

MINUTES

MONTANA SENATE 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON SELECT WORKERS' COMPENSATION

Call to Order: By Senator Tom Towe, on March 30, 1993, at 3:45 PM.

ROLL CALL

Members Present:

Sen. Tom Towe, Chair (D)
Sen. Gary Aklestad (R)
Sen. Sue Bartlett (D)
Sen. Jim Burnett (R)
Sen. John Harp (R)
Sen. John Hertel (R)
Sen. Tom Keating (R)
Sen. J.D. Lynch (D)
Sen. Bill Wilson (D)

Members Excused: None

Members Absent: Senator Forrester, Vice Chair (D)
Senator Harry Fritz (D)
Senator Hockett (D)

Staff Present: Susan Fox, Legislative Council
Kelsey Chapman, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 453, HB 511, HB 587
Executive Action: None.

HEARING ON HB 453

Opening Statement by Sponsor:

Representative Brad Molnar, House District 85, told the Committee HB 453 was an incentive to not commit fraud in the workers' compensation system. He said that if a person was caught backing up a fraudulent claim, that person would also be punished. He explained that if a person, employer or employee, was caught committing fraud that person would reimburse the state 10 times the amount of the premiums past due. He said originally the money collected on fraud cases would go to the old unfunded liability. He continued that the House committee had amended

this section so that the money would go to the new "fraud squad" in order to help track down workers' compensation system fraud. He said that he had an amendment drafted that would suspend the statute of limitations on fraud, but decided not to use it.

Proponents' Testimony:

Don Judge, Executive Secretary, Montana State AFL-CIO, told the Committee that the AFL-CIO was pleased that the definition of "person" under HB 453 had been expanded to include employers, employees, and medical care providers. He said he was disappointed this did not include insurers, who may be guilty of not providing benefits to medical providers or injured workers on a timely basis. He said he had not prepared an amendment, but urged the Committee to examine this point. He stated that all fraud should be punishable. He told the Committee employer fraud was much more common than employee fraud. Mr. Judge, representing the Montana State AFL-CIO, at this time also stated his organization's support for HB 511, and told the Committee that the AFL-CIO did not have a position on HB 587. Because Mr. Judge was asking to be excused permanently from the meeting, Senator Towe said that any questions for him could be asked at that point.

Senator Towe asked Mr. Judge if he had said that HB 453 did not cover employers. Mr. Judge answered that the Bill covered employer, employee, and medical provider. He explained that the Bill did not cover fraud by an insurer.

Don Allen, Coalition on Workers' Compensation System Improvement, explained that although the coalition did not originally have a position on HB 453, it had been in favor of anti-fraud legislation. He said that it was the position of the coalition to deal with fraud in any form, and for that reason, it now supported the Bill.

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

Senator Towe asked Representative Molnar about the coordination between HB 164 and HB 453 in regards to the money collected going to the State Fund, rather than to the "fraud squad" if HB 164 did not pass. Senator Towe asked if there was a reason for this. Representative Molnar answered there would be no fraud unit if HB 164 did not pass. If HB 453 passed, and there was no fraud investigation unit for the money to go to, he would rather the money go to reduce the unfunded liability.

Senator Towe asked Representative Molnar why the money should not go into fraud investigation in either case. Representative Molnar answered that if HB 164 did not pass, there would not be a "fraud squad", but instead the current investigation unit which was already funded.

Closing by Sponsor:

Representative Molnar told the Committee that Representative Driscoll, who co-authored the Bill, also helped with a Bill by Representative Sonny Hansen that would deal with employers that under-report employees. Section B of HB 453 was created by Representative Driscoll who wanted to highlight the fact that it was not just employees, but also employers, medical providers, and others in the workers' compensation system that committed fraud. He said that where HB 453 said "'persons' includes but is not limited to" the Bill included insurers, attorneys, or whoever was fraudulent in the workers' compensation system.

