## HOUSE BILL NO. 534

# INTRODUCED BY COCCHIARELLA

IN THE HOUSE

FEBRUARY 9, 1993

INTRODUCED AND REFERRED TO COMMITTEE ON WORKERS' COMP SELECT COMMITTEE.

FIRST READING.

- FEBRUARY 18, 1993 COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
- FEBRUARY 19, 1993 PRINTING REPORT.
- FEBRUARY 20, 1993 SECOND READING, DO PASS.
- FEBRUARY 22, 1993 ENGROSSING REPORT.
- FEBRUARY 23, 1993 THIRD READING, PASSED. AYES, 95; NOES, 5.
- FEBRUARY 24, 1993 TRANSMITTED TO SENATE.

## IN THE SENATE

MARCH 1, 1993 INTRODUCED AND REFERRED TO COMMITTEE ON LABOR & EMPLOYMENT RELATIONS.

FIRST READING.

- MARCH 12, 1993 COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
- MARCH 13, 1993 SECOND READING, CONCURRED IN.
- MARCH 15, 1993 THIRD READING, CONCURRED IN. AYES, 49; NOES, 0.

RETURNED TO HOUSE.

IN THE HOUSE

MARCH 16, 1993 RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

LC 1345/01

Howe BILL NO. 534 1 INTRODUCED BY 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT A 5 WORKERS! COMPENSATION RATES AND RATING PLANS MUST BE DEVELOPED WITHOUT REGARD TO ANY DEDUCTIBLE PAID ON MEDICAL 6

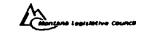
7 LOSSES; AMENDING SECTION 39-71-434, MCA; AND PROVIDING AN
8 EFFECTIVE DATE."

9

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 39-71-434, MCA, is amended to read: 12 "39-71-434. Deductible insurance policy provision for medical benefits. (1) In order to lower the amount an 13 employer is required to pay to obtain workers' compensation 14 15 insurance coverage under this chapter, a workers' 16 compensation policy issued by the state compensation insurance fund under plan No. 3 or by a private insurer 17 under plan No. 2 must offer a deductible for the medical, 18 19 hospital, and related services allowed under 39-71-704. The 20 medical deductible must be offered in amounts of at least 21 \$500.

(2) If the insured employer chooses to accept a medical
deductible, the insured employer is liable for the amount of
the deductible for the medical benefits paid for each
otherwise compensable claim of work injury suffered by an



#### 1 employee.

2 insured employer shall contract with the (3) The 3 insurer to have the insurer pay the entire cost of the covered medical benefits directly to the provider of medical 4 5 or related services and then seek reimbursement from the 6 insured employer for the deductible amount. The insurer is 7 entitled to reimbursement only for medical, hospital, and 8 related services allowed under 39-71-704, up to the amount 9 of the deductible.

10 (4) If an insured employer who has contracted with an 11 insurer for a medical deductible does not pay the medical 12 deductible amount to the insurer through reimbursement, the 13 amount paid by the insurer on the claim may be included as 14 benefits paid in a determination of the insured employer's 15 rate.

16 (5) If an insured employer chooses to accept a medical 17 deductible, then for purposes of computing rates and rating 18 plans, all medical losses incurred must be reported to the 19 insurer without regard to the application of any medical 20 deductible regardless of whether the employer or the insurer 21 pays the losses." 22 NEW SECTION. Section 2. Effective date. (This act) is

effective July 1, 1993.

23

-End-

HB 534 INTRODUCED BILL - 2 -

					L	ιı	242/01	L
	APPRO	VED E	3Y 7	ΉE	SEL	ECT		
I	COMMI	TTEE	ON	WOR	KER	•S	COMP	•

-----

1	House BILL NO. 534
2	INTRODUCED BY Acchiacella
3	

4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT 5 WORKERS' COMPENSATION RATES AND RATING PLANS MUST BE 6 DEVELOPED WITHOUT REGARD TO ANY DEDUCTIBLE PAID ON MEDICAL 7 LOSSES; AMENDING SECTION 39-71-434, MCA; AND PROVIDING AN 8 EFFECTIVE DATE."

9

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 39-71-434, MCA, is amended to read: 12 "39-71-434. Deductible insurance policy provision for 13 medical benefits. (1) In order to lower the amount an 14 employer is required to pay to obtain workers' compensation insurance coverage under this chapter, a workers' 15 16 compensation policy issued by the state compensation 17 insurance fund under plan No. 3 or by a private insurer 18 under plan No. 2 must offer a deductible for the medical, 19 hospital, and related services allowed under 39-71-704. The 20 medical deductible must be offered in amounts of at least 21 \$500.

(2) If the insured employer chooses to accept a medical
deductible, the insured employer is liable for the amount of
the deductible for the medical benefits paid for each
otherwise compensable claim of work injury suffered by an

LC 1345/01

### 1 employee.

2 insured employer shall contract with the (3) The 3 insurer to have the insurer pay the entire cost of the covered medical benefits directly to the provider of medical 4 5 or related services and then seek reimbursement from the 6 insured employer for the deductible amount. The insurer is 7 entitled to reimbursement only for medical, hospital, and 8 related services allowed under 39-71-704, up to the amount 9 of the deductible.

