

## **Highlights of HB1698 – Illinois Workers' Compensation Reform**

- The medical fee schedule has been reduced by 30% for all medical services provided on or after September 1, 2011 (regardless of the date of loss). If a fee schedule amount cannot be determined, medical payments will be made at 76% until September 1, 2011 and at 53.2% thereafter. The change in the medical fee schedule accounts for nearly 7.4% of the rate reduction taking place on September 1st. The full 30% reduction in the fee schedule does not affect the loss costs due to medical provider network contracts already in place by some employers or insurers with existing reimbursements that are less than the fee schedule.
- Carpal Tunnel Syndrome settlement payments for losses occurring on or after July 1, 2011 will now be capped at 15% of a hand (or 28.5 weeks) or up to 30% of a hand (57 weeks) only if there is “clear and convincing evidence” that an injury should exceed 15%.
- Effective September 1, 2011, wage differential claims will be paid until the later of either the injured worker reaching the age of 67 or 5 years after the date the award becomes final. This is a positive change going forward considering current wage differential claims pay lifetime benefits. This will not affect open and ongoing claims prior to September 1, 2011.
- Changes to Preferred Provider Programs (PPP) allow the employer to have some ability to direct their employees to specific approved network providers. Employees will have the ability to “opt-out”, but by doing so will limit themselves to 1 non-emergency treating physician. The Illinois Department of Insurance and the Illinois Workers' Compensation Commission are actively working on the procedures and forms affecting this Act provision. Medical are currently readying themselves to address the procedures and forms required for PPP approval and status.
- Amendments regarding intoxication defense confirm that no compensation shall be payable if an employee's intoxication is the proximate cause of the employee's accidental injury, or if at the time of the injury the employee was so intoxicated the intoxication constituted a departure from employment. All testing shall be performed by an accredited or certified testing laboratory and conform to national and state regulatory-legal standards.

- Arbitrators serving at the time of the Act signing were terminated effective July 1, 2011. However, they will continue to serve until they are replaced or reappointed. The new arbitrators will serve for terms of 3 years. The first term expirations are staggered so that 12 arbitrator terms will expire on July 1, in years 2012, 2013, and 2014.
- A collective bargaining Alternative Dispute Resolution Program (ADR) is being piloted by the Operating Engineers and Steelworkers labor unions. The organizations may create an agreement of no less than 2 years with construction employers for an ADR program to resolve work-related injuries without diminishing or increasing benefits. This will likely be formulated into the next collective bargaining agreements.

Please call **Jeff Hey**, Director of **Anthem Workers' Compensation**, at **314-925-6038**, with any questions.