

Getting Up To Speed on BWC Workers' Compensation Programs Can Mean Major Employer Cost Savings

For too many employers, the costs of workers' compensation insurance have become a significant drain on productivity and profitability – to crisis levels for some organizations.

The Ohio Bureau of Workers' Compensation (BWC), to its credit, realizes the financial impact high premium costs can have on an employer. BWC sponsors programs to significantly lower premium costs, build a positive and productive workplace environment, and improve claims resolution. You don't have to be "penalty rated" to be eligible to leverage these programs – even "group rated" companies with outstanding safety and employment records can benefit. However, it's up to you, the employer, to take advantage of these BWC programs.

Three particular BWC program areas should be evaluated in every employer's benefits cost reduction strategy. Each offers employers significant opportunities to obtain major year after year discounts on workers' compensation premiums. They are:

Transitional WorkGRANT\$ Program

Premium Discount Plus Program

Drug Free Workplace Program

BWC Transitional WorkGRANT\$ Program (TWP)

The best claim is the claim that never happens. Just one "lost time" claim can significantly impact your workers' compensation premium costs for up to 5 subsequent years.

This program will help facilitate the safe and early return to work of injured employees while lowering your organization's workers' compensation costs. In addition, TWP will:

- Reduce lost time days to help speed up your company's return to "Group Rated" BWC status as quickly as possible.
- Significantly reduce the impact of injured workers' claims on future workers' compensation premiums.
- Assist in the development of an objective program which will assist the employer to fight questionable claims.

As an employer, you can take advantage of these savings – at almost no cost. The Transitional WorkGrant\$ will reimburse employers up to 80% of the total cost of the program – and for employers with less than 50 employees, 100% of the cost is covered.

To receive the GRANT\$, employers must institute a five-step process. However, it's only the first step that your company must do itself – and that is, hire a certified transitional work developer. This is usually a certified vocational, medical case manager, or a physical or occupational therapist. Once hired, they will complete each program step to ensure your TWP meets all your requirements and receives BWC accreditation.

The Transitional WorkGrant\$ Program identifies appropriate medical providers that promote the safe and early return of your injured employees to their original jobs as quickly as possible – the best situation for you, your financial health, and your employee's well-being.

BWC Premium Discount Plus Program (PDP+)

The Premium Discount Plus Program is also known as the BWC's 10 Step Safety Program – **and can provide you with up to a 25 percent savings in premium costs over a 3 year period.** All that is required is the simple development of an action plan designed to establish a safer and more cost-effective workplace. By implementing PDP+, your organization creates a 10-step safety program that meets the needs of the business while enabling you to control future workers' compensations costs by using various risk-management techniques. This program discount, however, is only available for organizations that are "penalty-rated" and not members of a group.

Your PDP+ discounts can be as high as 25% off your workers' compensation premium costs. These savings are spread across three years – 10% for the first two years, and 5% for the third year. Further, if you perform well during the first year of the safety portion of the PDP+ program, you can also qualify to receive an additional 20% savings on your workers' compensation premiums. "Performing well" indicates that you are able to reduce your organization's claims frequency and/or severity by 15%. **This brings your total premium cost savings to 45 percent!**

After implementation, a BWC Employer Services Specialist will visit your company to evaluate your program implementation and determine your discount savings. Whether your savings are 5% or 45%, you have buffered your company's profitability by creating a safer and healthier workplace.

BWC Drug-Free Workplace Program (DFWP)

The BWC Drug-Free Workplace Program encourages employers to detect and deter alcohol and substance use and misuse. **The incentive for developing and implementing the DFWP is the potential to become eligible for a 10%, 15% or 20% annual discount off your workers' compensation costs for up to five years.** These discounts are available to you whether or not you are "penalty rated" or "group rated".

Beyond the possible cost savings, the program's most valuable contribution is the long-term benefits that are gained from having a drug free workplace. Workplace statistics don't lie: substance users are 33% to 50% less productive while their absentee rate sees them being tardy three times more often than non-users (absence rates average three weeks more each year).

However, a drug user's or abuser's biggest impact on the workplace comes from the fact that they are three to four times more likely to have an accident on the job and five times more likely to file a workers' compensation claim. Finally, if you still doubt the potential workplace savings, consider the fact that substance abusers file 300% to 400% more claims, and are responsible for 50% to 80% of all pilferage, theft and property loss at the work site.

In order to take advantage of the BWC DFWP program, your organization will need to implement the five basic components of the DFWP. They are: a written substance use policy; employee education; supervised training; drug and alcohol testing; and employee assistance. Again, a BWC Employer Services Specialist will visit your company after implementation to evaluate your discount eligibility.