

IPRF ISSUES

Risk & Safety Tips from the ILLINOIS PUBLIC RISK FUND

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Gerald Grupe, Chairman • Paul Boecker, President • Tom English, Secretary • Arnold Andrews, Treasurer • Richard McGill, Vice President

Illinois Public Risk Fund School District Safety Steering Committee Formed

In its ongoing effort to improve on-the-job safety for school personnel, the Illinois Public Risk Fund sponsored the creation of a School District Safety Steering Committee. Volunteering their time to attend a 1-day meeting were Ken Roiland, Director of Facilities, Arlington Heights School District #25; Mary Tinsley, Assistant Director of Business Services, Kankakee School District; Dean Keller, Director of Administration, Effingham C.U.S.D. #40; and Dave Penoyer, Director of Business Services, McHenry County College.

The objectives of the committee were to analyze and address injury causes that are unique to school personnel and to reduce workers' compensation losses amongst IPRF member School Districts.

The steering committee meeting was facilitated by IPRF Loss Control Department staff members Mick DeMarco and Tom Spencer. After a brief discussion of the meeting agenda, the group went to work. An analysis of school personnel injuries that occurred in the last three years and resulted in over \$5,000 in incurred costs was presented by Loss Control. The incidents were analyzed and some interesting issues were identified. Of the 160 injuries:

- 100 involved strains that were the result of lifting, twisting, pushing, and pulling incidents for over \$1.6 million in losses.
- 59 involved injuries that occurred from slip, trips, or falls for over \$1.8 million in losses.
- 55 occurred to educators for almost \$1.6 million in losses.



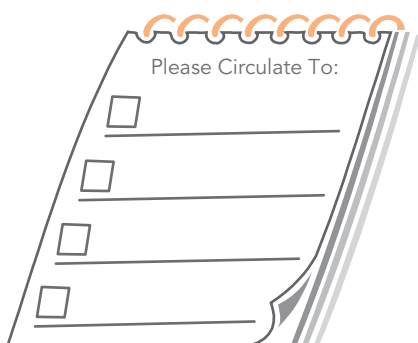
Back Row - left to right: Dave Penoyer, Dean Keller, Ken Roiland Front Row - left to right: Tom Spencer, Mary Tinsley, Mick DeMarco

Using the knowledge and experience of these School District Personnel, the committee tackled each one of these issues. Recommendations were then developed aimed at eliminating or reducing the injury causing activity. Solutions included best practices, improvements in training methods, development of snow removal procedures, equipment improvements, and safety program enhancements. Detailed results of the committee meeting will be communicated in the near future. The committee was pleased with the progress made and plans to continue this process.

They agreed to meet regularly to focus on reducing school personnel injuries and worker's compensation losses.

The Illinois Public Risk Fund also has Fire Services and Law Enforcement Steering Committees and is planning steering committees for other disciplines including parks and recreation and public works. If you have an interest in joining one of these committees, please contact Tom Spencer at Thomas.Spencer.IPRF@iprf-losscontrol.com, or telephone (847) 719-5374.

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Illinois Public Risk Fund
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5 MINUTE SAFETY TALKS

Caution – Gasoline

You're all familiar with the old story about the person who couldn't see if the gasoline tank was empty, and so he lit a match—and you know the rest. The same accident in some form or another is still relived many times each year.

The only difference between a Molotov cocktail and a harmless container of gasoline is the state of mind of the person using it. Smoking or careless use of matches often turns a can of gasoline into a ball of fire.

Maybe these things bring to mind some unsafe acts you've been involved in when using gasoline. Maybe you have refueled a lawn mower without letting it cool first, or left gasoline-soaked rags on the floor.

You're probably aware that it's the gasoline vapors that burn and not the gasoline itself. The vapors are heavier than air and can collect in low areas. Basements, pits and sumps should be kept well ventilated if gasoline is being used in the area.

