

## Group-Rating Safety Accountability

Dear Employer:

Each year Ohio employers have the opportunity to participate in BWC's Group-Experience-Rating Program or Group-Retrospective-Rating Program. While these programs are not required, they do provide you with an opportunity to significantly reduce your workers' compensation premiums, while increasing your awareness of safety and risk-management strategies.

Workplace safety is an important component of these programs. To succeed in accident prevention, we encourage you to use the many resources available to you. We believe a group-rating program is a partnership that includes you and your employees, your sponsoring organization or third-party administrator (TPA) and BWC. Each has specific roles and responsibilities, all designed to assist in preventing workplace accidents. This letter outlines the safety services expectations you should have as an employer enrolled in a group-rating program.

### The employer will:

- Maintain a safe workplace;
- Attend safety training to enhance workplace safety;
- Implement BWC's 10-Step Business Plan for Safety and use available safety services as needed;
- Attend the required two-hour training and provide proof of attendance to sponsor for claim(s) occurring within the last two years.

### The certified primary and affiliated sponsoring organizations will:

- Communicate, educate and verify BWC's 10-Step Business Plan for Safety to group members;
- Sponsor eight hours of safety training (this may be done at one time or may be provided incrementally as long as the total is at least eight hours);
- Provide information regarding safety resources to group members;
- Possibly assist an employer in achieving its safety needs;
- Manage employer fulfillment of the two-hour training requirement, where applicable;
- Publish this letter to group members.

### The TPA may:

- Assist sponsoring organizations with fulfilling the group-rating safety requirements;
- Assist an employer with its safety needs;
- Work in conjunction with sponsors to develop safety training and deliver safety resources;
- Provide resources for claims handling.

### BWC will:

- Monitor all group-rating safety activities to confirm requirements are met;
- Meet at least annually with sponsoring organizations to provide recommendations for fulfilling safety requirements;
- Provide safety training through Ohio's Center for Occupational Safety & Health;
- Offer on-site safety consultation (hazard assessments, air and noise monitoring, ergonomics evaluation, training) by a BWC safety professional;
- Offer publications and videos for safety program support;
- Conduct employer visits to confirm the employer is meeting group-rating requirements, when appropriate.

The goal of this collaborative effort is to make sure all your safety needs are met. Using these resources will assist you in preventing accidents, reducing claims costs and achieving the highest discounts possible. Below you'll find contact information for various resources.

**Group sponsor:** Sharonville Chamber; Pay Madyda; 513-554-1722; [info@sharonvillechamber.com](mailto:info@sharonvillechamber.com)

**TPA:** Hunter Consulting Company; Tammy Purcell; 513-231-4023 ext. 114; [tpurcell@hunterconsulting.com](mailto:tpurcell@hunterconsulting.com)

**BWC:** <http://www.ohiobwc.com/employer/services/safetyhygiene.asp>, [groupratingsafety@bwc.state.oh.us](mailto:groupratingsafety@bwc.state.oh.us)

**BWC Representative:** Gary Peacock; 513-520-8325; [gary.peacock@bwc.state.oh.us](mailto:gary.peacock@bwc.state.oh.us)

# FREE SAFETY SEMINAR!

## “Implementing an Effective Safety Program”

### 1/2 DAY SEMINAR

Presented by:

**Mr. Gary Hanson, President**

**American Safety and Health Management Consultants, Inc.**

This seminar is being put on for Group Rating member companies and for companies who had a workers' comp claim between January 1, 2008 and December 31, 2009.

