

# BIENNIAL BUDGET

Ohio | Industrial Commission





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# LETTER FROM THE CHAIRMAN



The Ohio Industrial Commission (IC) is dedicated to a simple objective: Manage our public funds in a responsible, conservative manner while providing Ohio's injured workers and employers with timely, impartial resolution of their workers' compensation appeals. With that mission in mind, it is my pleasure to present to you our 2020 and 2021 Biennial Budget Request. The upcoming biennium presents continued challenges for our non-GRF agency both in staffing and technological evolution. We have laid the groundwork to ensure a smooth transition to remain a model for process innovation and commitment to quality.

Over the past year, the IC has achieved enhanced customer service while the financial burden of those who pay into Ohio's workers' compensation system is minimized.

In the next biennium, the IC will face the continued maturing of our workforce and its potential for an increased "retirement wave." There is an overall 41 percent eligibility factor for all retirement qualification categories. The number of retirements over the past three fiscal years ranged from 12-16 being a relatively modest 3.5 percent of the total workforce. The core staff classifications of staff hearing officers (SHO) and the claims examiners are at a high and moderate risk for 30-year retirement eligibility at 36.2 percent and 9.5 percent respectively. Both positions require extensive periods of training to perform their functions independently with training periods of four to six months. To avoid disruptions in customer service during this training and possibly exceed statutory timeframes for hearing and order issuance, it is the IC's intent to on-board new hires at a level limited to observed claim filing trend while the retiring employee is still active. The IC anticipates some short-term staffing overlaps to secure an effective knowledge transfer.

Within our technological infrastructure, the IC is finishing the conversion to the Case Manager hearing electronic platform as discussed in our previous biennium budget request. This effort will be completed in February 2019. In-house staff has been successful in achieving this milestone with limited overtime expense and without the cost of external staff augmentation. Through this process, our Information Technology team has identified and coded other peripheral work processes to achieve efficiencies.

It has been the IC's experience to reap a high multiple in future savings for current investments. Since the beginning of 2008 through the end of 2018, staffing has been reduced by 32.5 percent resulting in an estimated cumulative savings of \$68m in payroll expense. Much of this reduction, all through attrition, relates to laborsaving claim-processing automation and statewide process standardization. Despite this reduction, we maintain a significantly high level of compliance of 87 percent or better with statutory hearing and hearing order issuance timeframes across the district and staff hearing levels.

In addition, the quality of the IC's hearing orders remains favorable. During 2018, the affirmation rate for Commission orders challenged by mandamus action was 84 percent at the Tenth District Court of Appeals. At the same time, the volume of those external appeals dropped to 52 in 2017, which is a new ten-year low. For reference, there were 145 actions filed in mandamus for 2007.

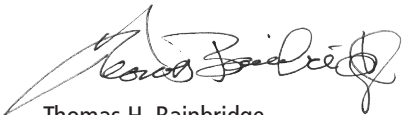
The FY 2020/2021 biennium budget request totals \$109.5m, which is a 5.7 percent increase from the FY 2018/2019 appropriation of \$103.6m. Funding for FY 2020/2021 will require an increase for the 27<sup>th</sup> pay period in FY 2020. This situation occurs every few years due to the biweekly pay structure. Bargaining Unit and exempt employee pay increases of 2.75 percent and 3.00 percent in these years will require incremental funding along with OBM projected increases in fringe benefit and employer chargeback expense. While the IC has accommodated payroll increases with workforce attrition in the past, stabilized claim workflow and minimal variance in staffing levels indicate that the IC has reached a feasible

workforce level commensurate with the technologies and work process standards implemented.

As a non-GRF agency funded by an Administrative Cost surcharge (ACF) to the employers' worker compensation coverage base rate, the IC continues to pass along our efficiency-based savings. ACF rates held steady across the board for the 2018 policy period with the exception of one risk group. However, with the Ohio Bureau of Workers' Compensation (BWC) lowering base rates in the same period, the IC realized an ACF revenue reduction. These revenue reductions occurred over the past few years due to the derivative nature of the IC's funding source. With the expected passage of another round of significant base rate reductions by the BWC Board of Directors for the upcoming policy year, the IC will need to increase its ACF rates to compensate for the decline in the base rate premium. This will allow the IC to maintain its high service level throughout its footprint.

As we face the challenges in the next fiscal year and beyond, our mission will remain the same: Provide outstanding customer service in a fair and professional environment while adhering to a philosophy of fiscal accountability.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas H. Bainbridge". The signature is fluid and cursive, with a large initial "T" and "B".

Thomas H. Bainbridge  
Industrial Commission Chairman and CEO



## **WHO WE ARE**

# REDUCED PREMIUM ASSESSMENT FOR OHIO EMPLOYERS

The IC is funded by an Administrative Cost Fund (ACF) rate that is applied to the workers' compensation base rate premiums of Ohio's employers.

The agency does not receive any Ohio general revenue funding for its operations. Continued stability in operational expenditures has allowed IC to reduce its total ACF revenue needs by \$2m between Policy Year (PY) 2017 and PY 2018.

## ACF Rates by Policy Year

Employer Group	PY-17	PY-18
Private	1.81 percent	1.81 percent
Public State	3.12 percent	3.12 percent
Public Taxing Districts	2.15 percent	2.28 percent
Self-Insuring	6.68 percent	6.68 percent



# PROVIDING EXCELLENT SERVICE WHILE MAINTAINING MINIMAL COSTS

The IC provides a forum for appealing Ohio Bureau of Workers' Compensation (BWC) and self-insuring employer decisions. IC hearing officers resolve issues of dispute in a workers' compensation claim, determine violations of specific safety requirements, and determine if an injured worker is permanently and totally disabled due to a work-related injury or occupational disease. Throughout the appeals process, the agency offers information and resources to assist parties, including a customer-service phone line and assorted Web services which allow representative interaction to manage and submit evidence for consideration.

The IC adjudicates claims across three hearing levels. The first level of hearings is at the district hearing level (DHO). If this DHO decision is appealed, a hearing is held at the staff hearing level (SHO). If the SHO hearing is appealed, the claim can then be appealed to the Commission level. The Governor appoints the three-member Commission and the Ohio Senate confirms these appointments. By previous vocation, employment, or affiliation, one member must represent employees, one must represent employers and one must represent the public. One of these members must be an attorney. Hearings are conducted in 12 IC offices around the state. The Executive Director manages the agency's day-to-day operations.

The IC continues to meet the statutory timeframes of providing a hearing within 45 days of appeal filing and 7 days to issue an order after that hearing for a 52-day timeframe maximum for both DHO and SHO levels. DHO/SHO levels have a very high compliance rate with the statutory timeframe requirements as discussed further in this document.

With investment in state of the art technological processes, the IC has been able to absorb a significant reduction in its workforce. By attrition only, staffing has decreased by more than 161 employees (32.5 percent) since FY 2008; yet the IC continues to meet and exceed statutory requirements for timely service. This process migration has been alleviated by the implementation of computerized improvements in our paperless hearing process (ECM – Enterprise Content Management), through the ICON (Industrial Commission Online Network) website presence, and broadening data transmission connectivity. This system allows claims examining work and clerical work such as word processing and scanning/indexing to be assigned to employees regardless of their location among our 12 offices. In turn, employee utilization is increased by having a low volume worksite process claims or hearing orders for a higher volume worksite. At the same time, stakeholders can directly manage their claims and submit or update documentation through ICON. The IC even offers e-distribution of hearing notices, hearing orders, and other correspondence to reduce postage and hard copy costs.

We are an agency that is already maximizing productivity while minimizing expenditures, a philosophy that will serve us well in meeting the next biennium's challenges.

# IC COMMISSIONERS

## **Thomas H. Bainbridge**

### **Employee Member**

**Dates of Service: July 2013 - June 2019**



Thomas (Tim) Bainbridge brings over four decades of workers' compensation experience to his role as Chairman of the Industrial Commission of Ohio.

As an attorney, Tim has spent a tremendous amount of time protecting the rights of Ohio's workers through his involvement with numerous organizations, which are dedicated to improving Ohio's workers' compensation system.

Tim displayed his knowledge and expertise as the Chairman of the Columbus Bar Association Workers' Compensation Committee from 1982 to 1983 and served as the Chairman of the Workers' Compensation Section of the Ohio Association for Justice from 1991 to 1993. He also served as President of the Ohio Association for Justice. Later, he served Ohio's injured workers and employers as the Commissioner for the Bureau of Workers' Compensation Oversight Commission from 1995 to 2006.

Tim's passion for workers' compensation has been evident throughout his career. Before arriving at the IC, Tim served as an attorney and managing partner at Ward, Kaps, Bainbridge, Maurer & Melvin from 1968 until 2009. He later served as a partner at the Bainbridge Firm from 2009 until 2013.

Originally from Steubenville, Ohio, Tim earned his bachelor's degree from Washington & Jefferson College in Washington, Pennsylvania, and then received his law degree from The Ohio State University.

