As Reported by the Senate Insurance, Commerce and Labor Committee

124th General Assembly Regular Session 2001-2002

Sub. H. B. No. 75

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REPRESENTATIVES Williams, Jones, Carey, Core, Hoops, Calvert, Allen,
D. Miller, Oakar, Faber, Evans, Buehrer, Barrett, R. Miller, Schmidt,
Womer Benjamin, Grendell, Coates, Setzer, Cirelli, Perry, Patton, Schaffer
SENATOR Nein

ABILL

To amend sections 4121.37, 4121.47, 4121.62, 4123.25, and 4123.291 and to repeal section 4121.48 of the Revised Code to make appropriations for the Bureau of Workers' Compensation for the biennium beginning July 1, 2001, and ending June 30, 2003, and to provide authorization and conditions for the operation of Bureau programs.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 4121.37, 4121.47, 4121.62, 4123.25, and 4123.291 of the Revised Code be amended to read as follows: 9

Sec. 4121.37. The administrator of workers' compensation having, by virtue of Section 35 of Article II, Ohio Constitution, the expenditure of the fund therein created for the investigation and prevention of industrial accidents and diseases, shall, with the advice and consent of the workers' compensation oversight commission, in the exercise of the administrator's authority and in the performance of the administrator's duty, employ a

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superintendent and the necessary experts, engineers, investigators, clerks, and stenographers for the efficient operation of a division of safety and hygiene of the bureau of workers' compensation, which is hereby created.

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The general assembly hereby declares that in furtherance of the authority granted to the administrator pursuant to Section 35 of Article II, Ohio Constitution, and to encourage public employers to operate and maintain safe places of employment for public employees of this state, the administrator, with the advice and consent of the oversight commission, may transfer funds, certified as provided in section 126.07 of the Revised Code, from the safety and hygiene fund to the occupational safety loan fund created in section 4121.48 of the Revised Code, for the purposes of that section.

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The administrator of workers' compensation, with the advice and consent of the oversight commission, shall pay into the safety and hygiene fund, which is hereby created in the state treasury, the portion of the contributions paid by employers, calculated as though all employers paid premiums based upon payroll, not to exceed one per cent thereof in any year, as is necessary for the payment of the salary of the superintendent of the division of safety and hygiene and the compensation of the other employees of the division of safety and hygiene, and the expenses of investigations and researches for the prevention of industrial accidents and diseases. All investment earning earnings of the fund shall be credited to the fund. The administrator has the same powers to invest any of the funds belonging to the fund as are delegated to the administrator under section 4123.44 of the Revised Code with respect to the state insurance fund. The superintendent, under the direction of the administrator, with the advice and consent of the oversight commission, shall conduct investigations and researches for the prevention of industrial

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accidents and diseases, conduct loss prevention programs and courses for employers, establish and administrate cooperative programs with employers for the purchase of individual safety equipment for employees, and print and distribute information as may be of benefit to employers and employees. The administrator shall pay from the safety and hygiene fund the salary of the superintendent of the division of safety and hygiene, the compensation of the other employees of the division of safety and hygiene, the expenses necessary or incidental to investigations and researches for the prevention of industrial accidents and diseases, and the cost of printing and distributing such information.

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The superintendent, under the direction of the administrator, shall prepare an annual report, addressed to the governor, on the amount of the expenditures and the purposes for which they have been made, and the results of the investigations and researches. The administrator shall include the administrative costs, salaries, and other expenses of the division of safety and hygiene as a part of the budget of the bureau of workers' compensation that is submitted to the director of budget and management and shall identify those expenditures separately from other bureau expenditures.

The superintendent shall be a competent person with at least five years' experience in industrial accident or disease prevention work. The superintendent and up to six positions in the division of safety and hygiene as the administrator, with the advice and consent of the oversight commission, designates are in the unclassified civil service of the state as long as the administrator, with the advice and consent of the oversight commission, determines the positions subordinate to the superintendent are primarily and distinctively administrative, managerial, or professional in character. All other full-time

(C) An employer dissatisfied with the imposition of a civil 107 penalty pursuant to division (B) of this section may appeal the 108 staff hearing officer's decision, if the commission refuses to 109 hear the appeal under division (E) of section 4123.511 of the 110 Revised Code, or a decision of the commission, if the commission 111

