



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB4220

by Rep. Dwight Kay

SYNOPSIS AS INTRODUCED:

820 ILCS 305/29.2
820 ILCS 305/29.3 new

Amends the Workers' Compensation Act. Creates the Workers' Compensation Transparency Task Force. Provides that the Task Force shall collect and review information and data on the effects of the changes in workers' compensation law enacted by the General Assembly with a purpose of collecting and reviewing information relating to changes in the workers' compensation laws of this State and to make as transparent as possible all information relating to the medical treatment, legal representation, and benefits paid to injured workers in this State. Provides for the repeal of the reporting and information collecting requirements on January 1, 2020. Effective immediately.

LRB099 12498 JLS 35914 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning employment.

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

4 Section 5. The Workers' Compensation Act is amended by
5 changing Section 29.2 and adding Section 29.3 as follows:

6 (820 ILCS 305/29.2)

7 Sec. 29.2. Insurance oversight.

8 (a) The Department of Insurance shall annually submit to
9 the Governor, the Chairman of the Commission, the President of
10 the Senate, the Speaker of the House of Representatives, the
11 Minority Leader of the Senate, and the Minority Leader of the
12 House of Representatives a written report that details the
13 state of the workers' compensation insurance market in
14 Illinois. The report shall be completed by April 1 of each
15 year, beginning in 2012, or later if necessary data or analyses
16 are only available to the Department at a later date. The
17 report shall be posted on the Department of Insurance's
18 Internet website. Information to be included in the report
19 shall be for the preceding calendar year. The report shall
20 include, at a minimum, the following:

21 (1) Gross premiums collected by workers' compensation
22 carriers in Illinois and the national rank of Illinois
23 based on premium volume.

1 (2) The number of insurance companies actively engaged
2 in Illinois in the workers' compensation insurance market,
3 including both holding companies and subsidiaries or
4 affiliates, and the national rank of Illinois based on
5 number of competing insurers.

6 (3) The total number of insured participants in the
7 Illinois workers' compensation assigned risk insurance
8 pool, and the size of the assigned risk pool as a
9 proportion of the total Illinois workers' compensation
10 insurance market.

11 (4) The advisory organization premium rate for
12 workers' compensation insurance in Illinois for the
13 previous year.

14 (5) The advisory organization prescribed assigned risk
15 pool premium rate.

16 (6) The total amount of indemnity payments made by
17 workers' compensation insurers in Illinois.

18 (7) The total amount of medical payments made by
19 workers' compensation insurers in Illinois, and the
20 national rank of Illinois based on average cost of medical
21 claims per injured worker.

22 (8) The gross profitability of workers' compensation
23 insurers in Illinois, and the national rank of Illinois
24 based on profitability of workers' compensation insurers.

25 (9) The loss ratio of workers' compensation insurers in
26 Illinois and the national rank of Illinois based on the

1 loss ratio of workers' compensation insurers. For purposes
2 of this loss ratio calculation, the denominator shall
3 include all premiums and other fees collected by workers'
4 compensation insurers and the numerator shall include the
5 total amount paid by the insurer for care or compensation
6 to injured workers.

7 (10) The growth of total paid indemnity benefits by
8 temporary total disability, scheduled and non-scheduled
9 permanent partial disability, and total disability.

10 (11) The number of injured workers receiving wage loss
11 differential awards and the average wage loss differential
12 award payout.

13 (12) Illinois' rank, relative to other states, for:

14 (i) the maximum and minimum temporary total
15 disability benefit level;

16 (ii) the maximum and minimum scheduled and
17 non-scheduled permanent partial disability benefit
18 level;

19 (iii) the maximum and minimum total disability
20 benefit level; and

21 (iv) the maximum and minimum death benefit level.

22 (13) The aggregate growth of medical benefit payout by
23 non-hospital providers and hospitals.

24 (14) The aggregate growth of medical utilization for
25 the top 10 most common injuries to specific body parts by
26 non-hospital providers and hospitals.

1 (15) The percentage of injured workers filing claims at
2 the Commission that are represented by an attorney.

3 (16) The total amount paid by injured workers for
4 attorney representation.

5 (b) The Director of Insurance shall promulgate rules
6 requiring each insurer licensed to write workers' compensation
7 coverage in the State to record and report the following
8 information on an aggregate basis to the Department of
9 Insurance before March 1 of each year, relating to claims in
10 the State opened within the prior calendar year:

11 (1) The number of claims opened.

12 (2) The number of reported medical only claims.

13 (3) The number of contested claims.

14 (4) The number of claims for which the employee has
15 attorney representation.