Tim was admitted to the Ohio Bar in 1967 and has also been admitted to practice before the US District Court in the Southern District of Ohio. Tim is a member of the Ohio State Bar Association, Columbus Bar Association, Ohio Association for Justice and the American Association for Justice.

He resides in Columbus. He and his late wife, Deidre, have three grown sons who also reside in Columbus.

## **Jodie M. Taylor**

### **Employer Member**

**Dates of Service: July 2015 - June 2021**



Jodie Taylor brings years of workers' compensation experience to her role as Commissioner of the Industrial Commission of Ohio.

In July 2009, Jodie was appointed as the employer member of the Commission. On January 14, 2011, Governor John Kasich appointed Commissioner Taylor as Chairperson of the Commission. Jodie served in this capacity until July 2011. On February 13, 2013, Governor Kasich again appointed Jodie as Chairperson of the Commission. Jodie served in this position until July 2013. In June 2015, Governor Kasich reappointed Jodie to a second term which will end in June 2021.

Her first day on the job was a homecoming for Jodie. From 1997 to 2000, Jodie served as an assistant to an IC Commissioner. In this role, she performed legal and legislative research, assisted during hearings, and gained an extensive understanding of the agency.

After leaving the Commission, Jodie served as an attorney for two Columbus law firms, where she represented state-fund and self-insuring employers at all levels of IC hearings and in court actions throughout Ohio. She is also a frequent lecturer on workers' compensation issues with extensive legal knowledge in both the private and public sectors.

Jodie earned her bachelor's degree in diplomacy and foreign affairs from Miami University in 1991. While at Miami, Jodie studied overseas in Luxembourg. In 1995, she received her law degree from the University of Akron School of Law. She is an Ohio State Bar Association member and is a board-certified specialist in workers' compensation.

Jodie lives in Dublin with her husband, Michael. In October 2009, they welcomed twins, a boy and a girl, Evan and Elizabeth.

### **Karen L. Gillmor, Ph.D.**

#### **Public Member**

**Dates of Service: July 2017 - June 2023**



With over three decades of dedicated public service, Karen brings a tremendous knowledge of workers' compensation issues to the Industrial Commission of Ohio. A native of Ohio, she earned her diploma from Rocky River High School before earning a bachelor's degree with honors from Michigan State University and a master's degree and Ph.D. from The Ohio State University. Her career shows a passionate interest in the fields of health care, labor relations and workers' compensation. From 1983 to 1986, Karen served as Chief of Management Planning and Research at the Industrial Commission of Ohio. In this position, she authored a study of self-insurance, which was incorporated into Ohio's omnibus workers' compensation reform law. She also served as the employee representative to the Industrial Commission of Ohio's Regional Board of Review and the Ohio Bureau of Workers' Compensation Oversight Commission. Before coming to the IC, Karen was elected to Ohio's 26th Senate District seat in 1992, 1996 and 2008. She chaired the Senate Insurance, Commerce and Labor Committee, was a member of the Unemployment Compensation Advisory Committee, and the Labor-Management-Government Committee. She served as vice chair of the State Employment Relations Board from 1997 to 2007 and was a consultant to the United States Secretary of Labor.

Nationally, Karen served on the Health Committee of the American Legislative Exchange Council, as well as on the Health and Human Services Committee of the Council of State Governments' Midwestern Region. Karen was married to United States Congressman Paul Gillmor, who tragically passed away in 2007. They have five children, Linda, Julie, Paul Michael and twins Connor and Adam.



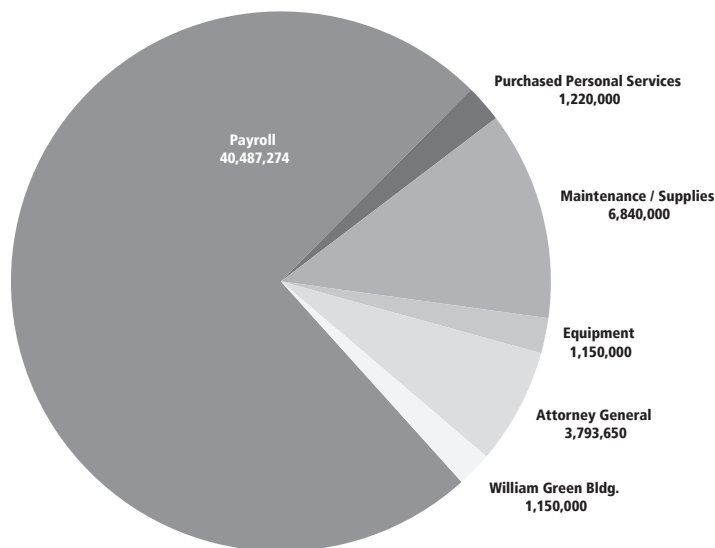


# **OUR PLAN TO CONTROL COSTS**

# BUDGET REQUEST

As we prepare to enter the next biennium budget period, the IC faces the continued challenges of succession planning and technological infrastructure conversion. The IC has approximately 41 percent of its current contingent of Full Time Equivalent resources eligible for at least one of three retirement options by the end of FY 2020. As the agency transitions through this period, it is devoted to keeping costs down while ensuring a seamless knowledge transfer as new employees enter and retirees exit. In addition, the agency continues its progress with the migration of the paperless hearing process to a new platform, as the current system will not be vendor supported after June 2019. This effort will be completed in February 2019. For the next biennium, the agency needs funding to accommodate an additional pay period in FY 2020 estimated at \$1.5m along with annual statutory pay raises of 2.75 percent and 3 percent. There are also projected increases for fringe benefits and employer chargebacks. Conservative financial projections and highly scrutinized spending have kept the IC on firm financial footing and this will continue in the next biennium. We are requesting a total budget of \$54,640,924 for FY 2020 and \$54,828,778 for FY 2021 (See Exhibit A).

## Exhibit A

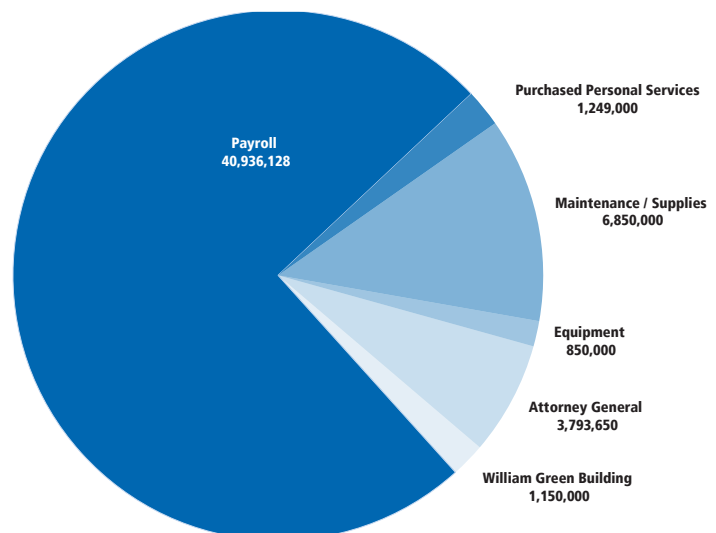


### Biennium Budget – Fiscal Year 2020

Description	2020
Payroll	\$40,487,274
Purchases Personal Service	\$1,220,000
Maintenance/Supplies	\$6,840,000
Equipment	\$1,150,000
Attorney General	\$3,793,650
William Green Building	\$1,150,000
<b>Total Budget</b>	<b>\$54,640,924</b>

### Biennium Budget – Fiscal Year 2021

Description	2021
Payroll	\$40,936,128
Purchases Personal Service	\$1,249,000
Maintenance/Supplies	\$6,850,000
Equipment	\$850,000
Attorney General	\$3,793,650
William Green Building	\$1,150,000
<b>Total Budget</b>	<b>\$54,828,778</b>

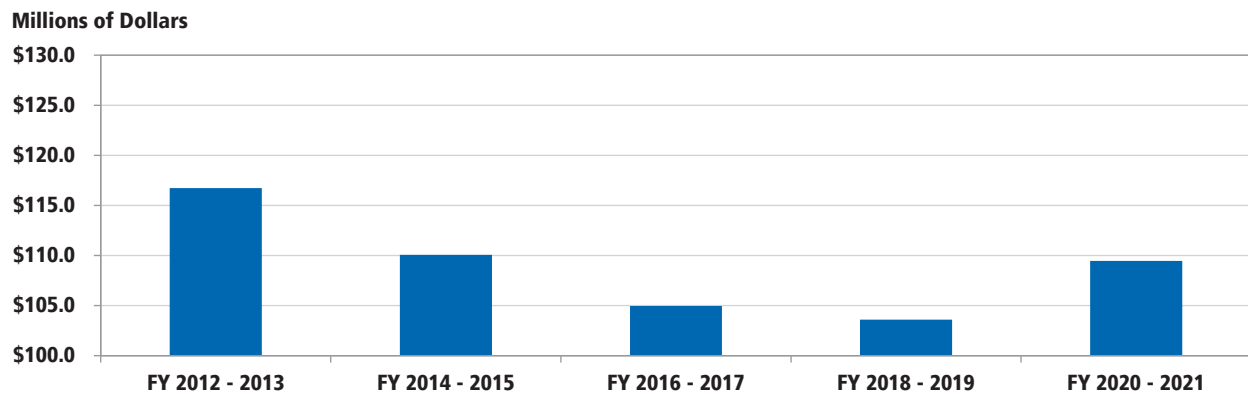


# COMPARISON TO PREVIOUS BUDGETS

The proposed budget for FY 2020 at \$54.6m is 4.7 percent higher than the current FY 2019 budget, which is \$52.2m. The proposed budget for FY 2021 at \$54.8m is 5.1 percent more than FY 2019. This biennium budget will be the first in at least 16 years, where an increase is requested. However, this budget remains well below that FY 2010/2011’s total budget request of \$123.4m the most recent high point. An increase at this point is necessitated by the compound impact of annual pay rate increases and fringe rate/employer chargeback rate increases since FY 2016. The additional pay period in FY 2020 is projected to cost \$1.5m alone.

