

# Recommendations on Improving Montana's Benefit Structure

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## Recommendations Assume The Following Objectives For System Improvement

- Maintain or Improve benefit equity and adequacy
- Improve benefit predictability without decreasing efficiency
- Lower premiums for employers

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## System Assumptions Based on Best Available Information:

- Premium rates overall in Montana were second highest in the nation as of 2008
- Significant cost drivers are\*:
  - **Medical costs**
  - **Higher than average frequency of injuries per 100,000 workers**
  - **Temporary total disability duration greater than many states**
  - **Higher than average PTD benefits paid**
  - **Compensability for injuries unrelated to work activities (course and scope)**
  - **Inability to close claims**
  - **Inability to settle medical benefits into the future**
  - Cost of living escalator payment process increases premium rates
  - Inability for employers/insurers to recover significantly from third parties liable for workers' injuries

\*Based on Oregon Premium Cost Comparisons; NASI; WCRI; NCCI; and stakeholder interviews

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## System Conclusions:

- Montana's benefit system is fairly easy to understand and the structure is sound, but it could be more equitable, adequate and predictable
- Care should be taken to not decrease efficiency or access to medical care
- The end result of revisions should also decrease rates for employers

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