

<p><b>HB334 – Savings from Reduced Worker Benefits</b>  <b>NCCI Estimate MIDPOINT NET Savings – -32.55% OR -\$133.5M</b></p>	<p><b>Senator Zinke Amendments to HB334</b>  <b>NCCI Estimate MIDPOINT NET Savings = -24.15% OR -\$99.3M</b></p>
<p><b>Insurer Designated Treating Physician - pgs 7 &amp; 31 in HB334</b>  NCCI – -\$18 to -\$59 million reduction in medical utilization and medical costs</p>	<p><b>Insurer/Worker Designated Treating Physician</b>  If worker’s choice agrees to assume same responsibilities – becomes treating physician  If insurer doesn’t agree with worker’s choice may designate another physician  NCCI – will price in final bill – should result in similar savings</p>
<p><b>Fee schedule reimbursements – pg. 24</b>  NCCI – -\$1 to +\$1 million in cost impact – Cost increase of 4% from 12-31-10 to 1-1-11</p>	<p><b>Physician Fee schedule reimbursements – Lower Conversion Factor to maintain costs at 12-31-10 rates</b>  Adjusts to 12-31-10 system wide rates  NCCI estimates -3% or -\$12.5M</p>
<p><b>Definition of course &amp; scope – pg. 17</b>  No cost impact  Same language as vetoed by Gov. Schweitzer</p>	<p><b>Definition of course &amp; scope – language agreed to by labor &amp; management</b>  No cost impact</p>
<p><b>U &amp; T Guidelines – Changes “presumed correct medical treatment” to “limitation of insurer’s liability” Requires mandatory medical review by Medical Director prior to mediation – pgs. 24-25</b>  NCCI – Expects Savings – can’t price until savings are experienced  ERD – -\$85m reduction in medical costs</p>	<p><b>U &amp; T Guidelines – Keeps “presumed correct medical treatment” and adds language to prevent malpractice actions due to use of guidelines. Allows for medical review by Medical Director upon request prior to mediation</b>  NCCI – Expects Savings – can’t price until savings are experienced  ERD – -\$85m reduction in medical costs</p>
<p><b>Permanent Partial Awards – pgs. 5-6 and 20</b>  Eliminates 87%(Brigham) to 94%(ERD) of PPD/Impairment cases  Includes 6%-180 of 3000 =&gt;Class 2 with wage loss  NCCI – -\$14 to -\$31 Million Reduced Benefits  ERD estimates -\$32 Million Reduced Benefits  2,800 of 3,000 PPD claims no longer compensable</p>	<p><b>Permanent Partial Awards</b>  Eliminates 54%-1600 of 3000 &lt; Class 2 Impairment claims w/no wage loss  Includes 6%-180 of 3000 =&gt;Class 2 with wage loss  Includes 10%- 300 of 3000 =&gt;Class 2 Impairments w/no wage loss  Includes 30%-900 of 3000 &lt;Class 2 impairments with wage loss  NCCI – -\$5M to -\$11M Reduced Benefits</p>
<p><b>Increase PPD weeks from 375 to 400 – pg. 20</b>  NCCI estimates +\$3+-\$4 million increase (Same pricing as given to LMAC’s proposal)  After changes to PPD, only 6%-13% of current PPD claims get increased benefits  180 of 3000 PPD claims get increased weeks - Updated with NCCI numbers from 2010 State Advisory Forum</p>	<p><b>Increase PPD weeks from 375 to 400</b>  NCCI – +\$3+-\$4 million increase (Same pricing as given to HB334)  After amendments to PPD, 46% of current PPD claims would get increased benefits  1,400 of 3,000 PPD claims would get increased weeks</p>
<p><b>Termination of Medical Benefits 5 yrs from date of injury w/ reopening supported by treating physician for surgery only w/in 2 years by medical panel with 75% medical certainty for max of 2 yrs – Except for PTD and Prosthetics – pgs. 23 and 35-36</b>  NCCI – - \$59-\$96 million reduction in benefits and medical costs on PPD claims</p>	<p><b>Termination of Medical Benefits 5 yrs from date of injury w/reopening for medical treatment approved by medical panel for time frame recommended by panel with review every 2 years</b>  <b>Reopening upon preponderance of evidence related</b>  NCCI – -\$15.6M to -\$74.9M reduction in benefits  NCCI – Priced 3 yrs from last indemnity payment w/same reopener at -\$14M to -\$70M</p>

Updated March 1, 2011

<b><u>HB334 – Savings from reduced Worker Benefits – Cont’d</u></b>	<b><u>Senator Zinke Amendments to HB334 – Cont’d</u></b>
Changes public policy to eliminate “reasonable relationship to actual wages lost”	Puts back in “reasonable relationship to actual wages lost”
Not in HB334	Requires State Fund Board to temporarily decrease rates and pay dividend if reserves are lowered