



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB0412

by Rep. David B. Reis

#### 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 and that the purpose of the collection and review of information is to make as transparent as possible all information relating to the medical treatment, legal representation, and benefits paid to injured workers in this State. Repeals the language creating the Task Force on January 1, 2022. Repeals certain requirements relating to reports and promulgation of rules concerning workers' compensation insurance by the Department of Insurance on January 1, 2022. Effective immediately.

LRB100 03789 KTG 13794 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, 2022.

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, 2021 and issue its final report no later than  
11           March 31, 2022.

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, 2022.

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