

96TH GENERAL ASSEMBLY State of Illinois 2009 and 2010 HB6844

by Rep. Jim Watson

SYNOPSIS AS INTRODUCED:

215 ILCS	5/155.18	from Ch.	73, par. 767.18
215 ILCS	5/155.18a		
215 ILCS	5/155.19	from Ch.	73, par. 767.19
215 ILCS	5/1204	from Ch.	73, par. 1065.904
735 ILCS	5/2-622	from Ch.	110, par. 2-622
735 ILCS	5/2-1303	from Ch.	110, par. 2-1303
735 ILCS	5/2-1704.5		
735 ILCS	5/8-1901	from Ch.	110, par. 8-1901
735 ILCS	5/8-2006		
735 ILCS	5/8-2501	from Ch.	110, par. 8-2501
740 ILCS	180/2	from Ch.	70, par. 2
745 ILCS	49/30		

Amends the Illinois Insurance Code, the Code of Civil Procedure, and the Good Samaritan Act to reenact certain provisions of Public Act 94-677, which was declared to be unconstitutional. Includes explanatory and validation provisions. Makes changes relating to the reenactment, including revisory changes. Also makes these substantive changes: Amends the Code of Civil Procedure to lower the rate of interest payable on judgments; to provide for annual indexing of those rates; and to delay the accrual of interest in certain cases where a federal Medicare lien may exist against the judgment. Amends the Wrongful Death Act to undo the changes made by Public Act 95-003: removes a reference to certain types of damages that may be included in a jury award and restores certain historic limitations on the amount of damages that may be awarded. Includes an inseverability provision. Effective immediately.

LRB096 21714 EFG 39327 b

FISCAL NOTE ACT MAY APPLY

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1 AN ACT concerning civil law.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

- Section 1. Findings; purpose; text and revisory changes; validation; additional material.
 - (a) The Illinois Supreme Court, in Lebron v. Gottlieb Memorial Hospital, found that the limitations on noneconomic damages in medical malpractice actions that were created in Public Act 94-677, contained in Section 2-1706.5 of the Code of Civil Procedure, violate the separation of powers clause of the Illinois Constitution. Because Public Act 94-677 contained an inseverability provision, the Court held the Act to be void in its entirety. The Court emphasized, however, that "because the other provisions contained in Public Act 94-677 are deemed invalid solely on inseverability grounds, the legislature remains free to reenact any provisions it deems appropriate".
 - (b) It is the purpose of this Act to reenact certain provisions of Public Act 94-677 that did not involve limitations on noneconomic damages in medical malpractice actions, to validate certain actions taken in reliance on those provisions, and to make certain additional changes to statutes affecting interest and limitations on judgments.
- 23 (c) This Act reenacts (i) Sections 155.18, 155.18a, 155.19, and 1204 of the Illinois Insurance Code; (ii) Sections 2-622,

- 2-1704.5, 8-1901, and 8-2501 of the Code of Civil Procedure; and (iii) Section 30 of the Good Samaritan Act. In those
- 3 Sections, certain effective date references and applicability
- 4 provisions have been changed to reflect the reenactment. This
- 5 Act does not reenact any other provisions of Public Act 94-677.
- 6 (d) Public Act 94-677 amended existing Sections 155.18,
- 7 155.19, and 1204 of the Illinois Insurance Code and added a new
- 8 Section 155.18a. Section 1204 was subsequently amended by
- 9 Public Act 95-331, which was a revisory bill that combined the
- 10 changes made by Public Act 94-277 with those made by Public Act
- 11 94-677. Sections 155.18, 155.18a, and 155.19 have not been
- amended since the enactment of Public Act 94-677.

13 Executive Order No. 2004-6 changed the Department of Insurance into the Division of Insurance within the Department 14 15 of Financial and Professional Regulation. In conformance with 16 that executive order, Public Act 94-677 changed certain 17 references in the affected Sections from the Director of Insurance to the Secretary of Financial and Professional 18 19 Regulation. Public Act 96-811 superseded the executive order 20 and re-established the Department of Insurance as a separate 21 department, once again under the supervision of the Director of 22 Insurance. Therefore, in reenacting these Sections, revisory 23 changes have been included that conform the text to Public Act 24 96-811 by changing references to the Secretary back to the 25 Director. A revisory change is also made in a reference to the

effective date of Public Act 94-677, which is replaced by the

- 1 actual date.
- In this Act, the base text of the reenacted Sections is set
- 3 forth as it existed at the time of the Supreme Court's
- 4 decision, including any amendments that occurred after P.A.
- 5 94-677. Striking and underscoring is used only to show the
- 6 changes being made to that base text.
- 7 (e) All otherwise lawful actions taken in reasonable
- 8 reliance on or pursuant to the Sections reenacted by this Act,
- 9 as set forth in Public Act 94-677 or subsequently amended, by
- 10 any officer, employee, agency, or unit of State or local
- 11 government or by any other person or entity, are hereby
- 12 validated.
- 13 With respect to actions taken in relation to matters
- 14 arising under the Sections reenacted by this Act, a person is
- rebuttably presumed to have acted in reasonable reliance on and
- 16 pursuant to the provisions of Public Act 94-677, as those
- 17 provisions had been amended at the time the action was taken.
- 18 With respect to their administration of matters arising
- 19 under the Sections reenacted by this Act, officers, employees,
- 20 agencies, and units of State and local government shall
- 21 continue to apply the provisions of Public Act 94-677, as those
- 22 provisions had been amended at the relevant time.
- 23 (f) This Act also contains material making new substantive
- 24 changes:
- 25 (1) It amends Sections 2-1303 and 8-2006 of the Code of
- 26 Civil Procedure to lower the rate of interest payable on

