

We recently marked the 100th anniversary of workers' compensation in Ohio. The system, a result of business, labor and government working together, provides equal protection to injured workers and their employers by ensuring injured workers get healthy and back to work, while protecting business from costly litigation. When created, it was seen as a bold step in improving Ohio's workplaces and economy. Today, its efficient operation is key to supporting Governor John Kasich's plan for economic growth.

Any system that has been around 100 years is going to elicit strong opinions from all corners, and workers' comp is no different. Recently there has been talk about the need for reform, most commonly surrounding competitive markets as well as changing system benefits and timelines. These important topics have been long debated. However, it is a mistake to think that they are the only kinds of reform that can make a difference. As the literary detective Sherlock Holmes said, "The little things are infinitely the most important."

Throughout 2011, the employees of the Bureau of Workers' Compensation have been focusing on the "little things." Not surprisingly, when added up, they are making a big difference. This year, we initiated step that have saved Ohio businesses and governments more than \$165 million by reducing our base rates and cutting our biennial budget by 12 percent. We've improved worker safety by creating a \$4 million workplace wellness grant program and by expanding the safety council rebate program, which rewards employers for reducing workplace accidents. Additionally, we've targeted job creation with our new "Grow Ohio" program which offers new businesses ways to cut their rates in half for two years.

While these are all significant steps in improving our workers' comp system, we have also uncovered a number of troubling trends. Medical and indemnity (lost wages) costs are rising faster than other states across the country. The number of injured workers returning to work within a year has dropped from 75 percent to 69 percent over the past four years. And, the long-term costs of our claims are the worst in the country, with more than 45 percent of total claim costs left to pay out eight years after injury.

Fortunately, there are a lot of "little things" we can do to address these issues. Foremost, we must focus on return-to-work—getting injured workers healthy and productive more quickly. The longer someone is off work, the higher the cost—both in terms of medical and indemnity dollars, but more importantly to the injured worker, whose opportunity for a positive outcome declines the longer they linger in the recovery stage. Both of these concerns must be addressed if we are to meet the challenge of improving Ohio's economy.

As we head into 2012, we will be working with our many stakeholders to continue to strengthen Ohio's economy and job climate. Improving our return-to-work performance is central to this goal. Internally, we are working to understand which claims are most likely to become complex and identifying exactly the right point at which to introduce vocational rehabilitation and/or transitional work plans. We will be working with providers to change their mindset from telling us what an injured worker can't do to telling us what they can do. We will be working with pharmacies to ensure injured workers' issues aren't compounded by over-medication. We'll be finalizing details of a new premium rating/discount plan that rewards employers for safe workplaces and for finding ways to get injured workers back on the job through vocational rehab and transitional work plans.

When combined, all these "little things" we have done and will continue to do add up to big reform that will carry BWC and Ohio's economy into the next 100 years.