

May 19, 2016

MEMORANDUM

TO: Members of the Illinois General Assembly

FROM: ATI Physical Therapy
Illinois Chiropractic Society
Illinois Health and Hospital Association
Illinois Physical Therapy Association
Illinois State Medical Society

SUBJECT: Workers' Compensation

Illinois healthcare professionals and hospitals urge the General Assembly to preserve access to care for injured workers under the workers' compensation system. In the closing days of the spring 2016 session, calls for further reductions to the payments for healthcare professionals and hospitals providing care for injured workers will likely surface as one possible avenue for reform of our workers' compensation system in Illinois. Further reductions to these payments could jeopardize access to quality healthcare for injured workers. Quality medical care to injured workers is key to not only returning injured workers to work quickly and expediently, but also to ensuring that the long-term effects of injuries are minimized as much as possible. Healthcare professionals and hospitals need to be included in any agreed bills process involving reforms to workers' compensation.

In 2011, the General Assembly made substantial changes to the Workers' Compensation Act to reduce workers' compensation costs through a number of comprehensive reforms, including a 30% reduction in payments to healthcare professionals and hospitals providing care for injured workers. In addition to this reduction, House Bill 1698 (Public Act 97-0018) incorporated more than 30 other changes to the workers' compensation system, including requiring healthcare professionals to respond to requests for additional documentation from insurance companies before providing medical services, reducing benefits for temporary partial disability, limiting compensation for carpal tunnel syndrome claims, incorporating the American Medical Association guidelines to permanent impairment to assess permanent partial disability compensation, enhancing penalties for workers' compensation fraud, and allowing for the establishment of workers' compensation preferred provider networks in order to help employers control workers' compensation costs.

Workers' compensation reforms take time to realize the intended benefits, as new claims are filed and work through the system to resolution. Now, nearly five years later, published evidence shows the 2011 reforms have produced reductions in workers' compensation costs. Since the 2011 reforms took effect, the Workers Compensation Research Institute has documented a decrease in the total costs per workers' compensation claim in Illinois, due mainly from the reduction to the fees paid to medical professionals and hospitals. Other

reports from the Institute focusing on medical costs demonstrate that Illinois experienced the largest decrease in the average medical payment per claim among the states studied. The cost reductions following the 2011 reforms have been documented and will continue to be monitored as system changes continue to be implemented.

Changes to the workers' compensation system in Illinois have been traditionally negotiated through an agreed bills process. Healthcare professionals and hospitals need to be included in this agreed bills process in order to ensure that any proposed changes do not have a negative effect on the provision of healthcare services to injured workers in Illinois or their ability to return to work. The workers' compensation system operates on a balance of providing medical care to injured workers, returning them to work, and, if necessary, providing compensation for the permanent effects of their workplace injury. Healthcare professionals are on the front lines of providing care to injured workers and need to be a part of any process making changes to laws governing the workers' compensation system.