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- judgments; to provide for annual indexing of those rates; and to delay the accrual of interest in certain cases where a federal Medicare lien may exist against the judgment.
 - (2) It amends Section 2 of the Wrongful Death Act to undo the changes made by Public Act 95-003: it removes a reference to certain types of damages that may be included in a jury award, and it restores certain historic limitations on the amount of damages that may be awarded.
- 9 Section 5. The Illinois Insurance Code is amended by 10 reenacting and changing Sections 155.18, 155.18a, 155.19, and 11 1204 as follows:
- 12 (215 ILCS 5/155.18) (from Ch. 73, par. 767.18)
 - Sec. 155.18. (a) This Section shall apply to insurance on risks based upon negligence by a physician, hospital or other health care provider, referred to herein as medical liability insurance. This Section shall not apply to contracts of reinsurance, nor to any farm, county, district or township mutual insurance company transacting business under an Act entitled "An Act relating to local mutual district, county and township insurance companies", approved March 13, 1936, as now or hereafter amended, nor to any such company operating under a special charter.
 - (b) The following standards shall apply to the making and use of rates pertaining to all classes of medical liability

insurance:

- (1) Rates shall not be excessive or inadequate nor shall they be unfairly discriminatory.
- (2) Consideration shall be given, to the extent applicable, to past and prospective loss experience within and outside this State, to a reasonable margin for underwriting profit and contingencies, to past and prospective expenses both countrywide and those especially applicable to this State, and to all other factors, including judgment factors, deemed relevant within and outside this State.

Consideration may also be given in the making and use of rates to dividends, savings or unabsorbed premium deposits allowed or returned by companies to their policyholders, members or subscribers.

- (3) The systems of expense provisions included in the rates for use by any company or group of companies may differ from those of other companies or groups of companies to reflect the operating methods of any such company or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof.
- (4) Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or

expense provisions, or both. Such standards may measure any difference among risks that have a probable effect upon losses or expenses. Such classifications or modifications of classifications of risks may be established based upon size, expense, management, individual experience, location or dispersion of hazard, or any other reasonable considerations and shall apply to all risks under the same or substantially the same circumstances or conditions. The rate for an established classification should be related generally to the anticipated loss and expense factors of the class.

- (c) (1) Every company writing medical liability insurance shall file with the <u>Director of Insurance Secretary of Financial and Professional Regulation</u> the rates and rating schedules it uses for medical liability insurance. A rate shall go into effect upon filing, except as otherwise provided in this Section.
- (2) If (i) 1% of a company's insureds within a specialty or 25 of the company's insureds (whichever is greater) request a public hearing, (ii) the <u>Director Secretary</u> at his or her discretion decides to convene a public hearing, or (iii) the percentage increase in a company's rate is greater than 6%, then the <u>Director Secretary</u> shall convene a public hearing in accordance with this paragraph (2). The <u>Director Secretary</u> shall notify the public of any application by an insurer for a rate increase to which this paragraph (2) applies. A public

- hearing under this paragraph (2) must be concluded within 90 days after the request, decision, or increase that gave rise to the hearing. The <u>Director Secretary</u> may, by order, adjust a rate or take any other appropriate action at the conclusion of the hearing.
 - (3) A rate filing shall occur upon a company's commencement of medical liability insurance business in this State and thereafter as often as the rates are changed or amended.
 - (4) For the purposes of this Section, any change in premium to the company's insureds as a result of a change in the company's base rates or a change in its increased limits factors shall constitute a change in rates and shall require a filing with the <u>Director Secretary</u>.
 - (5) It shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. The <u>Director Secretary</u> may request any additional statistical data and other pertinent information necessary to determine the manner the company used to set the filed rates and the reasonableness of those rates. This data and information shall be made available, on a company-by-company basis, to the general public.
 - (d) If after a public hearing the Director Secretary finds:
 - (1) that any rate, rating plan or rating system violates the provisions of this Section applicable to it, he shall issue an order to the company which has been the

subject of the hearing specifying in what respects such violation exists and, in that order, may adjust the rate;

- (2) that the violation of any of the provisions of this Section by any company which has been the subject of the hearing was wilful or that any company has repeatedly violated any provision of this Section, he may take either or both of the following actions:
 - (A) Suspend or revoke, in whole or in part, the certificate of authority of such company with respect to the class of insurance which has been the subject of the hearing.
 - (B) Impose a penalty of up to \$1,000 against the company for each violation. Each day during which a violation occurs constitutes a separate violation.

The burden is on the company to justify the rate or proposed rate at the public hearing.

- (e) Every company writing medical liability insurance in this State shall offer to each of its medical liability insureds the option to make premium payments in quarterly installments as prescribed by and filed with the <u>Director Secretary</u>. This offer shall be included in the initial offer or in the first policy renewal occurring after <u>August 25, 2005 the effective date of this amendatory Act of the 94th General Assembly</u>, but no earlier than January 1, 2006.
- (f) Every company writing medical liability insurance is encouraged, but not required, to offer the opportunity for

- 1 participation in a plan offering deductibles to its medical
- 2 liability insureds. Any plan to offer deductibles shall be
- 3 filed with the Department.
- 4 (g) Every company writing medical liability insurance is
- 5 encouraged, but not required, to offer their medical liability
- 6 insureds a plan providing premium discounts for participation
- 7 in risk management activities. Any such plan shall be reported
- 8 to the Department.
- 9 (h) A company writing medical liability insurance in
- 10 Illinois must give 180 days' notice before the company
- 11 discontinues the writing of medical liability insurance in
- 12 Illinois.
- 13 (Source: P.A. 94-677, eff. 8-25-05.)
- 14 (215 ILCS 5/155.18a)
- 15 Sec. 155.18a. Professional Liability Insurance Resource
- 16 Center. The Director of Insurance Secretary of Financial and
- 17 Professional Regulation shall establish a Professional
- 18 Liability Insurance Resource Center on the Department's
- 19 Internet website containing the name, telephone number, and
- 20 base rates of each licensed company providing medical liability
- 21 insurance and the name, address, and telephone number of each
- 22 producer who sells medical liability insurance and the name of
- 23 each licensed company for which the producer sells medical
- liability insurance. Each company and producer shall submit the
- information to the Department on or before September 30 of each

