

**Minutes**  
**Labor-Management Advisory Council**  
July 21-22, 2010  
Best Western Great Northern Hotel, Helena

**Advisory Council members present:** Lt. Governor John Bohlinger, Jason Miller, Doug Buman, Bill Dahlgren, Annette Hoffman, Bob Worthington, Riley Johnson, Danny Lee and Jerry Keck

**Project team member present:** Diana Ferriter, Anne Wolfinger, Judy Bovington, and Georgiana Kochman

**Others present:** Larry Jones, Liberty NW; Will Lynn, DMC; Thom Danenhower, MMIA; Pat Murdo, Legislative Services; Thom Danenhower, Ann Komac, MMIA; Geroge Kochman, WorksafemT; Rich Turner, Corvel; Fred Miller, WSMT; Mari Kindberg, CSI; Trudy Winslow, MHS; Tom McLaughlin, Genex; Bonnie Lyytinen-Hale, Headwaters Rehab; Katherine Dunlop, RMS, Inc.; Jacqueline Lenmark, AIA; Lea Tietz, MUS; Richard Martin, Fair Claim; Nancy Butler, Kevin Braun, Montana State Fund; Rick Clark, Plum Creek; Al Smith, MTLA; Frank Neuhauser, WC consultant; Ann Clayton, WC consultant; Lance Zanto, DOA; Erin MacLean, MMA; Andy Adamek, Medtronic; Bryan Page, Ryan Morton, Kristine Shields, Anni Druce, Karen Wiles, Barb Gullickson, Connie Ferriter, Mark Hurlbut, Bruce Chamberlain, Misty Egeler, ERD; Lea Coles, DLI.

**I. Welcome & Introductions**

Lt. John Bohlinger greeted those present and had all in attendance introduce themselves.

**II. Approval of Agenda and Minutes**

The agenda and minutes were approved as written.

**III. LMAC Workplan and Summary**

Jerry reviewed the workplan and noted the decisions made at the previous meeting. Jerry stated that LMAC needed closure and/or proposals on the Comprehensive Package Draft Statutory Language for the next meeting. These items will be kept on the agenda:

1. IME Fees
2. Exemptions – Manager-Managed LLC and Domestic Workers
3. Presumptive Illness
4. Fraud within the system

**IV. Report on the June 29, 2010 Economic Affairs Interim (EAIC) Committee meeting**

Both Jason Miller and Riley Johnson reported on the EAIC meeting and agreed it was a good meeting. Pat Murdo asked for an informal fiscal note. She will contact Jerry and Montana State Fund for their perspective and cost analysis. Jason Miller asked how these changes would impact Montana's ranking and what the cost savings would be if this passed.

**V. LMAC Comprehensive Package Draft Statutory Language**

Judy Bovington and Diana Ferriter reviewed the new language that was revised by two additional stakeholder meetings held after the June 23, 2010 meeting. LMAC and public comment was taken for most of Wednesday and continued into Thursday. There will be a telephone conference call on July 30<sup>th</sup> at 9:00 a.m. to discuss language change. There were suggested changes to the new draft language which will be incorporated and brought to the next meeting in August.

**VI. Montana Workers' Compensation Annual Report**

Diana Ferriter reviewed the Fiscal Year 2009 Annual Report. She noted there were a couple additions added to the report.

**VII. WorkSafeMT Ad Campaign**

Carl Kochman, WorkSafeMT chair, displayed the new WorkSafeMT ads airing on television and radio.

**VIII. WorkSafeMT Funding**

Carl Kochman stated private donations have been committed in the amount of \$700,000.

**IX. LMAC in Statute**

The LMAC is a formal body established under Department of Labor and Industry agency order. Putting it into statute would assure its continuance after the current administration. Riley Johnson said he didn't think this was a good year for a new body and he requested information if there would be any additional cost to the LMAC. Jerry Keck said there are only additional costs if members' employers would not reimburse for their absence.

Lt. Governor John Bohlinger said this is a tight budget year and there will be elimination of several councils. Doug Buman said the council is a win-win situation for both employees and employers and he wants to keep the council going especially in light of LMAC's cost savings efforts.

**X. Report: Utilization & Treatment Guideline Request for Proposal**

Anne Wolfinger said the department evaluated two responses to the Utilization and Treatment Guidelines Request for Proposals. The American College of Occupational and Environmental Medicine (ACOEM) received the highest score and contract negotiations have begun.

**XI. Draft Utilization & Treatment Guideline Rules**

Lea Coles reviewed the draft utilization and treatment guideline rules. There was a lengthy discussion on evidence based and rebuttable evidence. The rules will be noticed on September 13, 2010.

**XII. Study on Adequacy of Montana Work Comp Benefits**

Frank Neuhauser gave a presentation on measuring the adequacy and equity of Montana's wage loss benefits. The benefit adequacy study should have extracted data from ERD and unemployment insurance by the August meeting with final results in September.

**XIII. Medical Fee Schedule Rules**

Jerry said the medical fee schedule rules will be brought to the August meeting. The department plans to set the medical fee schedules at 150% of Medicare as has been discussed by LMAC.

**XIV. Manager-Managed LLC's**

At the EAIC meeting on June 23, 2010, Senator Keane was concerned about the construction industry forming LLCs so that they wouldn't have to obtain workers' compensation for their workers. Bart Campbell, Sr., EAIC attorney, will work with the department on statute changes.

**XV. Public Comment**

No comments.

**XVI. Next Steps**

There will be a two-day LMAC meeting at the Great Northern August 16 and 17, 2010. A telephone conference meeting will be held on July 30<sup>th</sup> at 9:00 a.m. to review the LMAC Comprehensive Package Draft Statutory Language. Handouts will be provided on the Department of Labor's website.

Other discussion for the August meeting will include independent medical examiner fees, exemptions, presumptive illness and fraud.

The September meeting will be September 14, 1-4p, at Big Sky prior to the Governor's Conference.

The October meeting is set for October 28, 2010.