HEARING ON HB 511

Opening Statement by Sponsor:

Representative Chase Hibbard, House District 46, Helena, told the Committee that one thing that had been a problem over the years had been a seeming lack of good quality information; and the lack of ability to define problems in the workers' compensation system because of too little information. He said that the unfunded liability began growing, and continued to grow. There are theories of why this happened, such as the legal climate, rising medical costs, but the question was what the cost drivers' really were. He asked what the components were in escalating medical costs. What were the claims that were causing the unfunded liability to rise? Representative Hibbard said these questions could not really be answered. He said that symptoms were being managed, but not the root causes of workers' compensation system problems. He explained that Chuck Hunter from the Labor and Employment Relations Division had given a talk to the last Governor's task force on workers' compensation, and had said that he was feeling the same frustrations in trying to compile and find good data upon which to model solutions. He said that HB 511 had resulted from a conversation between Mr. Hunter and himself. He said that the Bill cost money, but was a necessary part of workers' compensation system reform. Representative Hibbard explained that the status system proposed in HB 511 would cover the whole system - PLAN 1, 2, and 3, the court system, rehabilitation, medical, and everything else that had something to do with workers' compensation. He said that this could give an indication of whether or not legislative reforms were effective; if managed care facilities really reduced costs; if rehabilitation got a worker back into the workforce more quickly and more productively. He said that if there was the ability to compare system components and their comparative efficiencies and problems, then there would also be the ability

to apply what was learned to the less effective components. This knowledge would also give model and projection capabilities. Comparative wage-loss cost data would be available to help identify trends. The data base would also show information on time-loss duration, or the average length of time an average worker received time-loss benefits. There would be an indicator on how long a worker would stay on workers' compensation. When compared across plans, it would show which insurers were doing an effective job of getting workers off workers' compensation and back to work. The system could provide comparative medical cost data, insurer performance data, and other kinds of data necessary to effectively manage the system. Representative Hibbard said that the State Fund, Montana Department of Labor and Industry, the Legislature, and the Executive as policymakers should all have this information in order to make good decisions about the system as a whole. He said now that the measure to pursue privatization had been defeated, HB 511 was even more important. He called attention to the fact that the nickname "million dollar bill" was not accurate. He said the fiscal note was confusing. He explained that the total cost for the biennium of \$608,479.00. He said this would be assessed to all the participants in the workers' compensation system, PLAN's 1, 2, and 3. He explained what their costs would be.

Proponents' Testimony:

Chuck Hunter, Montana Department of Labor and Industry (DOLI), told the Committee DOLI had regulatory duties regarding the workers' compensation system. He said that DOLI oversaw PLAN's 1, 2, and 3. He said DOLI had done much research of other states and their workers' compensation systems and there were commonalities between states that had effective workers' compensation systems. The states controlled the costs of their systems, had systems that were predictable, resolved disputes quickly and informally, had systems driven by workers and employers, and not special interest groups, and lastly they all took an active approach to managing the system of workers' compensation. He said that many of the states had state funds and self insurers like Montana, but that these states managed their systems as a whole. He said that this Bill talked about management of the entire system as a whole. Mr. Hunter said that it would allow the policy makers to pinpoint what was wrong in the system and fix it, and to pinpoint what was right and strengthen it. This data base would give the capacity to make objective decisions based on knowledge. He said that without the data system, workers' compensation would be in the same position as it had been for the last 7 or 8 years of the people trying to fix it; not having a clear sense of what was wrong. He said that without the information there would be more questions than answers. He commented on the concerns about the costs. He said that the cost of management of the system was far less than the cost of not knowing how to manage the system. Mr. Hunter also said that there were also concerns about how much it would cost the insurance companies to comply with the provisions in HB 511.

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He assured the Committee that the amendments on the Bill, put forward by the AIA, would help in the cost factor. He also made reference to the International Association of Industrial Accident Boards and Commissions (IAIBC). He said that this association had been working on organizing comparative national workers' compensation data. There are several insurance companies, including Aetna that are helping to create a comparative national system of data collection and elements to fruition.

Jacqueline Lenmark, American Insurance Association (AIA), told the Committee that in the area of workers' compensation AIA strongly supports the collection of data for the uses Mr. Hunter described. She said that the data should be collected in a uniform way throughout the nation.