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hears the appeal under that division, to a court of common pleas	112
pursuant to the Rules of Civil Procedure. An appeal operates to	113
stay the payment of the fine pending the appeal.	114
(D) The administrator shall deposit all penalties collected	115
pursuant to this section in the occupational safety loan program	116
safety and hygiene fund established pursuant to section 4121.48	117
4121.37 of the Revised Code.	118
Sec. 4121.62. (A) The authority granted to the administrator	119
of workers' compensation pursuant to sections 4121.61 to 4121.69	120
of the Revised Code includes the authority to do all of the	121
following:	122
(1) Contract with any public or private person for the	123
rendition of rehabilitation services;	124
(2) Take actions and utilize money in the state insurance	125
fund as necessary to obtain federal funds and assistance in the	126
maximum amounts and most advantageous proportions and terms	127
possible;	128
(3) Conduct rehabilitation educational programs for employers	129
and employees;	130
(4) Establish within the bureau of workers' compensation a	131
rehabilitation division under the supervision of a director of	132
rehabilitation appointed by and responsible to the administrator.	133
(B) The director of the division established is in the	134
unclassified civil service of the state. The appointing authority	135
may designate up to three positions at each facility under the	136
jurisdiction of the division, and up to six positions in the	137
division which are part of the director's immediate staff as being	138
in the unclassified service of the state as long as the	139
administrator determines that the positions are primarily and	140
distinctively administrative, managerial, or professional. All	141

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other full-time employees of the division are in the classified	142
civil service.	143
(C) The administrator shall establish fees for use of	144
services offered by the division of rehabilitation, including,	145
without limitation, the expense of providing rehabilitation	146
services, counseling, and training. The administrator shall adopt	147
rules, in accordance with Chapter 119. of the Revised Code, which	148
establish the specific services the division offers and the amount	149
of the fee for those services, which amount shall be based upon	150
the actual cost of the division providing the services to the	151
employer and employee.	152
(D) Nothing in sections 4121.61 to 4121.69 of the Revised	153
Code shall be interpreted to grant authority to the administrator	154
to require a claimant to utilize a public provider of	155
rehabilitation services, counseling, or training.	156
(E) There is hereby established in the state treasury the	157
Camera center fund. The fund shall consist of all fees the	158
administrator charges persons for the use of the services of the	159
Camera center and all rent the center receives from its tenants.	160
The fund shall be used solely to pay for the provision of	161
rehabilitation services and expenses of the Camera center. All	162
investment earnings of the fund shall be credited to the fund.	163
Sec. 4123.25. (A) No employer shall knowingly misrepresent to	164
the bureau of workers' compensation the amount or classification	165
of payroll upon which the premium under this chapter is based.	166
Whoever violates this division shall be liable to the state in an	167
amount determined by the administrator of workers' compensation	168
for not more than ten times the amount of the difference in	169
between the premium paid and the amount the employer should have	170
paid. The liability to the state under this division shall may be	171
enforced in a civil action in the name of the state, and all sums	172
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collected under this division shall be paid into the state	173
insurance fund.	174
(B) No self-insuring employer shall knowingly misrepresent	175
the amount of paid compensation paid by such employer for purposes	176
of the assessments provided under this chapter and Chapter 4121.	177
of the Revised Code as required by section 4123.35 of the Revised	178
Code. Whoever violates this division is liable to the state in an	179
amount assessed determined by the self-insuring employers	180
evaluation board pursuant to division (C) of section 4123.352 of	181
the Revised Code or for an amount the board determines that is not	182
more than ten times the amount of the difference between the	183
assessment paid and the amount of the assessment that should have	184
been paid along with any other penalty as determined by the board.	185
The liability to the state under this division may be enforced in	186
a civil action in the name of the state and all sums collected	187
under this division shall be paid into the self-insurance	188
assessment fund created pursuant to division (K) of section	189
4123.35 of the Revised Code.	190
(C) The administrator of workers' compensation, with the	191
advice and consent of the workers' compensation oversight	192
commission, shall adopt rules establishing criteria for	193
determining both of the following:	194
(1) The amount of the penalty assessed against an employer	195
for a violation of division (A) of this section;	196
(2) Acts or omissions that do not constitute a violation of	197
division (A) or (B) of this section.	198
Sec. 4123.291. (A) An adjudicating committee appointed by the	199
administrator of workers' compensation to hear any matter	200
specified in divisions (B)(1) to (6) of this section shall hear	201
the matter within sixty days of the date on which an employer	202
files the request, protest, or petition. An employer desiring to	203

