

# BWC Invoicing Kaizen

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# BWC Building Block

- Improving the customer experience
  - Taking care of Ohio's workers
- Creating a high-performance workforce
  - Nimble and Agile
- Leveraging data to drive decision making
- Maintaining strong, stable finances
- Promoting an innovative, engaging and inclusive culture
  - Diversity & Inclusion

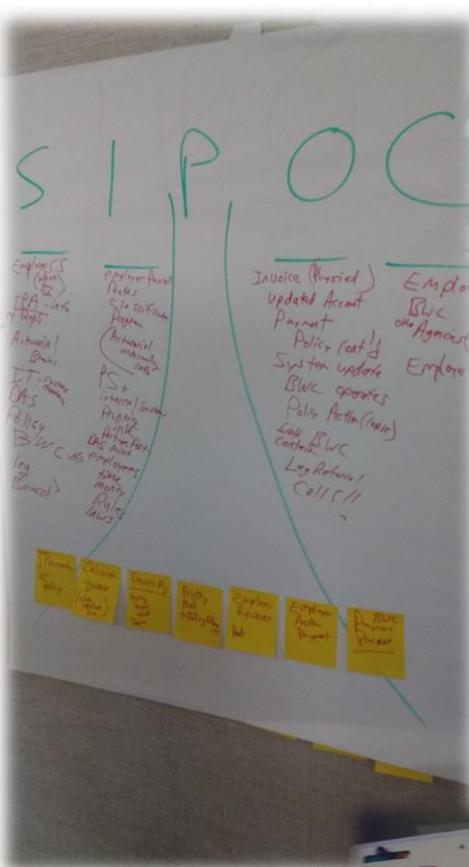


# World Class

What are the customer's expectations of us?

# ISSUES

1. TIMING
2. INVOICE - LAYOUT - DETAIL
3. - NO NAME ON INVOICE - INSTALLMENT NUMBER?
4. Online Invoices? Employer Access



OVER WEEKEND ✓  
 5(7) ✓  
 OK  
 FROM BOARD  
 5 days

Monthly Data

10th Regular	7 Annual
Actual #	
7 Does AG & ...	
Calls based on P...	
lapse is same as Retro	
Monthly - Public	Mail room Does not Block 1st + return
10th Annual	



# BWC Invoicing:

330,000 accounts

1.6 million invoices mailed in 12 months

Each piece costs approximately \$0.50

# BWC Invoicing:

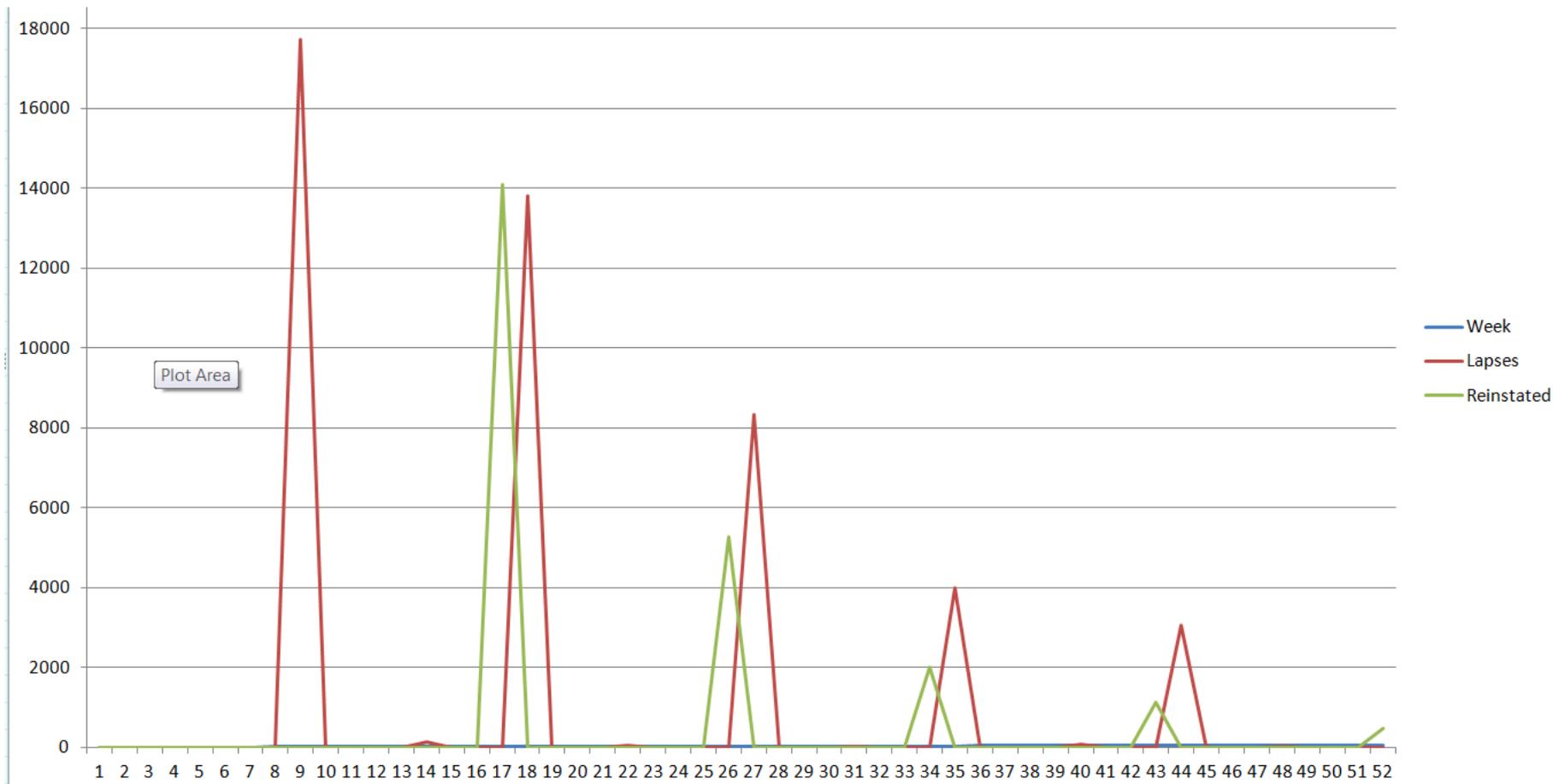
Employers default to pay bi-monthly (6 pay)