**This seminar meets the requirements of the 2-hour training requirement for employers who are required to attend a 2-hour safety training class who had a claim in either 2008 or 2009.**

#### Dates/Locations:

November 1, 2010	Hamilton	Butler County Extension Office
November 2, 2010	Perrysburg	Holiday Inn French Quarter
November 4, 2010	Akron/Fairlawn Holiday Inn (Limited Seating)	
November 9, 2010	Columbus	Best Western North

### **ALL Seminars are from 8:00 a.m. – 12:00 noon**

**PLEASE RESPOND NO LATER THAN 3 DAYS  
BEFORE THE SEMINAR OF YOUR CHOICE.**

**Fax or Mail to: Kathy Hanson/ASH/6920 Meadowlands Ave. NW, North Canton, OH 44720**  
FAX: (330) 244-8915  
E-mail: ASHMCI@aol.com

#### *Please Print*

Name: \_\_\_\_\_ (Max. 3 People)  
# of People Attending \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Company Name: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Company Address: \_\_\_\_\_  
\_\_\_\_\_

Association Affiliation: \_\_\_\_\_

*Please Check which Seminar you will be attending.*

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| <input type="checkbox"/> November 1, 2010 at Hamilton | <input type="checkbox"/> November 2, 2010 at Perrysburg |
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## **HOTEL INFORMATION**

**Akron/Fairlawn, OH:**

**Holiday Inn**

4073 Medina Rd.  
Akron, OH 44333

**Columbus, OH:**

**Best Western Columbus North**

888 Dublin-Granville Road  
Columbus, OH 43229

**Hamilton, OH:**

**Butler County Extension Office**

1802 Princeton Road  
Hamilton, OH 45011-4797

**Perrysburg, OH:**

**Holiday Inn French Quarter**

10630 Fremont Pike  
Perrysburg, OH 43551

## *Additional Alternative Discount Programs*

Over half of Ohio's private employers will not be in a group rating program effective July 1, 2010. If you are one of these employers, you will have an array of alternative rating programs to consider. This article is the last part of a series designed to give an overview of these programs and help you decide which programs you should evaluate further.

### **100% EM Cap Program (100% Cap) - Application deadline - September 30, 2010 (Extension to September provided in 2009)**

This program is ideal for many employers that participated in group rating in 2009 but no longer qualify for 2010. Moderate to significant premium discounts are provided in exchange for safety program improvements. The EM% or "experience modifier" determines an employer's premium rates. An employer's EM% increases when they experience more claim costs than the BWC expects. Losing group rating eligibility often results in a significant EM% increase. In this program, the employers 2010 EM% will be capped at a 100% increase (doubling of) the July 1, 2009 published EM%. The 100% EM Cap program often offers employers the greatest relief to their increasing premium rates because the employer no longer qualifying for group rating can experience premium rate increases greater than 100%. The cap controls the increase. The employer's EM for 2010 before the cap must be 1.01 or higher (debit rated) to qualify. Very small employers do not qualify for the program. Qualifying employers must agree to implement portions of the BWC's 10 Step Business Plan for Safety to maintain their cap. In year 1 of the cap, 5 of the steps must be implemented. If the cap benefits the employer for a second year, all 10 steps must be implemented. Participants for the 2010 policy year are required to report on their safety progress by March 31, 2011.

### **Safety Council Program (S.C.) - Application deadline - July 31, 2010**

Employers enroll in this program directly with their local safety council and earn a 2-percent rebate for meeting all of the participation requirements and an additional 2-percent performance bonus for reducing either claims frequency or severity rates by 10 percent compared to the prior year, or by keeping either rate at zero. Participation requirements include attendance at 10 safety council meetings during the year, CEO attendance at one of the 10 meetings, and semi-annual reporting of injuries.

## **Seven Steps to Better Training**

**By: Mr. Gary Hanson, President  
American Safety & Health Management Consultants, Inc.**

Employee safety training is one of the most important elements of an effective Safety Program. It is critical that employees learn the safest way to do each job task. Unfortunately many employees are left on their own to figure out how to perform a job or there is not significant time given for the employee to learn the safest way to do a job. Employees, who are left to figure out how to do a job on their own, often develop bad safety habits. These habits become extremely difficult to change later.

A good New Employee Safety Training Program should be a part of all new employee job orientation. The importance of safety needs to be stressed and the employee needs to understand that safe work behavior is a mandatory part of his/her employment. Employees need to believe in your program. Once this happens employees learn faster and are more willing to follow company safety policies.