## Exhibit B

### Biennium Appropriations Fiscal Year 2010/2011 – Fiscal Year 2020/2021



Average Biennium Change Over the Period: -1.49%

Fiscal Year 2020 budget request includes an estimated \$1.5m for the 27<sup>th</sup> Pay Period occurrence.

Biennium Years	Biennium Budgets	Biennium to Biennium Change
FY 2012-2013	\$116.7 Million	-5.43%
FY 2014-2015	\$110.1 Million	-5.71%
FY 2016-2017	\$105.0 Million	-4.63%
FY 2018-2019	\$103.6 Million	-1.31%
FY 2020-2021	\$109.5 Million	5.67%

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<b>Decrease in Biennium Request over the Period</b>	<b>\$7.3 Million</b>	<b>-6.22%</b>
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# FULL TIME EQUIVALENT (FTE) EMPLOYMENT LEVEL TREND

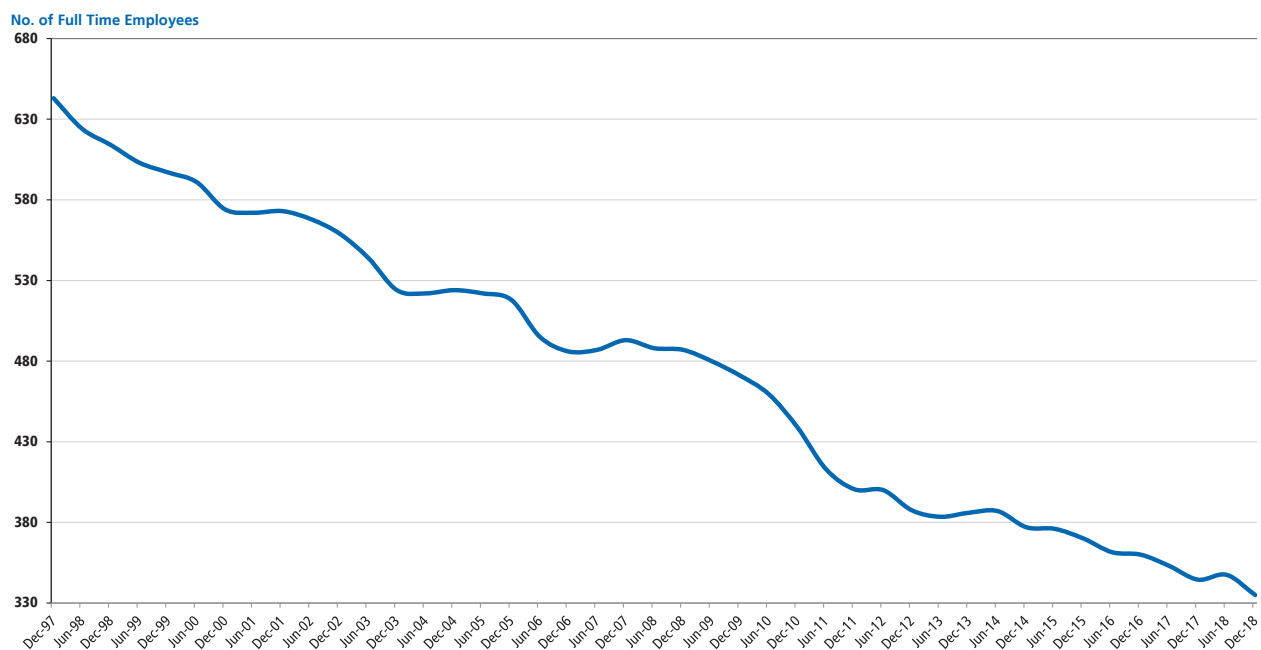
For two decades, the IC has steadily decreased its number of employees.

Since December 1997, the employment level has decreased from 643 to 335 by the end of CY 2018, which represents a total decrease of 47.9 percent. A majority of this decline occurred over the last decade. The employment level at 496 in January 2008 fell to a present level of 335 or 32.5 percent representing an estimated \$68m in payroll savings. Most of our employment decreases have been the result of computer automation, the emergence of electronic claims processing, claim process standardization, hands-on customer claim management, and automated mailing services. Work productivity gains have been achieved by the automation of hearing notice and hearing order generation, by the high degree of hearing order content being auto-populated, and by the expansion of connectivity capacity among offices to allow support functions like claims examining and word processing to be completed throughout the state regardless of the hearing location. This has reduced the need for filling support functions lost to attrition and the need to staff remote offices to previous levels for the hearing process. In addition, customers have the capability to manage their own claims via online connection. Claimants and representatives can directly upload support documentation for consideration at the hearing thereby reducing their mailing costs as well as costs related to manual processing on the IC side.

Reviewing employment levels in calendar year 2018 indicates that the IC has reached a “core” level of FTE’s averaging 342 over this period. FTE levels ranged from 335 currently to 348. In the next biennium, we expect to encounter some overlapping in job classification staffing totals as succession transition continues. The workforce should have an operational floor of 345-350 FTE’s to accommodate knowledge transfer hiring. The IC will continue to explore avenues for efficiency by expanding accessibility for direct stakeholder interaction and reviewing the potential for other internal operational labor saving alternatives.

## Exhibit C

### Full Time Equivalent Employment Levels December 1997 through December 2018



Current FTE count as of January 30, 2019 is 334.5.

Decrease in employment over the period: -47.9%



# IC COST SAVINGS AND CUSTOMER SERVICE EFFORTS – HEARING PROCESS

The IC continues to install Customer Focus improvements by either its own operational review or by listening to its stakeholders (employers, injured workers, representatives, legislators, etc.).

In turn, some of these changes result in greater efficiencies and cost savings for the hearing process:

- Decreased mandamus complaints filed in the Tenth District Court of Appeals by 27 percent in FY 17-18;
- Embarked on a comprehensive review of the current Resolution Index, which documents IC policies, to determine which, if any, resolutions should be amended or rescinded;
- Implemented electronic logging of access to confidential personal information to ensure all accesses are valid and updated a policy addressing the disclosure of confidential personal information to enable the agency to timely notify persons of a disclosure as well as to stop the dissemination of the disclosed information;
- Implemented Case Manager solutions for the Hearing Administration and Commission continuance/cancellation processes;
- Upgraded ICON (Industrial Commission Online Network) to display the pre-hearing conference schedule on the representative hearing calendars;
- Implemented the new personal computer rollout with faster processing speeds and enhanced security;
- Replaced the representative and employer identification cards with new identification cards that can be saved on a mobile phone; and
- Established connections for all IC offices to the Ohio One Network.

