



▶ CHANGES TO WORKERS COMP LAW DESCRIBED BELOW ARE THE FIRST IN MORE THAN 20 YEARS



▶ REFORMS FOCUS ON INCREASED AFFORDABILITY AND CONVENIENCE FOR THE INJURED WORKER



▶ BIGGEST CHANGE: EMPLOYERS MUST MAKE TIMELY PAYMENTS FOR MEDICAL SERVICES

Legal *focus*

New Illinois Law Reforms Workers' Compensation in Favor of Medical Providers

On February 1, 2006, Illinois House Bill 2137 went into action with provisions for higher compensation rates, accelerated resolution of claims, and quicker payments to medical professionals.

Increased Protection of Medical Costs and Payments to Providers

One of the biggest reforms to affect medical professionals is the requirement that employers pay an injured worker's medical bill within 60 days of the first billing. In the case of non-payment to a provider, interest will accrue and be made payable to the medical provider. This improved process ensures quicker payment for medical procedures and provides a means for doctors to more actively treat workers' compensation cases.

To accommodate inflation, the new Bill provides for annually adjusted medical fees based on percentage changes to the Consumer Price Index (CPI). An advisory board will make the final determination, but it will ultimately create a fee schedule where fees are set at 90 percent of the 80th percentile of actual charges. Nothing in the Bill prohibits employers or insurers from contracting with medical providers to negotiate reasonable reimbursement levels.

Fighting Fraud and Reducing Costs

Other important changes the Bill will provide include stricter guidelines and penalties for bad conduct. These changes are going to make it easier for medical providers to offer a high quality of care and for companies to contain costs and for the law to penalize violators who threaten the integrity of the system.

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Although a lot of what the reforms address has to do with penalties and increased fees, the ultimate results for all parties will be:

- ◆ Lower costs for employers that comply with the regulations;
- ◆ Quicker resolution of claims
- ◆ Medical treatment becoming more readily available, with medical fees remaining fair and payments made in a timely manner
- ◆ And most importantly — injured worker's rights are better protected and they and their families get the help they need at what can be the most desperate of times.

Further, penalties to violators will increase from \$10 a day for delays to \$30, with the maximum penalties increasing from \$2,500 to \$10,000. Directors of a company can be found guilty of up to a Class 4 felony if they knowingly or negligently failed to provide workers compensation insurance coverage.

Under the new law, these benefits extend to medical professionals who can look forward to a more regulated system that provides timely payment and quicker resolution of claims.

Fees and Guidelines for Medical Professionals

The Illinois Workers' Compensation Commission Medical Fee Advisory Board enacted an updated fee schedule and guidelines to accompany the changes. The ultimate results for medical professionals are summarized as follows:

- The fee schedule only applies to procedures, treatments, and services provided on or after February 1, 2006.
- The Illinois Workers' Compensation Commission has established a compensation fee schedule that sets maximum medical payments for both professional and facility fees.
- Maximum payments were formulated by determining the 90 percent of the 80th percentile from healthcare provider fees.
- As a result, all hospital outpatient services shall be paid at 76% of the charged amount, with some exceptions.
 - Based upon the CPI, the Commission will automatically increase or decrease the maximum allowable payment on an annual basis.
- When billing for office visits, the doctor should be aware of the three categories of maximum medical reimbursement for codes 90281-99602
 - Total Component (global)
 - Professional Component
 - Technical Component
- Appropriate documentation for payment above usual and customary fees should include a cover letter detailing how an examination exceeded the

higher level code, if applicable. Visible injuries should be photographed and the photos should be included in the submission.

- Current Procedural Terminology (CPT) 2006, available through the American Medical Association, should be used as the reference guide for claims.
- The fee schedule does not preclude privately and independently negotiated rates or agreements between providers, insurance carriers or employers.

All interested parties can access the Compensation Commission's medical fee schedule in its entirety by visiting the Illinois Workers' Compensation Commission's website (www.iwcc.il.gov).

The changes made to the Illinois workers' compensation system are the first such changes in more than 20 years. It is a first step in the right direction for a system that has been in need of stricter reforms.



About the author . . .

Neal Strom is a native Chicagoan. He received his Bachelor's Degree in Political Science from Bradley University in Peoria and later graduated from Chicago's DePaul University School of Law. In 1981, Strom founded Strom & Associates, concentrating his practice on injury victims. Strom has been Chairman of the Young Lawyers' Committee of the Chicago Bar Association Workers' Compensation Committee. He is also a member of the Illinois State Bar Association, Chicago Bar Association Workers' Compensation Committee, Illinois Trial Lawyers Association and a member of the American Trial Lawyers' Association and other associations active in protecting injury victims and their families. He is a fierce advocate of accident victims. Mr. Strom decided long ago to use his skills to help those who are being treated unfairly. He takes great pride in helping people in need. Mr. Strom is fluent in English and Spanish.