

Summary of Workers' Compensation Reform Bill
Page references to HB 1698 Enrolled
LRB097 07917 AJO 48032 b

Vendor for State WC program. Allows State to hire private vendor to administer workers' Compensation program. (6).

State Workers' Compensation Program Advisory Board. Establishes Advisory Board for State workers' compensation issues. (14).

Allows Fraud Unit to subpoena medical records. (17 & 169).

Codifies the definition of injury. (23). No applicability clause.

Establishes Standards of Conduct for Arbitrators & Commissioners. (24).

Employee Leasing Companies. Strengthens regulation of employee leasing companies. (30).

Insurance investigators can issue citations. (37 & 38).

Collectively Bargained Workers Comp for construction industry. (45-51). Limited to two unions chosen by Director of the Department of Labor. (45-46). No applicability clause.

Allows medical providers to assign accounts receivable. (52). No applicability clause.

Temporary partial disability based on gross earnings. (54). No applicability clause.

Employee choice of medical provider. (56). Allows employee one free choice of medical provider, including all referrals, "at any time." (56). Declining PPO counts as one of two choices. (56). Applies to injuries occurring after effective date, only if employer has PPO on date of injury.

Wage-differential award limited to 67 years old or 5 years whichever is longer. (65). Applies to injuries occurring on or after 9-1-11.

Carpal Tunnel. Reduces carpal tunnel value by 7.5% to 190 weeks and sets loss at 15%, for good cause shown not to exceed 30%. (69-70). Applies to injuries occurring on or after effective date.

PPO Programs. Allows employers to establish PPO programs for WC injuries. If employer has PPO, it counts as one of the injured worker's two choices. (87-93). Requires approval of PPO by Department of Insurance and sets forth sufficiency requirements. (88-89). Effective immediately.

AMA Guidelines. Requires “a physician” to report Guidelines. (93-94). Requires Commission to base its determination on: guidelines; occupation; age; earning capacity; and “evidence of disability corroborated by the treating medical records.” (94). No single factor is “determinant.” (94). Commission required to assign weight to factors. (94). Applicable to injuries occurring on or after 9-1-11.

Medical Fee Schedule. (95-100). Out of state procedures reimbursed at “lesser of”. (95). Collapses geozips. (97). 53.2% POC for undesignated charges. (98). Implants at cost plus 25%. (99). 30% reduction in fee schedule. (100). Limitation on physician dispensed medicine. (100). Applies to services rendered on or after 9-1-11.

Interest on medical bills after 30 days. (101-102 & 161). No applicability clause.

Excessive or unnecessary treatment is not payable. (102). No applicability clause.

Electronic billing. (106). Rules to be effective by 6-30-12.

Utilization review. (107-114). Doctors who do not comply with utilization review cannot be paid. (111). Employer may deny necessity of treatment only through UR. (111). Worker has burden of proof to show that “variance” from UR is necessary. (111-112). Requires UR to be subject to deposition at employer’s cost. (112). Requires UR to be addressed along with other evidence by Commission. (113). Applicable to services rendered on or after 9-1-11. (114).

Intoxication. Statutory intoxication defense with presumptions and testing. (115-118). Applies to accidental injuries occurring on or after 9-1-11.

Training for Arbitrators and Commissioners in fraud, UR, AMA guidelines and black lung. (120 & 131).

WC Advisory Board. Terminates all current members. (129).

Arbitrators. All terminated 7-1-11. (132). Incumbents serve until successors appointed. (132). Terms changed to 3 years from 6 years. (132). Requires initial new appointments by Governor with advice and consent of Senate. (132). Further appointments by full Commission. (132). New Arbitrators must be lawyers, but previous appointees grandfathered. (133). Three Arbitrators in each hearing site. (134). No more than 2 years in one hearing site, other than Cook. (134). WC advisory Board to recommend Arbitrator appointments. (129).

Gift ban. WC lawyers cannot pay for cases with gifts: “in exchange for the referral of a client.” Class A misdemeanor. (135-136).

Commission employees’ WC cases to be heard by special arbitrator; final but appealable to Circuit Court under Section 19(f). (136-137 & 154).

Fraud. Enhances penalties. (167). Disclosure provisions deleted. (171-172). Reports by Fraud Unit. (174).

Recalculation of Premiums by 9-1-11. (174). Insurance Oversight. Requires stricter reporting. (175-179).

Severable. (179). Immediate effective date. (180).