# IC COST SAVINGS EFFORTS AND FISCAL PERFORMANCE – SUPPORT AREAS

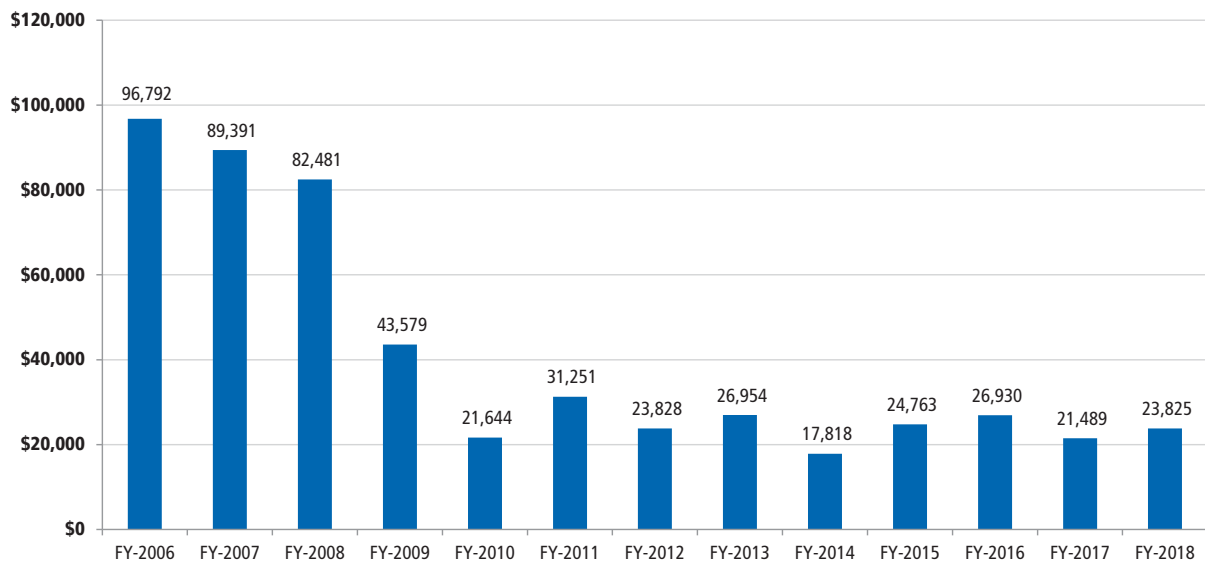
While agency attrition since FY 2008 has yielded estimated payroll expense savings in excess of \$68m, there are other areas of note, which have contributed to the IC's low cost structure.

These include:

- Maintained a consistent Administrative Cost Fund rate environment whereby assessed rates remained unchanged for three risk groups while increasing modestly for one risk group. Between PY 2010 and PY 2018, annual operational revenue needs have declined by \$18m;
- Annual expenditures remain at stable level within a narrow range of variance since FY 2014;
- Exceeded the statutory threshold for expenditures directed toward certified Minority Business Enterprises (MBE) for the eighth consecutive year with a 33.5 percent rate in FY 2018;
- The IC achieved a 13.1 percent rate in FY 2018 for Encouraging Diversity Growth & Equality (EDGE) directed expenditures vs. the policy goal of 5 percent. This was the seventh consecutive year in which the IC exceeded the threshold;
- Converted the sourcing of district office material needs from centralized warehouse distribution to direct vendor shipping thereby reducing stock on hand and leveraging opportunity cost;
- As noted below, the IC has also slashed overtime paid by 75.4 percent from \$96,792 in FY 2006 to \$23,825 in FY 2018 even before adjusting for pay rate increases over the time span.

## Exhibit D

### Overtime Paid Expenses



# A VISION FOR THE FUTURE

In the next biennium, the IC will face a potential workforce “retirement wave.” Most at risk is our staff hearing officer (SHO) classification, but other classifications note moderate to high risk of retirement eligibility.

By the end of FY 2020, the potential for retirement is as follows:

Position Description	Type of Retirement		Total Eligible
	Unreduced Benefit	Reduced Benefit	
<b>Claims Examiner</b> (inc. Supervisor)	18.0%	22.1%	40.1%
<b>District Hearing Officer</b>	12.5%	10.0%	22.5%
<b>Staff Hearing Officer</b> (inc. SHO2)	36.2%	29.7%	65.9%
<b>Word Processing Specialist 2</b>	13.4%	40.0%	53.4%
<b>All others</b>	23.5%	19.0%	41.0%
<b>Total Agency</b>	22.0%	19.0%	41.0%

SHO ranks are back-filled by promoting eligible and qualified district hearing officers (DHO). New DHO positions will require external hiring at a level based on observed claim filing trends at that time. Advanced legal and medical knowledge is required for a DHO position. The training period is usually a minimum of 6 months before a full docket of hearings is assigned. To avoid disruptions in customer service during this training and possibly exceed statutory timeframes for hearing and order issuance, it is the IC’s intent to on-board new hires while the retiring employee is still active.

While the need to fill claims examiner (CE) slots is not as vital as a hearing officer since CE work is pooled through the paperless platform, extended training of at least 3-4 months will be required to determine success. This will result in some staffing overlaps to secure an effective knowledge transfer resulting in a temporary bump in FTE counts during these transitions. We anticipate a high end of 352 FTEs to be funded.

The IC will need to fund pay rate increases of 2.75 percent and 3 percent for FY 2020 and FY 2021 respectively along with the standard step/longevity increases. FY 2020/2021 OBM payroll projections note increases of 0.8 percent and 2.1 percent in the fringe benefit/employer charge factor. The inclusion of a 27th pay period in FY 2020 will add about \$1.5m to the payroll line. All of these factors combined compel the IC to request an increase in its funding level over biennium FY 2018/2019 totaling \$2.5m in FY 2020 and \$2.7m in FY 2021.

The IC will be engaging in post conversion activities for its Case Manager hearing platform that started in FY 2015. This effort replaces the Workflow BPM user interface. This may require the use of staff augmentation through the Knowledge Services contract. Based on current rates for emerging technologies, the approximate cost for this project over the next biennium will be \$130,000 for Personal Service Contracts.

Service support expirations will also require investments in replacement for hardware and software needs including (1) VoIP physical phone system, (2) printer replacement, and (3) Uninterrupted Power Supply (UPS) hardware devices.

These projects have a combined estimated cost of \$625,000. Other smaller scale projects for on-going maintenance will require funding as well.

By agreement with the Ohio Department of Administrative Services Office of Information Technology (OIT), the IC will migrate a majority of its server farm to the OIT location. This transition remains pending. Funding for this OIT service is estimated at \$850,000 in FY 2020 and \$900,000 in FY 2021 based on current IC production levels and OIT's FY 2018 fee structure. Funding for the Ohio One Network base charge and connectivity to remote IC sites, OIT's Microsoft Licensing and Administration, and the OIT Development Fund are expected to total a combined \$518,000 each year.

The IC does not foresee any issue with its funding sources over the coming period. The economy appears more upbeat than in previous bienniums with the unemployment rate at historic lows. Knowing this, the IC maintains a sufficient cash reserve to fund any unanticipated shortages in the receipt pattern.

The IC has a single mission dedicated to the adjudication of contested workers' compensation claims. In the upcoming biennium, activities focused on staffing management, customer service, and technological advances will include:

- Develop workforce plans that balance turnover to claim volume levels to on-site office staff presence need;
- ICON enhancements;
- Mobile phone based security clearance for frequent visitors;
- Migration of servers to OIT's SOCC or public cloud;
- Complete post-implementation needs of the Case Manager interface;
- Replace the VoIP phone system due to expiring support; and
- Replace printer fleet due to expiring support.

The IC has an enviable record in meeting these goals and it will continue to support operational needs through the next biennium's transactions.



**EXCELLENT CUSTOMER SERVICE  
AT A LOWER COST**

## EXCELLENT CUSTOMER SERVICE AT A LOWER COST

Even with our history of fiscal prudence, our production has not suffered.

In FY 2018, the IC made approximately 180,338 decisions on issues arising from workers' compensation claims and conducted 1,748 medical exams. This requires great teamwork, especially when customers need our help in emergencies.

When an injured worker has a dire need, the IC strives to docket an emergency hearing on the injured worker's claim within three to five days after the injured worker files a request for an emergency hearing. This may happen, for instance, in a case where an injured worker is about to be evicted because their injury has prohibited them from being able to work and receive wages to pay their bills. In some cases, cash relief could be a matter of life and death. Sometimes the injured worker simply cannot afford to wait the 45 days that it may take for their claim to be processed, so we work to expedite their claim in these urgent situations. We also offer interpreter services to injured workers.

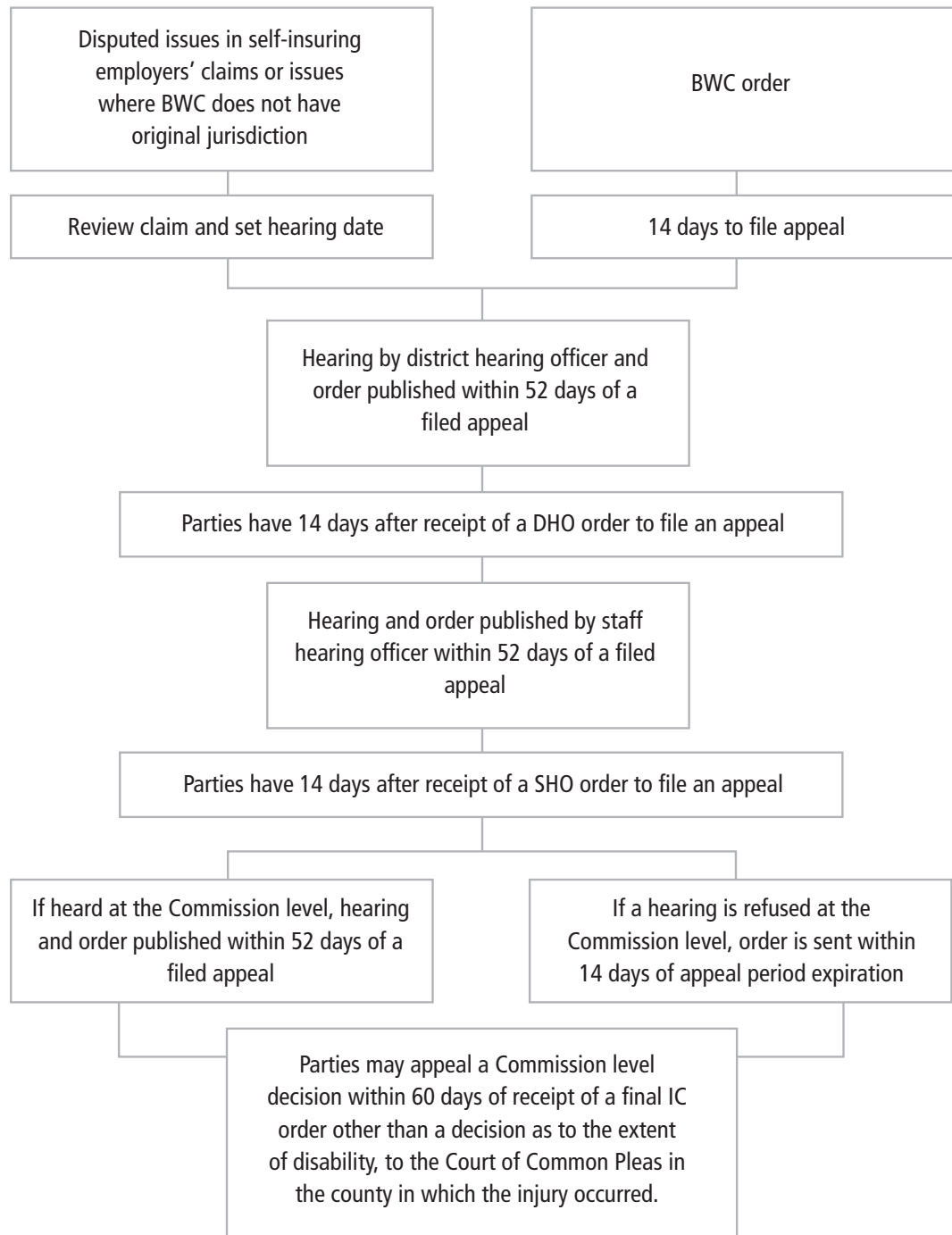
The BWC initially determines claims. If a BWC order is appealed, by statute the IC has 45 days to conduct the first level hearing. If this decision is appealed, the IC conducts the second level hearing within 45 days. A final appeal may be made to the three-member Commission.

Exhibit E (next page) outlines the potential flow of an appeal through the process.

# ADMINISTRATIVE HEARING LEVELS CHART

## Exhibit E

### Administrative Hearing Levels Flow Chart\*



\* Does not include the PTD process.

## PTD SUBMISSION PROCESS

Permanent total disability (PTD) claims are in a separate category because they are required to be handled differently than other claims that come to the IC. PTD claims take longer to process because there is a required independent medical exam, and there are submission periods built in to allow parties time to obtain medical and vocational information. The submission periods were put into place so that parties could provide hearing officers with the most information possible when they decide whether to grant or deny a PTD award. Exhibit F shows the submission periods for permanent total disability processing.

As shown in Exhibit F (next page), while there are potentially six months of submission periods built into the PTD process, overall, the IC is processing PTD claims at a faster rate than the submission periods dictate.



# PTD TIMELINE

## Exhibit F

### Permanent Total Disability (PTD) Timeline



\* The IC is currently processing PTD applications at a rate of 211 days.

# INVENTORY

## Motion/Appeal Filings

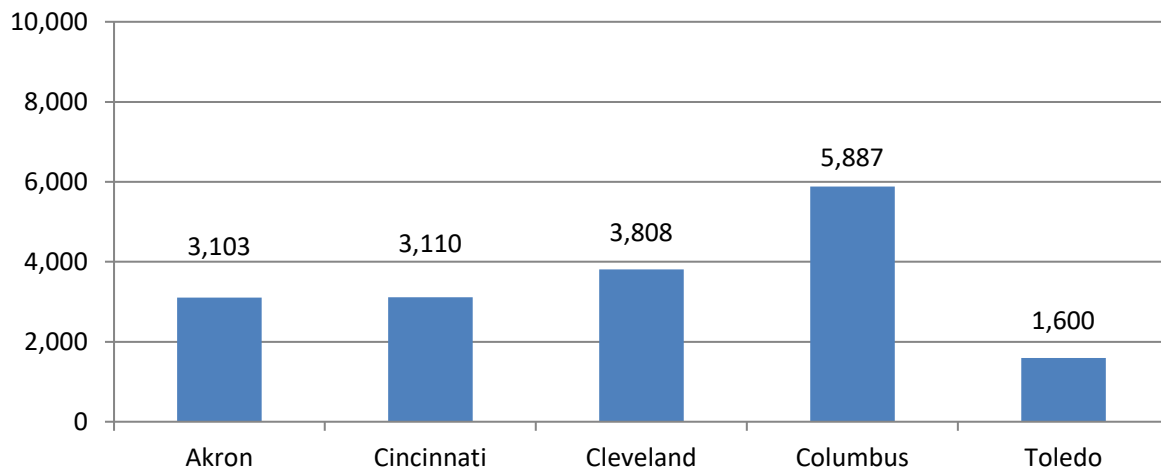
Ohio Industrial Commission workloads and performance are initiated by and heavily dependent upon the volume of new claims filed with the Bureau of Workers' Compensation along with new motion and appeal filings. IC inventory volume is subject to volatile daily swings dependent on appeal filings, claim flows from the BWC, docketing loads, and other factors.

Approximately 115,324 new first level motions and appeals were filed during FY 2018 for 74,417 separate claims. Additional appeals are filed at upper level commission venues.

## Hearing Inventory

Statewide average monthly DHO/SHO inventory was 17,508 claims for FY 2018. Regional breakdown of average inventories for FY 2018 is as follows (figures rounded): Columbus – 34 percent; Cleveland – 22 percent; Akron and Cincinnati – 18 percent each; and Toledo – 9 percent.

**Average Monthly Inventory | FY 2018**



Hearing inventory inclusive of medical inventory

# HEARING ACTIVITY

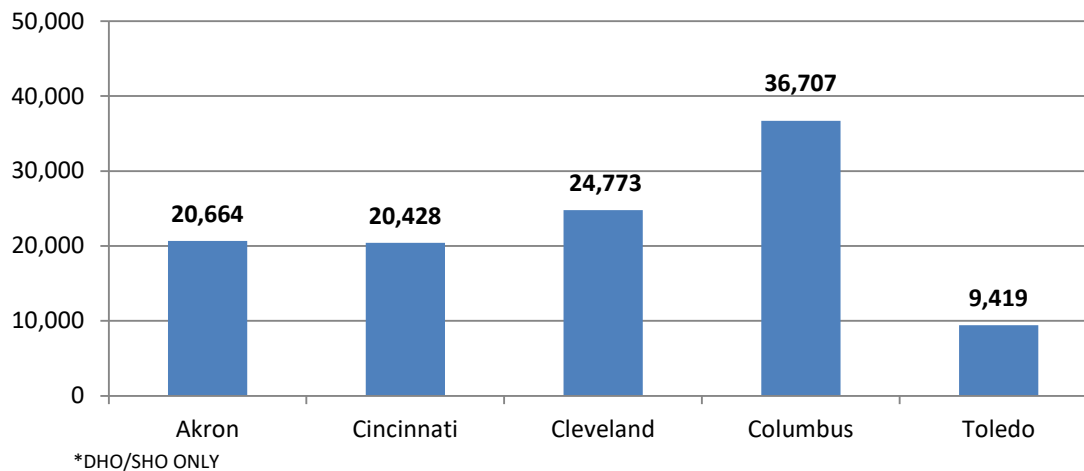
Formal hearings and administrative reviews account for the majority of Ohio Industrial Commission activity. In FY 2018, the IC made approximately 180,338 decisions on issues arising from workers' compensation claims.

During FY 2018, the IC performed 68,172 administrative reviews and heard a total of 112,250 claims at all adjudicatory levels. Claims heard is inclusive of hearings at the DHO, SHO, Deputy, and Commission venues. Administrative reviews incorporate issues that do not initially require formal adjudication via hearing (Hearing Administrator issues, Commission requests, cancellation requests, etc.). These issues receive review and processing at the claims examining, word processing, and hearing officer levels but are not typically reflected in routine production reports under DHO or SHO dockets. These issues may subsequently result in a hearing under the normal adjudicatory process and are reflected accordingly under respective hearing venues.

