

**As Introduced**

**127th General Assembly  
Regular Session  
2007-2008**

**H. B. No. 461**

**Representative Batchelder**

**Cosponsors: Representatives Wachtmann, Huffman, Gardner, McGregor, J.,  
Fessler, Combs, Wagner, Webster, Adams, Zehringer**

—

**A B I L L**

To amend section 4123.29 of the Revised Code to allow 1  
an employer to reimburse the Administrator of 2  
Workers' Compensation for the first fifteen 3  
thousand dollars of medical bills incurred in any 4  
type of workers' compensation claim rather than 5  
allow an employer to pay directly only those 6  
medical bills incurred in medical-only claims. 7

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

**Section 1.** That section 4123.29 of the Revised Code be 8  
amended to read as follows: 9

**Sec. 4123.29.** (A) The administrator of workers' compensation, 10  
subject to the approval of the bureau of workers' compensation 11  
board of directors, shall do all of the following: 12

(1) Classify occupations or industries with respect to their 13  
degree of hazard and determine the risks of the different classes 14  
according to the categories the national council on compensation 15  
insurance establishes that are applicable to employers in this 16  
state; 17

(2) Fix the rates of premium of the risks of the classes 18

based upon the total payroll in each of the classes of occupation 19  
or industry sufficiently large to provide a fund for the 20  
compensation provided for in this chapter and to maintain a state 21  
insurance fund from year to year. The administrator shall set the 22  
rates at a level that assures the solvency of the fund. Where the 23  
payroll cannot be obtained or, in the opinion of the 24  
administrator, is not an adequate measure for determining the 25  
premium to be paid for the degree of hazard, the administrator may 26  
determine the rates of premium upon such other basis, consistent 27  
with insurance principles, as is equitable in view of the degree 28  
of hazard, and whenever in this chapter reference is made to 29  
payroll or expenditure of wages with reference to fixing premiums, 30  
the reference shall be construed to have been made also to such 31  
other basis for fixing the rates of premium as the administrator 32  
may determine under this section. 33

The administrator in setting or revising rates shall furnish 34  
to employers an adequate explanation of the basis for the rates 35  
set. 36

(3) Develop and make available to employers who are paying 37  
premiums to the state insurance fund alternative premium plans. 38  
Alternative premium plans shall include retrospective rating 39  
plans. The administrator may make available plans under which an 40  
advanced deposit may be applied against a specified deductible 41  
amount per claim. 42

(4)(a) Offer to insure the obligations of employers under 43  
this chapter under a plan that groups, for rating purposes, 44  
employers, and pools the risk of the employers within the group 45  
provided that the employers meet all of the following conditions: 46

(i) All of the employers within the group are members of an 47  
organization that has been in existence for at least two years 48  
prior to the date of application for group coverage; 49

(ii) The organization was formed for purposes other than that of obtaining group workers' compensation under this division;

(iii) The employers' business in the organization is substantially similar such that the risks which are grouped are substantially homogeneous;

(iv) The group of employers consists of at least one hundred members or the aggregate workers' compensation premiums of the members, as determined by the administrator, are expected to exceed one hundred fifty thousand dollars during the coverage period;

(v) The formation and operation of the group program in the organization will substantially improve accident prevention and claims handling for the employers in the group;

(vi) Each employer seeking to enroll in a group for workers' compensation coverage has an industrial insurance account in good standing with the bureau of workers' compensation such that at the time the agreement is processed no outstanding premiums, penalties, or assessments are due from any of the employers.

(b) If an organization sponsors more than one employer group to participate in group plans established under this section, that organization may submit a single application that supplies all of the information necessary for each group of employers that the organization wishes to sponsor.

(c) In providing employer group plans under division (A)(4) of this section, the administrator shall consider an employer group as a single employing entity for purposes of retrospective rating. No employer may be a member of more than one group for the purpose of obtaining workers' compensation coverage under this division.

(d) At the time the administrator revises premium rates pursuant to this section and section 4123.34 of the Revised Code,

if the premium rate of an employer who participates in a group 81  
plan established under this section changes from the rate 82  
established for the previous year, the administrator, in addition 83  
to sending the invoice with the rate revision to that employer, 84  
shall send a copy of that invoice to the third-party administrator 85  
that administers the group plan for that employer's group. 86

(e) In providing employer group plans under division (A)(4) 87  
of this section, the administrator shall establish a program 88  
designed to mitigate the impact of a significant claim that would 89  
come into the experience of a private, state fund group-rated 90  
employer for the first time and be a contributing factor in that 91  
employer being excluded from a group-rated plan. The administrator 92  
shall establish eligibility criteria and requirements that such 93  
employers must satisfy in order to participate in this program. 94  
For purposes of this program, the administrator shall establish a 95  
discount on premium rates applicable to employers who qualify for 96  
the program. 97

(f) In no event shall division (A)(4) of this section be 98  
construed as granting to an employer status as a self-insuring 99  
employer. 100

(g) The administrator shall develop classifications of 101  
occupations or industries that are sufficiently distinct so as not 102  
to group employers in classifications that unfairly represent the 103  
risks of employment with the employer. 104

