

**Workers' Compensation Advisory Board  
April 1, 2008 Meeting Minutes  
Illinois Workers' Compensation Commission, Springfield  
1:30 p.m.**

Those present at the meeting were:

Dennis R. Ruth, Chairman of the Commission  
David Buckman, CORE Construction Group  
Michael Carrigan, Illinois AFL-CIO  
Frank Cavarretta United Steelworkers of America  
Mark Flannery, Caterpillar, Inc.  
Dave Menchetti, Cullen, Haskins, Nicholson, & Menchetti  
Kim Presbrey, Presbrey & Associates  
Dave Vite, Illinois Retail Merchants Association

Members Attending Via Conference Call

Gerald Roper, Chicagoland Chamber of Commerce  
Elwood Flowers, Amalgamated Transit Union, Local 308

Also Present

Amy Masters, Secretary of the Commission

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Chairman Ruth called the meeting to order at 1:40 p.m.

Upon motion duly made, seconded and unanimously carried, the minutes of the meeting held on October 30, 2007, were approved.

Chairman Ruth provided an overview to the board regarding new medical fee schedule updates and rules for the medical fee schedule. He explained that the new hospital outpatient and ambulatory surgical treatment center fee schedules will provide greater than 90% coverage of all medical treatment, and explained the process of rules implementation through the Joint Committee on Administrative Rules (JCAR). He noted cost savings the medical fee schedule continues to provide to Illinois employers as a result of limiting reimbursement increase to the CPI.

Chairman Ruth also explained that the hospital inpatient fee schedule is currently based on common codes known as DRGs. However, due to a recent conversion to new medical codes mandated by Medicare, known as MSDRGs, the hospital inpatient fee schedule will need to be converted to MSDRGs. He indicated the conversion would be completed by January 1, 2009.

Next, Chairman Ruth provided an update regarding Insurance Compliance. He indicated that \$1.3 million in fines had been collected during the present fiscal year, and another



\$300,000 was expected to be collected by the end of the fiscal year to total \$1.6 million in fines. Overall a total of \$2.5 million in fines has been collected since Insurance Compliance Manager Jan Eisbart took over the department in December 2005.

Chairman Ruth also noted the Insurance Compliance department is in the process of hiring investigators in the near future, with an intention to hire 3 investigators to be based in the Chicago office, and 2 investigators to be based in the downstate area. One would be based in the Collinsville office, and the other in the Springfield office.

The Chairman next discussed the Division of Insurance Fraud Unit. He informed the board that Ed Rooney is the new head of the Division as previous director Ron Palmer recently retired. He noted the unit obtained its first guilty plea, specifically regarding a petitioner providing fraudulent documentation regarding time off of work. He added that other cases are pending that would also result in prosecutions.

On the subject of the backlog of review cases, the Chairman explained that his policies resulting in increased trials at the arbitration level contributed to increased caseloads on the review level. With additional commissioners on board, this increased caseload and subsequent longer timelines to resolve cases are being reduced. He noted significant reduction in time to resolve regular review cases, and a smaller decrease in 19B case resolution in the preceding fiscal quarters. The Chairman noted while the numbers indicate the Commission is moving in the right direction, he anticipates timelines to resolve cases to decrease even more.

Next, Mark Lorenz, orthopedic surgeon, and Dr. Rhode, sports orthopedic surgeon provided a presentation on the effects of the medical fee schedule, as related to cost savings and standards of care. The doctors found that significant cost savings has occurred with the new fee schedule, though payment practices has declined, including increased timeframe for payment and incorrect payment amounts. The doctors also expressed a preference for the new utilization review processes over unregulated IMEs. They did express concern over proper procedures not being followed when a utilization review is being conducted.

After the presentation, questions were asked by the board. The group discussed fee schedule agreement contracts, explanation of benefits, the effect of late payments on medical practices.

The board then discussed scheduling of the next advisory board meeting date, and the date of Tuesday, June 17, 2008 was agreed upon. The meeting will be held at 1:30 p.m. in the Chicago IWCC office.

Upon motion, the Advisory Board meeting was adjourned at 3:06 p.m.