



Illinois Department of Insurance

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TO: ALL INSURANCE COMPANIES AND ENTITIES LICENSED OR APPROVED
TO PROVIDE WORKERS' COMPENSATION INSURANCE COVERAGE IN
THE STATE OF ILLINOIS AND THEIR CLAIMS ADMINISTRATORS

FROM: Jennifer Hammer, Director of Insurance 

DATE: August 28, 2018

RE: Company Bulletin #2018-05 Prompt Payment and Payment of Interest to
Workers' Compensation Providersⁱ

All entities should immediately review and institute policies to ensure compliance with 820 ILCS 305/8.2(d) and 50 Ill. Adm. Code 2908. In compliance with these sections, all entities shall make payments to each and every provider, or its third-party billing entity, within thirty days of receipt of bills that contain substantially all of the required data elements necessary, or to provide a specific basis for denial. Lack of resolution on the indemnity portion of a workers' compensation claim is not sufficient justification for nonpayment. If an entity has not paid any substantially complete bill submitted more than thirty days prior to this Bulletin, the entity shall issue payments immediately and promptly pay interest as required by statute.

Please specifically note that 820 ILCS 305/8.2(d) states:

When a patient notifies a provider that the treatment, procedure, or service being sought is for a work-related illness or injury and furnishes the provider the name and address of the responsible employer, the provider shall bill the employer directly. The employer shall make payment and providers shall submit bills and records in accordance with the provisions of this Section.

- (1) All payments to providers for treatment provided pursuant to this Act shall be made within 30 days of receipt of the bills as long as the claim contains substantially all the required data elements necessary to adjudicate the bills.
- (2) If the claim does not contain substantially all the required data elements necessary to adjudicate the bill, or the claim is denied for any other reason, in whole or in part, the employer or insurer shall provide written notification, explaining the basis for the

- denial and describing any additional necessary data elements, to the provider within 30 days of receipt of the bill.
- (3) In the case of nonpayment to a provider within 30 days of receipt of the bill which contained substantially all of the required data elements necessary to adjudicate the bill or nonpayment to a provider of a portion of such a bill up to the lesser of the actual charge or the payment level set by the Commission in the fee schedule established by this Section, the bill, or portion of the bill, shall incur interest at a rate of 1% per month payable to the provider. Any required interest payments shall be made within 30 days after payment.

The Department also emphasizes that all relevant entities must accept electronic claims for payment and comply with 50 Ill. Adm. Code 2908.

Violations may constitute improper claims practices subject to penalties under 215 ILCS 5/154.6(c) ("Failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies") and (d) ("Not attempting in good faith to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear"), and other applicable sections of the Illinois Insurance Code. The Department is closely monitoring compliance with these requirements, and violations may result in Market Conduct examinations, notices of apparent liability, civil monetary penalties, or any other statutorily allowed penalties.

The Department will enforce compliance with these requirements by all entities subject to the Department's jurisdiction. Please direct questions regarding this Bulletin to DOI.InfoDesk@illinois.gov.

ⁱ This bulletin replaces and supersedes Department Bulletin 2012-09, dated December 13, 2012.