Mona Jamison, Montana chapter of the American Physical Therapy Association, told the Committee that recently DOLI had a proposed rule which is now adopted on fee schedules for various providers. In those proposed rules, the DOLI presented the same fee schedule for reimbursement for occupational therapists (OT's) and physical therapists (PT's). She said that this pointed out how HB 511 could facilitate in cutting costs. The PT's had developed a fee schedule for physical therapy modalities during the interim with DOLI. She continued that in the new rule that same fee schedule was used to reimburse both OT and PT professionals in Montana. APTA suggested that the billing fee schedules be separated out for each profession rather than leaving it to the judgement of the individual providers in each of those professions. She said that this was rejected. She continued that this would enable the prevention of duplication of services. Various providers operate under different scopes of practice. There are duplications. She said that if there was a way to focus on what were permissible practices in each medical provider's scope, and get rid of duplications, the system would be a saving of money. The ability to track who was billing for what services would allow the policymakers to analyze what was driving some of these costs.

James Tutwiler, Montana Chamber of Commerce, told the Committee that there had been a recurring need of the data system proposed in HB 511. He said it was hard to communicate the problems in performance in workers' compensation to the businesses he represented. He said that these businesses discovered how the performance of the system was when premiums increased, or when the defect was announced. The International Association of Industrial Accident Boards and Commissions (IAIBC) was working to quantify workers' compensation information on a national level. He said that this was related to what HB 511 was trying to do.

Bob Olsen, Montana Hospital Association, spoke from written testimony (Exhibit #1).

Charles Brooks, Montana Retail Association (MRA), told the Committee that HB 511 was vital piece of legislation for management organization. He said that there was a problem with

the money, but perhaps it was small when the overall results were considered.

Jim Murphy, State Fund, rose in support of HB 511.

Mike Micone, Montana Motor Carriers Association (MMCA), told the Committee that MMCA believed that the benefits derived from HB 511 would far outweigh the costs.

Opponents' Testimony:

George Wood, Montana Self-Insurers' Association, told the Committee that there were two problems with the Bill, cost and uniformity. He said that the self-insurers prided themselves on collecting a great amount of statistics on their individual operations. He said he did not know how much of this information would be required for the data base. He said that HB 511 was a "million dollar bill". He explained this was because the \$600,000.00 would be put into DOLI for their part of it. The cost of compliance was not included in this price. He said there were 55 self-insurers in Montana. He continued that the cost of supervision by DOLI would be \$627,000.00 in 1994. He said that this would be the self-insurers' share of the cost of supervision. When this is added to other bills, the self-insurers' costs would be nearly \$800,000.00 for data collection. He said that for many of the association members the cost of administration by DOLI is greater than the cost of administration there is to pay claimants. He said that there was a request for two additional FTE's in 1996, and the cost would grow. He also said that computers that were supposed to reduce labor costs always increase labor costs. He said the costs of computers would go up because they become obsolete and software costs were high. In addition, DOLI would request information from insurers, medical providers, employers, claimants, adjusters, rehabilitation, and attorneys, but the only ones that would pay the costs to DOLI were the employer/insurers. The uniformity was a problem because many of the members operate in the 46 states that allow self-insurance. To set up computer operations in all states with Montana one way and the rest another becomes a costly operation. He said that a mention was made of the IAIBC. This was the umbrella group of all the commissions and boards in all the 50 states and the 9 provinces. He said that IAIBC's statistics committee was currently working on a uniform collection of data.

Oliver Goe, Montana Municiple Insurance Association (MMIA), Montana Association of Counties (MACO), and Montana School Groups Insurance Authority, told the Committee that these were self-insurers that had been successful, and thus saved a great amount of tax dollars. He said that this was contributable to careful claims management, including the collection of relevant data. He continued that HB 511 cost too much. He said there was an assessment that all insurers share of about \$3 million. This would be another \$500 thousand plus, and would have a significant

impact on the system as a whole. He said that all the insurers he represented collected data somewhat differently. Uniformity would be costly. He encouraged DOLI to utilize the information it already had.

Bill Christianson, risk manager, School Groups Workers' Compensation Program, told the Committee that the amount of cost and equity were too much. He said that the assessment would be borne by the local taxpayers. He said that self-insurers had good management. He said that HB 511 was hastily prepared, and that the problem was not researched adequately.

