

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT

**Call to Order:** By CHAIRMAN STEVE BENEDICT, on April 19, 1993, at 9:00 a.m.

#### ROLL CALL

**Members Present:**

Rep. Steve Benedict, Chairman (R)  
Rep. Sonny Hanson, Vice Chairman (R)  
Rep. Bob Bachini (D)  
Rep. Joe Barnett (R)  
Rep. Ray Brandewie (R)  
Rep. Vicki Cocchiarella (D)  
Rep. Fritz Daily (D)  
Rep. Tim Dowell (D)  
Rep. Alvin Ellis (R)  
Rep. Stella Jean Hansen (D)  
Rep. Jack Herron (R)  
Rep. Dick Knox (R)  
Rep. Don Larson (D)  
Rep. Norm Mills (R)  
Rep. Bob Pavlovich (D)  
Rep. Bruce Simon (R)  
Rep. Carley Tuss (R)  
Rep. Doug Wagner (R)

**Members Excused:** None

**Members Absent:** Reps. Ellis, Knox, Mills, Daily and Larson

**Staff Present:** Susan Fox, Legislative Council  
Claudia Johnson, Committee Secretary

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

**Committee Business Summary:**

Hearing: SJR 31 AND HJR 33  
Executive Action: SJR 31 AND HJR 33

#### HEARING ON SJR 31

**Opening Statement by Sponsor:**

SEN. MIKE HALLIGAN, Senate District 34, Missoula, said SJR 31 is an interim study on Tort Reform which originally started in the

1985 Legislature. He said the losses of medical malpractice have leveled out after the legislature adopted comprehensive tort reform in 1986/1987. The point of this resolution is for Montana to look at the exploding health care costs, medical issues, tort reform issues, and joint public and private liabilities. He said several bills have been introduced in this legislative session requesting immunity from liability for various groups, including private enterprises relating to various occupations as well as governmental agencies. SJR 31 is a request to get everyone back to the table to discuss the major issues of insurance-related problems. He said the Senate coordinated SJR 31 with SB 285, the defensive medicine and health care study sponsored by **SEN. EVE FRANKLIN**. SJR 31 will give full subpoena power of the legislature and the Legislative Council to prepare the numbers to make the best decisions. He said SJR 31 doesn't point any fingers, but helps to get everyone together to look at all of the issues, and get a full meaningful impact on the medical costs and other tort reform costs.

Proponents' Testimony:

None

Opponents' Testimony:

**Mona Jamison**, representing the Doctors Company, said she would prefer to be listed as a no-ponent. She said there are concerns with the bill in regards to tort reform. One of the problems with another tort reform bill, HB 346, was it passed the House and went to the Senate, the Senate made amendments with which the House would not concur and the bill died. One of the reasons the HB 346 was killed is SB 285 has a provision to study tort reform as it relates to medical malpractice. She said SB 285 should be good enough to study malpractice and do away with the other tort reform bills. She informed the committee that SJR 31 is unnecessary and is in excess of what is required. In terms of what is medical malpractice, SB 285 should be looked at as a whole of what is required to raise the level of health care in Montana. Another concern she has is the subpoena power of the interim committee; is it for all parties to be involved in this study or is it because people would like to subpoena the records of the insurance companies in individual positions? She said there is litigation related to this same reference of subpoena power in the district court of Helena. **Ms. Jamison** said the Doctors' Company would like to be more involved with SB 285, and urged the committee to work with SB 285 as the vehicle to take a look at medical malpractice and tort reform.

Questions From Committee Members and Responses:

None

Closing by Sponsor:

SEN. HALLIGAN said there are bad feelings over tort reform. He said the members that were involved in the 1985/1986 session were able to get the issues of tort reform into an interim study to try and resolve the problems that Montana faces. He said SJR 31 is needed to address attorneys' fees and other medical issues.

HEARING ON HJR 33Opening Statement by Sponsor:

REP. DUANE GRIMES, House District 75, Clancy, said the reason for HJR 33 is to request an interim study of 24-hour health care coverage and other alternatives to the present workers' compensation system, and report the findings of the study to the 54th Legislature. He said Workers' Compensation is outdated and needs to be re-worked. Since 1990, there are many states which are studying the 24-hour health care concept. He said the approach of HJR 33 may allow the elimination of Workers' Compensation or send a message to the people in the state that the legislature is willing to try anything. He informed the committee that he had just received a telephone call from Terry Keating, Workers' Compensation in Yellowstone County, stating he supports the concept presented in this bill. HJR 33 will eliminate the line between what is occupational injury and non-occupational injury. The health care that is provided by an employer on and off the job would help reduce double administration costs, maybe apply deductibles to Workers' Compensation, or maybe use Managed Care in the Workers' Compensation system like private insurance industries do. He said in 1991, the Colorado Legislature, by a narrow margin, failed to enact a bill which would have offered employers to opt out of Workers' Compensation if the employer would offer a 24-hour policy offering medical benefits, 52 weeks of disability benefits, and no less than \$12,000 life insurance. He said this idea is on the cutting edge of Workers' Compensation in the nation. He said John Burke, who is the leader of this concept in the nation, sent him a booklet on the pros and cons of the 24-hour coverage. He concluded that in another two years, the 24-hour health care coverage will either become an on-going reality or a mere flash in the pan. He said the reason it may not work is because there are a number of issues which would require pre-emption from ERISA.

Proponents' Testimony:

None

Opponents' Testimony:

None

Questions From Committee Members and Responses:

REP. COCCHIARELLA asked REP. GRIMES if he was asking the Legislative Council to assign the study to an appropriate committee or is it to set up a committee? REP. GRIMES said he overlooked the language on page 2, line 25, where it states the Council will assign the interim committee. It would be okay with him to assign this study to an appropriate committee rather than assign a new one.

