Enrollment"

For a keyword, use "cuts", click **Search**

Click on the link [Preventing Cuts and Lacerations](#)

IMPORTANT: Ohio BWC to make changes that increase premiums

As you may already know, many Ohio businesses are saving thousands of dollars on their annual workers' compensation premiums by participating in group rating programs, such as the one sponsored by The Employer Services Association of Ohio. Through these programs employers have been able to obtain up to 90% off their annual workers' compensation premiums. These savings have afforded employers the opportunity to reinvest valuable dollars back into their organization, allowing them to create safer work environments, increase their workforce, and enhance product offerings.

On September 27, 2007 the Ohio Bureau of Workers' Compensation's Board of Directors approved a recommendation made by the new BWC Administrator, Marsha Ryan, to consider changes that would lower the maximum allowable discount from 90 % to "no less than 80 %" for the policy year beginning July 1, 2008.

The Employer Services Association of Ohio is concerned about the significant impact these changes will have on our members and consider the proposed change an unfortunate step backward for Ohio businesses. Here's how you, as an Ohio employer, may be impacted:

A substantial increase in premium for nearly 100,000 Ohio employers.

Premium rate could double for the roughly 36,000 group rated employers currently receiving the maximum discount.

Overall premium increase for Ohio's 95,000 group rated employers is estimated to be 21% to 24%.

About 72,000 group rated employers currently receive an 80% discount or better. Collectively, these employers would see an estimated 65% increase in premium.

- **This is a premature, unnecessary and risky rush to action – based on inadequate data and insufficient stakeholder input.**
- A thorough review of the system is planned – so it does not make sense to rush forward with significant system changes without the benefit of that comprehensive review.
- It's too soon to adjust the discount further without adequate documentation of the impact of past changes. The move from a maximum discount of 95% to 90% discount, which began in 2005, hasn't yet run full circle.
- **Reducing the group rating discount is an unproven strategy.**
- Historically reductions in the group rating discount have not resulted in across-the-board reductions in base rates.
- Even if base rate reductions *do* result, the *net effect* for group rated employers will be double-digit increases in premium.
- **Overall, the recommended policy change will have a damaging, counterproductive impact on Ohio's economy.**
- A potentially major increase in premium paid by Ohio employers would damage the state's economy.

The proposed group rating discount reduction will negatively impact current job bids, employee hiring practices, and annual budget planning for all employers.

A clear example of the impact is demonstrated by the anticipated increase in premiums for The Employer Services Association of Ohio member Rock Bottom Lawn Maintenance. Currently Rock Bottom employs approximately 10 workers in the service industry. A reduction in their maximum discount from 90% to 80%, even with an average 4% decrease in base rates, will result in an **82.26% premium increase, or \$2,681.00** for the 7/1/08 to 6/30/09 rate year.

As you are well aware, the BWC is under intense scrutiny from the public. Many improvements are being made to restore public confidence in the Bureau and to assure Ohio employers and workers that the system will continue to serve their interests as effectively as it has in the past. However, the recommendation to reduce the group rating discount has the potential to undermine, rather than advance, ongoing efforts to strengthen both the Bureau's performance and public image. This is the wrong policy move at the wrong time for Ohio.

We urge you to share your thoughts on these proposed changes with your legislators, the BWC Administrator, members of the BWC Board of Directors, and members of the BWC Board Actuarial Committee.

If you have any questions, please feel free to contact or TPA, Sheakley at 1-513-771-2277 or 1-800-877-2053.