- 1 year in order to be listed on the website. Hyperlinks to
- 2 company websites shall be included, if available. The
- 3 publication of the information on the Department's website
- 4 shall commence on January 1, 2006. The Department shall update
- 5 the information on the Professional Liability Insurance
- 6 Resource Center at least annually.
- 7 (Source: P.A. 94-677, eff. 8-25-05.)
- 8 (215 ILCS 5/155.19) (from Ch. 73, par. 767.19)
- 9 Sec. 155.19. All claims filed after December 31, 1976 with 10 any insurer and all suits filed after December 31, 1976 in any 11 court in this State, alleging liability on the part of any 12 physician, hospital or other health care provider for medically 13 related injuries, shall be reported to the Director of Insurance Secretary of Financial and Professional Regulation 14 15 in such form and under such terms and conditions as may be 16 prescribed by the Director Secretary. In addition, notwithstanding any other provision of law to the contrary, any 17 insurer, stop loss insurer, captive insurer, risk retention 18 group, county risk retention trust, religious or charitable 19 20 risk pooling trust, surplus line insurer, or other entity 21 authorized or permitted by law to provide medical liability 22 insurance in this State shall report to the Director Secretary, in such form and under such terms and conditions as may be 23 24 prescribed by the Director Secretary, all claims filed after 25 December 31, 2005 and all suits filed after December 31, 2005

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in any court in this State alleging liability on the part of any physician, hospital, or health care provider for medically related injuries. Each clerk of the circuit court shall provide to the Director Secretary such information as the Director Secretary may deem necessary to verify the accuracy and completeness of reports made to the <u>Director</u> Secretary under this Section. The <u>Director</u> Secretary shall maintain complete and accurate records of all claims and suits including their amount, disposition (categorized by nature, verdict, settlement, dismissal, or otherwise and including disposition of any post-trial motions and types of damages awarded, if any, including but not limited to economic damages and non-economic damages) and other information as he may deem useful or desirable in observing and reporting on health care provider liability trends in this State. Records received by the Director Secretary under this Section shall be available to the general public; however, the records made available to the general public shall not include the names or addresses of the parties to any claims or suits. The Director Secretary shall release to appropriate disciplinary and licensing agencies any such data or information which may assist such agencies in improving the quality of health care or which may be useful to such agencies for the purpose of professional discipline.

With due regard for appropriate maintenance of the confidentiality thereof, the <u>Director</u> Secretary shall release, on an annual basis, to the Governor, the General Assembly and

the general public statistical reports based on such data and information.

If the <u>Director</u> Secretary finds that any entity required to report information in its possession under this Section has violated any provision of this Section by filing late, incomplete, or inaccurate reports, the <u>Director</u> Secretary may fine the entity up to \$1,000 for each offense. Each day during which a violation occurs constitutes a separate offense.

The <u>Director</u> Secretary may promulgate such rules and regulations as may be necessary to carry out the provisions of this Section.

12 (Source: P.A. 94-677, eff. 8-25-05.)

13 (215 ILCS 5/1204) (from Ch. 73, par. 1065.904)

Sec. 1204. (A) The <u>Director</u> Secretary shall promulgate rules and regulations which shall require each insurer licensed to write property or casualty insurance in the State and each syndicate doing business on the Illinois Insurance Exchange to record and report its loss and expense experience and other data as may be necessary to assess the relationship of insurance premiums and related income as compared to insurance costs and expenses. The <u>Director</u> Secretary may designate one or more rate service organizations or advisory organizations to gather and compile such experience and data. The <u>Director</u> Secretary shall require each insurer licensed to write property or casualty insurance in this State and each syndicate doing

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1	business on the Illinois Insurance Exchange to submit a report,
2	on a form furnished by the <u>Director</u> Secretary , showing its
3	direct writings in this State and companywide.
4	(B) Such report required by subsection (A) of this Section
5	may include, but not be limited to, the following specific
6	types of insurance written by such insurer:
7	(1) Political subdivision liability insurance reported
8	separately in the following categories:
9	(a) municipalities;
10	(b) school districts;
11	(c) other political subdivisions;
12	(2) Public official liability insurance;
13	(3) Dram shop liability insurance;
14	(4) Day care center liability insurance;
15	(5) Labor, fraternal or religious organizations
16	liability insurance;
17	(6) Errors and omissions liability insurance;
18	(7) Officers and directors liability insurance
19	reported separately as follows:
20	(a) non-profit entities;
21	(b) for-profit entities;
22	(8) Products liability insurance;
23	(9) Medical malpractice insurance;
24	(10) Attorney malpractice insurance;
25	(11) Architects and engineers malpractice insurance;

1	(12) Motor vehicle insurance reported separately for
2	commercial and private passenger vehicles as follows:
3	(a) motor vehicle physical damage insurance;
4	(b) motor vehicle liability insurance.
5	(C) Such report may include, but need not be limited to the
6	following data, both specific to this State and companywide, in
7	the aggregate or by type of insurance for the previous year on
8	a calendar year basis:
9	(1) Direct premiums written;
10	(2) Direct premiums earned;
11	(3) Number of policies;
12	(4) Net investment income, using appropriate estimates
13	where necessary;
14	(5) Losses paid;
15	(6) Losses incurred;
16	(7) Loss reserves:
17	(a) Losses unpaid on reported claims;
18	(b) Losses unpaid on incurred but not reported
19	claims;
20	(8) Number of claims:
21	(a) Paid claims;
22	(b) Arising claims;
23	(9) Loss adjustment expenses:
24	(a) Allocated loss adjustment expenses;
25	(b) Unallocated loss adjustment expenses;
26	(10) Net underwriting gain or loss;

