

Minutes
Labor-Management Advisory Council
June 17, 2015
Best Western Great Northern Hotel, Helena, MT

Advisory Council and Subcommittee members present: Lt. Governor Angela McLean, Bob Olsen, Jim Larson, Lance Zanto, Marv Jordan, Chris Cavazos, Kevin Braun, Don Judge, Bob Worthington, Bill Dahlgren, Annette Hoffman, Jean Branscum, Bonnie Lyytinen-Hale, and Al Smith

Kim Rickard filled in for Doug Buman and Don Judge was his proxy.

Project Core Team members present: Diana Ferriter, Bryan Page, Anne Wolfinger, Bill Wheeler, and Mark Cadwallader, Erin Weisgerber

Others present: Kristine Ediger, ERD; Thom Dauenhauer (MMIA); Nancy Butler, Ethan Heverly, (MSF); Mike Taylor (NCCI); Pat Murdo, Jameson Walker, LSD; Glen Oppel, Montana Chamber.

Approval of December 10, 2014 minutes: motion by Bob Worthington and second by Don Judge and all voted in favor.

Recommended additions to the agenda

- Governor's Conference Agenda – Bill Wheeler
- Safety Bureau Update – Bryan Page
- NCCI Rate Filing – Mike Taylor

Approval of agenda with additions: motion by Bob Worthington and second by Don Judge and all voted in favor.

LMAC Charter Review

Diana shared with the group the LMAC project charter end date of December 31, 2015 and asked for input on whether or not to continue LMAC beyond that date. Don Judge and Bob Worthington both recommended continuing. Further discussion was postponed to the LMAC work plan.

2015 Legislative Session Review

Diana summarized the 2015 bills signed into law and the bill vetoed by the governor pertaining to the department and workers' compensation.

HB 538 (Provide extraterritoriality option for workers' compensation)

Diana provided a summary of the bill signed into law that allows a MT employer whose employees work solely in ND to be covered in ND. Bob suggested outreach to employers and Diana said there was a form drafted for employers. Currently there is an extraterritorial agreement in both MT and ND but before this bill there was not the authority to divide an employer's risk between states.

SB 288 (Medical recovery of work comp payment from at-fault parties)

This bill would have entitled insurers' to full subrogation rights for all medical benefits paid by a third party but it was vetoed by the Governor and referred to LMAC for discussion of how to address any impact on an employer's experience rating. There is no one source to obtain data regarding how many

third party suites by injured workers occur. The suits would have to be manually queried to acquire any data.

NCCI will present how the experience ratings are calculated at the September 22nd meeting.

Assessment Advisory Committee (SB 259)

SB 259 was signed into law and it increases the work comp assessment cap and creates a separate occupational and safety administration assessment cap. The committee agreed to form an Assessment Advisory Committee separate from the Safety Committee to learn more about how the assessment is calculated and what functions it funds.

Safety Bureau Update

Bryan gave an update on the most current SafetyFests recently held in Lewistown and Butte along with Ready for Work in Billings designed to provide OSHA 10 hr. cards to students and give them an opportunity to meet potential employers offering summer and or part time employment. The Safety Bureau recently received a grant from MSHA to help fund the mandatory new miner and refresher training. They are also filling 5 vacant occupational safety and health specialist positions now that the funding from the assessment was passed. Other activities include prison safety training in pre-release centers. Casey is working on getting testimony from employers and students regarding the safety training so the Bureau can develop some videos and promote their training efforts.

HB 334 Work Comp Reform Monitoring

Bill Wheeler reported that NCCI priced the medical fee schedule changes at a .9% increase and the Utilization & Treatment Guidelines have been updated in the cervical spine and low back sections. An internal U&T group went through updated CO guidelines and made suggestions. The suggestions were further reviewed by a medical provider group. Both medical fee changes and U&T changes are effective July 1, 2015. The department is developing a business process and rule changes for 5-yr closure and reopening requests. He gave a preliminary analysis of the number of possible requests for reopening. The IT department will incorporate the tracking of requests in the ERD database. The department will put out a RFP to assist in forming a medical panel. There will be draft rules by September and the database should be updated around late fall/early winter. Some insurers are notifying claimants and information has been added to the benefit pamphlet that injured workers receive regarding the 5 yr closure and reopening process.

Governor's Conference Agenda was given to the committee.

Work Comp Drug Formulary

SB292, which was tabled in the House Business and Labor Committee, would have required the department to establish by rule a drug formulary. States with drug formularies were studied before the bill was drafted and there will be further discussion of this at later meetings.

NCCI Rate Filing

A reduction in rates of 4.8% was filed and will be effective July 1, 2015.

LMAC Work Plan for 2015

Don Judge made a motion to recommend to Commissioner Bucy and the Governor to reappoint the LMAC beyond December 31, 2015 and Bob Worthington second it. All members voted in favor.

The next LMAC meeting will be held in Missoula before the Governor' Conference on September 22nd. Lance Zanto and Bob Worthington will chair and co-chair the Assessment Advisory Committee and report back to the full LMAC at the October meeting. A drug formulary will be discussed at the November meeting. The NCCI Medical Data Report includes data on prescriptions and the MMA and MHA representatives were going to try and get physicians and pharmacists to attend to give testimony regarding the potential for a work comp drug formulary.

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