

STATE OF ILLINOIS
HOUSE OF REPRESENTATIVES
97TH GENERAL ASSEMBLY

HOUSE RESOLUTION NO. 131

OFFERED BY REPRESENTATIVES MICHAEL J. MADIGAN-DWIGHT KAY-THOMAS HOLBROOK-FRANK J. MAUTINO-JIM WATSON, PAM ROTH, BARBARA FLYNN CURRIE, MICHELLE MUSSMAN, KEITH FARNHAM, CAROL A. SENTE, DANIEL BISS, KELLY BURKE, DEBORAH MELL, FRED CRESPO, GREG HARRIS, ELAINE NEKRITZ, ROBERT RITA, DAN REITZ, LISA M. DUGAN, DAVID REIS, ADAM BROWN, BILL MITCHELL, KAY HATCHER, JACK D. FRANKS, LINDA CHAPA LAVIA, PATRICIA R. BELLOCK, MICHAEL W. TRYON AND DONALD L. MOFFITT

WHEREAS, The Department of Central Management Services (CMS) is responsible for establishing "rules, procedures, and forms to be used by State agencies in the administration and payment of workers' compensation claims" and for the initial evaluation, determination, administration, and payment of workers' compensation claims involving State agencies [20 ILCS 405/405-105 and 405/405-411]; and

WHEREAS, According to the CMS website (http://www.cms.il.gov/cms/2_servicese_ben/workcomp.htm), "CMS Workers' Compensation Adjustors and unit supervisors are available to ensure efficient and proper claims administration in the following principal areas: 1) initial claim review for determining compensability; 2) ongoing benefit management (including payment of medical charges and temporary disability); and 3) proper negotiation of settlements based on partial or total permanent disability"; and

WHEREAS, Also according to the CMS website, the "Office of the Attorney General is responsible for the defense of claims arising from work-related injuries or disease. The CMS Workers' Compensation Adjustors work closely with the Office of the Attorney General to bring litigated cases to a resolution if such resolution is advantageous to the State. Otherwise, when both parties fail to reach an agreement, a disputed claim is heard in front of an Illinois Workers' Compensation Commission Arbitrator for disposition."; and

WHEREAS, By statute, the "hearings before the Arbitrator shall be held in the vicinity where the injury occurred after 10 days' notice of the time and place of such hearing shall have been given to each of the parties or their attorneys of record" [820 ILCS 305/19(b)]; and

WHEREAS, By rule, designation of an alternative hearing site "may be had upon showing to the Commission of extreme hardship worked upon a party or parties by the designated site, or by agreement of the parties" [50 Ill.Adm.Code 7020.50]; and

WHEREAS, According to the Illinois Workers' Compensation Commission's FY09 annual report, of 57,192 cases closed in FY09 by arbitrators, 50,610 were closed through a settlement process in which the employer and employee enter into a Settlement Contract and present it for approval to the arbitrator assigned to the case; and

WHEREAS, Parties who are dissatisfied with an arbitrator's decision may appeal that decision to a panel of three IWCC commissioners, and the panel's decision is final for cases involving State of Illinois employees; and

WHEREAS, According to the IWCC's website (<http://www.iwcc.il.gov/news.htm>), under a procedure in effect prior to March 1, 2011, over 3,500 pro se settlement contracts were reviewed by arbitrators before being assigned a case number in calendar year 2010, making it difficult for the IWCC to "determine if any of those contracts go astray and fail to get entered into the system"; and

WHEREAS, Recent news reports raised questions about the practices of two workers' compensation arbitrators, each of whom has since been placed on administrative leave; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SEVENTH GENERAL

ASSEMBLY OF THE STATE OF ILLINOIS, that the Auditor General is directed to conduct a management audit of the Workers' Compensation program as it applies to State employees; and be it further

RESOLVED, That the audit include, but not be limited to, the following:

- (1) the roles of the Department of Central Management Services, the Attorney General's Office, and the Illinois Workers' Compensation Commission in processing, reviewing, determining, and paying on workers' compensation claims filed by State workers;
- (2) the number of claims filed by State workers during the last 4 years, including a classification of the types of alleged injuries, employing unit, disposition, and claims payments;
- (3) a review of the settlement contract process and, in particular, documentation supporting any decisions on these claims;
- (4) an analysis of any fraud identification and control policies and procedures governing the workers' compensation program;
- (5) whether the processing of State employee workers' compensation claims complies with applicable State law and regulations;
- (6) an analysis of arbitrator caseloads over the 4-year period, including the number of cases closed, a classification of the types of alleged injuries involved in those cases, the employing unit involved in the claims, and claim dispositions and payments;
- (7) a review of conflict of interest policies applicable to arbitrators, commissioners, and other principals involved in the workers' compensation program, including any procedures for handling workers' compensation claims filed by arbitrators, commissioners, and other principals involved in the workers' compensation program; and
- (8) a comparison of claims history by State workers to claims filed by all other workers covered under the Workers' Compensation program; and be it further

RESOLVED, That the Department of Central Management Services, Attorney General's Office, Illinois Workers' Compensation Commission, and any other entity having information relevant to this audit cooperate fully and promptly with the Auditor General's Office in the conduct of this audit; and be it further

RESOLVED, That the Auditor General commence this audit as soon as possible and report his findings and recommendations upon completion in accordance with the provisions of Section 3- 14 of the Illinois State Auditing Act; and be it further

RESOLVED, That copies of this resolution be presented to the Auditor General, the Director of Central Management Services, the Attorney General, and the Commissioners of the Illinois Workers' Compensation Commission.

Adopted by the House of Representatives on March 10, 2011.

Mark Mahoney

MARK MAHONEY
CLERK OF THE HOUSE



Michael J. Madigan

MICHAEL J. MADIGAN
SPEAKER OF THE HOUSE