CRAIN'S CHICAGO BUSINESS

March 03, 2021 05:12 PM

This bill would hit workers, industries when they're most vulnerable

Industry leaders urge Pritzker to veto legislation they say will dramatically increase costs borne by hospitals, clinics, doctors and job creators.

DR. ROBERT W. PANTON
A.J. WILHELMI
MARK DENZLER
ROB KARR
JACK LAVIN

Bloomberg

Industry leaders urge Pritzker to veto legislation they say will dramatically increase costs borne by hospitals, clinics, doctors and job creators.

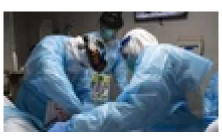
There are few settings where the hardships caused by the pandemic are on clearer display than hospitals and doctor offices. In neighborhoods across Chicago and communities throughout Illinois, our collective loss is reflected in the faces of health care professionals who have sacrificed on the front lines. As they valiantly confront this public health crisis head on, another threat looms, as medical professionals and health care institutions reckon with the financial turmoil the virus has left in its wake.

This could not come at a worse time. Our communities, especially minority and low-income families hit hardest by the pandemic, need more access to care, not less.

So it was a shock when Springfield lawmakers in January abruptly pushed through legislation in the dead of night that will dramatically increase costs borne by hospitals, clinics, doctors and job creators. The measure, which now sits on Gov. J.B. Pritzker's desk, will allow trial lawyers to collect a whopping 9 percent annually in interest on personal injury cases that may be brought against a wide range of industries, including health care, manufacturers, retailers, insurers, hotels, airlines and more.

MORE LETTERS ON HOUSE BILL 3360


This bill will bring injured people justice. Sign it, governor.


Governor, this bill will harm health care workers. Veto it.

If allowed to go into effect, this measure would establish Illinois as one of the most expensive states in the nation regarding this area of the law. The 9 percent penalty is far above current mortgage rates of less than 3 percent and quadruple the rate of inflation. Indeed, New York Gov. Andrew Cuomo recently proposed cutting similar interest rates. Further, the bill would allow these costs to be added to both economic and non-economic damages, which goes far beyond states like Arizona, Maryland, Tennessee, Utah and Washington that exclude economic damages from such calculations. Worse still, these penalties begin when a company is "notified" of an incident, often before there has been an investigation and well before interest accrues in states like California, Iowa, Michigan, Minnesota and Ohio, which first require a lawsuit to be filed or a settlement to be made.

Taken together, these changes will add billions of dollars in additional litigation costs for hospitals and businesses struggling after a year of pandemic-related difficulties. In addition, the changes could substantially add to their borrowing costs, undermine their bond ratings and jeopardize access to capital financing in the markets.

For safety net hospitals treating the most vulnerable, this puts them one verdict away from potentially closing their doors. Medical specialists already leery of practicing in Illinois because of high insurance rates may choose to go elsewhere, creating health care deserts and exacerbating existing health disparities. Manufacturers serving as the primary employer in town will look to relocate to a state where it is more affordable to do business. Retailers struggling from a year of mandated closures and capacity limits will not be able to re-hire staff. This will slow economic growth, investment, and job creation at a time when we should be urgently working towards an economic recovery.

Legislation with such a broad impact deserves proper, public consideration. We urge a veto from the governor.

DR. ROBERT W. PANTON, President, Illinois State Medical Society
A.J. WILHELMI, President and CEO, Illinois Health & Hospital Association
MARK DENZLER, president and CEO, Illinois Manufacturers' Association
ROB KARR, President and CEO, Illinois Retail Merchants Association
JACK LAVIN, President and CEO, Chicagoland Chamber of Commerce

Inline Play

Source URL: *https://www.chicagobusiness.com/opinion/bill-would-hit-workers-industries-when-theyre-most-vulnerable*