Ohio Sunset Review Committee
Agency Questionnaire

Agency Name Bureau of Workers' Compensation Board of Directors

Point of Contact Averel Meden, Legislative Liaison

Agency's primary purpose and its various goals and objectives

By statute, the Board of Directors establishes overall administrative policy and serves as trustees for the Ohio Bureau of Workers' Compensation (BWC). The Board's responsibilities are contained in ORC 4121.12, 4121.125, 4121.129, 4123.291, 4123.321, 4123,34, 4123.37 and 4123.44.

The highlights of responsibilities include:

- Establish overall administrative policy for BWC (ORC 4121.12(F)(1))
- Duty to safeguard and maintain the solvency of the state insurance funds (ORC 4123.34)
- Serve as trustees of the state insurance fund together with the Administrator and Chief Investment Officer (ORC 4123.44)
- Recommend an auditing firm for the Bureau annual audit (ORC 4121.129(A)(2))
- Review calculations on rate schedules and performance prepared by the actuarial consultants (ORC 4121.129(B)(2))
- Develop investment policy for the administration of the investment program for BWC (ORC 4121.129(C)(2)(b))
- Monitor implementation of investment policy by the Administrator and Chief Investment Officer of BWC (ORC 4121.129(C)(2)(e))

Agency's past and anticipated workload, number of staff required to complete workload, and total number of staff

By statute, the Board meets monthly, 12 times annually. There is one full-time staff person (Board Liaison) and one part-time support staff solely dedicated to maintaining the function of the Board of Directors. The board is represented by an assigned attorney from the Attorney General's Office.

Additionally, other staff from BWC participate in the meetings of the Board of Directors including: four attorneys who take the minutes for the Committees and Board meetings, a member of the communications staff who is responsible for public notices, and IT support staff. In addition, each of the Bureau of Workers' Compensation senior staff present a monthly update and overview of the activity of their sections. The Administrator is also present for both days of the meeting.

Agency's past and anticipated budgets and its sources of funding

The Board of Directors in funded through the state insurance fund. For FY 16 the budget for payroll and travel reimbursements is $860,965 and for FY17 the budget is $947,488.

Number of members of its governing board or other governing entity and their compensation, if any

There are 11 members, referred to as Directors, who are recommended to the Governor by the Nominating Committee which is organized by Development Services Agency. The Governor's appointments are confirmed by the Senate for staggered three year terms.

By statute each member must have a specific background:
-one member representing the public
-one representing the AFL-CIO
-one employee representative
-two investment/security experts
-one Certified Public Accountant
-one actuary
-one employer with more than 100 employees
-one employer with less than 100 employees
-one representative of self-insured employers
-one employee organization representative

Members are paid $2,500 monthly for attendance at committee meetings, and $2,500 for attendance at Board meetings. Members can not be paid for more than one meeting a month. They are also reimbursed for reasonable and necessary travel expenses.

Additional notes

Since 2007, the BWC Board of Directors has functioned in a transparent fashion with the best industry practices of a world class insurance company.

Some of the Board's accomplishments include:

- Approved $2 billion in rebates to private employers and local governments through oversight of prudent fiscal management and successful investments.
- Expanded statewide efforts to protect Ohio's workers by tripling funding for safety grants.
- Voted seven times to reduce private employer rates and reduce local government employer rates. Premiums for private employers are down 21.4 percent overall since 2011 and local governments have been reduced an overall 26.5 percent over the same time period.
- Approved the issuance of $1.2 billion in premium credits to Ohio employers as part of BWC's transition to prospective billing.
- Approved BWC's first-ever pharmacy formulary to allow for a thorough clinical review of each new medication and assure access to medications that aid in the recovery of injured workers and support their return to work. This has helped the bureau reduce the number of opiates prescribed to injured workers by 15.7 million doses since 2010.
- Quarterly visits to service offices across Ohio to host public forums to invite feedback from all BWC stakeholders.
- Adopted a net asset policy to maintain prudent funded net assets to support the financial strength of the State Insurance Fund.
- The formation of a governance committee responsible for developing policies and advising BWC on best practices.

The citizens of Ohio will continue to benefit from the operation and oversight of the Bureau of Workers' Compensation Board of Directors.