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file a request, protest, or petition regarding any matter	204
specified in divisions (B)(1) to (6) of this section shall file	205
the request, protest, or petition to the adjudicating committee on	206
or before twenty-four months after the administrator sends notice	207
of the determination about which the employer is filing the	208
request, protest, or petition.	209
(B) An employer who is adversely affected by a decision of an	210
adjudicating committee appointed by the administrator may appeal	211
the decision of the committee to the administrator or $\frac{\text{his}}{\text{the}}$	212
administrator's designee. The employer shall file the appeal in	213
writing within thirty days after the employer receives the	214
decision of the adjudicating committee. The administrator or his	215
the designee shall hear the appeal and hold a hearing, provided	216
that the decision of the adjudicating committee relates to one of	217
the following:	218
(1) An employer request for a waiver of a default in the	219
payment of premiums pursuant to section 4123.37 of the Revised	220
Code;	221
(2) An employer request for the settlement of liability as a	222
noncomplying employer under section 4123.75 of the Revised Code;	223
(3) An employer petition objecting to the assessment of a	224
premium pursuant to section 4123.37 of the Revised Code and the	225
rules adopted pursuant to that section;	226
(4) An employer request for the abatement of penalties	227
assessed pursuant to section 4123.32 of the Revised Code and the	228
rules adopted pursuant to that section;	229
(5) An employer protest relating to an audit finding or a	230
determination of a manual classification, experience rating, or	231
transfer or combination of risk experience;	232
(6) Any decision relating to any other risk premium matter	233
under Chapters 4121., 4123., and 4131. of the Revised Code.	234

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- Section 2. That existing sections 4121.37, 4121.47, 4121.62, 4123.25, and 4123.291 and section 4121.48 of the Revised Code are hereby repealed.
- Section 3. (A) The Administrator of Workers' Compensation, with the advice and consent of the Workers' Compensation Oversight Commission, may adopt rules that identify specified medical conditions that have a historical record of being allowed whenever included in a claim. The Administrator shall designate the rules to be effective only until three years after the effective date of this section. The Administrator, for a period of three years after the effective date of this section, may grant immediate allowance of any medical condition identified in those rules upon the filing of a claim involving that medical condition and may make immediate payment of medical bills for any medical condition identified in those rules that is included in a claim. If an employer contests the allowance of a claim involving any medical condition identified in those rules, and the claim is disallowed, payment for the medical condition included in that claim shall be charged to and paid from the surplus fund created under section 4123.34 of the Revised Code.
- (B) The Administrator shall establish a pilot program to 255 determine the effectiveness of implementing division (A) of this 256 section.
- Section 4. The Administrator of Workers' Compensation shall submit a series of reports to the Workers' Compensation Oversight Commission, the Office of Budget and Management, the Legislative Service Commission, and the General Assembly semiannually during the 2001-2003 biennium, beginning on or before October 1, 2001, containing information relative to all of the following:
 - (A) The premium cost per worker, which reports the average

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annual cost a state fund employer pays to provide workers'	265
compensation coverage for its employees. The premium cost per	266
worker is calculated by adding together an employer's total	267
amounts of premiums and assessments paid during a calendar year	268
and dividing that sum by the employer's average number of workers.	269
(B) The claims cost per worker, which reports the average	270
annual benefit cost paid for each worker who is employed by a	271
state fund employer during the preceding twelve months. The claims	272
cost per worker is calculated by dividing an employer's total	273
claim expenses paid during the preceding twelve months by the	274
employer's average number of workers.	275
(C) The administrative cost per claim, which reports the	276
average annual administrative expense a state fund employer pays	277
to process a claim. The administrative cost per claim is	278
calculated by dividing an employer's total amount of	279
administrative expenses incurred during the preceding twelve	280
months by the total number of claims the employer processed.	281
(D) The direct loss ratio, which measures the relationship	282
between an employer's revenues and workers' compensation benefits	283
paid to an injured worker during the preceding twelve months;	284
(E) The rate of return generated by investments of the Bureau	285
of Workers' Compensation;	286
(F) The customer service index, which accounts for various	287
statistical measures reflecting the bureau's customer service	288
levels;	289
(G) The Health Partnership Program performance index, which	290
measures the effectiveness of managed care organizations working	291
for the bureau and reflects the quality of care, customer	292
satisfaction, and cost of care provided by the managed care	293
organizations;	294
(H) The rate of injury in the state per 1,000 workers;	295

