

## Illinois Workers' Compensation Changes

As you may know, Governor Blagojevich signed HB 2137 into law on July 20, 2005, revising the Illinois Workers' Compensation statute. Benefits for workers injured on the job have increased, a medical fee schedule has been created, a fraud unit within the state Division of Insurance has been established and a third panel has been added to the Workers' Compensation Commission. **Effective dates begin on or after July 20, 2005.** We expect further revisions to the statute in the fall.

Some of the changes include:

### WORKERS' COMPENSATION COVERAGE

Knowing failure to procure workers' compensation coverage is a class IV felony. Negligent failure to procure the coverage is a class A misdemeanor. Employers who fail to procure the coverage shall be liable in a civil forum and will not be afforded the protection of exclusive remedy of the act.

### BURIAL EXPENSE

The flat-fee payment has increased from \$4,200 to \$8,000 and is payable to the widow(er), other dependent or next of kin for burial expenses.

### DEATH BENEFITS

The minimum benefit for workers killed on the job will increase to the greater of \$500,000 paid over 25 years, or 25 years of TTD (Temporary Total Disability).

### IME (INDEPENDENT MEDICAL EXAMINATION)

The carrier or TPA (Third Party Administrator) must prepay the mileage, meal allowance and lost wages by including a check with the notice of the IME appointment.

### TTD (TEMPORARY TOTAL DISABILITY)

If demand for TTD is made in writing, the carrier must provide written notice explaining why payment isn't being issued within 14 days. A rebuttal presumption of delay shall be made if the payment and explanation of the denial is not provided in 14 days. Failure to do so can result in a penalty of \$30 per day, not to exceed \$10,000.

### PART-TIME TTD

Workers must be paid the minimum rate of  $66 \frac{2}{3}$  of the average weekly wage by taking the federal minimum wage multiplied by 40 hours.

### TEMPORARY PARTIAL DISABILITY

Employers must pay  $66 \frac{2}{3}$  of the difference to any worker who returns to work but makes less than the pre-injury wage.

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SCHEDULED PPD (PERMANENT PARTIAL DISABILITY) VALUES

There are minimal increases (approximately 7.5%) to the schedule of body parts for permanent and complete loss of use as follows:

Table listing body parts and their corresponding weeks: Thumb (76 weeks), Index finger (43 weeks), Middle finger (38 weeks), Ring finger (27 weeks), Little finger (22 weeks), Great toe (38 weeks), All other toes (13 weeks), Hand (205 weeks), Arm (253 weeks), Foot (167 weeks), Leg (215 weeks), Eye (162 weeks), Testicle (54 weeks), Ear (54 weeks).

MEDICAL FEE SCHEDULE

Illinois joins 44 other states in creating a medical fee schedule indexed to the Consumer Price Index. The fee schedule allows for providers treating injured workers to charge up to 90 percent of the 80th percentile as determined by the fee schedule.

Balanced billing by providers is no longer permitted. Medical providers can charge 1 percent interest per month after 60 days on unpaid medical bills. Employers can pay bills on behalf of their employee. Bills that are coded properly with correct service dates must be paid within 60 days of receipt of invoices.

WORKERS' COMPENSATION FRAUD

A workers' compensation fraud statute and investigation unit has been formed within the Division of Insurance to investigate charges of workers' compensation fraud, including uninsured employers and reports of fraudulent claims by employees.

WORKERS' COMPENSATION COMMISSION

A third Workers' Compensation Commission panel has been created to expedite the resolution of disputed claims. Emergency hearings have been expanded and expedited to resolve cases within 180 days.

We encourage you to review HB 2137 in its entirety, which is available at www.ilga.gov/legislation/94/HB/09400HB2137sam003.htm.

Contact a Mesirow Financial Claims representative if you have any further questions at 312-595-6200.

This article is intended as an overview and should not be viewed as legal or tax advice. Please consult with your attorney or tax advisor if you have any questions.