Т	(11) Net operation gain of 1088, including het
2	<pre>investment income;</pre>
3	(12) Any other information requested by the <u>Director</u>
4	Secretary.
5	(C-3) Additional information by an advisory organization
6	as defined in Section 463 of this Code.
7	(1) An advisory organization as defined in Section 463
8	of this Code shall report annually the following
9	information in such format as may be prescribed by the
10	<u>Director</u> Secretary:
11	(a) paid and incurred losses for each of the past
12	10 years;
13	(b) medical payments and medical charges, if
14	collected, for each of the past 10 years;
15	(c) the following indemnity payment information:
16	cumulative payments by accident year by calendar year
17	of development. This array will show payments made and
18	frequency of claims in the following categories:
19	medical only, permanent partial disability (PPD),
20	permanent total disability (PTD), temporary total
21	disability (TTD), and fatalities;
22	(d) injuries by frequency and severity;
23	(e) by class of employee.
24	(2) The report filed with the <u>Director</u> Secretary of
25	Financial and Professional Regulation under paragraph (1)
26	of this subsection (C-3) shall be made available, on an

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1	aggregate basis, to the General Assembly and to the general
2	public. The identity of the petitioner, the respondent, the
3	attorneys, and the insurers shall not be disclosed.
4	(3) Reports required under this subsection (C-3) shall
5	be filed with the <u>Director</u> Secretary no later than
6	September 1 in 2006 and no later than September 1 of each
7	year thereafter.
8	(C-5) Additional information required from medical
9	malpractice insurers.
10	(1) In addition to the other requirements of this
11	Section, the following information shall be included in the
12	report required by subsection (A) of this Section in such
13	form and under such terms and conditions as may be
14	prescribed by the <u>Director</u> Secretary:
15	(a) paid and incurred losses by county for each of
16	the past 10 policy years;
17	(b) earned exposures by ISO code, policy type, and
18	policy year by county for each of the past 10 years;
19	and
20	(c) the following actuarial information:
21	(i) Base class and territory equivalent
22	exposures by report year by relative accident
23	year.
24	(ii) Cumulative loss array by accident year by

calendar year of development. This array will show

frequency of claims in the following categories:

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1	open, closed with indemnity (CWI), closed with
2	expense (CWE), and closed no pay (CNP); paid
3	severity in the following categories: indemnity
4	and allocated loss adjustment expenses (ALAE) on
5	closed claims; and indemnity and expense reserves
6	on pending claims.
7	(iii) Cumulative loss array by report year by
8	calendar year of development. This array will show
9	frequency of claims in the following categories:
10	open, closed with indemnity (CWI), closed with
11	expense (CWE), and closed no pay (CNP); paid
12	severity in the following categories: indemnity
13	and allocated loss adjustment expenses (ALAE) on
14	closed claims; and indemnity and expense reserves
15	on pending claims.
16	(iv) Maturity year and tail factors.
17	(v) Any expense, contingency ddr (death,
18	disability, and retirement), commission, tax,
19	and/or off-balance factors.
20	(2) The following information must also be annually
21	provided to the Department:
22	(a) copies of the company's reserve and surplus
23	studies; and
24	(b) consulting actuarial report and data

supporting the company's rate filing.

(3) All information collected by the <u>Director</u>

Secretary under paragraphs (1) and (2) shall be made available, on a company-by-company basis, to the General Assembly and the general public. This provision shall supersede any other provision of State law that may otherwise protect such information from public disclosure as confidential.

- (D) In addition to the information which may be requested under subsection (C), the <u>Director Secretary</u> may also request on a companywide, aggregate basis, Federal Income Tax recoverable, net realized capital gain or loss, net unrealized capital gain or loss, and all other expenses not requested in subsection (C) above.
 - (E) Violations Suspensions Revocations.
 - (1) Any company or person subject to this Article, who willfully or repeatedly fails to observe or who otherwise violates any of the provisions of this Article or any rule or regulation promulgated by the <u>Director Secretary</u> under authority of this Article or any final order of the <u>Director Secretary</u> entered under the authority of this Article shall by civil penalty forfeit to the State of Illinois a sum not to exceed \$2,000. Each day during which a violation occurs constitutes a separate offense.
 - (2) No forfeiture liability under paragraph (1) of this subsection may attach unless a written notice of apparent liability has been issued by the <u>Director Secretary</u> and received by the respondent, or the Director Secretary sends

written notice of apparent liability by registered or certified mail, return receipt requested, to the last known address of the respondent. Any respondent so notified must be granted an opportunity to request a hearing within 10 days from receipt of notice, or to show in writing, why he should not be held liable. A notice issued under this Section must set forth the date, facts and nature of the act or omission with which the respondent is charged and must specifically identify the particular provision of this Article, rule, regulation or order of which a violation is charged.

- (3) No forfeiture liability under paragraph (1) of this subsection may attach for any violation occurring more than 2 years prior to the date of issuance of the notice of apparent liability and in no event may the total civil penalty forfeiture imposed for the acts or omissions set forth in any one notice of apparent liability exceed \$100,000.
- (4) All administrative hearings conducted pursuant to this Article are subject to 50 Ill. Adm. Code 2402 and all administrative hearings are subject to the Administrative Review Law.
- (5) The civil penalty forfeitures provided for in this Section are payable to the General Revenue Fund of the State of Illinois, and may be recovered in a civil suit in the name of the State of Illinois brought in the Circuit

Court in Sangamon County or in the Circuit Court of the county where the respondent is domiciled or has its principal operating office.