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	Operating					
822 855-606	Coal Workers' Fund	\$	86,465	\$	91,894	323
823 855-608	Marine Industry	\$	50,755	\$	53,952	324
825 855-605	Disabled Workers	\$	668,280	\$	693,764	325
	Relief Fund					
826 855-609	Safety & Hygiene	\$	18,888,294	\$	20,130,820	326
	Operating					
TOTAL WCF Wo	orkers' Compensation					327
Fund Group		\$	303,582,198	\$	316,597,161	328
TOTAL ALL BU	JDGET FUND GROUPS	\$	303,582,198	\$	316,597,161	329
WILLIAN	M GREEN LEASE PAYMENTS					330
The for	regoing appropriation	item 8	355-401, Will:	iam	Green Lease	331
Payments to	OBA, shall be used fo	r leas	se payments to	o th	ne Ohio	332
Building Authority, and these appropriations shall be used to meet					333	
all payments at the times they are required to be made during the					334	
period from July 1, 2001, to June 30, 2003, by the Bureau of					335	
Workers' Compensation to the Ohio Building Authority pursuant to				336		
leases and a	agreements made under	Chapte	er 152. of the	e Re	evised Code	337
and Section	6 of Am. Sub. H.B. 74	3 of t	the 118th Gene	eral	l Assembly.	338
Of the amour	nts received in Fund 0	23, ar	ppropriation :	iter	m 855-401,	339
up to \$35,74	45,400 shall be restri	cted i	for lease rent	tal	payments to	340
the Ohio Bui	ilding Authority. If i	t is o	determined tha	at a	additional	341
appropriation	ons are necessary for	such p	purpose, such	amo	ounts are	342
hereby appro	opriated.					343
Notwith	nstanding any other pr	ovisio	on of law to t	the	contrary,	344
all tenants	of the William Green	Build	ing not funded	d b	y the	345
Workers' Com	mpensation Fund (Fund	023) s	shall pay the	ir 1	fair share	346
of the costs	s of lease payments to	the V	Workers' Compe	ensa	ation Fund	347
(Fund 023) k	oy intrastate transfer	vouch	ner.			348
WORKERS	S' COMPENSATION FRAUD	UNIT				349
The Wor	rkers' Compensation Se	ction	Fund (Fund 19	95)	shall	350
receive paym	ments from the Bureau	of Wo	rkers' Compens	sati	ion at the	351

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beginning of each quarter of each fiscal year to fund expenses of	352
the Workers' Compensation Fraud Unit of the Attorney General's	353
Office. Of the foregoing appropriation item 855-410, Attorney	354
General Payments, \$751,694 in fiscal year 2002 and \$773,151 in	355
fiscal year 2003 shall be used to provide these payments.	356
CAMERA CENTER	357
The Camera Center Fund (Fund 4Y6) created in division (F) of	358
section 4121.62 of the Revised Code shall receive revenues raised	359
by the fees the Camera Center charges for its services and rent	360
paid by tenants of the Center's facilities. The foregoing	361
appropriation item 855-612, J.L. Camera Center Operating, shall be	362
used for expenses related to the closing of the center. On January	363
1, 2002, or as soon thereafter as possible, the Director of Budget	364
and Management shall transfer the cash balance in the Camera	365
Center Fund (Fund 4Y6) to the Administrative Fund (Fund 023). The	366
director shall cancel any existing encumbrances against	367
appropriation items 855-611, J.L. Camera Center Rent, and 855-612,	368
J.L. Camera Center Operating, and reestablish them against	369
appropriation item 855-409, Administrative Services (Fund 023).	370
These amounts are hereby appropriated.	371
The Bureau of Workers' Compensation shall not consider	372
appropriations made to the Camera Center Fund (Fund 4Y6) when	373
establishing administrative cost rates.	374
SAFETY AND HYGIENE	375
Notwithstanding section 4121.37 of the Revised Code, the	376
Administrator of Workers' Compensation shall transfer moneys from	377
the State Insurance Fund so that appropriation item 855-609,	378
Safety and Hygiene Operating, is provided \$18,888,294 in fiscal	379
year 2002 and \$20,130,820 in fiscal year 2003.	380
OCCUPATIONAL SAFETY LOAN FUND	381
Not later than January 1, 2002, the Administrator of Workers'	382