Gasoline should be kept in an approved safety container which is properly identified. Other flammables should also be marked. Never mix flammables or put them into a soft drink bottle or food container.

Gasoline can be ignited accidentally. Sources of ignition are open flames or open lights, hot surfaces, sparks resulting from contact with metals, operation of electrical equipment, and static electricity discharge. Smoking and matches are also common sources of ignition.

It is possible that certain toxic effects may result from inhaling gasoline fumes. Fumes can irritate mucous membranes and can also cause dizziness and headaches.

Basic safety rules for gasoline start with no smoking, avoiding any spark sources or open flames where gasoline is used. Do not use gasoline for cleaning. Let engines cool before refueling, and wipe up any spills. Use a funnel to avoid spills. Only keep the amount of gasoline needed during your particular shift at the job site. It is important to place cloth, paper, and other gasoline-soaked waste in approved metal disposal containers.

Gasoline is important to our way of life. We see its importance in running our automobiles, boats, lawn mowers, and many other things. So let's keep it working for us and not against us. Treat it with caution and follow the safety rules we've just covered.

Gasoline is important to our way of life.
Treat it with caution and follow the safety rules.



LEADER NOTES

OBJECTIVE: To review and emphasize the proper methods for the safe handling of gasoline.

POTENTIAL INJURIES: Burns to any part of the body and possible fatalities.

THE TALK – POINTS TO COVER

- You're all familiar with the old story about the person who couldn't see if the gasoline tank was empty, and so he lit a match -- and you know the rest.
- The only difference between a Molotov cocktail and a harmless container of gasoline is the state of mind of the person using it.
- You're probably aware that it's the gasoline vapors that burn and not the gasoline itself. The vapors are heavier than air and can collect in low areas.
- Gasoline should be kept in an approved safety can which is properly identified.
- Sources of ignition are open flames, open lights, hot surfaces, sparks resulting from contact with metals, operation of electrical equipment, and static electricity discharge, as well as smoking and matches.
- Basic safety rules include:
 - No smoking, avoidance of spark sources or open flames.
 - Do not use gasoline for cleaning.
 - Let engines cool before refueling, wipe up any spills, and use a funnel to avoid spills.
 - Only keep the amount of gasoline needed during your particular shift.
 - It is important to place cloth, paper, and other gasoline-soaked wastes in approved metal disposal containers.

Say AYE to Eye Protection

In these days of rising prices, there is still one bargain to be found - eye protection. Relatively few dollars buys the safety equipment that can protect your eyes from such on-the-job hazards as dust, glare, and flying objects. Safety goggles, glasses, and face shields are easily affordable, and an eye injury or loss is expensive to the victim of the accident and the company that employs him/her.

Many eye injuries are not the result of not having protection. They result from not using the eye protection provided. Many excuses are used—none are legitimate.

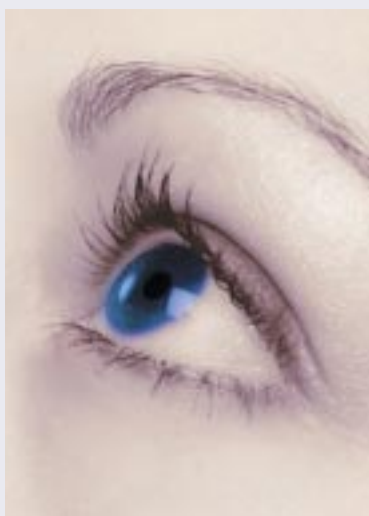
The one who pays the highest price for an on-the-job eye accident is always the victim. The price paid in terms of personal suffering can't ever be calculated. The pain and shock endured carries a price tag more costly than dollars and cents. A whole way of life has been irrevocably lost.

In addition to the personal suffering, there are also certain financial setbacks to be dealt with. Worker's compensation only pays a percentage of one's weekly wages. This decline in earning power can have some devastating side effects, ranging from having to seek lower cost housing, or perhaps having to severely curtail the amount we can afford to spend on food. If we have any time payments or charge accounts, the chances of falling hopelessly behind become all too real.

