

MINUTES OF THE MEETING
LABOR & EMPLOYMENT RELATIONS COMMITTEE
MONTANA STATE SENATE

January 8, 1981

The first meeting of the Labor & Employment Relations Committee was called to order by Chairman Harold Nelson on January 8, 1981, in Room 404 of the State Capitol Building at 1:30 p.m.

Chairman Nelson introduced Marjorie Nichols, Committee Secretary, and Katherine Orr, Staff Attorney from the Legislative Council.

ROLL CALL: All members were present.

SENATE BILL 32: Chairman Nelson introduced Senator Norman, sponsor of SB 32, to the Committee. Senator Norman explained the bill to the Committee. This bill deals with Workers' Compensation and helps to clarify the law after an injury has occurred.

PROPOSERS OF SENATE BILL 32: Mr. George Wood of Missoula, Montana, representing Self Insurers, stated they support this legislation. He stated that this bill attempts to place exclusive remedy beyond the date of the accident.

Mr. Keith Olson of Kalispell, Montana, representing the Montana Logging Association, stated they support this legislation.

Mr. Clyde Smith of Kalispell, Montana, representing the Montana Logging Association, stated they support SB 32.

Mr. David Hunter representing the Department of Labor & Industry stated that this bill is not by request of the Workers Compensation Division, but the Department has no objection to the bill.

OPPOSERS OF SENATE BILL 32: Mr. Mike Meloy, representing the Montana Trial Lawyers Association, stated they oppose SB 32. He further stated that if the bill is passed, you are removing a remedy against the insurance company. He would like to see a better remedy or not pass the bill.

Senator Norman made closing statements on SB 32.

QUESTIONS: Senator Goodover asked how many claims have been adversely affected by the law as it now stands.

Mr. Wood responded that he only knew of three that had been filed, but he did not know how many had been proposed.

Mr. Laury Lewis from the Division of Workmen's Compensation stated that if this issue is decided it makes suits difficult to resolve.

Senator Ryan asked if there were any cases of fraudulent claims. Mr. Wood stated he knew of no cases that were based on fraud.

Chairman Nelson called the hearing on SB 32 closed.

SENATE BILL 60: Chairman Nelson introduced Senator Roger Elliott, sponsor of SB 60, who explained the bill to the Committee. SB 60 is a bill regarding subjecting fees for certain medical services to regulation by Division of Workers' Compensation.

PROPOSERS OF SENATE BILL 60: Mr. Clyde Smith, representing the Montana Logging Association, urged passage of SB 60. Mr. Smith's testimony is attached.

Mr. David Hunter stated this bill is by request of the Workers' Compensation Division of the Department.

Mr. Bud Pillen, manager of the State Compensation Insurance Fund, told the Committee how medical fees had been handled in the past. He further stated that without the authority to establish a fee schedule they have no way to exercise control.

Mr. George Wood, representing Self Insurers, stated they are in support of SB 60.

Mr. Pillen stated that this bill does not include hospital fees.

OPPOSERS OF SENATE BILL 60: Mr. Chad Smith, representing Montana Hospital Association, would like to have something specific regarding wording in the bill to erase any doubt.

Mr. Jerome Loendorf, representing Montana Medical Association, would like a little different language written in the bill.

QUESTIONS: Senator Aklestad asked about fee schedules. Mr. Pillen does not feel they have the authority at this time.

Senator Anderson asked Mr. Pillen about arriving at fees. Mr. Pillen stated they arrive at an average and add a cost of living or inflation factor and apply it and also spot check the doctors throughout the state and try to arrive at a fair schedule.

Chad Smith offered a three-word amendment to the bill. This amendment is included on Mr. Smith's testifying sheet.

The hearing was closed on SB 60.

Staff Attorney, Katherine Orr, will work over the wording on SB 60. No action was taken on SB 32 or SB 60 at this meeting.

ADJOURN: There being no further business, the meeting was adjourned at 3:10 p.m.



Senator Harold Nelson
Chairman

ROLL CALL

LABOR & EMPLOYMENT RELATIONS COMMITTEE

47 th LEGISLATIVE SESSION - - 1981

Date Jan. 8

NAME	PRESENT	ABSENT	EXCUSED
GARY C. AKLESTAD, VICE-CH.	✓		
MIKE ANDERSON	✓		
PAT M. GOODOVER	✓		
WILLIAM HAFFERMAN	✓		
THOMAS F. KEATING	✓		
BILL NORMAN	✓		
PATRICK L. RYAN	✓		
HAROLD C. NELSON, CHAIRMAN	✓		

Each day attach to minutes.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

NAME: KEITH OLSON

DATE: 8 Jan. 81

ADDRESS: P.O. Box 1716

PHONE: 755-3185

REPRESENTING WHOM? MONTANA LOGGING ASSOCIATION

APPEARING ON WHICH PROPOSAL: SB 32 SB60

✓

AMEND?

OPPOSE?

COMMENTS: _____

Mr CHARM - MEMBERS of the committee

KNO ED MLA KALISPELL

MA represents ind. lgg. contractors

We sincerely appreciate opportunity to address SB #60 today
as Work. Comp. Ins. = most significant indirect expense of lgg. cost
For every \$100 paid an employee, Lgg. contr. in MT must pay an add
\$18⁰⁰ to cover it employee for Work Comp. Ins. Furthermore, 25%
of this add. expense is directly related to medical costs.