## Claims Heard

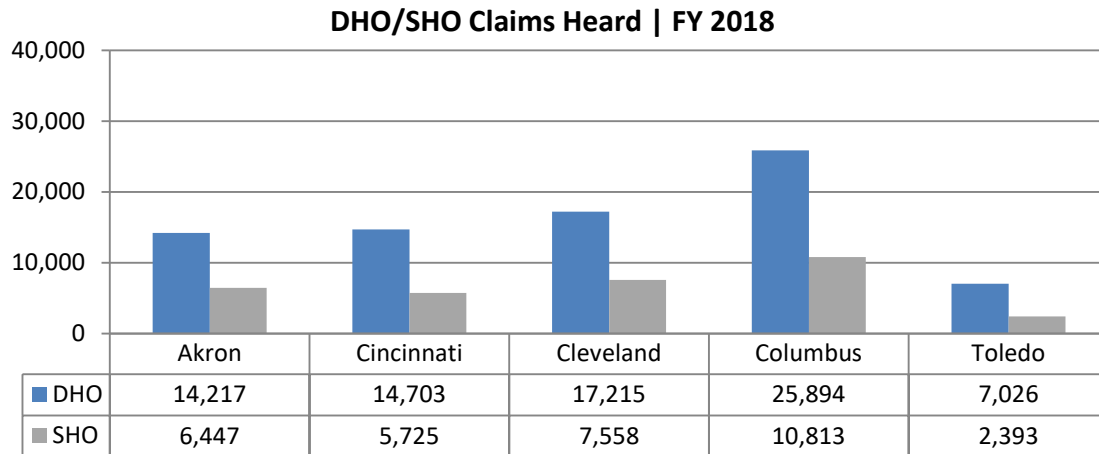
The total DHO hearing volume accounts for 70 percent of the overall hearings during FY 2018 at 79,055 claims heard, while the SHO volume is recorded at 32,936 claims heard. Deputy venue claims heard totaled 91 in FY 2018 while the Commission venue recorded 168 claims heard. Total claims heard is inclusive of continuances, referrals, dismissals, and other final determinations made as a result of a hearing.

**Claims Heard By Region\* | FY 2018**

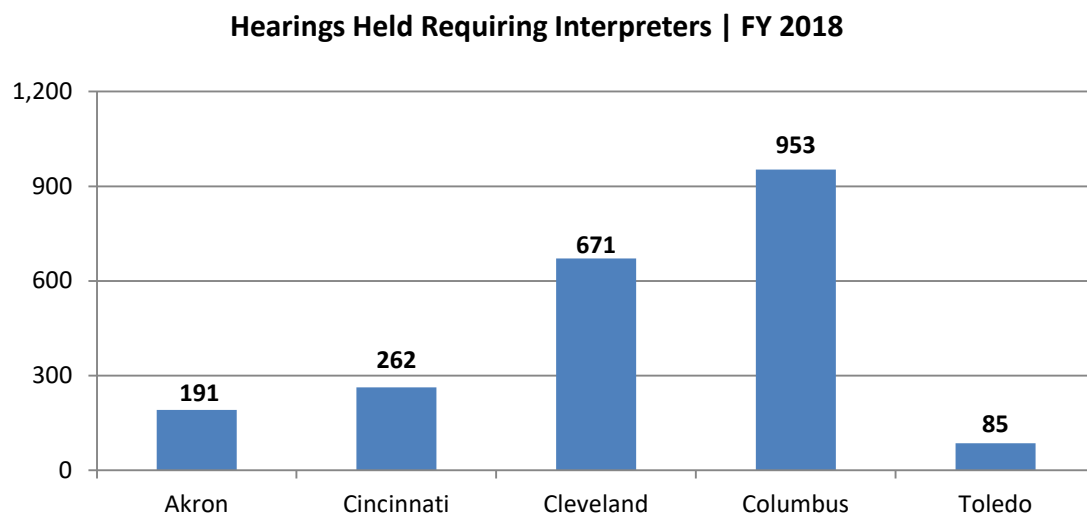


Regionally, the distribution of FY 2018 claims heard at DHO and SHO hearing levels is as follows (figures rounded): Columbus at 33 percent; Cleveland at 22 percent; Akron at 18 percent; Cincinnati at 18 percent and Toledo at 8 percent.

DHO and SHO hearings were conducted on 246 days during FY 2018. An average of 455 claims were heard per hearing day at the DHO and SHO hearing levels. District hearing officers averaged 321 claims heard per day while staff hearing officers averaged 134 claims heard per day.



A total of 2,162 hearing records were flagged as requiring interpreter services during FY 2018 accounting for about two percent of total hearings held.



*Note: An interpreter may not have been present at each hearing.*

## Hearings Held by Employer Group

Hearings were conducted for approximately 29,927 different employers in FY 2018. Hearings for claims of private state funded employers accounted for 53 percent of all hearings while self-insuring employers accounted for 28 percent; public county employers accounted for 14 percent; and public state employers' claims accounted for 5 percent (figures rounded).

The volume of claims heard reflects actual employee workload production as each claim must be reviewed and processed at multiple levels to perfect the adjudication process. Given that multiple claims may be scheduled for presentation at one hearing, the hearings held figure might be slightly lower. For example, one PTD hearing may include three claims to be considered for an injured worker. Reporting would reflect these totals accordingly.

### Hearings Held by Employer Group

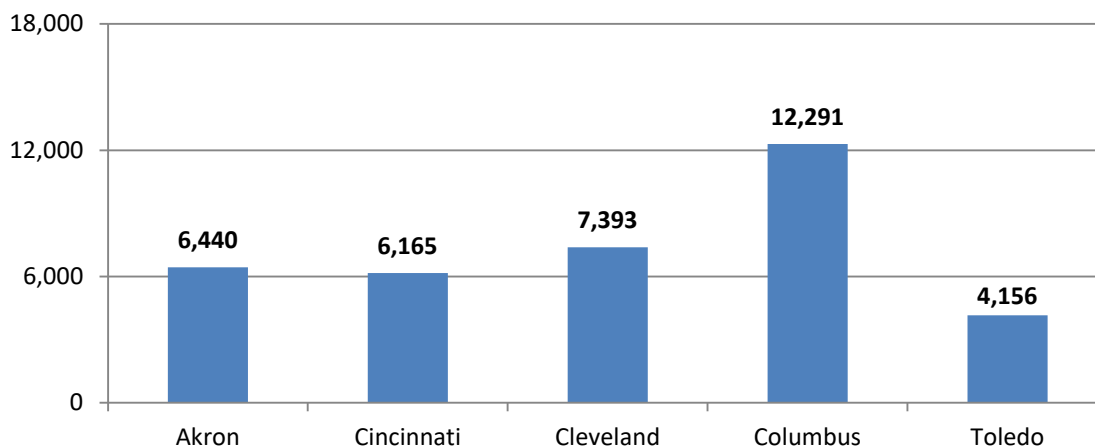
Employer Type	State Fund	Self-Insuring	Pol. Sub (County)	State	Total
Hearings Held	59,846	30,972	15,950	5,203	111,971
Claims Heard*	60,081	31,041	16,234	5,254	112,610

## Hearing Administrator

Hearing administrators perform a variety of functions that facilitate the adjudication process. In addition to processing approximately 19,564 continuance requests during FY 2018, they also processed 12,292 requests to withdraw motions or appeals and cancel scheduled hearings. Additionally, hearing administrators processed requests for extensions related to PTD filings and requests regarding other miscellaneous issues.

Statewide, hearing administrators made decisions on, or referred to hearing, approximately 36,445 issues during FY 2018. Regional volumes of hearing administrator activity are presented in the graph below.

### Hearing Administrator Decisions | FY 2018

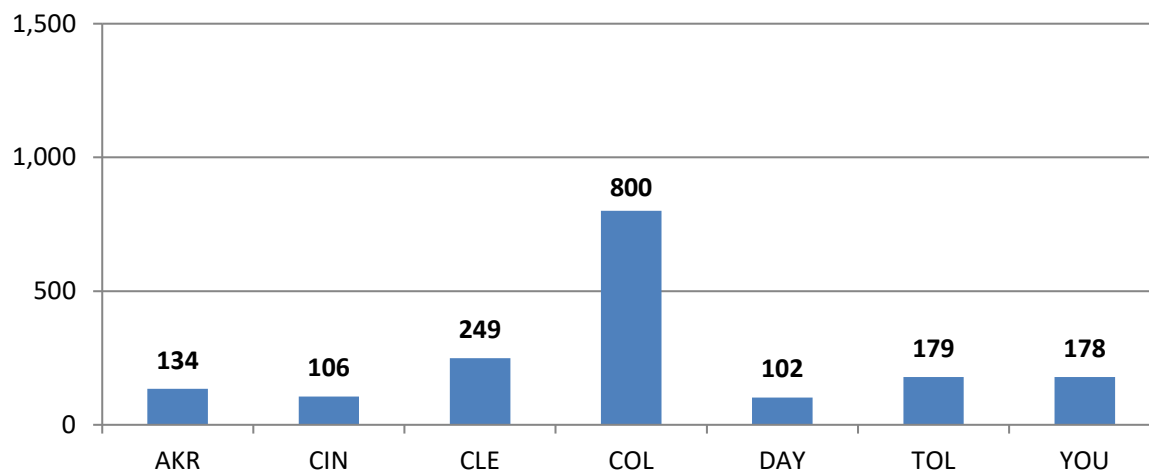


## Medical Activity

The Ohio Industrial Commission schedules medical exams for injured workers that have filed for permanent total disability benefits related to work injuries. Most of these claims will result in a subsequent hearing. The volume of claims within the IC medical section as of June 30, 2018, was 349 claims.

