

Prospective billing overview for public employers

What?

- BWC currently collects premium after the coverage period. In other words, BWC extends coverage prior to an employer paying for it.
- With the switch to prospective billing, BWC will require payment before it provides coverage.
- BWC will cover the transition cost with a transition credit – no additional cost to employers.

When?

- The transition to prospective billing will begin Jan. 1, 2016 for public employers.

Why?

- The switch to the industry standard of prospective billing provides many benefits, including:
 - o An overall base-rate reduction of 4 percent for public employers;
 - o Allowing BWC to better forecast the level of premium required to be collected each policy year;
 - o Opportunities for more flexible payment options (up to 12 monthly installments);
 - o Better opportunities for BWC to provide quotes online or via the phone;
 - o Increased ability for BWC to detect employer non-compliance and fraud.

How?

- BWC will provide employers with an invoice for their 12-month premium prior to the start of the policy year.
- In 2017, BWC will require public employers to follow a specific installment plan.
 - o Public employers will initially be on a 12-month payment schedule.
 - Public employers may defer their first premium payment until April 30, 2017.
 - If the public employer opts to defer, it MUST pay January – May premium.
 - There will be a charge to use this option.
- In subsequent years, employers will have the option to make up to 12 installments. Other options will include:
 - o Bi-monthly (six installments);
 - o Quarterly (four installments);
 - o Bi-annually (two installments);
 - o Annually (one installment).
- Employers may elect to change their installment plan prior to making their first installment payment.
- Employers may only select their installment options once a year. The option an employer chooses is effective for the entire policy year.
- An employer's coverage will lapse if BWC does not receive timely payment of an installment.
 - o The Go-green discount option will be available up to the due date.

True-up

- Employers must reconcile their actual payroll for the prior policy year. BWC is calling this a true-up.
 - o BWC will not lapse employers for not reporting the true-up.
 - o However, BWC will remove employers from their current rating plan or discount program if it does not receive a true-up by the due date.
 - To be eligible for the Go-green discount, employers must report and pay any additional premium online by the due date.
- o Any outstanding true-ups will render the employer ineligible for participation in future rating plans or discount programs until the employer submits all outstanding true-ups.
 - Employers must submit true-ups online at www.bwc.ohio.gov, by phone at 1-800-644-6292 or in person at a BWC customer service office.

Key dates for public employers

December 2014

Dec. 1 – First letter to employers

May 2015

May 29 – Policy year 2016 group-enrollment deadline

July 2015

July 31 – Group retro, One Claim, individual retro and Deductible enrollment

October 2015

Oct. 1 – Second letter to employers

November 2015

Nov. 30 – Destination: Excellence enrollment

March 2016

March 31 – Policy year 2015 payroll report and policy year 2016 premium invoice mailed

May 2016

May 15 – Policy year 2015 payroll report and 2016 premium invoice due (**Both discounted 50 percent**)

May 31 – Policy year 2017 group-enrollment deadline

July 2016

July 29 – Group retro, One Claim, individual retro and Deductible enrollment

September 2016

Sept. 1 – Balance of policy year 2015 and 2016 premium due (**Discounted 50 percent**)

Sept. 1 – Third letter to employers

November 2016

Nov. 1 – Policy year 2017 estimated premium notice mailed

Nov. 30 – Destination: Excellence enrollment

December 2016

Dec. 1 – Policy year 2017 premium invoice mailed

Dec. 31 – Policy year 2017 first prospective installment due (Employer may opt to defer)

January 2017

Jan. 1 – Policy year 2016 true-up notice sent

February 2017

Feb. 15 – Policy year 2016 true-up payroll report due

April 2017

April 30 – Policy year 2017 deferral premium payment due (January – May)

May 2017

May 31 – Policy year 2018 group-enrollment deadline

July 2017

July 31 – Group retro, One Claim, individual retro, and Deductible enrollment

November 2017

Nov. 1 – Policy year 2018 premium invoice mailed