(5) Generally promote employer participation in the state 105  
insurance fund through the regular dissemination of information to 106  
all classes of employers describing the advantages and benefits of 107  
opting to make premium payments to the fund. To that end, the 108  
administrator shall regularly make employers aware of the various 109  
workers' compensation premium packages developed and offered 110  
pursuant to this section. 111

(6) Make available to every employer who is paying premiums 112  
to the state insurance fund a program whereby the employer or the 113  
employer's agent pays ~~to the claimant or~~ on behalf of the claimant 114  
the first fifteen thousand dollars of a the medical bills incurred 115  
in any compensable workers' compensation ~~medical only~~ claim filed 116  
by that claimant that is related to the same injury or 117  
occupational disease. No formal application is required; however, 118  
an employer ~~must elect~~ who wishes to participate ~~by telephoning~~ 119  
~~the bureau~~ in the program shall notify the administrator of that 120  
election on or after July 1, 1995 the effective date of this 121  
amendment. ~~Once an~~ An employer who has elected to participate in 122  
the program, ~~the employer will be~~ is responsible for all medical 123  
~~bills in all medical only claims~~ incurred for each compensable 124  
claim of that employer's employees with a date of injury or a date 125  
of occupational disease diagnosis that is the same or later than 126  
the election date, ~~unless the.~~ The administrator shall process a 127  
compensable claim incurred by an employee of an employer notifies 128  
who participates in the bureau within fourteen days of receipt of 129  
program in the notification of a same manner as all other claims 130  
under this chapter, including medically managing the claim being 131  
filed through the health partnership program, except that it does 132  
~~not wish to pay~~ the administrator shall bill the amount the 133  
administrator pays for those medical bills to the participating 134  
employer, in that claim, or the employer notifies the bureau that 135  
~~the~~ an amount not to exceed fifteen thousand dollar ~~maximum has~~ 136  
~~been paid, or the employer notifies the bureau of the last day of~~ 137  
~~service on which it will be responsible for the bills in a~~ 138  
~~particular medical only claim~~ dollars, rather than charging the 139  
amount paid to the employer's experience. The administrator shall 140  
adopt rules to establish billing procedures and specify payment 141  
requirements for the program. ~~¶~~ 142

If an employer elects to enter the program and the employer 144

pays the amounts billed by the administrator in accordance with 145  
the payment requirements the administrator specifies in rule, the 146  
administrator shall not reimburse the employer for ~~such~~ amounts 147  
~~paid~~ the employer pays for medical bills while participating in 148  
the program and shall not charge the first fifteen thousand 149  
dollars of any ~~medical-only~~ medical bills incurred in a claim paid 150  
by an employer to the employer's experience or otherwise use ~~it~~ 151  
those amounts in merit rating or determining the risks of any 152  
employer for the purpose of payment of premiums under this 153  
chapter. If an employer elects to enter the program and the 154  
employer fails to pay ~~a bill~~ the amount billed by the 155  
administrator for a ~~medical-only~~ compensable claim included in the 156  
program in accordance with the payment requirements the 157  
administrator specifies in rule, the administrator shall remove 158  
the claim for which the employer ~~shall be liable for that bill and~~ 159  
~~the employee for whom the employer failed to pay the bill shall~~ 160  
~~not be liable for that bill~~ make the payment from the program and 161  
shall charge the amounts the administrator pays for medical bills 162  
incurred in that claim to the employer's experience or otherwise 163  
shall use those amounts in merit rating or determining the risks 164  
of any employer for the purpose of payment of premiums under this 165  
chapter. The administrator shall adopt any additional rules the 166  
administrator considers necessary to implement and administer 167  
division (A)(6) of this section. ~~Upon written request from the~~ 168  
~~bureau, the employer shall provide documentation to the bureau of~~ 169  
~~all medical-only bills that they are paying directly. Such~~ 170  
~~requests from the bureau may not be made more frequently than on a~~ 171  
~~semiannual basis. Failure to provide such documentation to the~~ 172  
~~bureau within thirty days of receipt of the request may result in~~ 173  
~~the employer's forfeiture of participation in the program for such~~ 174  
~~injury. The provisions of this section shall not apply to claims~~ 175  
~~in which an employer with knowledge of a claimed compensable~~ 176  
~~injury or occupational disease, has paid wages in lieu of~~ 177

|   |     |
|---|-----|
| <del>compensation or total disability.</del>  | 178 |
|   | 179 |
| (B) The administrator, with the advice and consent of the board, by rule, may do both of the following:   | 180 |
|   | 181 |
| (1) Grant an employer who makes the employer's semiannual premium payment at least one month prior to the last day on which the payment may be made without penalty, a discount as the administrator fixes from time to time; | 182 |
|   | 183 |
|   | 184 |
|   | 185 |
| (2) Levy a minimum annual administrative charge upon risks where semiannual premium reports develop a charge less than the administrator considers adequate to offset administrative costs of processing.                     | 186 |
|   | 187 |
|   | 188 |
|   | 189 |
| <b>Section 2.</b> That existing section 4123.29 of the Revised Code is hereby repealed.   | 190 |
|   | 191 |