- (6) In any case where the <u>Director</u> Secretary issues a notice of apparent liability looking toward the imposition of a civil penalty forfeiture under this Section that fact may not be used in any other proceeding before the <u>Director</u> Secretary to the prejudice of the respondent to whom the notice was issued, unless (a) the civil penalty forfeiture has been paid, or (b) a court has ordered payment of the civil penalty forfeiture and that order has become final.
- certificate of authority under this Code and knowingly fails or refuses to comply with a lawful order of the <u>Director Secretary</u> requiring compliance with this Article, entered after notice and hearing, within the period of time specified in the order, the <u>Director Secretary</u> may, in addition to any other penalty or authority provided, revoke or refuse to renew the license or certificate of authority of such person or company, or may suspend the license or certificate of authority to such person or company until compliance with such order has been obtained.
- (8) When any person or company has a license or certificate of authority under this Code and knowingly fails or refuses to comply with any provisions of this Article, the <u>Director</u> Secretary may, after notice and

- hearing, in addition to any other penalty provided, revoke or refuse to renew the license or certificate of authority of such person or company, or may suspend the license or certificate of authority of such person or company, until compliance with such provision of this Article has been obtained.
- 7 (9) No suspension or revocation under this Section may 8 become effective until 5 days from the date that the notice 9 of suspension or revocation has been personally delivered 10 or delivered by registered or certified mail to the company 11 or person. A suspension or revocation under this Section is 12 stayed upon the filing, by the company or person, of a petition for judicial review under the Administrative 13 14 Review Law.
- 15 (Source: P.A. 94-277, eff. 7-20-05; 94-677, eff. 8-25-05; 95-331, eff. 8-21-07.)
- Section 10. The Code of Civil Procedure is amended by reenacting and changing Sections 2-622, 2-1704.5, 8-1901, and 8-2501 and by changing Sections 2-1303 and 8-2006 as follows:
- 20 (735 ILCS 5/2-622) (from Ch. 110, par. 2-622)
- 21 Sec. 2-622. Healing art malpractice.
- 22 (a) In any action, whether in tort, contract or otherwise, 23 in which the plaintiff seeks damages for injuries or death by 24 reason of medical, hospital, or other healing art malpractice,

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the plaintiff's attorney or the plaintiff, if the plaintiff is proceeding pro se, shall file an affidavit, attached to the original and all copies of the complaint, declaring one of the following:

> 1. That the affiant has consulted and reviewed the facts of the case with a health professional who affiant reasonably believes: (i) is knowledgeable in the relevant issues involved in the particular action; (ii) practices or has practiced within the last 5 years or teaches or has taught within the last 5 years in the same area of health care or medicine that is at issue in the particular action; and (iii) meets the expert witness standards set forth in paragraphs (a) through (d) Section 8-2501; that the reviewing health professional has determined in a written report, after a review of the medical record and other relevant material involved in the particular action that there is а reasonable and meritorious cause for the filing of such action; and that the affiant has concluded on the basis of the reviewing health professional's review and consultation that there is a reasonable and meritorious cause for filing of such action. A single written report must be filed to cover each defendant in the action. As to defendants individuals, the written report must be from a health professional licensed in the same profession, with the same class of license, as the defendant. For written reports

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filed as to all other defendants, who are not individuals, the written report must be from a physician licensed to practice medicine in all its branches who is qualified by experience with the standard of care, methods, procedures and treatments relevant to the allegations at issue in the case. In either event, the written report must identify the profession of the reviewing health professional. A copy of the written report, clearly identifying the plaintiff and reasons for the reviewing health professional's t.he determination that a reasonable and meritorious cause for the filing of the action exists, including the reviewing health care professional's name, address, current license number, and state of licensure, must be attached to the affidavit. Information regarding the preparation of a written report by the reviewing health professional shall not be used to discriminate against that professional in the issuance of medical liability insurance or in the setting of that professional's medical liability insurance premium. No professional organization may discriminate against a reviewing health professional on the basis that the reviewing health professional has prepared a written report.

2. That the affiant was unable to obtain a consultation required by paragraph 1 because a statute of limitations would impair the action and the consultation required could not be obtained before the expiration of the statute of

limitations. If an affidavit is executed pursuant to this paragraph, the affidavit and written report required by paragraph 1 shall be filed within 90 days after the filing of the complaint. No additional 90-day extensions pursuant to this paragraph shall be granted, except where there has been a withdrawal of the plaintiff's counsel. The defendant shall be excused from answering or otherwise pleading until 30 days after being served with an affidavit and a report required by paragraph 1.

- 3. That a request has been made by the plaintiff or his attorney for examination and copying of records pursuant to Part 20 of Article VIII of this Code and the party required to comply under those Sections has failed to produce such records within 60 days of the receipt of the request. If an affidavit is executed pursuant to this paragraph, the affidavit and written report required by paragraph 1 shall be filed within 90 days following receipt of the requested records. All defendants except those whose failure to comply with Part 20 of Article VIII of this Code is the basis for an affidavit under this paragraph shall be excused from answering or otherwise pleading until 30 days after being served with the affidavit and report required by paragraph 1.
- (b) Where an affidavit and written report are required pursuant to this Section a separate affidavit and written report shall be filed as to each defendant who has been named

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- in the complaint and shall be filed as to each defendant named at a later time.
 - (c) Where the plaintiff intends to rely on the doctrine of "res ipsa loquitur", as defined by Section 2-1113 of this Code, the affidavit and written report must state that, in the opinion of the reviewing health professional, negligence has occurred in the course of medical treatment. The affiant shall certify upon filing of the complaint that he is relying on the doctrine of "res ipsa loquitur".
 - (d) When the attorney intends to rely on the doctrine of failure to inform of the consequences of the procedure, the attorney shall certify upon the filing of the complaint that the reviewing health professional has, after reviewing the medical record and other relevant materials involved in the particular action, concluded that а reasonable health professional would have informed the patient of the consequences of the procedure.
 - (e) Allegations and denials in the affidavit, made without reasonable cause and found to be untrue, shall subject the party pleading them or his attorney, or both, to the payment of reasonable expenses, actually incurred by the other party by reason of the untrue pleading, together with reasonable attorneys' fees to be summarily taxed by the court upon motion made within 30 days of the judgment or dismissal. In no event shall the award for attorneys' fees and expenses exceed those actually paid by the moving party, including the insurer, if