Informational Testimony:

None.

Questions From Committee Members and Responses:

Senator Harp asked Chuck Hunter if there was some information in a centralized data base. Mr. Hunter answered that there was some information being collected on PLAN's 1 and 2.

Senator Harp asked Mr. Hunter if it would be possible to credit the information against the assessment HB 511 was asking for. Mr. Hunter answered that he was not sure. He said that any information that DOLI collected that was useful would be drawn from what it currently had into the system. He said the information that the department was currently getting would not have to be duplicated or come to DOLI in another form, but rather stay the same.

Senator Harp asked Mr. Hunter about the fact that the schools or the self-insurers would have a uniformity problem with forms and paperwork. Mr. Hunter said that in talking to insurers it was found insurers mostly collect the information that is important to know. He said HB 511 was not requiring much new information that wasn't already collected, but instead it was talking about finding a common format that the components of the workers' compensation system could use to report information to DOLI. He said that this was where the IAIBC model program or something similar came into play. He said that the timing was very fortunate, in that HB 511 would provide the system be built over the next two years which would give time to make sure that Montana was heading in the same direction that insurers would be required to comply with anyway under IAIBC regulations. He said that finding a standard format and finding what was important information was one goal.

Senator Harp asked Mr. Hunter to give some information on IAIBC. He asked if it was a clearing house of information that states would be going to for information on workers' compensation. Mr. Hunter said what was happening nationally was that the insurers who write workers' compensation were required to provide information. He said that a standard would cut down on their

cost of a compliance in each of the 50 states. He continued that the concept of IAIBC was to provide an interface between the insurance companies and the state jurisdiction so that all could agree on what the format should be. He said IAIBC was moving toward electronic data interchange so there would be less paper shuffling.

Senator Burnett said it was hard to understand that DOLI had allowed so many claims that the unfunded amount had continued to raise, and that the Department had not done anything. He asked Mr. Hunter why this was. Mr. Hunter answered that DOLI had assumed regulatory functions about three years before when the State Fund had been split from the compliance function, and created the State Compensation Mutual Insurance Fund. He told the Committee DOLI had been given the regulatory duties at that point.

Senator Burnett told Mr. Hunter that even under the new fund, workers' compensation continued to go into a debt position. He said it was not businesslike to function in this fashion. He asked why this was happening. Mr. Hunter answered that DOLI had nothing to do with the unfunded liability in the State Fund. He said this was a problem of the insurance companies, but not the Department. DOLI is the regulatory function of workers' compensation only.

Senator Burnett asked Jim Murphy why the State Fund allowed so many unpaid claims. Mr. Murphy said the State Fund was not allowing it to happen. He said if the defect of the new fund was addressed, there were the same problems with increasing costs, inadequate guessing on premium rates, the needs for more resources to manage claims, and other similar reasons. He said the new fund began in an undercapitalized position, and no insurance company could start in that situation.

Senator Burnett asked Jim Murphy why the situation of a claimant who was not paid getting an attorney and suing the State Fund had not been taken care of. Mr. Murphy answered this had been taken care of through changes over the last few years with analysis of how fast a claimant was paid. He said the claims were paid, and were being paid faster.

Senator Towe asked Jim Murphy if there was enough information to give the actuaries to do an effective job in their positions. Mr. Murphy answered he did not think this was the case, but in the past nobody could predict the future rates. He said he would agree with Representative Hibbard, concerning the need to have factual information to identify problems, and would anticipate very little use of papers and forms with the new data system. He said that the existing system could be modified, and data could be electronically transferred to other systems.

Senator Towe asked Chuck Hunter about the need of some of the items listed as costs on the fiscal note. Mr. Hunter said that the fiscal note was prepared in order to lay out what DOLI thought it needed to do the job. He said there was concern about the cost that was there before, but they had taken bids on system development applications, and this was the bid that cost least for getting the job done and getting the equipment for the staff needed.

Senator Towe asked Chuck Hunter if he was still satisfied that it would require four (4) FTE's. Mr. Hunter answered that he was sure of this.