The following seven steps have proven to be a very successful method in training employees.

### **Step 1: Select the Right Person to Conduct the Training**

This individual should have good communication skills and be enthusiastic. He/She should relate well with the employees. Make sure he/she has a thorough understanding of the topics and can cover the material without reading it word for word.

### **Step 2: Prepare the Learner**

Put them at ease and stress the importance of the training. Eliminate any area that could cause interference with the training. Develop a personal relationship that makes the employee feel good about the company.

### **Step 3: Describe the job – Explain It in Detail**

Tell the employee what you are going to tell them in advance. Stress the importance of this and why this is critical to the employee and the company.

### **Step 4: Demonstrate the job Step by Step**

Do the job step by step at the normal rate, explaining in detail each step. Repeat instructions as you go along. Before going on, ask the employee to explain each step in detail.

### **Step 5: Have the Employee do the Job**

Make sure they do it in detail. Have them repeat each step out loud as they go. Correct any areas of confusion immediately. Have them continue to perform the job under close supervision until you are sure they know the process thoroughly.

### **Step 6: Repeat Steps 3 through 5 if necessary**

### **Step 7: Follow-up**

Check on the progress of the new employee closely at first, then periodically after that to ensure safe work habits become a part of the employee behavior. Stress safe work practices and attitudes on a continuous daily basis.

Safety is not a natural part of our daily behavior. Safety needs to be learned, therefore, it has to be taught. Proper safety training, therefore, needs to be an integral part of the company's safety program. Employees should not be left on their own until you are sure they understand the importance of safe work practices.

Remember – if the employee has not learned the trainer has not taught.

## BWC e-news - May 2010

### Private employer base rates to fall to their lowest level in two decades

The BWC Board of Directors on April 30 approved an overall premium rate decrease of 3.9 percent for private employers effective July 1, 2010. The vote will place 2010 private employer rates 35-percent lower than they were in policy year 2007.

“This decision represents another milestone in setting fair, equitable and competitive workers’ compensation rates for Ohio,” said BWC Administrator Marsha Ryan. “With this latest reduction, private employer base rates are at their lowest level in the last two decades. The lower rates being paid by the majority of Ohio’s private employers are providing savings they can now invest in their operations, supporting future job growth and economic development in Ohio.”

Led by the Board of Directors, BWC is now midway through comprehensive reform efforts that began with a year-long, legislatively-mandated comprehensive study. The study serves as guide for BWC as it moves toward a fair and equitable system that supports the growth of business in Ohio. It does this by making certain the amount paid by each employer matches the risk they bring to the system. BWC actuarial staff recommended the decrease in private employer rates, consistent with the recommendation of actuarial consultant, Deloitte Consulting LLP. The change meets a requirement that BWC establish rates at the lowest level possible to maintain a solvent State Insurance Fund. The average rate change will impact employers based on their manual classification. Some manual classifications will realize a rate reduction higher or lower than 3.9 percent.

Watch for more news about rate reform and BWC’s transition toward actuarially sound rates in upcoming editions of BWC E-News.

### Group experience rates set for 2010 and 2011

BWC will maintain the maximum group discount for the next two program years. Effective July 1, 2010, the maximum discount for group-rated employers will be 51 percent. This is the result of the 65-percent credibility table and the break-even factors. This rate was approved by the BWC Board of Directors and announced last fall. BWC will keep the same 51-percent maximum discount for group employers in the policy year starting July 1, 2011.

### Plans under way to implement split-experience rating in Ohio

To further BWC’s efforts toward fair, equitable and stable rates, the agency will soon adopt the split-experience rating plan. Three-dozen states use this national standard rating plan. The split plan puts more emphasis on claim frequency instead of severity. BWC expects workers’ compensation rates for Ohio employers will more accurately represent their true risk to the system as a result of implementing the split plan.

