



Preliminary Cost Impact Analysis

Montana Medical Benefits Termination Proposal As Requested on 2/15/2011

NCCI has completed a preliminary cost impact analysis of a proposal requested on February 15, 2011 by the Department of Labor & Industry, Employment Relations Division. This analysis includes a description of the changes, an indication as to the approximate magnitude and direction of their cost impact, and identifies potential unintended consequences or other notable items.

The analysis was completed in an expedited manner and is considered preliminary. NCCI may supplement this document with a complete and final analysis of the proposal at a later date. It is possible that the estimated impact of the final analysis will differ materially from what is provided in this document. Note that the absence of an update to the preliminary analysis does not signify that this is NCCI's final assessment of the cost impact of the proposal.

Preliminary Cost Impacts

NCCI estimates this proposal could result in significant savings in the overall workers compensation system costs in Montana.

No effective date was included with this proposal. NCCI assumes that the proposal, if enacted, would apply to accidents occurring on or after July 1, 2011. NCCI's estimated cost impacts do not reflect any potential retroactive impacts.

Summary and Analysis

Under this proposal, medical benefits for work-related injuries would terminate 60 months after the date of injury or diagnosis of an occupational disease. A worker's medical benefits could reopen if medical treatment is required to allow the worker to continue to work or return to work. Workers would have to submit a request for reopening of medical benefits to a medical panel for approval, the details of which are described in the proposal. Medical benefits closed by settlement or court order would not be subject to reopening. If medical benefits were reopened, they would remain open for two years after reopening, or until maximum medical improvement is achieved, whichever occurs first. However, if the medical panel specifically approves treatment beyond two years, medical benefits would remain open for as long as recommended by the medical panel. This proposal would not apply to a worker who is permanently totally disabled or for the repair or replacement of a prosthesis furnished as a result of a compensable injury.

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