- 1 any. In proceedings under this paragraph (e), the moving party
- 2 shall have the right to depose and examine any and all
- 3 reviewing health professionals who prepared reports used in
- 4 conjunction with an affidavit required by this Section.
- 5 (f) A reviewing health professional who in good faith
- 6 prepares a report used in conjunction with an affidavit
- 7 required by this Section shall have civil immunity from
- 8 liability which otherwise might result from the preparation of
- 9 such report.
- 10 (g) The failure of the plaintiff to file an affidavit and
- 11 report in compliance with this Section shall be grounds for
- 12 dismissal under Section 2-619.
- 13 (h) This Section does not apply to or affect any actions
- 14 pending at the time of its effective date, but applies to cases
- 15 filed on or after its effective date.
- 16 (i) This amendatory Act of 1997 does not apply to or
- 17 affect any actions pending at the time of its effective date,
- 18 but applies to cases filed on or after its effective date.
- 19 (j) The changes to this Section made by Public Act 94-677
- 20 and reenacted by this amendatory Act of the 94th General
- 21 Assembly apply to causes of action accruing on or after August
- 22 25, 2005, as those changes may be amended from time to time its
- 23 effective date.
- 24 (Source: P.A. 94-677, eff. 8-25-05.)
- 25 (735 ILCS 5/2-1303) (from Ch. 110, par. 2-1303)

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1 Sec. 2-1303. Interest on judgment.

- (a) Judgments recovered in any court shall draw interest at the rate of 3% per annum from the date of the judgment until satisfied or 1% 6% per annum when the judgment debtor is a unit of local government, as defined in Section 1 of Article VII of the Constitution, a school district, a community college district, or any other governmental entity. The interest rate shall be increased or decreased in accordance with the provisions of Section 8-2006. When judgment is entered upon any award, report or verdict, interest shall be computed at the above rate, from the time when made or rendered to the time of entering judgment upon the same, and included in the judgment, except as provided in subsection (b) of this Section. Interest shall be computed and charged only on the unsatisfied portion of the judgment as it exists from time to time. The judgment debtor may by tender of payment of judgment, costs and interest accrued to the date of tender, stop the further accrual of interest on such judgment notwithstanding the prosecution of an appeal, or other steps to reverse, vacate or modify the judgment.
- (b) In cases where a federal Medicare lien may exist against the judgment, this statutory interest shall be computed from the day after the federal Medicare program provides confirmation of any lien against the judgment.
- 25 (Source: P.A. 85-907.)

1 (735 ILCS 5/2-1704.5)

Sec. 2-1704.5. Guaranteed payment of future medical expenses and costs of life care.

- (a) At any time, but no later than 5 days after a verdict in the plaintiff's favor for a plaintiff's future medical expenses and costs of life care is reached, either party in a medical malpractice action may elect, or the court may enter an order, to have the payment of the plaintiff's future medical expenses and costs of life care made under this Section.
- (b) In all cases in which a defendant in a medical malpractice action is found liable for the plaintiff's future medical expenses and costs of care, the trier of fact shall make the following findings based on evidence presented at trial:
 - (1) the present cash value of the plaintiff's future medical expenses and costs of life care;
 - (2) the current year annual cost of the plaintiff's future medical expenses and costs of life care; and
- (3) the annual composite rate of inflation that should be applied to the costs specified in item (2).

Based upon evidence presented at trial, the trier of fact may also vary the amount of future costs under this Section from year to year to account for different annual expenditures, including the immediate medical and life care needs of the plaintiff. The jury shall not be informed of an election to pay for future medical expenses and costs of life care by

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1 purchasing an annuity.

- (c) When an election is made to pay for future medical expenses and costs of life care by purchasing an annuity, the court shall enter a judgment ordering that the defendant pay the plaintiff an amount equal to 20% of the present cash value of future medical expenses and cost of life care determined under subsection (b)(1) of this Section and ordering that the remaining future expenses and costs be paid by the purchase of an annuity by or on behalf of the defendant from a company that has itself, or is irrevocably supported financially by a company that has, at least 2 of the following 4 ratings: "A+ X" or higher from A.M. Best Company; "AA-" or higher from Standard & Poor's; "Aa3" or higher from Moody's; and "AA-" or higher from Fitch. The annuity must quarantee that the plaintiff will receive annual payments equal to 80% of the amount determined in subsection (b)(2) inflated by the rate determined in subsection (b) (3) for the life of the plaintiff.
- (d) If the company providing the annuity becomes unable to pay amounts required by the annuity, the defendant shall secure a replacement annuity for the remainder of the plaintiff's life from a company that satisfies the requirements of subsection (c).
- (e) A plaintiff receiving future payments by means of an annuity under this Section may seek leave of court to assign or otherwise transfer the right to receive such payments in exchange for a negotiated lump sum value of the remaining

- 1 future payments or any portion of the remaining future payments
- 2 under the annuity to address an unanticipated financial
- 3 hardship under such terms as approved by the court.
- 4 (f) This Section applies to all causes of action accruing
- 5 on or after August 25, 2005 the effective date of this
- 6 amendatory Act of the 94th General Assembly.
- 7 (Source: P.A. 94-677, eff. 8-25-05.)
- 8 (735 ILCS 5/8-1901) (from Ch. 110, par. 8-1901)
- 9 Sec. 8-1901. Admission of liability Effect.
- 10 (a) The providing of, or payment for, medical, surgical,
- 11 hospital, or rehabilitation services, facilities, or equipment
- by or on behalf of any person, or the offer to provide, or pay
- for, any one or more of the foregoing, shall not be construed
- 14 as an admission of any liability by such person or persons.
- 15 Testimony, writings, records, reports or information with
- respect to the foregoing shall not be admissible in evidence as
- an admission of any liability in any action of any kind in any
- 18 court or before any commission, administrative agency, or other
- 19 tribunal in this State, except at the instance of the person or
- 20 persons so making any such provision, payment or offer.
- 21 (b) Any expression of grief, apology, or explanation
- 22 provided by a health care provider, including, but not limited
- 23 to, a statement that the health care provider is "sorry" for
- 24 the outcome to a patient, the patient's family, or the
- 25 patient's legal representative about an inadequate or

unanticipated treatment or care outcome that is provided within 72 hours of when the provider knew or should have known of the potential cause of such outcome shall not be admissible as evidence in any action of any kind in any court or before any tribunal, board, agency, or person. The disclosure of any such information, whether proper, or improper, shall not waive or have any effect upon its confidentiality or inadmissibility. As used in this Section, a "health care provider" is any hospital, nursing home or other facility, or employee or agent thereof, a physician, or other licensed health care professional. Nothing in this Section precludes the discovery or admissibility of any other facts regarding the patient's treatment or outcome as otherwise permitted by law.