Compensation shall transfer the cash balance in the Occupational				
Safety Loan Fund established in former section 4121.48 of the				
Revised Code to the Safety and Hygiene Fund (Fund 826) created in				
section 4121.37 of the Revised Code.				

BALANCES 387

Notwithstanding any provision of law to the contrary, the Director of Budget and Management shall make any transfers of cash balances between funds made necessary by the creation of new funds or the consolidation of funds as authorized by the General Assembly. Within the first five days after the effective date of this section, the administering agency head shall certify to the director an estimate of the amount of the cash balance to be transferred to the receiving fund. The director may transfer the estimated amount when needed to make payments. Within thirty days after the effective date of this section, the administering agency head shall certify the final amount to the director. The director shall transfer the difference between any estimated amount previously transferred and such certified final amount.

To implement funding changes as described above pertaining to prior year encumbrance balances and commensurate appropriation authority, in fiscal year 2002 the Director of Budget and Management may cancel encumbrances outstanding on June 30, 2001, and reestablish such prior year encumbrances or parts of encumbrances as needed in fiscal year 2002 in the appropriate fund or appropriation item as authorized in this act for the same purpose and to the same vendor. As determined by the director, the appropriation authority necessary to reestablish such prior year encumbrances in fiscal year 2000 in a different fund or appropriation item within an agency or between agencies is authorized. The director shall reduce each prior year's appropriation authority by the amount of the encumbrances canceled in their respective funds and appropriation items.

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amended by this act is composed, the codified section of law as	445
amended, or item of law, unless rejected at the referendum, takes	446
effect at the earliest time permitted by law.	447
Section 8. The repeal by this act of a codified section of	448
law is subject to the referendum. Therefore, under Ohio	449
Constitution, Article II, Section 1c and section 1.471 of the	450
Revised Code, the repeal takes effect on the ninety-first day	451
after this act is filed with the Secretary of State. If, however,	452
a referendum petition is filed against the repeal, the repeal,	453
unless rejected at the referendum, takes effect at the earliest	454
time permitted by law.	455
Section 9. Section 4121.62 of the Revised Code, as amended by	456
this act, is subject to the referendum and takes effect January 1,	457
2002.	458
This section is subject to the referendum, together with	459
section 4121.62 of the Revised Code as amended by this act.	460
Section 10. The uncodified sections of law enacted in this	461
act, and the items of law of which the uncodified sections of law	462
enacted in this act are composed, are not subject to the	463
referendum. Therefore, under Ohio Constitution, Article II,	464
Section 1d and section 1.471 of the Revised Code, the uncodified	465
sections of law enacted in this act, and the items of law of which	466
the uncodified sections of law enacted in this act are composed,	467
go into immediate effect when this act becomes law.	468
Section 11. If the amendment in this act of a codified	469
section of law is subject to the referendum, the corresponding	470
indications in the amending and existing repeal clauses commanding	471
the amendment also are subject to the referendum, along with the	472

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amendment.	473
Section 12. An item, other than an amending or repealing	474
clause, that composes the whole or part of an uncodified section	475
contained in this act has no effect after June 30, 2003, unless	476
its context clearly indicates otherwise.	477
Section 13. If any item of law that constitutes the whole or	478
part of a codified or uncodified section of law contained in this	479
act, or if any application of any item of law that constitutes the	480
whole or part of a codified or uncodified section of law contained	481
in this act, is held invalid, the invalidity does not affect other	482
items of law or applications of items of law that can be given	483
effect without the invalid item of law or application. To this	484
end, the items of law of which the codified and uncodified	485
sections contained in this act are composed, and their	486
applications, are independent and severable.	487