In addition, the victim's job is usually in jeopardy. He may not have a job to come back to, particularly if that job requires full vision. His entire occupation is lost. Along with the loss of occupation goes the potential earning power as well. And so, this person has to try to find and build a new occupation, starting at the bottom all over again. Meanwhile, the financial security of himself and his family is put on hold, with no guarantee that it will ever be restored again.

Other people also feel the effects of such a devastating injury. The company, for one, must be concerned about employee morale following such an accident. The rest of the employees may become jittery to a point where more accidents will follow. They may not feel like working up to their full capacity, which would result in lower production levels.

An unprotected eye can be a painful and expensive proposition to the victim and to the employer. Wear eye protection. An unguarded moment may result in tragedy. What would make it even more tragic is if the accident occurred while ample eye protection was resting on the victim's forehead instead of over his eyes.



LEADER NOTES

OBJECTIVE: To reinforce, demonstrate, and stress the use of proper eye protection.

POTENTIAL INJURIES: Eye injuries and potential loss of an eye.

THE TALK – POINTS TO COVER

- In these days of rising prices, there is still one bargain to be found - eye protection.
- In these days of rising prices, there is still one bargain to be found - eye protection.
- Safety goggles, glasses, and face shields are easily affordable. An eye injury or loss is expensive to the victim of the accident and the company that employs him/her.
- Many eye injuries are not the result of a lack of protection; they result from not using the eye-protection provided.
- The highest price paid for an on-the-job eye accident is paid by the victim. He must endure certain financial setbacks.
- He may not have a job to come back to. Many jobs are too detailed for a man without full vision.
- He may have lost his occupation, potential earning power, and have to find and try to build a new occupation to provide financial security for himself and his family.
- The steepest price the victim of an eye accident must pay is in personal suffering. He has lost a whole way of life.
- The company must be concerned about the effect of the accident on employee morale.
- An unprotected eye can be a painful and expensive proposition to the victim and employer.
- What would make it even more tragic is if the accident occurred while ample eye protection was resting on the victim's forehead instead of over his eyes.

2005 Summary of Statutory Changes in Workers' Compensation and Occupational Diseases Acts Pursuant to House Bill 2137

by Michael E. Rusin, Rusin, Maciorowski & Friedman

The Illinois legislature has now passed what will be known as the Workers' Compensation Reform Act of 2005. The changes are significant. Many sections of the Act have been amended and several new sections have been added. The changes to the Act cannot be considered as true reform as the changes do not restrict or diminish workers' rights to benefits. The revised Act is more beneficial to employees than employers. We expected that labor would pressure the governor and the legislature to expand workers' compensation benefits ever since the 2002 election. Significant reform legislation was drafted and almost passed in 2004. Therefore, we expected the legislature would pass workers' compensation legislation in 2005. Governor Blagojevich proposed changes in workers' compensation law in his State of the State address in February, 2005. Several employer groups met with labor groups in 2005 and these meetings have resulted in what has been called an agreed bill.

There are some beneficial provisions for employers in this statute. The essential compromise was that employers will benefit from the new Act by the imposition of a medical fee schedule limiting payments to doctors, hospitals, and other medical providers along with the opportunity for utilization review. In return, employees received increased benefits for PPD and death cases. In addition, the legislature increased minimum rates for TTD and PPD, they increased the maximum wage differential benefit, and they increased penalties for late payment of benefits. Further, the legislature made statutory changes to give employees greater rights to seek expedited hearings and they made additional statutory changes to legitimize some of the trial procedures already in place at the Commission which favor employees. Finally, they established a fraud unit to criminally penalize both employees and employers who engage in workers' compensation fraud.

