

Minutes
Labor-Management Advisory Council
August 23, 2017
Great Northern Best Western, Helena, MT

Advisory Council members present:

Lt. Governor Mike Cooney
Larry Jones, Montana Self-Insureds Association
Al Smith, Montana Trial Lawyers Association
Lance Zanto, Workers' Compensation Management Bureau
Bill Dahlgren, Sun Mountain Sports
Doug Buman, Laborers' International Union of North America
Don Judge, Injured Workers Resource Council
Chris Cavazos, Montana AFL-CIO
Marvin Jordan – MCCF
Jim Larson – Teamsters Local 190

Annette Hoffman – Regional Manager MT Region SCLHS – attended via telephone

Project Core Team members present:

Eric Strauss, ERD Administer
Bryan Page, Safety & Health Bureau Chief
Peter Van Nice, Regulations Bureau Chief
Mark Cadwallader, Department Legal Counsel
Bill Wheeler, Deputy Administrator, ERD

Others present:

ERD

Maralyn Lytle, Karen Wiles, Julia Brennan, Kristine Ediger, Adrienne McLean,
Stacy Schwarz, Cindy Zimmerman and Misty Knight

MCCF

Vicki Evans

Montana University System

Leah Tietz

Coventry

Glenn Wright

I. Welcome and Introductions

Lt. Governor Mike Cooney chaired the meeting greeted those present and introductions were made.

Labor-Management Advisory Council
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II. Approval of Agenda The agenda was approved.

III. Work Comp Assessments Update – Adrienne McLean and Stacy Schwarz

Adrienne and Stacy provided an overview of LMAC's decision to support SB 259 from 2015; the functions covered by the administrative assessment; functions covered by the safety assessment; WC assessment expenditures vs CPI annual growth; assessment calculation – first steps; paid benefits available for assessment; total Montana work comp premium; Plan 2 and 3 premium; the assessment calculation; administrative assessment calculation; safety assessment calculation; FY 2016 – FY 2018 assessment rates; work comp and safety funds budget; safety budget breakout; work comp and safety funds spending compared to total possible assessment and; assessment mechanism update summary. Discussion included what the process is to increase administrative rates if necessary.

IV. Safety information – Brian Page

Bryan discussed the expansion of the 10 hour classes blending online and live classes as being a success without OSHA being receptive. Their concern was the possibility of wrong training. With the efforts of former Commissioner Pam Bucy, OSHA approved. There is work in progress with NIOSH to improve class 4 youth.

V. Kid's Chance – Peter VanNice

Peter advised himself, Bill Wheeler and Kristy Wolter work together on Kid's Chance with a board of 6 members. The board members include Keith Brownfield Victory Insurance, Attorney Leslae Dalpiaz, Vicki Evans, Montana Contractors Compensation Fund, Michael Marsh Midland Claims, Jason Merkel, Northwestern Energy, and Peter VanNice, Employment Relations Division. Montana will be the 37th Chapter in the U.S. They have been recognized by the Secretary of State, established a domain website and incorporated bylaws have been approved. Fundraisers have accrued \$3,956.00 to date. Discussion included how to qualify for scholarships and the definition of what is considered catastrophic. Peter advised they would start with fatalities and work back depending on funding.

VI. 5 Year Closure / Reopening Update – Bill Wheeler

Bill provided an update consisting of Montana statute and rules; training for implementation; two petitions types; validating petitions; time frame for petition filing; statistics on petition type and outcome; petitions by plan type; other first year statistics; petitions received by month; system costs; and petition electronic survey. He advised of a constitutional challenge which was heard at trial on August 18, 2017

VII. HB-449 – Bill Wheeler

HB 449 is a revision of the definition of wages in workers' compensation insurance. Section 39-71-123 which was amended to read:

- (f) board if it constitutes a part of the employee's remuneration and is based on its actual value; and
- (g) lodging, rent, or housing if it constitutes part of the employee's remuneration and is based on a value as set by administrative rule. The values set by administrative rule must address the general geographic proximity to available housing and may consider other reasonable factors that affect value.

Bill advised House Representative Wylie Galt sponsored the bill. Informal input was provided by constituent Lanie White, Kevin Braun, Chief Legal at the Montana State Fund and Al Smith, Montana Trial Lawyers Assoc. The department is tasked with implementing rules that identifies starting values for lodging, rent or housing by geographic location and develop modifiers to adjust the values to reflect geographic proximity to other available housing. An idea is to adopt rent values by county; provide modifiers based on population and distance. Bill stressed this is a work in progress and may provide an update at the next LMAC meeting.

VIII. Drug Formulary Update – Bill Wheeler

Bill advised of the formulary working group meetings to date; current participants and; a summary of ODG, ACOEM and Washington formularies. Comparisons included accessibility and simplicity; restrictiveness of the formularies; ease to implement and maintain; compatibility with Montana and the U & T Guidelines and the pros and cons of each. He also presented a list of options. Discussion included the length of time on drugs, evidence based, and building up the formulary overtime. Although the department has authority to go forward, the working group will make a recommendation to LMAC for approval.

IX. SJ 27 – Eric Strauss

By letter dated June 14, 2017 signed by Sen. Gordon Vance Presiding Officer, and Rep. Nat McConnell Vice Presiding Officer of the Economic Affairs Interim Committee, LMAC was renewed.

Pat Murdo of the EAIC published “Past Montana State Fund Studies/Outcomes” which was provided to LMAC members. Discussion included what LMAC wants to do with a study bill, and the department can provide other state research to provide options. It was agreed LMAC needs to be active with the EAIC on this issue.

X. Next Steps:

More information will be provided on the drug formulary, safety, the administrative assessment, 5 year closure, HB 449 and SJ 27

Send each member of the EAIC a memo signed by Lt. Governor Mike Cooney, Jim Larson and Lance Zanto advising of LMAC's participation in the State Fund study bill.

The next meeting will be Tuesday October 3, 2017 at the Governor's Conference in West Yellowstone.

XI. There were no public comments

The meeting was adjourned