- (c) The changes to this Section made by <u>Public Act 94-677</u> and reenacted by this amendatory Act of the <u>96th 94th</u> General Assembly apply to causes of action accruing on or after <u>August 25, 2005</u>, as those changes may be amended from time to time its effective date.
- 19 (Source: P.A. 94-677, eff. 8-25-05.)
- 20 (735 ILCS 5/8-2006)

Sec. 8-2006. Copying fees <u>and interest rates</u>; adjustment for inflation. <u>Every Beginning in 2003</u>, every January 20, the copying fee limits established in Sections 8-2001 and 8-2005 <u>and the interest rates established in Section 2-1303</u> shall automatically be increased or decreased, as applicable, by a

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1 percentage equal to the percentage change in the consumer price 2 index-u during the preceding 12-month calendar year. "Consumer price index-u" means the index published by the Bureau of Labor 3 Statistics of the United States Department of Labor that 4 5 measures the average change in prices of goods and services purchased by all urban consumers, United States city average, 6 all items, 1982-84 = 100. The new amount resulting from each 7 8 annual adjustment shall be determined by the Comptroller and 9 made available to the public via the Comptroller's official 10 website by January 31 of every year.

- 11 (Source: P.A. 94-982, eff. 6-30-06; 95-478, eff. 1-1-08 12 (changed from 8-27-07 by P.A. 95-480).)
- 13 (735 ILCS 5/8-2501) (from Ch. 110, par. 8-2501)
 - Sec. 8-2501. Expert Witness Standards. In any case in which the standard of care applicable to a medical professional is at issue, the court shall apply the following standards to determine if a witness qualifies as an expert witness and can testify on the issue of the appropriate standard of care.
 - (a) Whether the witness is board certified or board eligible, or has completed a residency, in the same or substantially similar medical specialties as the defendant and is otherwise qualified by significant experience with the standard of care, methods, procedures, and treatments relevant to the allegations against the defendant;
 - (b) Whether the witness has devoted a majority of his or

- 1 her work time to the practice of medicine, teaching or
- 2 University based research in relation to the medical care and
- 3 type of treatment at issue which gave rise to the medical
- 4 problem of which the plaintiff complains;
- 5 (c) whether the witness is licensed in the same profession
- 6 with the same class of license as the defendant if the
- 7 defendant is an individual; and
- 8 (d) whether, in the case against a nonspecialist, the
- 9 witness can demonstrate a sufficient familiarity with the
- 10 standard of care practiced in this State.
- 11 An expert shall provide evidence of active practice,
- 12 teaching, or engaging in university-based research. If
- 13 retired, an expert must provide evidence of attendance and
- 14 completion of continuing education courses for 3 years previous
- 15 to giving testimony. An expert who has not actively practiced,
- taught, or been engaged in university-based research, or any
- 17 combination thereof, during the preceding 5 years may not be
- 18 qualified as an expert witness.
- 19 The changes to this Section made by Public Act 94-677 and
- 20 reenacted by this amendatory Act of the 96th 94th General
- 21 Assembly apply to causes of action accruing on or after August
- 22 25, 2005, as those changes may be amended from time to time its
- 23 effective date.
- 24 (Source: P.A. 94-677, eff. 8-25-05.)
- 25 Section 15. The Wrongful Death Act is amended by changing

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Section 2 as follows:

2 (740 ILCS 180/2) (from Ch. 70, par. 2)

Sec. 2. Every such action shall be brought by and in the names of the personal representatives of such deceased person, and, except as otherwise hereinafter provided, the amount recovered in every such action shall be for the exclusive benefit of the surviving spouse and next of kin of such deceased person and in. In every such action the jury may give such damages as they shall deem a fair and just compensation with reference to the pecuniary injuries resulting from such death, including damages for grief, sorrow, and mental suffering, to the surviving spouse and next of kin of such deceased person.

In every such action, the jury shall determine the amount of damages to be recovered without regard to and with no special instruction as to the dollar limits on recovery imposed by this Section. In no event shall the judgment entered upon such verdict exceed \$20,000 where such death occurred prior to July 14, 1955, and not exceeding \$25,000 where such death occurred on or after July 14, 1955 and prior to July 8, 1957, and not exceeding \$30,000 where such death occurs on or after July 8, 1957 and prior to the effective date of this amendatory Act of 1967, and without limitation where such death occurs on or after the effective date of this amendatory Act of 1967 (August 18, 1967).

The amount recovered in any such action shall be distributed by the court in which the cause is heard or, in the case of an agreed settlement, by the circuit court, to each of the surviving spouse and next of kin of such deceased person in the proportion, as determined by the court, that the percentage of dependency of each such person upon the deceased person bears to the sum of the percentages of dependency of all such persons upon the deceased person.

Where the deceased person left no surviving spouse or next of kin entitled to recovery, the damages shall, subject to the following limitations inure, to the exclusive benefit of the following persons, or any one or more of them:

- (a) to the person or persons furnishing hospitalization or hospital services in connection with the last illness or injury of the deceased person, not exceeding \$450;
- (b) to the person or persons furnishing medical or surgical services in connection with such last illness or injury, not exceeding \$450;
- (c) to the personal representatives, as such, for the costs and expenses of administering the estate and prosecuting or compromising the action, including a reasonable attorney's fee. In any such case the measure of damages to be recovered shall be the total of the reasonable value of such hospitalization or hospital service, medical and surgical services, funeral expenses, and such costs and expenses of administration, including attorney fees, not exceeding the

foregoing limitations for each class of such expenses and not exceeding \$900 plus a reasonable attorney's fee.