A total of 1,748 specialist exams and medical reviews were performed on behalf of the Ohio Industrial Commission during FY 2018.

### Medical Specialist Exams and Reviews | FY 2018



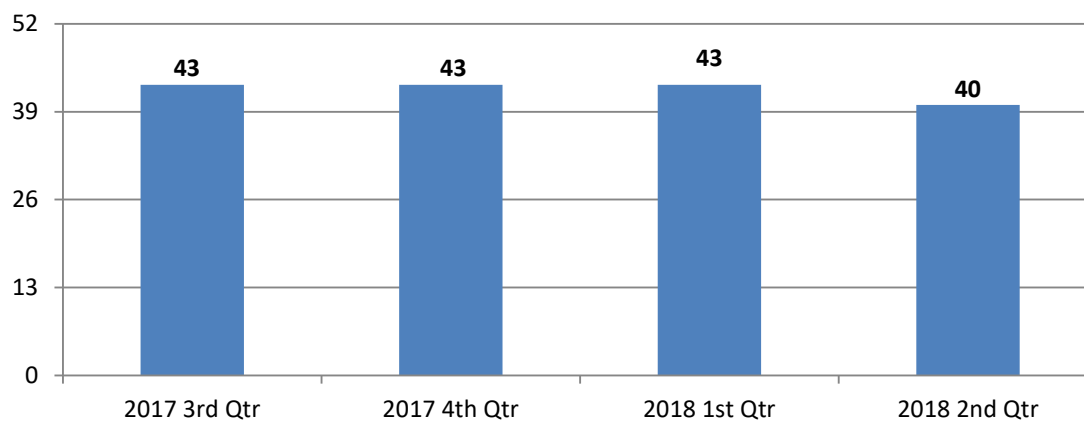
# HEARING PERFORMANCE

Hearing timeframe performance requirements have been set forth in R.C. 4123.511 for the DHO, SHO, and Commission hearing venues. On average, all IC offices and venues performed within the statutory limits set forth that require a claim to be heard within 45 days of a motion or appeal filing. The overall IC performance benchmarks for Filing to Mailing are set at 52 days for each hearing venue. This performance measure is based on the combination of the two statutory periods Filing to Hearing and Hearing to Mailing (45 + 7).

## DHO Performance

District hearing officers (DHO) conduct hearings on two formal docket types – Allowance (primarily injury allowance, compensation, and treatment issues) and C-92 (permanent partial disability issues). Only allowance docket issues fall under time frame requirements outlined in R.C. 4123.511. DHOs heard a total of 61,872 allowance docket claims during FY 2018. Of those, 44,227 qualified for inclusion in time studies. On average, the DHO process (filing of motion/appeal to mailing of DHO order) was completed within 42 days during FY 2018.

**DHO Allowance Filing to Mailing Performance | FY 2018**

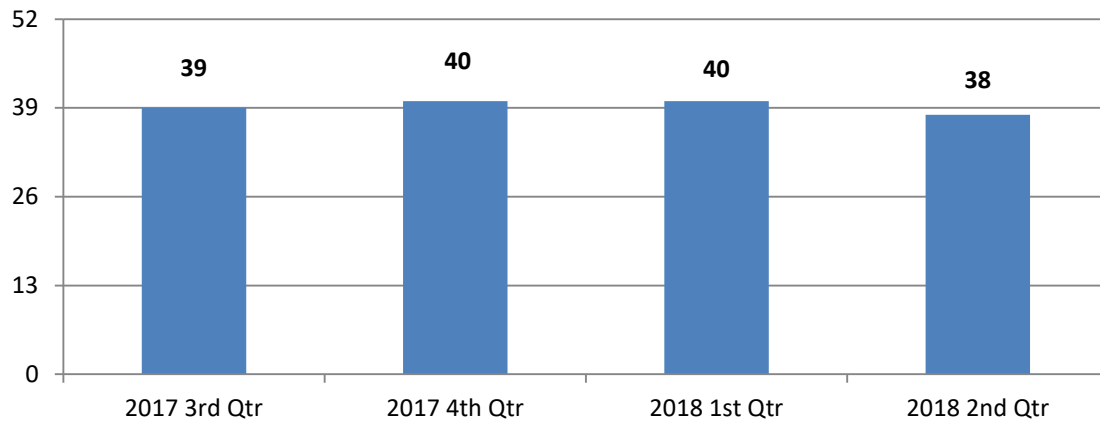


Appeals or motions heard on DHO Allowance dockets must be heard within a 45-day period [R.C. 4123.511(C)]. In FY 2018, DHO Allowance processes averaged 38 days for the statutory filing to hearing period.

## SHO Performance

Staff hearing officers (SHO) conduct hearings on five formal docket types – Appeal (primarily injury allowance, compensation, and treatment issues), PTD (permanent total disability), Reconsideration (permanent partial disability issues), VSSR (Violations of Specific Safety Requirements), and MISC (other issues not designated to a pre-defined docket type). Only appeal docket issues fall under time frame requirements outlined in R.C. 4123.511. SHOs heard a total of 27,926 appeal claims during FY 2018. Of those, 25,034 qualified for inclusion in time studies.

**SHO Appeal Filing to Mailing Performance | FY 2018**



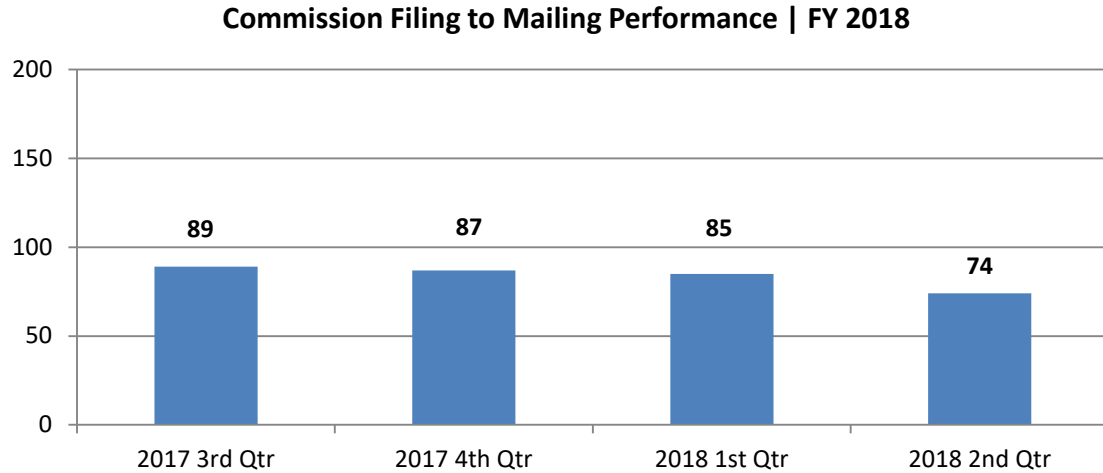
Staff hearing level appeals must be heard within a 45-day period [RC 4123.511(D)]. In FY 2018, staff appeal processes averaged 35 days for the statutory filing to hearing period.



## Commission Performance

For hearings conducted during FY 2018, the Commission venue average for the statutory **Filing of Appeal to Hearing Date (F-H)** period is 42 days.

The Commission venue average for the **Filing of Appeal to Mailing of Order** time frame is 83 days.

