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*Bill Analysis*  
*Legislative Service Commission*

## **H.B. 461**

127th General Assembly  
(As Introduced)

**Reps. Batchelder, Wachtmann, Huffman, Gardner, J. McGregor, Fessler,  
Combs, Wagner, Webster, Adams, Zehringer**

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### **BILL SUMMARY**

- Eliminates the existing "Medical-Only Claim Program" for state fund workers' compensation claims and creates a new medical bill payment program that applies to all types of compensable state fund workers' compensation claims, not just medical-only claims.
- Specifies that under the new program, an employer can pay the first \$15,000 in medical bills of any compensable workers' compensation claim without that amount being charged to the employer's experience.
- Requires an employer to notify the Administrator of Workers' Compensation if the employer wishes to participate in the new program.
- Requires the Administrator to process claims in the new program in the same manner as all other workers' compensation claims.
- Requires the Administrator to adopt rules establishing billing procedures and specifying payment requirements for the new program, and any additional rules to implement and administer the new program that the Administrator considers necessary.
- Requires the Administrator to charge amounts an employer fails to pay under the program to the employer's experience or otherwise use those amounts in merit rating or determining the risks of any employer for the purpose of premium payments.

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## CONTENT AND OPERATION

### Existing Medical-Only Claim Program

Existing law requires the Administrator of Workers' Compensation to make available to every state fund employer<sup>1</sup> a program, commonly referred to as the "Medical-Only Claim Program," whereby the employer or the employer's agent pays to a claimant or on behalf of a claimant the first \$15,000 of a compensable workers' compensation medical-only claim filed by that claimant that is related to the same injury or occupational disease. A "medical-only claim" refers to a workers' compensation claim that involves only medical bills as opposed to lost time or compensation claims. The employer must elect to participate in the program by telephoning the Bureau of Workers Compensation after July 1, 1995. Once the employer has elected to participate in the program, the employer is responsible for all bills in all medical-only claims with a date of injury the same or later than the election date, unless the employer notifies the Bureau within 14 days of receipt of the notification of a claim being filed that the employer does not wish to pay the bills in that claim, or the employer notifies the Bureau that the \$15,000 maximum has been paid, or the employer notifies the Bureau of the last day of service on which it will be responsible for the bills in a particular medical-only claim. (R.C. 4123.29(A)(6).)

If an employer elects to enter the program, the Administrator does not reimburse the employer for amounts paid and does not charge the first \$15,000 of any medical-only claim paid by an employer to the employer's experience or otherwise use it in merit rating or determining the risks of any employer for the purpose of payment of premiums. If an employer elects to enter the program and fails to pay a bill for a medical-only claim included in the program, the employer is liable for that bill and the employee for whom the employer failed to pay the bill is not liable for that bill. Under rules adopted by the Administrator, a participating employer must pay all bills as billed or agree upon an appropriate reimbursement level with the health care provider who provided services to the employer's employee under the program. (R.C. 4123.29(A)(6) and O.A.C. 4123-17-59.)

Upon written request from the Bureau, the employer must provide documentation to the Bureau of all medical-only bills that the employer is paying directly. Such requests from the Bureau may not be made more frequently than on a semi-annual basis. Failure to provide such documentation to the Bureau within

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<sup>1</sup> A "state fund employer" is an employer who pays premiums into the State Insurance Fund, as opposed to a self-insuring employer who pays claims directly.

30 days of receipt of the request may result in the employer's forfeiture of participation in the program for such injury.

The Medical-Only Claim Program does not apply to claims in which an employer with knowledge of a claimed compensable injury or occupational disease has paid wages in lieu of a compensation or total disability. (R.C. 4123.29(A)(6).)

### **New Medical Bill Payment Program**

The bill replaces the "Medical-Only Claim Program" with a program that allows employers to pay, on behalf of the claimant, the first \$15,000 of the medical bills incurred in any compensable workers' compensation claim filed by that claimant that is related to the same injury or occupational disease. Thus, while this program still applies to payment of medical bills only, it is not limited to medical-only claims. The bill requires employers to notify the Administrator on or after the bill's effective date if they wish to participate in the program and, similar to the current Medical-Only Program, does not require an employer to submit a formal application to participate. If an employer elects to participate in the program, under the bill, the employer will be responsible for all medical bills incurred for each compensable claim of the employer's employees with a date of injury or date of occupational disease diagnosis that is the same or later than the date the employer elects to participate in the program.

The bill requires the Administrator to process a compensable claim incurred by an employee of an employer who participates in the program in the same manner as all other claims under the workers' compensation program including medically managing the claim through the health partnership program. However, for those bills, the Administrator must bill the amount paid to the participating employer, in an amount not to exceed \$15,000, rather than charging the amount paid to the employer's experience. The bill requires the Administrator to adopt rules to establish the billing procedures and to specify payment requirements for the program. (R.C. 4123.29(A)(6).)

The bill states that if an employer elects to participate in the program and the employer pays the amounts billed by the Administrator in accordance with the payment requirements specified by the Administrator in rules, the Administrator does not reimburse the employer for amounts the employer pays for medical bills while participating in the program. Additionally, under the bill, the Administrator must not charge the first \$15,000 of any medical bills incurred in a claim paid by the employer to the employer's experience or otherwise use those amounts in merit rating or determining the risks of any employer for the purpose of payment of premiums under the workers' compensation program. (R.C. 4123.29(A)(6).)

The bill also specifies that if an employer elects to participate in the program and fails to pay the amount billed by the Administrator for a compensable claim included in the program in accordance with the payment requirements specified by the Administrator in rule, the Administrator must remove the claim for which the employer failed to make the payment from the program. Additionally, under the bill, the Administrator must charge the amounts the Administrator pays for medical bills incurred in that claim to the employer's experience or otherwise must use those amounts in merit rating or determining the risks of any employer for the purpose of payment of premiums under the workers' compensation program. The bill also requires the Administrator to adopt any additional rules the Administrator considers necessary to implement and administer the program created by the bill. (R.C. 4123.29(A)(6).)

The bill eliminates the language authorizing the Bureau to request documentation of all medical-only bills paid directly by the employer along with the stipulation that failure to provide such documentation could result in forfeiture of participation in the Medical-Only Claim Program for such injury. The bill also eliminates the provision stipulating that the Medical-Only Claim Program could not be utilized for claims for which an employer paid wages in lieu of compensation or total disability. (R.C. 4123.29(A)(6).)

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## **HISTORY**

<b>ACTION</b>	<b>DATE</b>
Introduced	02-05-08

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