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HOUSE RESOLUTION

2 WHEREAS, The Department of Central Management Services
3 (CMS) is responsible for establishing "rules, procedures, and
4 forms to be used by State agencies in the administration and
5 payment of workers' compensation claims" and for the initial
6 evaluation, determination, administration, and payment of
7 workers' compensation claims involving State agencies [20 ILCS
8 405/405-105 and 405/405-411]; and

9 WHEREAS, According to the CMS website
10 (http://www.cms.il.gov/cms/2_servicese_ben/workcomp.htm), "CMS
11 Workers' Compensation Adjustors and unit supervisors are
12 available to ensure efficient and proper claims administration
13 in the following principal areas: 1) initial claim review for
14 determining compensability; 2) ongoing benefit management
15 (including payment of medical charges and temporary
16 disability); and 3) proper negotiation of settlements based on
17 partial or total permanent disability"; and

18 WHEREAS, Also according to the CMS website, the "Office of
19 the Attorney General is responsible for the defense of claims
20 arising from work-related injuries or disease. The CMS Workers'
21 Compensation Adjustors work closely with the Office of the
22 Attorney General to bring litigated cases to a resolution if
23 such resolution is advantageous to the State. Otherwise, when

1 both parties fail to reach an agreement, a disputed claim is
2 heard in front of an Illinois Workers' Compensation Commission
3 Arbitrator for disposition."; and

4 WHEREAS, By statute, the "hearings before the Arbitrator
5 shall be held in the vicinity where the injury occurred after
6 10 days' notice of the time and place of such hearing shall
7 have been given to each of the parties or their attorneys of
8 record" [820 ILCS 305/19(b)]; and

9 WHEREAS, By rule, designation of an alternative hearing
10 site "may be had upon showing to the Commission of extreme
11 hardship worked upon a party or parties by the designated site,
12 or by agreement of the parties" [50 Ill.Adm.Code 7020.50]; and

13 WHEREAS, According to the Illinois Workers' Compensation
14 Commission's FY09 annual report, of 57,192 cases closed in FY09
15 by arbitrators, 50,610 were closed through a settlement process
16 in which the employer and employee enter into a Settlement
17 Contract and present it for approval to the arbitrator assigned
18 to the case; and

19 WHEREAS, Parties who are dissatisfied with an arbitrator's
20 decision may appeal that decision to a panel of three IWCC
21 commissioners, and the panel's decision is final for cases
22 involving State of Illinois employees; and

1 WHEREAS, According to the IWCC's website
2 (<http://www.iwcc.il.gov/news.htm>), under a procedure in effect
3 prior to March 1, 2011, over 3,500 pro se settlement contracts
4 were reviewed by arbitrators before being assigned a case
5 number in calendar year 2010, making it difficult for the IWCC
6 to "determine if any of those contracts go astray and fail to
7 get entered into the system"; and

8 WHEREAS, Recent news reports raised questions about the
9 practices of two workers' compensation arbitrators, each of
10 whom has since been placed on administrative leave; therefore,
11 be it

12 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
13 NINETY-SEVENTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that
14 the Auditor General is directed to conduct a management audit
15 of the Workers' Compensation program as it applies to State
16 employees; and be it further

17 RESOLVED, That the audit include, but not be limited to,
18 the following:

19 (1) the roles of the Department of Central Management
20 Services, the Attorney General's Office, and the Illinois
21 Workers' Compensation Commission in processing, reviewing,
22 determining, and paying on workers' compensation claims

1 filed by State workers;

2 (2) the number of claims filed by State workers during
3 the last 4 years, including a classification of the types
4 of alleged injuries, employing unit, disposition, and
5 claims payments;

6 (3) a review of the settlement contract process and, in
7 particular, documentation supporting any decisions on
8 these claims;

9 (4) an analysis of any fraud identification and control
10 policies and procedures governing the workers'
11 compensation program;

12 (5) whether the processing of State employee workers'
13 compensation claims complies with applicable State law and
14 regulations;

15 (6) an analysis of arbitrator caseloads over the 4-year
16 period, including the number of cases closed, a
17 classification of the types of alleged injuries involved in
18 those cases, the employing unit involved in the claims, and
19 claim dispositions and payments;

20 (7) a review of conflict of interest policies
21 applicable to arbitrators, commissioners, and other
22 principals involved in the workers' compensation program,
23 including any procedures for handling workers'
24 compensation claims filed by arbitrators, commissioners,
25 and other principals involved in the workers' compensation
26 program; and

1 (8) a comparison of claims history by State workers to
2 claims filed by all other workers covered under the
3 Workers' Compensation program; and be it further

4 RESOLVED, That the Department of Central Management
5 Services, Attorney General's Office, Illinois Workers'
6 Compensation Commission, and any other entity having
7 information relevant to this audit cooperate fully and promptly
8 with the Auditor General's Office in the conduct of this audit;
9 and be it further

10 RESOLVED, That the Auditor General commence this audit as
11 soon as possible and report his findings and recommendations
12 upon completion in accordance with the provisions of Section 3-
13 14 of the Illinois State Auditing Act; and be it further

14 RESOLVED, That copies of this resolution be presented to
15 the Auditor General, the Director of Central Management
16 Services, the Attorney General, and the Commissioners of the
17 Illinois Workers' Compensation Commission.