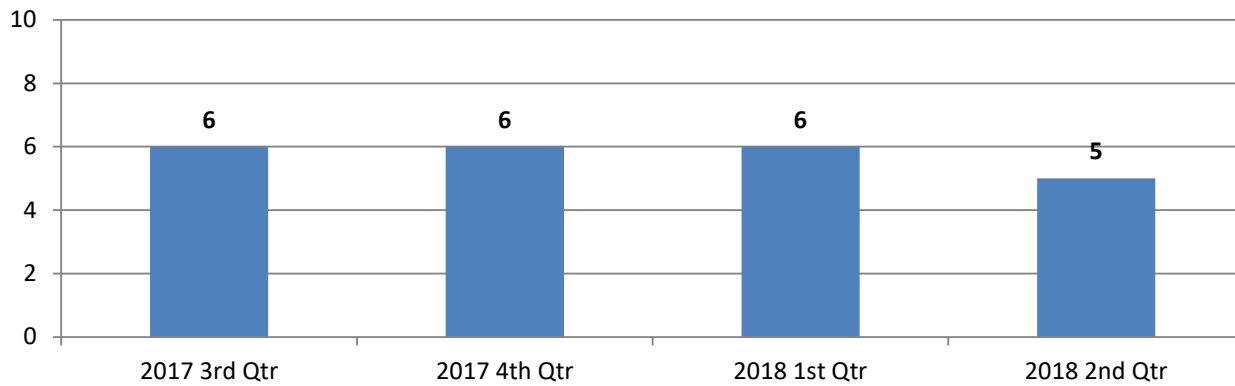


\*Published eligible commission orders as of July 27, 2018

## SHO Refusal Order Performance

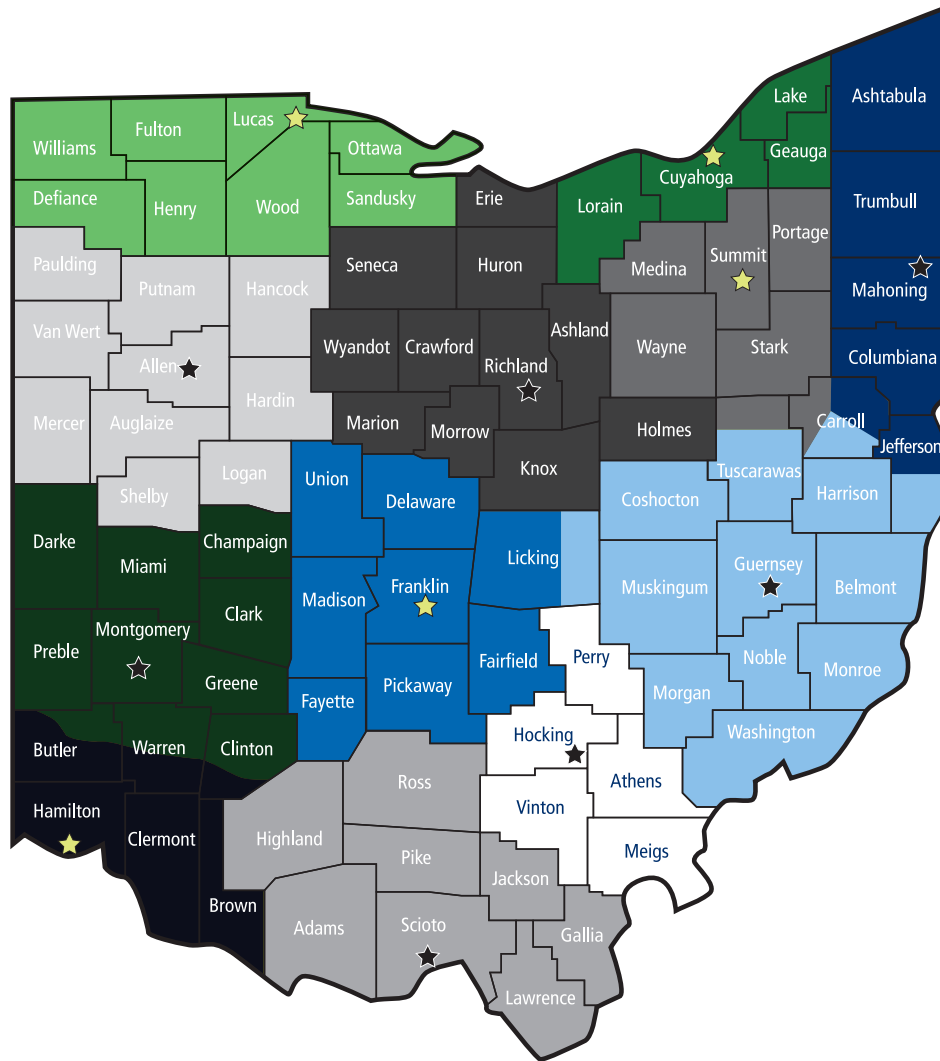
Appeals to SHO orders are discretionary in nature and processed centrally by the Commission Level Hearing Section in Columbus. If an appeal is refused, it is to receive a refusal order within 14 days of the expiration period in which an appeal may be filed to an SHO order.

**SHO Appeal Order Expiration Date to Refusal Order Mailing Date | FY 2018**



# DISTRICT OFFICES ASSIGNMENTS MAP

Our 12 offices in 5 regions blanket the state. IC office locations are carefully chosen so that most injured workers do not have to drive more than 45 minutes from their home to get to their hearing.



## Offices Servicing Each County

<span style="display: inline-block; width: 15px; height: 15px; background-color: #666; border: 1px solid black;"></span> Akron	<span style="display: inline-block; width: 15px; height: 15px; background-color: #0070C0; border: 1px solid black;"></span> Columbus	<span style="display: inline-block; width: 15px; height: 15px; background-color: #333; border: 1px solid black;"></span> Mansfield
<span style="display: inline-block; width: 15px; height: 15px; background-color: #ADD8E6; border: 1px solid black;"></span> Cambridge	<span style="display: inline-block; width: 15px; height: 15px; background-color: #006400; border: 1px solid black;"></span> Dayton	<span style="display: inline-block; width: 15px; height: 15px; background-color: #A9A9A9; border: 1px solid black;"></span> Portsmouth
<span style="display: inline-block; width: 15px; height: 15px; background-color: #000000; border: 1px solid black;"></span> Cincinnati	<span style="display: inline-block; width: 15px; height: 15px; background-color: #D3D3D3; border: 1px solid black;"></span> Lima	<span style="display: inline-block; width: 15px; height: 15px; background-color: #90EE90; border: 1px solid black;"></span> Toledo
<span style="display: inline-block; width: 15px; height: 15px; background-color: #008000; border: 1px solid black;"></span> Cleveland	<span style="display: inline-block; width: 15px; height: 15px; background-color: #FFFFFF; border: 1px solid black;"></span> Logan	<span style="display: inline-block; width: 15px; height: 15px; background-color: #000080; border: 1px solid black;"></span> Youngstown

# OFFICE LOCATIONS & CONTACT INFORMATION

## Customer Service and Interpretive Services

800.521.2691; toll free, nationwide  
614.466.6136; Franklin County  
800.686.1589; toll free, TDD

Email: [askic@ic.ohio.gov](mailto:askic@ic.ohio.gov)  
Web: [www.ic.ohio.gov](http://www.ic.ohio.gov)

### AKRON REGION

#### Akron

161 S. High St., Suite 301  
Akron, Ohio 44308-1602

Tel: 330.643.3550  
Fax: 330.643.1468

#### Mansfield

240 Tappan Drive N., Suite A  
Mansfield, Ohio 44906

Tel: 419.529.1360  
Fax: 419.529.3084

### CINCINNATI REGION

#### Cincinnati

125 E. Court St., Suite 600  
Cincinnati, Ohio 45202-1211

Tel: 513.357.9750  
Fax: 513.723.9811

#### Dayton\*

1242 E. Dayton-Yellow Springs Rd.  
Fairborn, OH 45324

Tel: 937.264.5116  
Fax: 937.264.5130

### CLEVELAND REGION

#### Cleveland\*

615 Superior Ave. NW, 7<sup>th</sup> Floor  
Cleveland, Ohio 44113-1898

Tel: 216.787.3001  
Fax: 216.787.3483

#### Youngstown\*

242 Federal Plaza West  
Youngstown, Ohio 44503-1206

Tel: 330.792.1063  
Fax: 330.792.2473

### COLUMBUS REGION

#### Columbus\*

30 W. Spring St., 7<sup>th</sup> Floor  
Columbus, Ohio 43215-2233

Tel: 614.466.4683  
Fax: 614.644.8373

#### Cambridge

2130 E. Wheeling Ave.  
Cambridge, Ohio 43725

Tel: 740.435.4000  
Fax: 740.435.4010

#### Logan

12898 Grey St.  
Logan, Ohio 43138

Tel: 740.380.9685  
Fax: 740.385.2436

#### Portsmouth

1005 Fourth St.  
Portsmouth, Ohio 45662-4315

Tel: 740.354.2334  
Fax: 740.353.6975

### TOLEDO REGION

#### Toledo

One Government Center, Suite 1500  
640 Jackson Street  
Toledo, Ohio 43604

Tel: 419.245.2740  
Fax: 419.245.2652

#### Lima

2025 E. Fourth St.  
Lima, Ohio 45804-0780

Tel: 419.227.7193  
Fax: 419.227.7150

\*Medical Examination Locations



# **Industrial Commission**

Timely, Impartial Resolution of Workers' Compensation Appeals

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**Jon Husted**, Lt. Governor

**Thomas H. Bainbridge**, Chairman

**Jodie M. Taylor**, Member

**Karen L. Gillmor, Ph.D.**, Member



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