BWC will begin using split-plan methodology in 2011, but it will not impact employers’ rates. This first year is a “beta” year where the system will run in the background, giving BWC a year to determine how rates will be impacted. Formal implementation will take place on July 1, 2012. This additional time will allow BWC to plan

operational changes, develop education and training programs for employers, and to review and evaluate the impact to individual and group employers.

## BWC Web site menu simplified for easier navigation

BWC has updated your options on the Ohio Employers section of [ohiobwc.com](http://ohiobwc.com). The Employer Services category has been divided into more user-friendly categories, so the online services you need are easier to find.

Here are some of the new menu categories you'll find under Ohio Employers.

**Payroll/Premium** - Find any online service that assists you with reporting payroll or paying premium here, e.g., payroll reports, accounts receivable balance, FlexPay.

**Policy Management** - This category covers everything from printing a copy of your coverage certificate to applying for elective coverage.

**Programs** - Program descriptions, applications and online services for employers participating in a particular program are available here.

BWC hopes these menu changes will make it easier for you to find and use the many online services it provides. Remember, you also can also use the Employer Section Map or call 1-800-OHIOBWC for more assistance.

## MCO open enrollment continues until May 28

The open enrollment period to select a new Managed Care Organization (MCO) is under way and wraps up May 28. MCOs are the primary link between injured workers, medical providers, employers and BWC. Selection of an MCO is an important decision that directly impacts the health and safety of your employees and your bottom line.

To explain your options and help you make the best choice for your employees, BWC produces the *MCO Selection Guide and the MCO Report Card*. The report card provides an objective snapshot of how effectively each MCO manages injury reporting and returning injured employees to work. The guide and report card will be available online at [ohiobwc.com](http://ohiobwc.com).

No action is required if you are satisfied with your current MCO and the service it provides .

January 2010

## WHAT COULD GO WRONG?

By: Mr. Gary Hanson, President  
American Safety & Health Management Consultants, Inc.

When I visit my clients I often spend time observing employees performing their normal work routine. As I do so, I ask myself, is this the safest way to work and if not What Could Go Wrong? I am always looking at the potential risk factors of each job. Employees don't deliberately work unsafely, but many employees will take the quickest, easiest way to perform the job. Sometimes employees have not been trained in the safest method to perform their job and sometimes safe procedures have not been developed.

Employees are creatures of habit and will perform job tasks the same way over and over. If they don't develop safe work habits they will develop unsafe work habits. These can be observed. It is just as easy to determine What Could Go Wrong? before an accident as it is to find out after the fact. Safety needs to be proactive, not reactive.

When you conduct employee safety observations, you can evaluate the types of risk factors faced by the employee. If these are not addressed, it is not, if an accident will take place, it is when and how severe the accident will be. Most accidents are not the result of Immediate Threat. Employees usually recognize a serious safety hazard and avoid these. Most accidents happen from Secondary Threat. These situations usually aren't perceived as dangerous. Employees are willing to perform these tasks and will quickly commit these to memory.

I am always looking for the small things, since I have found these are usually what cause most accidents. These include:

**Back Injuries** – What does an employee have to lift and how often. (No. 1 most serious injury facing employees.)

**Hand Placement** – If employees aren't paying attention to where their hands are, their hands will eventually end up someplace they should not be.

**Housekeeping** – Slips, trips and falls are the most common types of injuries

**Use of Tools** – Again, safe hand placement and proper use of each tool.

**Climbing** – Safe use of ladders is a must.

**Repetitive Tasks** – Employees are often in **Automatic Pilot**. The lights are on, but no one is home.

**Hurry** -- Employees feel pressured to get the job done, and often work faster than is safe.

**Confusion** – If an employee is confused about how to perform the job safely, he is likely to make mistakes.

**Attitude** – Some employees do not have a safe work attitude and are more willing to take unnecessary risks.

**Management Expectation** – Employees will do what the boss wants. If safety is not a part of the expectations, employees will not work safely.

Each of the above plays a part in how an employee performs his/her daily work tasks. If safety is not an engraved part of the employee's behavior, then any and all of the above could lead to a serious injury. When your employees are working for you, What Could Go Wrong? It is better to take some time to evaluate employee work practices before an accident takes place, instead of finding out after the fact.

