

Minutes
Labor-Management Advisory Council
January 5, 2011
Great Northern Hotel

Advisory Council members present: John Bohlinger, Bob Worthington, Jason Miller, Annette Hoffman, Don Judge, Doug Buman, Bill Dahlgren, Danny Lee, Jacque Helt, Connie Welsh and Jerry Keck

Project Core Team members present: Diana Ferriter, Anne Wolfinger, Judy Bovington, Bruce Chamberlain, Andy Shirliff

Others present: Mike Taylor, NCCI; Marv Jordan, MCCF; Rick Clark, Plum Creek; Thom Danenhowe, Ann Komac, Alan Hulse, MMIA; Tim Fitzpatrick, MTSBA; Doug Neil, MSFA; Janet Whitmoyer, Erin MacLeanMMA; J.D. Lynch, labor union; Fohn Forkan, Plumbers and Pipefitters; Trudy Winslow, Bill Murray, MHS; Lance Zanto, DOA; Leah Tietz, MUS; Bonnie Lyytinen-Hale, HRC, Inc/RAM; Al Smith, MTLA; Katherine Dunlap, RAM/VMS; Phil Drake, Montana Watchdog; Larry Jones, Liberty NW; Mark Hurlbut, Anni Druce, Kristine Shields, Barb Gullickson, Teresa Graham, Karen Wiles, Ryan Morton, ERD.

I. Welcome and Introductions

Lt. Governor John Bohlinger greeted everyone and asked everyone to introduce themselves. He stated he had met with the Speaker of House and three legislators to discuss the LMAC legislation.

II. Approval of Agenda and Minutes

The LMAC approved the agenda and the minutes for the December meeting.

III. Update on Status of LMAC Bill

Jerry Keck reviewed the key elements in consensus comprehensive package recommended to the Economic Affairs Interim Committee: Number 6, 7, 8 and 16 are removed from the comprehensive package. Numbers 11, 12, and 15 were up for discussion this meeting.

The LMAC bill is going to be introduced in the Senate. Bob Worthington stated they met with Senator Ryan Zinke and Senator Jim Keane and came to a consensus on benefit issues. Two elements had not been addressed: the U & T Guidelines and the Medical Fee Schedules.

Jerry reviewed the cost and impact sheet.

Senator Keane, chair of the Economic Affairs Interim Committee (EAIC), addressed the LMAC and stated workers' compensation was the number one study issue from the last session. His first priority was to listen to who is paying the bills and receiving the benefits. He said the Montana State Fund was drafting their own bill. He stated the EAIC approved the LMAC bill.

IV. Medical Issues Update

Diana Ferriter went over the Medical Fee Rules. Date of publication will probably be mid-March, 2011. She also stated the changes in Medicare value will affect our rules as stated. We will adopt unless a significant change comes up.

V. LMAC Bill Cost Analysis

Jerry reviewed the Estimated Cost Impact of Workers' Compensation changes. There was a lengthy discussion on the three estimated cost impact worksheets. The projected savings would be estimated at \$5.8 million.

The U & T Rules were noticed for a hearing on October 15, however they have to be noticed again due to some stakeholders couldn't review the website. They will be published January 31, 2011.

Anne Wolfinger stated the department is making plans for Montana Guideline training in Billings on February 22, Great Falls on February 24 and Missoula on February 25.

Don Judge asked if there were comments on the guidelines. Diana stated there were comments on billing procedures and have had responses back from doctors and medical providers. Written comments will be published.

Jerry went back to the review of the Estimated Cost Impact of Workers' Compensation Change sheets. There was discussion of the triggers and the 5% savings. Mike Taylor will get NCCI loss cost filings in February to see what the 5% trigger will do to our national ranking. Jerry stated that the average rate is \$3.33 per \$100 in payroll.

VI. WorkSafe MT

Carl Kochman stated the Articles of Incorporation have not been signed. The Board meets January 15, 2011.

VII. Review of Final LMAC Comprehensive Package

Jerry discussed LC0005 – Workers' Compensation Act. There was a lengthy discussion regarding the steps for a benefit increase. The approved motion when first trigger met there would be 5% savings and benefits would move from 375 to 400 weeks and increase at 85% PPD benefits for states average weekly wage. First motion passed unanimously.

Public comment: Lance Zanto stated the lost filing only applies to plan 2 carriers, that plan 1 and plan 3 carriers set their own rates.

Discussion of the medical fee schedule language. Jerry stated that critical access hospitals are exempt and rural and small hospitals pay 15% of the WC cost and also ambulatory surgery center attached to hospitals. Current law doesn't require this language change, uses base rate. Connie W. stated trigger – medical fee – stay at work approved at the last meeting. Medical Fee Schedule language was moved for motion to adopt by Riley. and seconded by Bill Dahlgren. Motion adopted unanimously.

VIII. Public Comment

No public comment

IX. Next Steps

Jerry discussed the weekly meetings during the legislature to discuss bills of interest. The meetings will be from 1:00 to 2:30 every Friday. First meeting will be January 14th.