Senator Towe asked George Wood if the cost and burden on the self-insurers would not be lessened by the fact that IAIBC planned to standardize information systems. Mr. Wood answered that it would lessen the burden if there was uniformity among states. He said that some of the members included rehabilitation costs along with medical costs. He said that there would have to be a split of costs. He said that when there was over all uniformity, the self-insurers could make the changes. He said it would neither reduce or accelerate the costs.

Senator Towe asked Mr. Wood if it would not be logical for uniformity so there would be comparable statistics and data. Mr. Wood answered that it would have to be done, but asked whose system would be the basis for the uniformity.

Senator Towe suggested it might be helpful for the agencies and associations to talk and decide on a system. Mr. Wood said there was some talk with Mr. Hunter, who had indicated there would be cooperation in getting the system working.

Senator Towe asked Mr. Hunter if he would be willing to do this. Mr. Hunter said that there would be heavy reliance on the PLAN 1's, Plan 2's, and the State Fund. He said the system would not work without cooperation.

Closing by Sponsor:

Representative Hibbard told the Committee that Montana was the exception instead of the rule in terms of good functioning data management systems. He said that Montana was one of the few that did not have one. He stated one of the advantages of the system was the ability to identify cost drivers, and determine solutions. Representative Hibbard said uniformity of data was very important within the system as well as without the system with regards to comparisons with other states. He suggested there be an operating committee to make sure that the communication did exist so concerns of all plans were addressed.

Opening Statement by Sponsor:

Representative Hal Harper, House District 44, Helena, told the Committee HB 587 was drafted at the request of the auditor, and did about four different things. He said that HB 587 dealt with the Classification and Rating Committee (CRC), the committee that reviews rates before they are filed and published. HB 587 was in response to a recent court case handed down by Judge Jeffrey Sherlock; and provides this area of law be conformed to a judge's ruling. He continued, saying HB 587 requires one member of the five member CRC be a representative of an employer who is insured by either a private carrier or the State Fund, makes sure that all the information handled by CRC is available for public review. Because CRC is a state agency it is subject to the Montana Administrative Procedures Act (MAPA) for rule purposes. HB 587 also provides that hearings be informal in order to keep costs low to the employer. If an employer is not satisfied with the outcome, judicial appeal is assured by the Bill.

Proponents' Testimony:

Bill Lombardi, representing State Auditor and Insurance Commissioner Mark O'Keefe, spoke in favor of the Bill from written testimony (Exhibit #2).

Stan Kaleczyc, Helena attorney representing the National Council on Compensation Insurance (NCCI), told the Committee CRC existed as a statutory committee in Montana. The NCCI has been the staff for CRC. When Judge Sherlock issued his opinion in August of 1992, the NCCI began to work with the insurance commissioner to amend the CRC statutory mandate in order to bring it into compliance. Mr. Kaleczyc stated during the House hearing on HB 587 there was a concern that all aspects of CRC conformed with MAPA, and that had been incorporated into the Bill.

Nancy Butler, general council for the State Fund, told the Committee HB 587 gave CRC the authority needed to conduct the business of resolving disputes between employers and insurers over classifications.

Jacqueline Lenmark, American Insurance Association (AIA), told the Committee CRC was the proper state body to appeal workers' compensation rating. She said this committee was strongly enhanced in HB 587, and urged the support of the Committee.

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

Senator Harp asked Representative Harper if the employer added to the CRC would be an employer that was covered by the State Fund. Representative Harper answered the person would be a representative of an employer covered either by the State Fund or a private insurer.

Senator Harp clarified this could be PLAN 3 or a private carrier. Representative Harper answered this was right. Senator Harp said that CRC was a 5 member committee. He asked who HB 587 would take off, and replace with the new representative. Representative Harper said that one of the three private carriers presently on the committee had been taken off.

Senator Towe asked what Judge Sherlock had said to cause HB 587. Stan Kaleczyc explained the MCA provided for the existence of CRC. The statutes say the insurance commissioner appointed four of the members, with the fifth member being a representative of the State Fund. He said the issue was the question of what exactly CRC was. In the court decision, Judge Sherlock said because CRC is statutorily mandated, and because a state elected official appoints the committee, therefore CRC is a state agency subject to MAPA. HB 587 is a bill to effectuate the court order, due to the fact there was no previous statement of intent about CRC.