SUMMARY

House Bill 2137 significantly amended the Workers' Compensation Act by changing Sections 4, 7, 8, 12, 13, 13.1, 14, 16, and 19. Further it added Sections 8.2, 8.3, 8.7, and 25.5. A summary of changes to the statute are as follows:

Section 4. Insurance Requirements and Penalties

Section 4 requires employers to self-insure or insure their workers' compensation liability. The amendments to Section 4 give additional rights to the Commission to enforce this responsibility and impose criminal penalties on non-complying employers. The bill adds Section (d) which allows the Commission to hold a hearing to determine whether an employer has knowingly failed to provide coverage. The knowing failure to provide workers' compensation insurance coverage for employees is deemed to be an "immediate serious danger to public health, safety, and welfare." The statute enables the Workers' Compensation Commission to issue a work stop order on the employer requiring the cessation of all business operations of the employer. The statute provides that any employer found liable of knowingly failing to provide coverage is guilty of a Class 4 felony. If the failure to provide coverage is only proven to be negligent, the crime is a Class A misdemeanor. Employers who fail to comply with the Act are also subject to unlimited civil liability.

Section 7. Death Benefits

Section 7 of the Act contains the provisions setting the benefits payable upon the death of an employee. The first change is to increase the burial expense to \$8,000.00 from \$4,200.00.

The second change is to increase funding that is required to the Rate Adjustment Fund. Employers are required to pay into the Fund twice a year at an amount equal to 1% of compensation payments made in the prior six months starting effective July 15, 2005.

Section 8. Medical and Compensation Benefits

Section 8 contains many of the primary benefit provisions in the Act. The changes in this Section in conjunction with the addition of the new Section 8.2 create a significant change in the medical rights of claimants, the obligations of employers and the payments to be made to medical

providers. A claimant's basic rights to medical treatment are not changed. However, employers are only required to pay fees to medical providers as limited by the provisions of Section 8.2. Section 8 is changed and it requires the employer to pay reasonable and necessary medical bills, but only at 1) the negotiated rate or 2) the lesser of the healthcare provider's actual charges or the fee as set forth in the fee schedule created by Section 8.2. Payments under the Act are to be made directly to the provider on behalf of the employee.

A further revision to Section 8(a) defines the term "maintenance benefit." The maintenance benefit is to be not less than the temporary total disability rate determined for the employee. In addition, maintenance is to include the costs and expenses incidental to a vocational rehabilitation program. Another revision to Section 8(a) creates "temporary partial disability benefits." The new Act provides that if an employee is working light duty on a part-time or full-time basis and is earning less than he would if employed in the full capacity of his regular job, then he is entitled to temporary partial disability benefits. Temporary partial disability benefits are equal to 2/3 of the difference between petitioner's regular pay and net pay while on light duty.

Section 8(b) relating to TTD minimums and PPD minimums is drastically changed. The new minimums are equal to 66-2/3% of the state or federal minimum wage times 40 hours. The maximum wage differential benefit is significantly increased. Under current law, the maximum wage differential rate is equal to the maximum PPD in effect on the date of the accident. For injuries occurring on or after February 1, 2006, the maximum wage differential benefit shall be 100% of the state's average weekly wage.

Death benefits are significantly increased. Death benefits were previously capped at \$250,000.00 or 20 years, whichever was greater. The new death benefit cap is increased to the greater of \$500,000.00 or 25 years. Section 8(e) is substantially amended. The weekly benefits for all members have been increased by 7.5%.

Section 8(g) provides that claimants who receive an award of either permanent total disability or death benefits are entitled to annual adjustments for inflation. The adjustments are based on increases in the state's average weekly wage. These adjustments if requested were funded by the Second Injury Fund or the Rate Adjustment Fund. The new statute changes that and requires that employers directly pay the inflationary increases.

Section 8.2. Fee Schedule.

