

**MINUTES OF THE ILLINOIS WORKERS' COMPENSATION COMMISSION
JAMES R. THOMPSON CENTER, 100 WEST RANDOLPH STREET
CHAIRMAN'S CONFERENCE ROOM
HELD ON MAY 22, 2014 at 1:30 PM**

Present at the meeting:

Chairman Michael Latz
Mario Basurto
Michael Brennan
David Gore
Thomas Tyrrell
Charles DeVriendt
Ruth White

Present by telephone:

Stephen Mathis
Daniel Donohoo
Kevin Lamborn

IWCC staff present at the meeting were:

Dennie Michelle Mogensen, Deputy General Counsel
Ron Rascia, General Counsel

Chairman Michael Latz called the meeting to order at 1:35 pm and noted that a quorum was present. There was a motion by Mario Basurto and seconded by Thomas Tyrrell and unanimously carried to approve the minutes from meeting held on April 16, 2014.

Chairman Latz then provided a Summary of the Audit Report. The Audit Report contained several material findings, though none had anything to do with maliciousness or dishonest behavior. All findings had to do with procedural mistakes and deficiencies:

1. Control over RAF and SIF payments – there was a finding for lost and/or incomplete files or overpayments due to failure to detect disqualifying events. Barbara Bentivenga is taking personal responsibility for all of these files to remediate the findings. We have established an eligibility database which is being run every month and we are developing other databases with other agencies and reformatting the RAF affidavit.
2. Overpayments of \$12,776.00 – through Ms. Bentivenga's efforts, the IWCC has recovered \$12,203 of the overpayments. We are going forward strongly with RAF improvements.
3. Control over RAF and SIF assessments – we disagreed with this finding because the Department of Insurance, not the IWCC, does the assessments. The findings against the IWCC were that we didn't follow the Act in giving DOI the information.
4. Collection of penalties for non-compliance of maintaining insurance – the finding was that claims were not timely referred to the Attorney General and we disagreed with the finding. We collected money on cases even if they were not timely referred. Per General Counsel Rascia, rule 7110.80 allows the IWCC to have more power to issue subpoenas and rulings prior to referral to the Attorney General.

5. Control over self-insurance security fund – per Chairman Latz, the fund is in great shape. This was a material finding because there was an excess policy of \$200,000 that wasn't reported/entered in the books. The fix is in the fiscal department and we just hired a new accountant. There is a need, however, for additional accountants.
6. Controls over revenue, refunds and receivables – per Chairman Latz this is ultimately for untimely deposits. The IWCC has obtained deposit machines so now deposits can be made automatically from our offices.
7. Underreported allowance for doubtful accounts – our fiscal department was not discounting accounts over 180 days due in line with generally accepted accounting principles. We are working on solidifying our procedures.
8. Control over state property – this is the inventory of the Commission. Old property has not been properly disposed of, and there was not an accurate inventory for over 40 years. We are creating a baseline this year and will work forward from there. Accountability for this has been personally assigned to Erminda Ruano-Corral and Brendan O'Rourke.
9. Control over voucher processing – vouchers were going through three or more individuals before hitting the Chairman Latz's desk and he would not sign them immediately. Chairman Latz is now reviewing and signing vouchers as they reach him.
10. Employee evaluations – the IWCC has gotten better, though Chairman Latz believes this to be an on-going problem for every state agency.
11. Security and control over confidential information – the IWCC is going to do a build out and get security doors to better control access. Additionally, the IWCC is actively trying to hire an IT director to assist in the on-line security of the Commission.

While the audit findings are serious, and Chairman Latz is assigning individuals to be personally accountable, he is relieved that all of the errors are procedural and not from any willful misconduct.

Chairman Latz next addressed the Budget Appropriation hearings in Chicago and Springfield. He attended both the Senate hearing in Chicago and the House Appropriate Committee meeting in Springfield and both went well. The IWCC has requested a 4.6% increase (27.5 million dollars) for the agency. The money has been requested so that the IWCC can do the following:

- Increase investigations – there are currently 5 investigators and Chairman Latz has requested 8
- IT – the IWCC can improve using new technology and Chairman Latz would like 3-4 additional IT positions
- Arbitration Support Initiative – Chairman Latz would like to hire 4-5 law students or young lawyers to provide law clerking services for the Arbitrators

The Budget proposal is out of Committee and no objections were made. The IWCC is not a General Revenue Fund agency, so Chairman Latz is not expecting objections and we should get approval of the budget by the end of the month.

Chairman Latz next addressed proposed changes to the medical fee schedule. There was a vote at the last Medical Fee Advisory Board meeting to increase evaluation and management codes (office visits) by 20%. Under the current fee schedule, these reimbursements are significantly less than Medicare, so the increase would bring the reimbursement in line and thus there is a nexus to care/increased access to care consideration. Chairman Latz intends to present this issue to the Commission at the next meeting for vote.

Because the next agenda item involved the evaluations of the arbitrators up for reappointment, Chairman Latz asked for a motion to dissolve into closed session pursuant to Section 2(c)(1) and 2(c)(3) of the Open Meetings Act. The motion was made by Mr. DeVriendt, seconded by Mr. Brennan, and unanimously carried. The meeting of the Board became closed.

There was a motion by Mr. Basurto, seconded by Mr. DeVriendt, and unanimously carried to arise from closed session.

No vote was taken and there was no further Commission business to discuss.

There was a motion by Ms. White, seconded by Mr. DeVriendt, and unanimously carried to adjourn the meeting at 2:30 pm.