Every such action shall be commenced within 2 years after the death of such person but an action against a defendant arising from a crime committed by the defendant in whose name an escrow account was established under the "Criminal Victims' Escrow Account Act" shall be commenced within 2 years after the establishment of such account. For the purposes of this Section 2, next of kin includes an adopting parent and an adopted child, and they shall be treated as a natural parent and a natural child, respectively. However, if a person entitled to recover benefits under this Act, is, at the time the cause of action accrued, within the age of 18 years, he or she may cause such action to be brought within 2 years after attainment of the age of 18.

In any such action to recover damages, it shall not be a defense that the death was caused in whole or in part by the contributory negligence of one or more of the beneficiaries on behalf of whom the action is brought, but the amount of damages given shall be reduced in the following manner.

The trier of fact shall first determine the decedent's contributory fault in accordance with Sections 2-1116 and 2-1107.1 of the Code of Civil Procedure. Recovery of damages shall be barred or diminished accordingly. The trier of fact shall then determine the contributory fault, if any, of each beneficiary on behalf of whom the action was brought:

(1) Where the trier of fact finds that the contributory
fault of a beneficiary on whose behalf the action is
brought is not more than 50% of the proximate cause of the
wrongful death of the decedent, then the damages allowed to
that beneficiary shall be diminished in proportion to the
contributory fault attributed to that beneficiary. The
amount of the reduction shall not be payable by any
defendant.

(2) Where the trier of fact finds that the contributory fault of a beneficiary on whose behalf the action is brought is more than 50% of the proximate cause of the wrongful death of the decedent, then the beneficiary shall be barred from recovering damages and the amount of damages which would have been payable to that beneficiary, but for the beneficiary's contributory fault, shall not inure to the benefit of the remaining beneficiaries and shall not be payable by any defendant.

The trial judge shall conduct a hearing to determine the degree of dependency of each beneficiary upon the decedent. The trial judge shall calculate the amount of damages to be awarded each beneficiary, taking into account any reduction arising from either the decedent's or the beneficiary's contributory fault.

This amendatory Act of the 91st General Assembly applies to all actions pending on or filed after the effective date of this amendatory Act.

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- This amendatory Act of the 95th General Assembly applies to

 causes of actions accruing on or after its effective date.
- This amendatory Act of the 96th General Assembly applies to causes of actions accruing on or after its effective date.
- 5 (Source: P.A. 95-3, eff. 5-31-07.)
- Section 20. The Good Samaritan Act is amended by reenacting and changing Section 30 as follows:
- 8 (745 ILCS 49/30)
- 9 Sec. 30. Free medical clinic; exemption from civil liability for services performed without compensation.
- 11 (a) A person licensed under the Medical Practice Act of 1987, a person licensed to practice the treatment of human 12 13 ailments in any other state or territory of the United States, 14 or a health care professional, including but not limited to an 15 advanced practice nurse, retired physician, physician assistant, nurse, pharmacist, physical therapist, podiatrist, 16 or social worker licensed in this State or any other state or 17 territory of the United States, who, in good faith, provides 18 medical treatment, diagnosis, or advice as a part of the 19 20 services of an established free medical clinic providing care, 21 including but not limited to home visits, without charge to patients which is limited to care that does not require the 22 23 services of a licensed hospital or ambulatory surgical 24 treatment center and who receives no fee or compensation from

- that source shall not be liable for civil damages as a result of his or her acts or omissions in providing that medical
- 3 treatment, except for willful or wanton misconduct.
 - (b) For purposes of this Section, a "free medical clinic" is an organized community based program providing medical care without charge to individuals, at which the care provided does not include an overnight stay in a health-care facility.
 - (c) The provisions of subsection (a) of this Section do not apply to a particular case unless the free medical clinic has posted in a conspicuous place on its premises an explanation of the exemption from civil liability provided herein.
 - (d) The immunity from civil damages provided under subsection (a) also applies to physicians, retired physicians, hospitals, and other health care providers that provide further medical treatment, diagnosis, or advice, including but not limited to hospitalization, office visits, and home visits, to a patient upon referral from an established free medical clinic without fee or compensation.
 - (d-5) A free medical clinic may receive reimbursement from the Illinois Department of Public Aid, provided any reimbursements shall be used only to pay overhead expenses of operating the free medical clinic and may not be used, in whole or in part, to provide a fee or other compensation to any person licensed under the Medical Practice Act of 1987 or any other health care professional who is receiving an exemption under this Section. Any health care professional receiving an

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- exemption under this Section may not receive any fee or other compensation in connection with any services provided to, or
- 3 any ownership interest in, the clinic. Medical care shall not
- 4 include an overnight stay in a health care facility.
- (e) Nothing in this Section prohibits a free medical clinic from accepting voluntary contributions for medical services provided to a patient who has acknowledged his or her ability and willingness to pay a portion of the value of the medical services provided.
- (f) Any voluntary contribution collected for providing care at a free medical clinic shall be used only to pay overhead expenses of operating the clinic. No portion of any moneys collected shall be used to provide a fee or other compensation to any person licensed under Medical Practice Act of 1987.
 - (g) The changes to this Section made by <u>Public Act 94-677</u> and reenacted by this amendatory Act of the <u>96th</u> 94th General Assembly apply to causes of action accruing on or after <u>August 25, 2005</u>, as those changes may be amended from time to time its effective date.
- 21 (Source: P.A. 94-677, eff. 8-25-05.)
- Section 97. Inseverability. The provisions of this Act are mutually dependent and inseverable. If any provision is held invalid, then this entire Act, including all new and amendatory provisions, is invalid.

- 1 Section 99. Effective date. This Act takes effect upon
- 2 becoming law.