For the first time in Illinois, medical fees will be limited by statute. The new statute now imposes a fee schedule on doctors, hospitals and all other medical providers. It eliminates balance billing. Section 8.2 provides an effective date of February 1, 2006. It provides that "the maximum allowable payment for procedures, treatment, or services covered under this Act shall be 90% of the 80th percentile of charges and fees as determined by the Commission utilizing information provided by employers and insurers' national databases." Section (d) provides that when a patient notifies a provider that the treatment is for a work-related injury, the provider is to bill the employer directly. The employer is required to pay the provider within 60 days of receipt of the bill or else incurs interest on the bill at a rate of 1% per month payable to the provider. Section (e) eliminates balance billing for most circumstances.

Section 8.7. Utilization Review Programs.

A new section of the Act creates the right of employers to arrange for utilization review in handling workers' compensation claims. Utilization review is defined as "the evaluation of proposed or provided healthcare services to determine the appropriateness of both the level of healthcare services medically necessary and the quality of healthcare services provided to a patient, including the evaluation of their efficiency, efficacy, and appropriateness of treatment, hospitalization, or office visits based on medically accepted standards."



Section 13. Illinois Workers' Compensation Commission

Section 13 establishes and expands the Illinois Workers' Compensation Commission from 7 members to 10 members. This means that instead of two panels of Commissioners to hear appeals, there will be three panels of 3 Commissioners each to hear appeals.

Section 16. Hearings before the Commission - Evidence

The statute previously stated that certified hospital records could be offered into evidence without having to present a record keeper. The new revised statute allows for the admission into evidence of the certified records, reports and bills of any treating hospital, treating physician, or other treating healthcare provider. However, this provision does not apply to reports prepared by treating providers for use in litigation.

Section 19. Hearings before the Commission - Decisions, Reopening, Penalties

Section 19(b) is amended to give employees and employers greater rights to demand expedited hearings before the Commission. The new provisions allow employees to seek an expedited hearing whether he is working or not if he is seeking medical treatment not authorized or past due TTD. Further, the new provisions state that an employer can demand an expedited hearing on an employee's right to TTD or medical, but only if the employer is currently paying TTD and continues to pay TTD until there is a decision of the arbitrator. The Commission is required to adopt rules to reach a decision within 180 days.

Section 19(h).

Section 19(h) provides that awards can be reopened within 30 months. The new statute adds a phrase which allows parties to reopen an award within 60 months in the case of an award pursuant to Section 8(d)(1), the wage differential section of the act.

Sections 19(l) - Penalty Provisions.

Section 19(l) of the Act previously allowed for an additional award of benefits of \$10.00 a day up to a maximum of \$2,500.00 for the late payment of compensation. Those penalties are drastically increased. Section 19(l) now provides for additional compensation of \$30.00 per day up to a maximum of \$10,000.00.

Section 25.5. Fraud.

This is a new section which makes it illegal for anyone to present a fraudulent case for workers' compensation benefits. It is now unlawful to present a fraudulent case making false or fraudulent statements to get benefits and to make any false or fraudulent statements to avoid liability for benefits. The statute is also directed against employers. It is also illegal to make any false statements to deny a claim or prepare or present a fake certificate of insurance or make any statements designed to improperly obtain workers' compensation insurance.

For further information contact

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Illinois Public Risk Fund SUPERVISOR TRAINING

IPRF is offering the final small series of seminars to assist its members in controlling losses due to accidents. This program is designed to provide each participant with the tools to build and support an effective safety and health program.

Supervisors responsible for the safety and health of their employees and practices should attend. They benefit through a combination of lectures, workshops, and case studies each participant will "hit the ground running" with "real world" solutions to assist in effective accident prevention and reduce workers compensation costs. Seminar registration fees are covered by IPRF. For registration contact Bonnie MacIntosh, the Training Registrar at 1-847-719-5275.

NOTE: Registration needs to be completed at least two weeks prior to the course date.