- Monthly (12 pay)= 4%
- Bi-monthly (6 pay)= 60%
- Quarterly (4 pay)
- Semi-annually (2 pay)
- Annually (1 pay)= 20%, mostly minimum pay

# What we know: Lapses

- Lapse is processed on day 16 of non payment
- Starting July 1, 2015
  - Within 60 days: 16,000 lapses
    - 83% reinstated within two months

# 2015-2016 lapses



Every 60 days, there is a large spike in lapses (thousands)

# What we know: Emails

- Employer Services Division has 183,000 unused employer email addresses

# What we know: Emails

- 96% employers would like to receive email notifications
- Approximately 60% of employers would prefer all electronic correspondence (opt-in)

# What we know: Contact Center Calls

- 1,800 invoice calls monthly
  - Of those, 88% ask how much do I owe and when is it due?

# Current State



47 Steps

8 Decision Points

# What we know: Contact Center Calls

- 1,800 invoice calls monthly
  - 50% How much do I owe?
  - 38% When is due date?
  - 6% Why so much?
  - 5% Duplicate/multiple invoices

# What we know: Contact Center Calls

- 1,800 invoice calls monthly
  - Of those, 88% ask how much do I owe and when is it due?

# Customer Focused

Confusing invoice structure

Overlapping invoices

Unused email addresses (currently 183,000)

# Current Annual Cost Applied to Invoicing

- Invoices \$800,000
- Contact Center Staff \$216,000
- Support Staff \$732,000

Total Cost: \$1,748,000

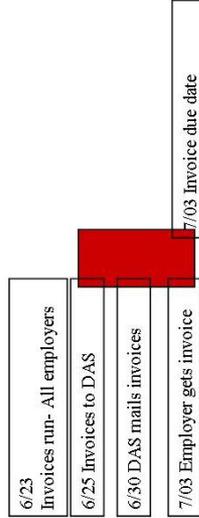
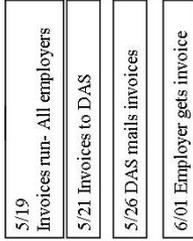