10 (4) If an insured employer who has contracted with an 11 insurer for a medical deductible does not pay the medical 12 deductible amount to the insurer through reimbursement, the 13 amount paid by the insurer on the claim may be included as 14 benefits paid in a determination of the insured employer's 15 rate.

16 (5) If an insured employer chooses to accept a medical deductible, then for purposes of computing rates and rating plans, all medical losses incurred must be reported to the insurer without regard to the application of any medical deductible regardless of whether the employer or the insurer pays the losses."
22 NEW SECTION. Section 2. Effective date. [This act] is

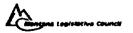
23 effective July 1, 1993.

-End-

-2- HB 534 SECOND READING

HOUSE BILL NO. 534 1 INTRODUCED BY 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT 4 WORKERS' COMPENSATION RATES AND RATING PLANS MUST BE 5 DEVELOPED WITHOUT REGARD TO ANY DEDUCTIBLE PAID ON MEDICAL 6 7 LOSSES: AMENDING SECTION 39-71-434, MCA: AND PROVIDING AN EFFECTIVE DATE." A 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 10 11 Section 1. Section 39-71-434, MCA, is amended to read: 12 "39-71-434. Deductible insurance policy provision for 13 medical benefits. (1) In order to lower the amount an 14 employer is required to pay to obtain workers' compensation 15 insurance coverage under this chapter, a workers' compensation policy issued by the state compensation 16 17 insurance fund under plan No. 3 or by a private insurer 18 under plan No. 2 must offer a deductible for the medical, 19 hospital, and related services allowed under 39-71-704. The 20 medical deductible must be offered in amounts of at least 21 \$500.

(2) If the insured employer chooses to accept a medical
deductible, the insured employer is liable for the amount of
the deductible for the medical benefits paid for each
otherwise compensable claim of work injury suffered by an



1 employee.

23

effective July 1, 1993.

2 (3) The insured employer shall contract with the 3 insurer to have the insurer pay the entire cost of the covered medical benefits directly to the provider of medical . or related services and then seek reimbursement from the 5 insured employer for the deductible amount. The insurer is 6 7 entitled to reimbursement only for medical, hospital, and 8 related services allowed under 39-71-704, up to the amount 9 of the deductible.

10 (4) If an insured employer who has contracted with an 11 insurer for a medical deductible does not pay the medical 12 deductible amount to the insurer through reimbursement, the 13 amount paid by the insurer on the claim may be included as 14 benefits paid in a determination of the insured employer's 15 rate.

16 (5) If an insured employer chooses to accept a medical deductible, then for purposes of computing rates and rating plans, all medical losses incurred must be reported to the insurer without regard to the application of any medical deductible regardless of whether the employer or the insurer pays the losses."
22 NEW SECTION. Section 2. Effective date. [This act] is

-End-

-2-

HB 534

THIRD READING

1 HOUSE BILL NO. 534 2 INTRODUCED BY COCCHIARELLA 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT 5 WORKERS' COMPENSATION RATES AND RATING PLANS MUST BE DEVELOPED WITHOUT REGARD TO ANY DEDUCTIBLE PAID ON MEDICAL 6 7 LOSSES; AMENDING SECTION 39-71-434, MCA; AND PROVIDING AN 8 EFFECTIVE DATE." 9 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 11 Section 1. Section 39-71-434, MCA, is amended to read: 12 "39-71-434. Deductible insurance policy provision for 13 medical benefits. (1) In order to lower the amount an employer is required to pay to obtain workers' compensation 14 15 insurance coverage under this chapter, a workers' 16 compensation policy issued by the state compensation 17 insurance fund under plan No. 3 or by a private insurer under plan No. 2 must offer a deductible for the medical, 18 hospital, and related services allowed under 39-71-704. The 19 20 medical deductible must be offered in amounts of at least 21 \$500.

(2) If the insured employer chooses to accept a medical
deductible, the insured employer is liable for the amount of
the deductible for the medical benefits paid for each
otherwise compensable claim of work injury suffered by an

### l employee.

2 (3) The insured employer shall contract with the 3 insurer to have the insurer pay the entire cost of the 4 covered medical benefits directly to the provider of medical or related services and then seek reimbursement from the 5 insured employer for the deductible amount. The insurer is 6 entitled to reimbursement only for medical, hospital, and 7 8 related services allowed under 39-71-704, up to the amount 9 of the deductible.

10 (4) If an insured employer who has contracted with an 11 insurer for a medical deductible does not pay the medical 12 deductible amount to the insurer through reimbursement, the 13 amount paid by the insurer on the claim may be included as 14 benefits paid in a determination of the insured employer's 15 rate.

16 (5) If an insured employer chooses to accept a medical 17 deductible, then for purposes of computing rates and rating 18 plans, all medical losses incurred must be reported to the 19 insurer without regard to the application of any medical 20 deductible regardless of whether the employer or the insurer 21 pays the losses." 22 <u>NEW SECTION.</u> Section 2. Effective date. [This act] is

23 effective July 1, 1993.

-End-

- 2 -

REFERENCE BILL

HB 534

Montana Legislative Council