

Minutes

Labor-Management Advisory Council

November 16, 2010
Great Northern Hotel

Advisory Council members present: John Bohlinger, Bob Worthington, Jason Miller, Annette Hoffman, Don Judge, Riley Johnson, Jacquie Helt, Doug Buman, Jerry Keck

Project Core Team members present: Bryan Page, Keith Messmer, Anne Wolfinger, Judy Bovington, Georgiana Kochman, Bruce Chamberlain

Others present: Mark Schwager, RMC; Anni Druce, Karen Wiles, Barb Gullickson, Connie Ferriter, Bryan Paige, Teresa Graham, ERD; Carl Kochman, Kevin Braun, Nancy Butler, MSF; Rick Clark, Plum Creek; Tim Fitzpatrick, MTSBA; Marv Jordan, MCCF; Ann Komac, Thom Danenhower, MMIA; Bill Murray, trudy Winslow, MHS; Russ Hill, DOA; Brenda Miller, Larry Jones, LNW; Rhonda Morgan, Corvel; Andy Adamek, Medtronic-BKBH; Douglas Neil, MSFA; Richard Martin, Fair Claim; Tom Murphy, Murphy Law Firm; Bruce Spencer, PCI; Lance Zanto, DOA; Georgeanne Paul, RAM; Amie Grmoljez, Billings Clinic; Mike Foster, Catholic Hospitals; Erin MacLean, Janeet Whitmoyer, MMA; Will Lynn, DMC; Representative Chuck Hunter, Senator Jim Keane, Montana Legislature.

I. Welcoming & Introductions

Lt. Governor John Bohlinger greeted those present and asked anyone in the audience who was new to these meetings to introduce themselves. Dave Lighthall introduced himself.

II. Approval of Agenda and Minutes

The agenda and minutes were approved as written.

III. LMAC Workplanning

Jerry Keck reviewed the workplan and noted the only item that is outstanding is the LMAC has not taken a position on exemptions and has delayed this issue until after the session.

IV. Study on Adequacy of Montana Work Comp Benefits

Jerry Keck opened by saying that the Adequacy Study did not generate the correlation between the impairment rating and lost wages that was anticipated. He commented that the ERD database now contains over 13,000 paid claims and 35,000 medical only claims from 2002 and 2007 that can be used to rapidly analyze alternative proposals. Frank Neuhauser gave a presentation outlining his ongoing analysis of benefit adequacy under Montana's workers compensation system. He said that the focus of the study is to judge the adequacy of benefits to replace lost wages, also to measure the equity and distribution across the workforce. Meaning that similarly disabled workers are paid similar benefits and vertical equity meaning more severely injured workers are given a higher benefits. The goal is to achieve wage replacement in the 60 to 65% range. The results of his study were that impairment rating does correlate with wage loss, but not as well as other indicators. At injury wage is a better indicator for determining both wage loss and compensation.

Determining PPD benefits duration based on twice the impairment percentage in the proposed statute does worse than the current statute at replacing wages for impairment only. For PPD it worked fairly well but again not as well as the current statute.