## **FAQ for Group Experience and Group Retrospective Rating two-hour safety training**

**□ Who is required to take the training?**

- Private employers: Policy year beginning July 1, 2009 employers who have had a claim in the green year (calendar year 2008) or year prior (calendar year 2007).
- Public employers: Policy year beginning January 1, 2010 employers who have had a claim in the green year (calendar year 2009) or the year prior (calendar year 2008)

**□ When does the training have to be completed?**

- Private employers must complete the training between July 1, 2009 – June 30, 2010.
- Public employers complete the training between January 1, 2010 – December 31, 2010.

**□ If an employer sustains a medical only claim, will they be required to fulfill the two hour training requirement?**

Yes, employers sustaining either a medical only or lost time claim will be required to attend. However, this will only be applicable if the claim is in an allowed status. If the claim is not in an allowed status, this rule will not apply to the employer.

**□ How are employers being notified that they must complete two hours of additional training?**

Sponsoring organizations and TPAs have been notified by BWC regarding which of their members have had a claim in the green year or year prior. It will be their responsibility to notify their members who fall under this rule.

**□ Can Drug Free Work Place training count towards the two hour training requirement?**

No, because employers cannot use one training to meet two different requirements.

**□ Can the safety update meeting, sponsored by BWC's Division of Safety and Hygiene, on November 9<sup>th</sup> for sponsors and TPAs count towards the two hour training requirement?**

No, this is not for employers, it is an informational session geared towards sponsors, TPAs and BWC safety staff.

**□ What documentation will group sponsors need to provide to BWC to verify their members have had the required training?**

Sponsors have some flexibility to determine what documentation they will require. Documentation could include sign in sheets, copies of certificates, etc. However sponsors should realize that BWC may perform an audit to verify compliance.

**□ Is it required that the sponsoring organization maintain the verification material or will a spreadsheet suffice?**

Again, they can track any way they deem appropriate, however they should keep in mind that BWC may choose to audit. This audit will include verification of attendance.

**□ Will BWC require that sponsors send training verification to the bureau?**

No, however, it must be provided during an audit.

**□ Who is required to attend the training?**

Any company representative can fulfill the two hour training requirement.

**Does each claim require the two hour training?**

No, the requirement is that if you have a claim during the green year or year prior then you must have the training. It does not specify that you have to have two hours for each claim.

**What are the penalties for not completing the training?**

The sponsor may disqualify the employer from future group rating participation if they do not fulfill the two hour training requirement. Additionally, the inability to effectively manage employer two hour training may be taken into consideration during the group sponsor's next certification process and could potentially impact certification.

**Are webinars acceptable for the 2 hours of additional training?**

Yes, since BWC's guidelines allow for on-line training, webinar training would be a viable two hour training option.

**Are there BWC classes which meet the two hour requirement?**

Yes, courses offered through BWC Safety and Hygiene training forums:

- Ohio Safety Congress and Expo safety educational sessions
- Division of Safety and Hygiene Training Center ½ and fully day courses
- BWC On Demand courses that are geared towards safety
- Currently available on-line courses that meet the two hour criteria

Single courses

- Avoiding back trauma (2 hours)
- Getting started with safety (4 hours)

Combined courses: any combination of the following courses amounting to two or more hours of training:

- Preventing Slips/Trips/Falls (1 hr)
- Industrial Hygiene Overview (1 hr)
- Preventing Cuts and Lacerations (35 min)
- Ladder/Stairway Safety (45 min)

*All pages* of the online course must be completed and the *test passed* before a certificate can be printed from the student transcript in the BWC Learning Center located in the "Personal Learning Center"

BWC online courses can be accessed through the following path: OhioBWC.Com

Com - Safety Services –under Training Services - Safety and Hygiene Training center - Web Based Courses - online course, select course(click on BWC Learning Center) -Enter log in ID or for first time customers select "First Visit"