# Current Invoicing Plan

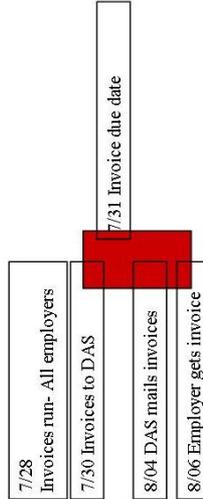
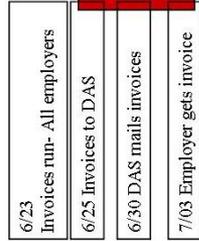
Invoice Month	Strip Date Invoices Run	Date Trnsfrd to State Printing	State Printing Invoice Mail Date.	Due date
Jun-17	5/19/2017	5/21/2017	5/26/2017	7/3/2017
Jul-17	6/23/2017	6/25/2017	6/30/2017	7/31/2017
Aug-17	7/28/2017	7/30/2017	8/4/2017	8/31/2017
Sep-17	8/25/2017	8/27/2017	9/1/2017	10/2/2017
Oct-17	9/29/2017	10/1/2017	10/6/2017	10/31/2017
Nov-17	10/27/2017	10/29/2017	11/3/2017	12/1/2017
Dec-17	11/24/2017	11/26/2017	12/1/2017	1/2/2018
Jan-18	12/22/2017	12/26/2017	1/8/2018	1/31/2018
Feb-18	1/26/2018	1/28/2018	2/2/2018	3/5/2018
Mar-18	2/23/2018	2/25/2018	3/2/2018	4/2/2018
Apr-18	3/30/2018	4/1/2018	4/6/2018	5/1/2018
May-18	4/27/2018	4/29/2018	5/4/2018	5/31/2018

# Current Timeline

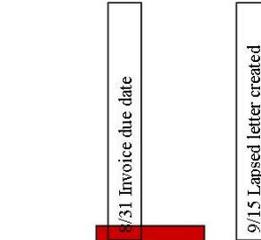
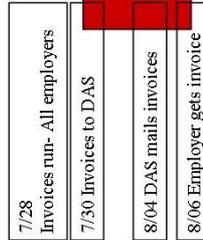
## June Invoice



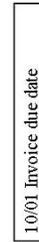
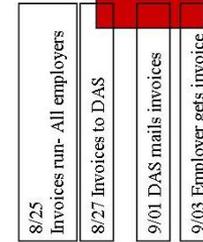
## July Invoice



## August Invoice

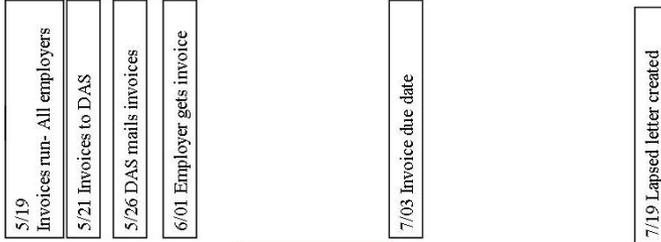


## September Invoice

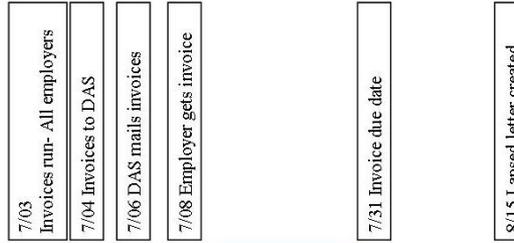


# Future Timeline

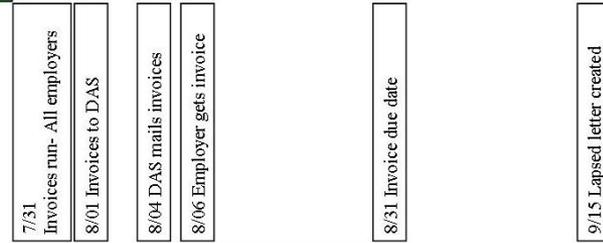
June Invoice



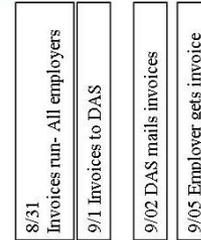
July Invoice



August Invoice



September Invoice



# Recommendations

- Require email on all accounts
- Develop/approve digital invoicing
- Develop push notification system
- Roll out future date payments
- Create rule for SI grace period increase
- Create rule SI must pay online
- Change strip date to the due date
- Service office training – receiving money
- Create new invoice format

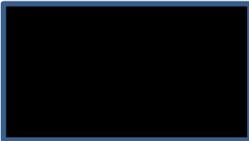


# Revise Invoice Format = Reduce Confusion

**Ohio** Bureau of Workers' Compensation

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

Para asistencia en Español, llame a 1-800-644-6292 opción 9.