Senator Towe asked Mr. Kaleczyc if what Judge Sherlock was saying, was that if CRC was a state agency, it should act like a state agency, going through the administrative procedures act in the hearings. Mr. Kaleczyc said this was accurate, and clarified when the history had been researched, there had been no statutory rule-making authority ever given to CRC by the Legislature. This is what precipitated HB 587.

Senator Towe asked Mr. Kaleczyc if all ratings were handled by CRC. Mr. Kaleczyc answered there were two functions: reviewing classifications, and reviewing advisory rates set by NCCI.

Senator Towe clarified that CRC had an appellate function, but asked what the review function was. He asked if the committee changed rates. Mr. Kaleczyc said CRC had changed class codes of employers' occupations in the past.

Closing by Sponsor:

Representative Harper closed.

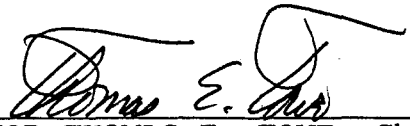
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ADJOURNMENT

Adjournment: 5:15 PM



SENATOR THOMAS E. TOWE, Chair



KELSEY S. CHAPMAN, Secretary

TET/ksc

ROLL CALL

SENATE SELECT COMMITTEE ON Workers' Compensation DATE 3/30/93

NAME	PRESENT	ABSENT	EXCUSED
Senator Towe	X		
Senator Forrester			X
Senator Bartlett	X		
Senator Wilson	X		
Senator Burnett	X		
Senator Lynch	X		
Senator Aklestad	X		
Senator Fritz			X
Senator Hockett			X
Senator Hertel	X		
Senator Harp	X		
Senator Keating	X		

Attach to each day's minutes

TESTIMONY OF THE MONTANA HOSPITAL ASSOCIATION

IN SUPPORT OF HOUSE BILL 511

The Montana Hospital Association supports adoption of House Bill 511. We do so for several reasons. The Legislature has repeatedly attempted to correct the workers compensation situation. A major stumbling block in this effort is the lack of data necessary to evaluate the problems and the proposed solutions. Hospitals, as major employers and providers of care to injured workers, support the efforts to reform workers compensation. But these efforts must include development of factual information about the workers comp program. The proposals before you today are based on precious little factual information about the problems facing workers comp.

House Bill 511 provides approximately \$600,000 to develop information about workers compensation. Opponents to the bill are concerned about spending money without knowing what data will be accumulated, how it will be used and what impact on a database will have on insurers.

MHA shares this concern. But one must consider other bills which suffer from lack of data. For example, Senate Bill 347 provides a significant amount of money for the Department of Labor and the State Fund to develop a DRG reimbursement system for workers comp. MHA has no data needed to evaluate the proposal.

The state fund only paid Montana's hospitals about \$14 million in 1992 for treating workers comp. Consider what we don't know about the proposal to develop DRGs.

We don't know what portion of the \$14 million was paid for outpatient or rehabilitation services, which are exempt from DRG payments. The State Fund doesn't keep that data.

We don't know what portion of the total would be exempt from DRGs when employers contract with PPOs and managed care providers - a major provision of SB 347. The State Fund hasn't estimated that data.

We don't know if the state fund has a bill payment system which can use DRGs. No technical evaluation has been done.

We don't even know if workers comp DRGs will pay more than the current payment

(more)

SENATE SELECT COMMITTEE
WORKERS' COMPENSATION

EXHIBIT #

DATE

BILL #

1
3/30/93

HR 511

system already in place. The State Fund doesn't have the claims data necessary to evaluate the financial impact of this proposal.

It is time for the workers compensation system to develop and provide data about the injuries and medical payments so legislators can analyze the problems and make decisions based on facts.

Please support passage of House Bill 511.

Mr. Chairman, members of the committee, for the record I am Bill Lombardi, representing state auditor and insurance commissioner Mark O'Keefe.

The state insurance commissioner supports House Bill 587, which he considers a clean-up bill.