Obviously, work. comp. expense directly affects comp. efficiency of
lgg. contractors. as it hinders his ability to hire employees & governs
the wages he can afford to pay. Furthermore, it impedes ability of
young loggers to become ind. lgg. contractors.

For, MLA endorses imperative that we get grip on costs of
Work Comp. Ins. We are so committed to its necessity that ~~we~~ ^{on}
7th of Jan. we hired full-time loss control officer to work
with members in effort to positively effect work comp. rates

Together @ SB #60 we believe these efforts will minimize the
~~negative~~ costs of compensation coverage & improv economic climate
for lgg. contractors. Our members & ind. sm. bnsmen ~~because~~
~~work @ renewable natural resource backbone free enterprise system~~
However, due to economic ills our numbers are ^{rapidly} diminishing!
In order to reverse this situation, imperative we address
all variable costs the logging industry is forced to bear!

I respectfully urge u to endorse SB #60. To do so will
positively benefit a list of individuals: from MT's
Lgg Contractors to to nation's families who ~~must~~ ^{endeavor} to purchase their

Mr. CHAPMAN - MEMBERS of the committee

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lgg. contractors to to nation's families who ~~must~~ ^{endeavor} to purchase them

NAME: Clyde Smith DATE: 1-8-81

ADDRESS: 148 3 Mile Drive Kalispell, MT.

PHONE: 257-3634

REPRESENTING WHOM? MONTANA Logging Association

APPEARING ON WHICH PROPOSAL: S.B. 32 S.B. 6

DO YOU: SUPPORT? yes AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

CLYDE SMITH LOGGING INC.

148 3 Mile Drive
KALISPELL, MT 59901

Mrs. Chairman + members of the Committee;

I am President of the Mt. Logging Assn. and a Contract Logger from Kalispell. I want to thank this committee for giving me the opportunity to testify.

The Mont. Logging Assn. was formed in 1976 to ~~address~~ address the problems that are common to the Logging Industry. Like all industries we have many, and very close to the top of the list is insurance. There is Inland Marine, Auto Insurance, Contractual Liability and then the big one "Workmen's Comp - This being the expensive portion, this was the area we began to work on. We began to check on the possibilities of ~~self~~ self insurance, with the associations in Idaho and Oregon and visited with our Mont. Workmen's Comp. Div. Mr. Lewis, Bud Pallen and their staff were very helpful, and we were convinced that the only way ~~we~~ that we could cut costs on Compensation was to help control losses. The Logging Assn. now has our own Safety Man. We are looking at the possibilities of getting an injured man back to work sooner, if not at his regular job, one that he can handle. ~~We~~ We urge passage of Senate Bill 60 to keep Medical Fees reasonable. At the present time we have over 180 member loggers and we are trying to help ~~with~~ ^{solve} one of our biggest financial problems.

CLYDE SMITH LOGGING INC.

148 3 Mile Drive
KALISPELL, MT 59901

Sept. 1 - 1978 through Aug. 31, 1979 I paid over \$114,000 for workmen's comp. Insurance. Smith logging on a 12 month basis employs 30 people - This amount to \$3800 per year per man - of this amount 25% goes to pay medical costs - Which means that I will pay \$950⁰⁰ per year in Medical Costs for each man I have working. This is over \$18⁰⁰ per week - or 45¢ per hr. for medical costs - As an independent Logging Contractor I strongly urge the passage S. B. 60

Thank You

NAME: J. Avila Lunter DATE: 1/8/50

ADDRESS: Dept of Labor + Industry

PHONE: 449-2621

REPRESENTING WHOM? Dept of Labor + Industry

APPEARING ON WHICH PROPOSAL: SB 32, ~~SB~~, 60

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: Support SB 32

Background SB 60

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

NAME: Harry Green DATE: 1-8-81

ADDRESS: 815 Fleet St, Helms

PHONE: 469 - 7047

REPRESENTING WHOM? Dis work comp

APPEARING ON WHICH PROPOSAL: *SB 60*

DO YOU: SUPPORT? YES AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

NAME: Bill Piller DATE: 1-8-81

ADDRESS: 815 First St - Helena 59601

PHONE: 449-7047

REPRESENTING WHOM? State Cooperative Insurance Fund

APPEARING ON WHICH PROPOSAL: S.B.-60

DO YOU: SUPPORT? Yes AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

NAME: Carol Smith DATE: 1-5-87

ADDRESS: Box 1011 Hilda

PHONE: 447-2750

REPRESENTING WHOM? HUNT HOSP ASSN

APPEARING ON WHICH PROPOSAL: _____

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? _____

COMMENTS: _____

The bill should be amended to specifically
exclude hospitals from the proposed regulation
- "not except hospital-associated" after the
word "services" on page 1, line 3.

NAME: James J. L. L. L. L. DATE: 1-0-01

ADDRESS: 2225 11th ave, Helena, mt. 59601

PHONE: 442-6350

REPRESENTING WHOM? Nat. Medical Assn

APPEARING ON WHICH PROPOSAL: SR 60

DO YOU: SUPPORT? _____ AMEND? ✓ _____ OPPOSE? ✓ _____

COMMENTS:

Amend at page 2 line 4 by adding ", but fees established by the division shall not be less than the average of usual and customary fees charged in the State of Montana during the current fiscal year. Fees so established shall be adjusted semiannually.

NAME:

DATE:

ADDRESS:

PHONE:

REPRESENTING WHOM?

APPEARING ON WHICH PROPOSAL:

DO YOU:

SUPPORT?

AMEND?

OPPOSE?

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY