

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 a Notice of Estimated Annual Premium in November each year.
- Beginning in 2017, public employers will be given a monthly payment schedule with the option to select a different plan prior to the start of the policy year (Nov. 15). If you are a minimum premium payer (\$120 plus assessments), you must pay in one installment.
- Employers will have the following installment options:
 - o Monthly (12 installments);
 - o Bi-monthly (six installments);
 - o Quarterly (four installments);
 - o Bi-annually (two installments);
 - o Annually (one installment).
- 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.
- Public employers may also choose to defer their first payment until April 30, 2017.
 - o This selection must be made by Nov. 15, prior to the start of the policy year.
 - o If the public employer opts to defer, it MUST pay January – May premium.
 - o There will be a charge to use this option.

Payroll true-up

- Employers must reconcile their actual payroll for the prior policy year. BWC is calling this a payroll true-up. This will be due 45 days after the close of the policy year.
 - o BWC will not lapse employers for not reporting the payroll true-up.
 - o However, BWC will remove employers from their current rating plan or discount program if it does not receive the payroll true-up by the due date.
 - To be eligible for the Go-green discount, employers must complete* the payroll true-up online by the due date.
- 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.
 - o Employers must submit payroll true-ups online at www.bwc.ohio.gov, by phone at 1-800-644-6292 or in person at a BWC customer service office.

*Complete = report and pay (if necessary)

Key dates for public employers

November 2015

Nov. 30 – Destination: Excellence enrollment deadline for 2016 policy year

December 2015

2015 payroll report and 2016 policy year Notice of Estimated Annual premium mailed

March 2016

March 31 – First prospective installment mailed

May 2016

May 16 – Policy year 2015 payroll report with at least 50 percent of premium due

May 16 – First prospective installment due

May 31 – Policy year 2017 group-enrollment deadline

July 2016

July 29 – Policy year 2017 group retro, One Claim, individual retro and Deductible enrollment deadline

September 2016

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

October 2016

Oct. 31 – Policy year 2017 notice of estimated annual premium mailed

November 2016

Nov. 30 – Destination: Excellence enrollment deadline for 2017 policy year

December 2016

Dec. 1 – Policy year 2017 premium invoice mailed

January 2017

Jan. 2 – Policy year 2016 payroll true-up notice mailed

Jan. 2 – First policy year 2017 invoice due (Unless employer has deferred)

February 2017

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

May 2017

May 1 – Policy year 2017 deferral premium payment due (January – May)

May 31 – Policy year 2018 group-enrollment deadline

July 2017

July 31 – Policy year 2018 group retro, One Claim, individual retro, and Deductible enrollment deadline

November 2017

Nov. 1 – Policy year 2018 notice of estimated annual premium invoice mailed