16 (5) The number of claims with lost time and the number
17 of claims for which temporary total disability was paid.

18 (6) The number of claim adjusters employed to adjust
19 workers' compensation claims.

20 (7) The number of claims for which temporary total
21 disability was not paid within 14 days from the first full
22 day off, regardless of reason.

23 (8) The number of medical bills paid 60 days or later
24 from date of service and the average days paid on those
25 paid after 60 days for the previous calendar year.

26 (9) The number of claims in which in-house defense

1 counsel participated, and the total amount spent on
2 in-house legal services.

3 (10) The number of claims in which outside defense
4 counsel participated, and the total amount paid to outside
5 defense counsel.

6 (11) The total amount billed to employers for bill
7 review.

8 (12) The total amount billed to employers for fee
9 schedule savings.

10 (13) The total amount charged to employers for any and
11 all managed care fees.

12 (14) The number of claims involving in-house medical
13 nurse case management, and the total amount spent on
14 in-house medical nurse case management.

15 (15) The number of claims involving outside medical
16 nurse case management, and the total amount paid for
17 outside medical nurse case management.

18 (16) The total amount paid for Independent Medical
19 exams.

20 (17) The total amount spent on in-house Utilization
21 Review for the previous calendar year.

22 (18) The total amount paid for outside Utilization
23 Review for the previous calendar year.

24 The Department shall make the submitted information
25 publicly available on the Department's Internet website or such
26 other media as appropriate in a form useful for consumers.

1 (c) This Section is repealed on January 1, 2020.

2 (Source: P.A. 97-18, eff. 6-28-11.)

3 (820 ILCS 305/29.3 new)

4 Sec. 29.3. Workers' Compensation Transparency Task Force.

5 (a) There is created the Workers' Compensation
6 Transparency Task Force consisting of the following members:

7 (1) The Director of Insurance or his or her designee.

8 (2) The Chairman of the Illinois Workers' Compensation
9 Commission or his or her designee.

10 (3) One member of the House of Representatives
11 appointed by the Speaker of the House of Representatives.

12 (4) One member of the House of Representatives
13 appointed by the Minority Leader of the House of
14 Representatives.

15 (5) One member of the Senate appointed by the President
16 of the Senate.

17 (6) One member of the Senate appointed by the Minority
18 Leader of the Senate.

19 (b) The Task Force shall collect and review information and
20 data on the effects of the changes in workers' compensation law
21 enacted by the General Assembly. The purpose of the collection
22 and review of information under this Section is to make as
23 transparent as possible all information relating to the medical
24 treatment, legal representation, and benefits paid to injured
25 workers in this State.

1 (c) In order to enable the Task Force to complete its
2 purpose, insurers, advisory organizations, medical providers,
3 and attorneys involved in the provision of services to persons
4 covered under the workers' compensation laws of this State
5 shall report data and information to the Task Force on an
6 annual basis.

7 (d) Insurers and advisory organizations shall report to the
8 Task Force the information required to be reported under
9 Section 29.2.

10 (e) Medical providers and attorneys shall report workers'
11 compensation information including, but not limited to, the
12 following:

13 (1) Gross revenue attributable to workers'
14 compensation care and representation of injured workers.

15 (2) Expenses incurred in the medical treatment and
16 representation of injured workers.

17 (3) The number of patients treated and clients
18 represented with respect to workers' compensation claims.

19 (4) The time and resources expended on the legal
20 representation and medical treatment of injured workers.

21 (5) Complaints registered with the licensing authority
22 for medical providers and attorneys related to the
23 treatment or representation of injured workers relating to
24 the workers' compensation laws.

25 (6) Profits made as a result of the representation or
26 medical treatment provided to injured workers.

1 (7) Any additional information that is determined by
2 the Task Force to be necessary for the effective analysis
3 of the effect of changes in workers' compensation laws.

4 (f) The Task Force shall report its findings to the
5 Governor and General Assembly by March 31 of each year. The
6 findings in the report shall be based upon the information
7 reported to the Task Force by December 31 of the year preceding
8 the date of the report.

9 (g) The Task Force shall end its collection of information
10 on December 31, 2019 and issue its final report no later than
11 March 31, 2020.

12 (h) A person or entity that fails to comply with the
13 reporting requirements of this Section is subject to a civil
14 penalty of \$100 per day for each category of information
15 required to be reported up to a maximum of \$10,000. The
16 Attorney General may bring an action to enforce the penalty
17 authorized under this subsection. If a person or entity incurs
18 more than \$10,000 in penalties under this subsection, the
19 license of the person or entity may be suspended.

20 (i) This Section is repealed on January 1, 2020.

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.