



**Bureau of Workers'
Compensation**

30 W. Spring St.
Columbus, OH 43215-2256

Governor John R. Kasich
Administrator/CEO Stephen Buehrer

www.bwc.ohio.gov
1-800-644-6292

April 8, 2016

Inspector General Randall J. Meyer
Office of the Inspector General
30 East Broad Street, Suite 2940
Columbus, OH 43215

OFFICE OF
INSPECTOR GENERAL
2016 APR 12 PM 3:43

Re: File ID No. 2013- CA00017
Response to Report of Investigation Report Issued February 11, 2016

Dear Inspector General Meyer:

The Ohio Bureau of Workers' Compensation (BWC) has completed its review of your office's recommendations contained in the above-referenced report. I respectfully submit this response to you regarding the recommendations outlined in the report.

Recommendation #1: Review the conduct of employees identified in this report and determine whether administrative action is warranted.

Response: BWC has reviewed the facts of the situation and initiated an administrative investigation into the matter. During the investigation, Cheryl Gatto resigned from BWC. The conduct of Shelly Wells was also reviewed and corrective action was imposed in accordance with the BWC's Disciplinary Policy and the Collective Bargaining Agreement.

Recommendation #2: Consider the merits of updating the CPI policy and/or COEMP policies to address relationships between current or former OBWC and Industrial Commission of Ohio employees with parties to the injured worker's claim; such as the managed care organization, the third-party administrator, and the legal representative of the injured worker or employer.

Response: The BWC COEMP policy is currently under review and these recommendations will be considered for inclusion. BWC will also consider whether the CPI policy should be revised based on the report. BWC will continue its efforts to educate employees on CPI and COEMP policies, and state ethics rules.

Recommendation #3: Consider modifying use profiles during the implementation of the new internal claims management system to prevent employees, their backup, or any member of their work team not assigned to the claim from viewing claim information.

Response: BWC will consider the suggestion of modifying user profiles.

Recommendation #4: When conducting MCO on-site reviews, consider comparing MCO employee names to assigned OBWC online user IDs to determine whether the employees have additional user IDs, and if so, how the MCO has mitigated the appearance of a conflict of interest.

Response: As a part of the current MCO contract, the MCOs are required to submit an electronic copy of an independent auditor's report on the policies and procedures placed in operation at the MCO and the results of tests of related operating effectiveness. This Report will be prepared using the control objectives provided by the Bureau and in the format specified by the Bureau, and must include a management response from the MCO for each instance in which the auditor identified a testing exception, the auditor identified that a control was not working as expected, or the auditor identified that a control was not in place. BWC will consider including issues related to the conflicts of interest in the control objectives.

Recommendation #5: In an effort to ensure the MCOs are appropriately reporting conflicts of interest to OBWC, consider reviewing MCO-identified conflicts of interest since the last site visit, how the MCO resolved the conflict, and determine whether the conflict should have been reported to OBWC.

Response: When Compliance and Performance Monitoring performs an on-site audit, a questionnaire is sent to the MCO as part of the initiating visit protocol. Additional questions will be added to the questionnaire that will affirmatively ask the MCO to identify any conflict of interest issues the MCO has encountered and how the MCO resolved the conflict. The MCO Business unit will use the captured information to determine whether the conflict was, or should be, reported to BWC. Additionally, the auditor conducting the on-site visit will further discuss the MCO's responses to the questions. The expected timeframe for adding questions to the questionnaire is 3rd quarter of calendar year 2016.

Recommendation #6: Consider implementing a formalized written reporting process for MCO notification to OBWC of contract violations as required.

Response: A formal written policy and procedure will be added to the MCO Policy Reference Guide, which policy will provide specific directions on reporting any known contract violation(s) to BWC in accordance with the terms of the MCO Agreement. The expected timeframe for developing and implementing the policy and procedure is the 4th quarter of calendar year 2016.

Sincerely,



Stephen Buehrer
Administrator