TOLEDO, OH 43612-3722

## Policy Invoice

Invoice date: 05/19/2017  
 Invoice number: 1001373874  
 Payment due: 07/03/2017

Visit [www.bwc.ohio.gov](http://www.bwc.ohio.gov) to pay online using a credit card or bank account. You must also pay all invoices via [www.bwc.ohio.gov](http://www.bwc.ohio.gov) to be eligible for the Go-green discount. Please see other side for information on making policy updates.

**Important - please read!**

Your policy will lapse and penalties will be billed if installments are not paid timely and in full.

Prior balance	+ Charges/debits	- Payments/credits	- Amount due		
\$13,416.76	\$120.00	\$0.00	\$13,536.76		
Refer to <a href="http://www.bwc.ohio.gov">www.bwc.ohio.gov</a> for detailed information.					
	BWC	Attorney General	Disputed		
	\$13,536.76	\$0.00	\$0.00		

### Financial Transactions

Transaction date	Description	Period dates	Transaction amount
05/19/2017	Installment	07/01/2017 - 07/01/2018	\$120.00

The payment due date shown only applies to items billed in the current billing cycle. Policy will lapse if installments are not paid timely and in full.

Detach and return bottom portion with your payment.

Insured name: DJ TRANSPORTATION LLC

Policy number	Invoice number	Payment due date	Amount due
[Redacted]	1001373874	07/03/2017	\$13,536.76

Make all your checks payable to the Ohio Bureau of Workers' Compensation.

Include a policy number on all checks and be sure to include this remittance slip with your payment. Do not staple your check to the remittance.

Amount Enclosed:

BWC forwards balances not paid by the due date to the Office of the Attorney General of Ohio for collection. Please read the back of this invoice for additional information.

Mail payment to: BWC State Insurance Fund  
 Ohio Bureau of Workers' Compensation  
 P.O. Box 89492  
 Cleveland, OH 44101-6492

016040460000100137387410000000001353676

**Ohio** Bureau of Workers' Compensation

1-800-644-6292 / [www.bwc.ohio.gov](http://www.bwc.ohio.gov)  
 Para asistencia en Español, llame a 1-800-644-6292 opción 9

Policy #  
 Due Date  
 Statement Date  
 Invoice #

John Smith Construction  
 123 Main St  
 Columbus, Ohio 43215

**\*\*Important\*\* Please Read**

Your policy will lapse and penalties will be billed if installments are not paid timely and in full.

Date	Amount
Prior Balance	\$5,000
Charges/Debits	
Payments/Credits	
<b>Total Balance</b>	<b>\$5,000</b>

### Current Activity 6-3-17 to 7-3-17

Date	Description	Period Dates	Amount
6/15/2017	Late Penalty Payment #1		\$500
6/23/2017	Installment # 2	4/1/16	\$1,000
<b>Total Due</b>			<b>\$6,500.00</b>

The payment due date shown only applies to items billed in the current billing cycle.

Detach and return bottom portion with your payment.

Insured Name	John Smith	Mail Payment to:
Remittance		BWC State Insurance Fund
Policy #	1234567	Ohio Bureau of Workers' Compensation
Statement#	1000005678	P.O. Box 89492
Due Date	7/01/2017	Cleveland, OH 44101-6492
Amount Due	\$6,500.00	
Amount Enclosed		

Make all your checks payable to the Ohio Bureau of Workers' Compensation

Include a policy number on all checks and be sure to include this remittance slip with your payment. Do not staple remittance

# Future Annual Cost

	Current Cost	Future Cost
Invoices	800,000	320,000
Call Center	216,000	43,000
Support Staff	732,000	146,000

Total Potential Value and Savings:

\$1,239,000

70% savings



# Action Plan

Action	When	Who
Invoice design	July/Aug	CFO, Communications
Discuss rule changes (SI, invoice dates)	July/Aug	CFO, COO, Dave S.
Digital invoicing	July/Aug	Senior Team
Future dating payments	Aug/Sept	Michele W.
Push notifications	Fall 2017	Scottie Powell, Paul Flowers
Training - Service Office checks	July/Aug	Michele W.
Off-cycle invoices	July/Aug	CFO, Carol Wander, Michele W.
Invoice transaction descriptions	Aug/Sept	CFO, Carol Wander
Auto note for transactions	Aug/Sept	IT

# Thank You

Administrator Sarah Morrison

Kevin Abrams, Chief Operating Officer

Barb Ingram, Chief Financial Officer

Kim Kline, Chief of Strategic Direction

LeanOhio Team



# Questions?

