

**MINUTES OF IWCC MEDICAL FEE ADVISORY BOARD  
IWCC CHICAGO OFFICE, ORAL ARGUMENT ROOM  
HELD ON AUGUST 20, 2009**

Present at the meeting:

Acting Chairman Amy J. Masters  
Ms. Maddy Bowling, Employer Representative  
Dr. Jesse Butler, Medical Provider Representative  
Ms. Kim Moreland, Employer Representative  
Mr. Ronald Powell, Employee Representative  
Mr. John Smolk, Employer Representative

Attending the meeting via conference call:

Mr. Eric Dean, Employee Representative  
Mr. Roger Poole, Employee Representative  
Mr. Kim Presbrey, IWCC Advisory Board Member  
Dr. Edward Sclamberg, Medical Provider Representative

Participating IWCC Advisory Board Members:

Mr. David Menchetti, Cullen, Haskins, Nicholson & Menchetti

IWCC staff present at the meeting:

Mr. Glen Boyle, Medical Fee Schedule Project Manager  
Mrs. Kathryn Kelley, General Counsel  
Mrs. Bertha E. Parker, Acting Secretary  
Ms. Susan Piha, Manager of Research & Education

Acting Chairman Masters called the meeting to order at 9:00 a.m.

The following documents were distributed to the board: minutes from previous meeting, United Airlines medical payment analysis Illinois 2004-2009, draft outline 8/19/09 medical fee schedule report to the General Assembly, medical fee schedule seminar information.

The minutes from the June 10, 2009 meeting were unanimously approved with a name spelling correction.

Chairman Masters noted that the hospital inpatient transition from DRG to MS-DRG was completed by the June 30, 2009 deadline. She added that payers and providers were asked to cooperate and allow one month's time for transition to new codes.

Chairman Masters announced board member Elena Butkus recently resigned due to her new position, and acknowledged her valued contribution to the board.

Mr. John Smolk presented Illinois-specific medical treatment data regarding the fee schedule's impact on medical costs at United Airlines. He noted that United's experience is somewhat different from other employers because of its large volume of claims due to large workforce,

United can negotiate for discounts. Additionally, United's workforce is aging, which contributes to greater severity of injuries, which has an effect independent of the fee schedule. Mr. Smolk noted United experienced a reduction in medical costs before the fee schedule due to higher PPO penetration, then acceleration after fee schedule implementation. He anticipates United's PPO penetration to increase in the future due to volume driving service and relationships. Mr. Smolk also noted positive outcomes for United due to the fee schedule, including flat costs for physical therapy and decreased chiropractor treatment costs due to utilization review, and overall ability to control and predict inflation. Board members suggested ways to refine data to obtain more detailed information regarding United's medical cost increases. Dr. Jesse Butler agreed he has seen some unnecessary treatment reduced, but also noted that utilization review can contribute to greater lag times in initial treatment and also between physical therapy sessions which could prolong treatment and harm efficiency of care.

Chairman Masters reminded the board and public to inform the Commission in advance about future presentations to the board to ensure documents are distributed to group members.

The board discussed the status of the medical fee schedule report to the General Assembly, and discussed utilization review and balance billing in relation to the report.

The board discussed utilization review and the importance of quick decisions and improved communication between utilization review organizations and providers to ensure better outcomes for the injured employee. The board also discussed URAC standards and the process to file complaints about utilization review organizations. Mr. Dave Menchetti suggested a representative of the Department of Insurance be invited to the next meeting to address utilization review complaints, and Chairman Masters agreed.

Dr. Butler agreed to provide some information to the board about regarding provider perspective with utilization review. Ms. Kim Moreland offered to locate information regarding other states' utilization review programs.

The board discussed misunderstandings related to balance billing that exist by providers about the application. Ms. Sue Piha noted that balance billing can occur up to the medical fee schedule amount in situations where the respondent pays less than the fee schedule. She also noted that there are gaps in jurisdiction due to lack of provider status at Commission and insurer oversight by Department of Insurance on insurers.

Chairman Masters updated the board regarding upcoming medical fee seminars directed to payers and providers. Per the board's previous suggestion, the seminars are divided into 2 sessions, professional services and hospital facility fees. Chairman Masters noted that attendance will be limited to 50 to 100 people in each location. The board discussed marketing, participation, registration, and handouts. The board also suggested adding a webinar for greater accessibility. Chairman Masters and Mr. Boyle agreed that if the turnout proves to be overwhelming, additional seminars would be added.

The board also discussed language regarding Illinois Department of Public Health in the rules and guidelines regarding the requirement for ambulatory surgical treatment facilities to be licensed in the state. It was determined the issue would be carried over into future meeting agendas.

Upon motion, meeting was adjourned at 10: 45 a.m.