

MEMORANDUM

TO: The Honorable Members of the Illinois General Assembly

FROM: The Illinois State Medical Society, Illinois Association of Orthopedic Surgeons, Illinois Society of Anesthesiologists

RE: Oppose Further Reductions to the Workers' Compensation Fee Schedule

DATE: May 21, 2015

Tomorrow, the Illinois House will consider an amendment to HB 1287 that includes a 60% reduction in the Workers' Compensation Medical Fee Schedule, a cut that would be in addition to the 30% reduction that was imposed upon the entire Medical Fee Schedule in 2011. **The physician members of the Illinois State Medical Society (ISMS) strongly oppose any further reductions to the Workers' Compensation Medical Fee Schedule.**

Reducing the Medical Fee Schedule is a reduction of benefits to injured workers because the reimbursements have a direct impact on an injured worker's ability to access medical care.

The expenses associated with providing care to any patient in Illinois, but especially to workers' compensation patients, are significantly higher in Illinois than in surrounding states. These additional expenses include higher salaries for allied health care professionals, higher rents, and professional liability premiums, which are as much as four times the amount of our surrounding states. For workers' compensation patients, physicians must direct staff time and their own practice time to the voluminous and repetitive documentation of treatment required by workers' compensation insurers. Physicians must also devote time to answering the questions of out-of-state Utilization Review physicians, a process that questions the judgment of the physician who is actually treating the patient.

Following the 2011 reductions to the Medical Fee Schedule, the Illinois Workers' Compensation Commission has had to twice increase fees because the Commission determined injured workers did not have adequate access to health care services. Slashing fees again will lead Illinois down a similar path and make it difficult for injured workers to access health care.

The 2011 fee schedule reductions had a real impact on prices paid for workers' compensation medical services in Illinois. After a 30% workers' compensation fee cut, the average price paid for major surgeries in Illinois became 27% lower than in Wisconsin and close to 27% lower than Indiana's reimbursement level.¹ The most recent studies from the Workers' Compensation Research Institute state that "medical payments per claim in Illinois were closer to the middle group of states, following the 2011 fee schedule reduction."²

Vote "NO" on further reductions to workers' compensation medical benefits.

¹ Workers' Compensation Research Institute, The Effect of Reducing the Illinois Fee Schedule, Jan. 2014, pg. 18.

² Workers' Compensation Research Institute, CompScope Benchmarks For Illinois, 15th ed. Apr. 2015, pg. 5.