



MAY 2010 NEWSLETTER

WORKERS' COMPENSATION LAWSUITS

The Ohio Supreme Court recently upheld the rule that limits the injured workers ability to sue employers for damages for occupational injuries. The majority vote of 6-1 in favor of upholding the constitutionality of the current law means that injured workers must still show that their employer intended to injure, or acted with the belief that an injury was "substantially certain" to occur.

NEW DRUG FREE SAFETY PROGRAM

BWC has launched their new Drug Free Safety Program replacing the current Drug Free Workplace Program. Under the new program employers can obtain a 4% discount at the basic level and a 7% discount at the advanced level. BWC has removed the 5-year limit on enrollment; however, employers must re-enroll each subsequent year. Additionally, employers participating in the new program may not participate in the \$15K program, Group Retro, Large Deductible, One Claim Program or the Paid-loss Retro Plan, cannot be in the wage continuation program, nor participate in the 100% EM cap. However, BWC will allow employers to stack this discount on top of the current group rating discount up to the maximum discount. Visit our website for more details.

MEDICAL ONLY CLAIMS RESERVES

Effective 7-1-10 BWC will begin setting reserves on medical only claims This is one issue that may have a tremendous impact on an employer's experience, premiums, and ability to participate in group rating. It will no doubt encourage more early settlement of claims. It will be more important than ever to ensure that your safety program is effective in reducing injuries, and that your managed care organization is evaluating the medical treatment carefully.

MCO OPEN ENROLLMENT BEGINS MAY 3rd

Every two years BWC allows employers to select a new Managed Care Organization to medically manage their workers' comp claims. The MCO that you select to manage your claims is one of the most important decisions you can make to control costs. The services provided by the MCO include processing and payment of medical expenses, determination of the appropriateness and necessity of treatment provided, and assisting employers with return to work issues. This is a very important decision to make during the open enrollment period, which runs from 5-3-10 thru 5-28-10. For more information regarding the MCO duties, please visit our website. We highly recommend using **Advocare – MCO# 10026** as your MCO because of their knowledge and professionalism. Advocare has been endorsed by all of our associations and chambers of commerce.

NATIONAL HEALTH CARE PLAN-WHAT IT MEANS

The Health Care Reform bill recently passed by the Senate provides for many changes to our current health care programs. Most of the changes go into effect in 2014. Some of the highlights of this new bill are as follows:

- Establishes State Exchanges for companies and individuals to purchase health care coverage.
- Mandates health care coverage for all Americans
- Provides for financial disincentives for larger employers that do not provide basic coverage.
- Expands Medicaid at the State level for poverty level Americans with funding from the Federal government.
- Encourages wellness initiatives.
- Prohibits pre-existing condition exclusions; recessions of coverage and annual and lifetime maximums.
- Provides for a closing of the Medicare Part D "donut hole" including an immediate \$250 rebate.

Effective 1-1-14 employers with 50 or more employees who do not provide insurance coverage to full-time employees will face a \$2000 per employee penalty.

Employers with 200 employees must automatically enroll new full-time employees in coverage and provide notice and an opportunity for the employee to opt-out.

Effective 1-1-14 all U.S. citizens and legal residents must have health insurance coverage or pay a penalty. The penalty will range from 1% of taxable income up to 2.5% penalty by 2016.

COMMERCIAL INSURANCE SERVICES

The Ohio Chamber Alliance offers many opportunities for our members and clients to save money. One of the most effective programs that we have been able to offer is discounted commercial insurance rates. Many of our members are already taking advantage of the cost savings. Our insurance department has teamed up with another insurance agency to assist our members with obtaining quotes for their commercial and personal insurance needs with this very valuable program. The Bowers Group will be working with the Robert Carr Insurance Agency and our insurance department to ensure that our members are able to take advantage of the savings that our carriers are offering to the membership. A Bowers Group representative may be calling upon you soon to determine your level of interest in this savings program. Please call our insurance department at (330) 856-6270 with any questions that you may have or to just compare rates. We are here to help!