CHAIRMAN BENEDICT informed the committee after speaking with Susan Fox, Legislative Council, to place this into an interim legislative study. He said maybe the committee could establish an appropriate joint interim study if directed by the legislature through the ranking process, etc.

Closing by Sponsor:

REP. GRIMES closed.

EXECUTIVE ACTION ON SJR 31

Motion: REP. STELLA JEAN HANSEN MOVED SJR 31 BE CONCURRED IN.

Discussion: REP. SIMON said he had a problem with the language that came from the Senate for SJR 31 to coincide with SB 285. He said SB 285 creates a Montana Health Care committee, not a legislative committee. They would be a separate entity and information would be withheld.

REP. COCCHIARELLA said it made sense to her with the medical issues that will be studied under SB 285 could share the information with the interim study committee on SJR 31.

Motion/Vote: REP. BRANDEWIE MOVED SJR 31 BE CONCURRED IN. REP. BACHINI called the question. Voice vote was taken. Motion carried 13 - 5 with REPS. BRANDEWIE, HERRON, BARNETT AND SIMON voting no.

Vote: SJR 31 BE CONCURRED IN. Motion carried 13 - 5.

EXECUTIVE ACTION ON HJR 33

Motion: REP. BACHINI MOVED HJR 33 DO PASS.

Discussion: REP. COCCHIARELLA offered an amendment recommending the study reflect the intent that HJR 33 will be place in a special joint interim committee to be established to study the feasibility of 24-hour health care. EXHIBIT 1

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Susan Fox, Legislative Council confirmed the language is to state it will be "a special joint interim committee without the subpoena powers."

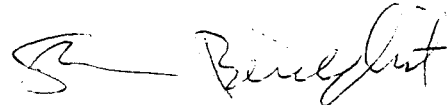
The question was called to adopt REP. COCCHIARELLA'S amendment. Voice vote was taken. Motion carried 18 - 0.

Motion/Vote: REP. COCCHIARELLA MOVED HJR 33 DO PASS AS AMENDED. Voice vote was taken. Motion carried 16 - 2 with REPS. TUSS AND DOWELL voting no.

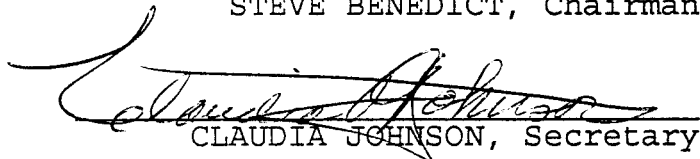
Vote: HJR 33 DO PASS AS AMENDED. Motion carried 16 - 2.

ADJOURNMENT

Adjournment: 10:15 A.M.



STEVE BENEDICT, Chairman



CLAUDIA JOHNSON, Secretary

SB/cj

HOUSE OF REPRESENTATIVES  
53RD LEGISLATURE - 1993  
BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE

ROLL CALL

DATE

4-19-93

NAME	PRESENT	ABSENT	EXCUSED
REP. ALVIN ELLIS		✓	
REP. DICK KNOX		✓	
REP. NORM MILLS		✓	
REP. JOE BARNETT	✓		
REP. RAY BRANDEWIE	✓		
REP. JACK HERRON	✓		
REP. TIM DOWELL	✓		
REP. CARLEY TUSS	✓		
REP. STELLA JEAN HANSEN	✓		
REP. BOB PAVLOVICH	✓		
REP. VICKI COCCHIARELLA	✓		
REP. FRITZ DAILY		✓	
REP. BOB BACHINI	✓		
REP. DON LARSON		✓	
REP. BRUCE SIMON	✓		
REP. DOUG WAGNER	✓		
REP. SONNY HANSON, VICE CHAIRMAN	✓		
REP. STEVE BENEDICT, CHAIRMAN	✓		

HR:1993

wp.rollcall.man


HOUSE STANDING COMMITTEE REPORT

April 19, 1993

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Mr. Speaker: We, the committee on Business and Economic Development report that Senate Joint Resolution 31 (third reading copy -- blue) be concurred in.

Signed: \_\_\_\_\_

  
Steve Benedict, Chair

Carried by: Rep. Cocchiarella

Committee Vote:

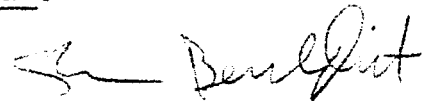
HOUSE STANDING COMMITTEE REPORT

April 19, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that House Joint Resolution 33 (first reading copy -- white) do pass as amended .

Signed: \_\_\_\_\_



Steve Benedict, Chair

And, that such amendments read:

1. Page 2, line 25.  
Following: "That"  
Strike: the remainder of line 25  
Insert: "a special joint"
2. Page 3, line 1.  
Following: "committee"  
Insert: "be established"

-END-



EXHIBIT 1  
DATE 4-19-93  
HB HJR 33

Amendments to House Joint Resolution No. 33  
First Reading Copy

For the Committee on Business and Economic Development

Prepared by Susan B. Fox  
April 19, 1993

1. Page 2, line 25.  
Following: "That"  
Strike: the remainder of line 25  
Insert: "a special joint"

2. Page 3, line 1.  
Following: "committee"  
Insert: "be established"

HOUSE OF REPRESENTATIVES  
VISITOR REGISTER

Business & Econ

COMMITTEE

BILL NO.

STR 31

DATE

4-19

SPONSOR(S)

Sen. Holligan

PLEASE PRINT

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<u>Nora Jamison</u>	<u>Doctors Co.</u>		<input checked="" type="checkbox"/>

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.