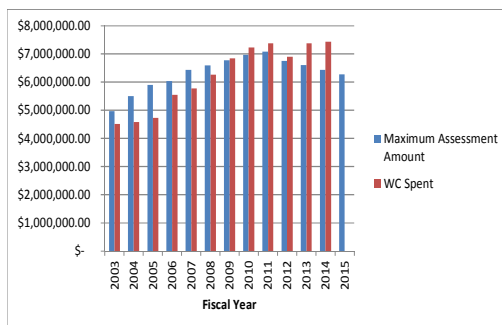


DEPARTMENT PROPOSED 2015 WORKERS' COMPENSATION LEGISLATION

Diana Ferriter, Administrator
Employment Relations Division
MT Department of Labor & Industry
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Funding Problem – Administration Assessment



- The assessment is limited to 3% of indemnity and medical benefits paid by all work comp insurers in the preceding calendar year - >\$200k medical not subject to assessment
- Declining incident rates and decreases in benefits subject to the assessment have resulted in insufficient funding



Workers' Compensation Administration Assessment

- 39-71-201, MCA, Administration Fund
- Placeholder for possible legislation
- Administration does not want to increase the assessment caps
 - Up to 3% of benefits paid
 - >\$200,000 medical not subject to cap
- No decision at this time
- Exploring other options

Estimated FY15 Assessment v. Estimated FY14 Expenditures

- Total indemnity and medical benefits paid in preceding calendar year subject to 3%
 - \$208,991,949 X 3% = \$6,269,758
- Estimated FY14 Expenditures
 - **Statutory Program & Administrative Expenses** \$5,274,136
 - Legal, WC Court, Hearings, WC Database
 - Claims, Mediation, Medical Regs
 - Self-Insurance, Carrier Compliance
 - Computer applications and Websites
 - Financial Management and Accounting
 - **Discretionary Program & Admin. Expenses** \$2,091,557
 - Public Facility Inspections
 - OSHA On-Site Grant Match, MT Safety Culture Act
 - SafetyFests, Outreach and Training
 - TOTAL \$7,365,694
 - **SHORTFALL** **\$1,095,936**

Medical Fee Schedule Updates Once per Year

- 39-71-704(2)(d), MCA, Current statute requires the Fee Schedules be updated three times per year as medical coding standards are updated
 - March 31st, July 1st, October 1st
- Amend requirement to one change per year effective July 1st - codes in effect on January 1st
- More efficient, less confusion, and reduces administrative costs for the Department, insurers and medical providers

Remove Physician Admitting Privileges

- Amend 39-71-116(41) and 39-71-711(2)(a), MCA
- Currently, the definition of a treating physician requires admitting privileges
- Currently, physicians authorized to determine impairment ratings requires admitting privileges
- Admitting privileges is not a measure of the qualifications of the treating physician or the impairment evaluator
- Requirement for admitting privileges restricts access to qualified physicians and could delay claims handling and return to work; example, ACOEM physicians
- Other statutory treating physicians aren't required to have admitting privileges; chiropractors, advanced practice nurses, etc.

Subsequent Injury Fund Assessment

- Amend 39-71-915, MCA, to change the time period used for the assessment
- Currently, the preceding fiscal year of expenses from the fund is used for assessment
- Change to expenses paid through March 31st of the current calendar year
- Will replenish the fund balance and keep reimbursements more current with expenditures

Paid Time Off or Personal Leave Used to Supplement Indemnity Benefits

- Amend 39-71-736, MCA, to provide guidance when PTO or personal leave supplements benefits
- Currently, sick leave may be used for the 4 day or 32 hour waiting period
- Currently, vacation leave may be used in addition to TTD benefits
- Employers are moving toward PTO or personal leave rather than sick and vacation leave
- This change allows use of PTO or personal leave for the waiting period and in addition to TTD benefits

Require Insurers to Provide Notice to Injured Workers of Changes in Claims Examiners

- Amend 39-71-107, MCA, to require notice to injured workers of changes in claims examiners or TPAs
- Many insurers provide this notice as a business practice
- ERD routinely receives calls from injured workers asking who's handling the claim
- Good communication is essential for timely benefits, reductions in disputes, and return to work opportunities

Questions?