

Minutes
Labor-Management Advisory Council on Workers' Compensation
April 27, 2011
10:00-1:00 pm

Advisory council members present: Lt. Governor John Bohlinger, Bob Worthington, Jason Miller, Riley Johnson, Annette Hoffman, Don Judge, Jacquie Helt, Jerry Keck, Bill Dahlgren

Core team members present: Judy Bovington, Anne Wolfinger, Diana Ferriter, Andy Shirtliff

Others present: Mike Taylor, Raji Chadarevian, NCCI; Dwight Easton, Farmers Insurance; Ann Komac, Thom Danenhowe, MMIA; Shaun Bubb, Tim Fitzpatrick, MSBIA; Rhonda Morgan, Corvel; Andy Adamek, Medtronic; Jon Bennion, Montana Chamber, Russ Hill, Lance Wetzel, DOA; Bill Wheeler, Barb Gullickson, Anni Druce, Karen Wiles, Teresa Graham, Dave Elenbaas, Kristine Shields, ERD.

- I. Approval of Agenda and Minutes
 - The agenda and minutes were approved.

- II. NCCI Pricing of HB 334
 - NCCI filed with the insurance commissioner on 4/26/11 a 22.4% (\$92 million) decrease in workers' compensation premiums along with some adjustments on outstanding policies (slide 3) and the 5.6% loss cost already filed for this year

 - The overall decrease is 26.7% as of July 1, 2011
Note: 26.7% is not cumulative but multiplicative and is calculated using the following: $1-(0.944 * 0.776)*100=26.7\%$

 - NCCI's filing is in the approval stage with Monica Lindeen, the insurance commissioner

 - Rajji explained the final analysis of cost impacts of HB 334 outlined in "Montana Law Only Filing" presentation
 - i. The expected benefit split (slide 6) shows a decrease in Medical
 - ii. The fee schedules are frozen until 2013 and reverting back to the 12/31/10 fee schedule which results in a decrease because of an increase in 2011 Medicare RVU's (No change in the conversion factor)

 - Mike highlighted the other changes that may or may not have cost impact that were not priced (slide 4)

- All changes in HB 334 and other workers' comp bills will work together and interact

III. Status of Other Workers' Compensation Bills

- HB 43: Signed by the Speaker and President and off to the Governor
 - DLI offered amended veto language to cross reference SB 423
- HB 71: Tabled in Committee
- HB 110: Signed by the Governor
- HB 186: Signed by the Speaker and on to the President
 - DLI will include in notice to insurers-prepared by new bureau chief Bill Wheeler
- HB 359: Signed by the Governor
 - DLI claims staff has petition on website and mass mailed to stakeholders
 - Will be amended to include "400 weeks"
- HB 552: Signed by the Governor
- HB 577: Signed by the Speaker
- SB 242: Signed by the Governor
- SB 287: Signed by the Governor
- SB 290: Signed by the Governor
- HJ 38: Interim study bill for firefighters and EMTs still being considered

IV. Montana Utilization & Treatment Guidelines Update

- Draft has been posted on the website
- DLI is finalizing the rule this week so that it coordinates with HB 334 and the Medical Fee Schedules
- Rules will be published 5/12/2011 and final guidelines on the web
- Hearing for the rules is 6/6/2011
- Comments close date is 6/10/2011
- Physicians will be compensated for any treatment in the guidelines
- Guidance for when prior authorization is required
- Dr. Schumpert has helped in "fine tuning" the language
- Training for medical providers will be held in Helena, Bozeman, and Kalispell in May and June
- The guidelines will apply retroactively to July 1, 2007 and forward claims

V. Montana Medical Fee Schedules

- Facility and Non-facility fee schedules are frozen until 6/30/2013 and are reverted back to those effective 12/31/2010
- DLI is reviewing administrative rules that don't affect reimbursement rates
- New 2011 CPT codes will be reimbursed under the 2010 Fee Schedules

VI. Public Comment: None

VII. Next Steps:

- U&T training
 - i. Helena 5/6/2011; Bozeman 5/20/2011; Kalispell 6/3/2011
- U&T published 5/12/2011
- NCCI annual advisory forum 5/19/2011
- U&T rules hearing 6/6/2011
- U&T comment close 6/10/2011
- Tentative LMAC meeting 6/8/2011