COURSE DATES & SUBJECT MATTER

Level II Training

September 21, 2005 Elgin, IL
September 22, 2005 Tinley Park, IL

(Prerequisite - Level I Training)
Accident Investigations
Hazard Recognition
Intermediate Ergonomics
Effective Safety Training

Level III Training

September 14, 2005 Dixon, IL
September 15, 2005 Springfield, IL

September 29, 2005 Bradley, IL

TBD Elgin, IL
(Prerequisite - Level I & II Training)
Advanced Ergonomics
Job Safety Analysis
Behavior Processes
Safety & Health Program Management

Annual Stella Awards (*Only in America!*)

It is once again time to review the winners of the annual Stella Awards. The Stella's are named after 81 year old Stella Liebeck who spilled coffee on herself and successfully sued McDonald's. That case inspired the "Stella Awards" for the most frivolous, successful lawsuits in the United States! This year's awards go to:

4th Place Jerry Williams of Little Rock, Arkansas was awarded \$14,500 and medical expenses after being bitten on the buttocks by his next door neighbor's Beagle dog. The Beagle was on a chain in its owner's fenced yard. The award was less than sought because the jury felt the dog might have been a little provoked at the time as Mr. Williams, who had climbed over the fence into the yard, was repeatedly shooting it with a pellet gun.

3rd Place A Philadelphia Restaurant was order to pay Amber Carson of Lancaster, Pennsylvania \$113,500 after she slipped on a soft drink and broker her coccyx (tailbone). The beverage was on the floor because Ms. Carson has thrown it at her boyfriend 30 seconds earlier, during an argument.

2nd Place Kara Walton of Claymont, Delaware sued the owner of a night club in a neighboring city when she fell from a bathroom window to the floor and knocked out two of her front teeth. This occurred whilst Ms. Walton was trying to sneak in the window of the Ladies Room to avoid paying the \$3.50 cover charge. She was awarded \$12,000 and dental expenses.

1st Place This year's runaway winner was Mr. Merv Grazinski of Oklahoma City, Oklahoma. Mr. Grazinski purchased a brand new Winnebago Motor home. On his trip home from an OU football game, having driven onto the freeway, he set the cruise control at 70mph and calmly left the driver's seat to go into the back and make himself a cup of coffee. Not surprisingly, the RV left the freeway, crashed and overturned. Mr. Grazinski sued Winnebago for not advising him in the owner's manual that he could not actually do this. The jury awarded him \$1,750,000 plus a new Winnebago Motor home. The company actually changed their manuals on the basis of the suit just in case there were any other complete morons buying their recreational vehicles.

Meet Your Medical Claims Personnel

Carla Newell has been working with IPRF Claims Administration for six years and currently handles Medical Only claims by claimant's last name A-L. She enjoys the variety of her job and speaking to members. Carla grew up and currently lives in Addison and spends most of her time with her family and her boyfriend Brad. She likes watching sports, going to the movies, and having dinner with friends. Carla also loves going to Wrigley Field for a Cubs game whenever she can get tickets.



Need More Newsletters?

If you would like IPRF Issues newsletter mailed to additional department heads, please contact:

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Back issues are available upon request.



Illinois Public Risk Fund Distribution of Files

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Lost Time Claims - By Area Code of Member

Supervisor: Laura Reyes	AREA CODE	EXT. #
<u>ANALYST</u>		
Jodi Lam	618 (A-L members)	2133
	217 (J-Z members)	
Cindy Shatkowski	618 (M-Z members)	2225
	217 (A-I members)	
Glenn Macey	815 (A-La members)	2234
Sharon Barnes	309 & 815 (Lb-Z members)	2233
<u>Supervisor: Kim Vaughan</u>		2226
Christine Dapper	847 (A-G members)	3635
	708 (N-Z members)	
Sue LeBlanc	708 (A-M members)	2229
Elaine Serafino	847 (H-Z members)	2228
	630 & 773 & 312	
Barbara Keller	SUBROGATION	2231

Medical Only Claims - By Claimant's Last Name

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Mari Curless	M-Z	2132

Other Important Telephone Numbers

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Claims Assistant:	Kim Slowik	3639
Claims Assistant:	Michelle Dunavant	2134
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IPRF Issues

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