The commissioner requested the bill because the district court said last year that changes had to be made in the way the classification and rating committee worked.

The commissioner also has requested a change in the composition of the C&R committee. He asks for two representatives of private insurance carriers instead of three, and calls for a new member who will represent employers insured by private carriers and the State Fund.

He thinks that is an important change because it puts on the committee a representative of the consumers of workers' compensation insurance. The commissioner thinks that consumers, in this case, employers, should have a say in the classification and rating process of this important type of insurance.

This move is not intended to politicize the committee, or an attempt to suppress rates. It is only intended to offer a new perspective to the committee.

Over the next two years the insurance commissioner will evaluate the C&R committee and the way it functions to determine if it needs another consumer member. The commissioner could bring legislation to the Legislature in 1995 to add another consumer to the committee.

The commissioner, who as an employer has been involved with the C&R committee and understands the process, believes that the informal hearings process is working and should be allowed to continue. It's inexpensive, expeditious and helps solve the problems employers have.

The measure also will force the committee to adopt some rules so the public will have full knowledge of what it is doing. The commissioner believes the committee should abide by the open meeting laws, and that the public be given every reasonable chance to participate in the committee's process.

The commissioner still believes that the informal process of hearing classification appeals is working and shouldn't be tampered with.

The bill was amended by the House Select Committee on Workers' Compensation. Those amendments will provide for an informal procedure and provide for an aggrieved party to appeal a committee decision to district court.

The amendments also provide that the insurance commissioner make available to the public all documents and information concerning the committee's action. The commissioner has agreed to do so.

The commissioner asks that the committee concur with this bill.

Thank you.

SENATE SELECT COMMITTEE
WORKERS' COMPENSATION

EXHIBIT # 2

DATE 3/30/93

BILL # HB 587

DATE Tuesday ³⁰
MONDAY, MARCH 29, 1993

SENATE SELECT COMMITTEE ON WORKERS' COMPENSATION

BILLS BEING HEARD TODAY: HB 453 - Molnar; HB 511 - Hibbard; HB 587 - Harper

PLEASE PRINT

Name	Representing	Bill No.	Check One	
			Support	Oppose
MICHAEL S. MIZENKO	MT. ST. ASSO OF Plumbers & Pipe Fitters	HB 453	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MICHAEL S. MIZENKO	MT. ST. ASSO OF Plumbers & Pipe Fitters	HB 511	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MICHAEL S. MIZENKO	MT. ST. ASSO OF Plumbers & Pipe Fitters	HB 587	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CHUCK HUNTER	DEPT. OF LABOR	HB 511	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bob Worthington	MT Municipal Ins Auth	HB 511	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Robert Olsen	MT Hospital Assoc	HB 511	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Charles R. Brooks	MT Retail Association	HB 453	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		HB 587	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		HB 511	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		HB 587	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Jacqueline Denmark	Am. Ins. Assoc.	HB 453	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		511, 587	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bill Lombardi	State Auditor's Office	HB 587	<input checked="" type="checkbox"/>	<input type="checkbox"/>
STAR KALECTIC	NCCI	587	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Jim Tutwiler	MT Chamber	511	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Harold	MT Self Insurance Assoc	511	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pon Judge	MT STATE AFL-CIO	HB 453	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		HB 511	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gov Allen	Coalition For Worker's Rights	HB 453	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		HB 511	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Oliver Goe	NMTA, MSGIA, MACO	HB 511	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MUNA JAMESON	P. Assoc.	HB 511	<input checked="" type="checkbox"/>	<input type="checkbox"/>

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE Tuesday ³⁰
MONDAY, MARCH 29, 1993

SENATE SELECT COMMITTEE ON WORKERS' COMPENSATION

BILLS BEING HEARD TODAY: HB 453 - Molnar; HB 511 - Hibbard; HB 587 - Harper

PLEASE PRINT

Name	Representing	Bill No.	Check One	
			Support	Oppose
Bill Christianson	Montana Schools Group WCRRP	HB 511		<input checked="" type="checkbox"/>
Mike Micone	MICA	HB 511 HB 453, 587		

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY