



Economic Affairs Interim Committee

61st Montana Legislature

SENATE MEMBERS

JIM KEANE--Chair
ROY BROWN
KEN (KIM) HANSEN
RYAN ZINKE

HOUSE MEMBERS

GORDON VANCE--Vice Chair
CHUCK HUNTER
MICHELE REINHART
DON ROBERTS

COMMITTEE STAFF

PAT MURDO, Research Analyst
BART CAMPBELL, Staff Attorney
CLAUDIA (CJ) JOHNSON, Secretary

MINUTES

September 3, 2010
Room 102

Capitol Bldg.
Helena, MT

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. The minutes are accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.

An electronic copy of these minutes and the audio recording may be accessed from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side column of the home page, select *Committees*, then *Interim*, and then the appropriate committee.

To view the minutes, locate the meeting date and click on minutes. To hear the audio recording, click on the Real Player icon. Note: You must have Real Player to listen to the audio recording.

COMMITTEE MEMBERS PRESENT

SEN. JIM KEANE, Chair
REP. CHUCK HUNTER

COMMITTEE MEMBERS PRESENT VIA POLY COM PHONE

REP. GORDON VANCE, Vice Chair
SEN. ROY BROWN
SEN. KEN (KIM) HANSEN
REP. MICHELE REINHART
REP. DON ROBERTS

COMMITTEE MEMBER EXCUSED

SEN. RYAN ZINKE

STAFF PRESENT

PAT MURDO, Research Analyst
BART CAMPBELL, Staff Attorney
CLAUDIA (CJ) JOHNSON, Secretary

Visitors/agenda

Visitors' list, Attachment #1.
Agenda, Attachment #2.

COMMITTEE ACTION

The EAIC approved the following bill draft proposals and requests.

- LClive - defining "order" for the Department of Livestock. **(Exhibit 1)**
- LCeah2 - giving the state of Montana options to self-insure for workers' compensation coverage. **(Exhibit 2)**
- LCLch2 - revising the composition of the State Fund board of directors. **(Exhibit 3)**
- LCmihp - revising medical assistance programs for medical providers. **(Exhibit 4)**
- LMAC - assigned as sponsor Rep. Chuck Hunter and asked him to work with stakeholders to determine if medical providers' concerns could be resolved before introduction of the bill draft.
- Motion to **cancel** LC0067, LC0068, and LC0069.
- Agreed to have two separate final committee reports: one providing an overview and the other on SJR 30, the study of workers' compensation.

CALL TO ORDER AND ROLL CALL

00:03:14 Sen. Keane called the committee to order at 10:00 a.m. The secretary called the roll. **Attachment #3** Sen. Zinke is excused and Rep. Reinhart is excused for the latter half of meeting, and provided a proxy. **Attachment #4**

AGENDA

COMMITTEE BILLS

- Rep. Vance - Definition of "order" for the Department of Livestock
- Rep. Hunter - State choice of work comp insurer
- Rep. Hunter - Revisions to Montana State Fund Board of Directors
- Rep. Roberts - Changes to medical assistance programs for certain licensees
- Sen. Brown - Letter regarding changes to LMAC Bill Draft

00:04:44 Christian MacKay, Executive Officer, Department of Livestock, discussed the committee's updated bill draft, LClive. **(Exhibit 1)** He talked about the need for standing orders to be flexible and meet national standards. He reviewed several concerns, including use of an order to address an existing imminent peril to the public, health, safety, and welfare and how to allow Canadian show cattle to enter Montana for purposes of exhibition only and not for change of ownership at the Northern International Livestock Exposition (NILE) in Billings. State veterinarians have used an order to provide an exemption for import requirements for the Canadian producers. He also was concerned that flexibility for a bovine TB (tuberculosis) order, which has always been a standing order but

may change as federal rules change.

00:09:41 Rep. Vance asked Mr. Campbell to help Mr. MacKay with the wording to address his issues. Mr. Campbell offered suggestions to resolve the department's concerns. Rep. Vance said if the Board has issues, he would like to have their comments to make the bill acceptable. Sen. Hansen said the bill has been thought out, and he said the stakeholders can work it out.

Motion

00:13:00 Rep. Vance made the motion to approve LClive and include the corrections overseen by Sen. Hansen, Mr. Campbell, and Rep. Vance.

00:13:44 Sen. Hansen asked if amendments can be added at a later date. Mr. Campbell said if it is approved today, it is a committee bill and once drafted it goes back to the requestor or department. Sen. Hansen asked Mr. MacKay if the department can follow through on these issues. Mr. MacKay said yes.

Motion

00:15:10 Rep. Vance made the motion to move the bill draft proposal, LClive, Exhibit 1, forward with the suggested corrections. The motion **passed**. Sen. Zinke voted aye by proxy. Rep. Vance will carry the bill if he is re-elected.

00:16:59 Rep. Hunter opened on his bill draft proposal, LCeah2, explaining the new changes will provide the state of Montana the option to become self-insured for workers' compensative coverage. **(Exhibit 2)**

Motion

00:18:41 Rep. Hunter made the motion to approve the bill as redrafted. The motion **passed**. Sen. Zinke voted aye by proxy. Rep. Hunter will carry the bill.

00:20:33 Rep. Hunter summarized the changes of the draft proposal, LCIch2, stating it revises the composition of the State Fund board of directors. **(Exhibit 3)**

Motion

00:21:41 Rep. Hunter made the motion to approve the draft bill proposal as redrafted. The motion **passed**. Sen. Zinke voted aye by proxy. Rep. Hunter will carry the bill.

00:22:13 Rep. Roberts discussed his bill draft proposal, LCmihp **(Exhibit 4)**, which revises laws for medical assistance programs and provides for periodic audits of the medical assistance programs. He explained that the bill will include all of the changes suggested at the last committee meeting.

Motion

00:30:03 Rep. Roberts made the motion to approve the draft bill proposal LCmihp, Exhibit 4. The motion **passed**. Sen. Zinke voted aye by proxy. Rep. Roberts will carry the bill.

LMAC

00:31:08 Sen. Brown discussed a letter he had written to the committee that addresses

issues he has with the LMAC bill draft as proposed. **(Exhibit 5)**

Public comment

- 00:33:17 Dr. Glenn Jarrett, Missoula, talked about his concern with the proposed workers' compensation bill and projected cuts in physician fees. He distributed and discussed a chart showing the Medicare conversion factor. **(Exhibit 6)**
- 00:37:23 Dr. John Campbell, orthopedic surgeon, Bozeman, gave examples of how he works with a workers' comp patient compared to a non-workers' comp patient.
- 00:41:41 Dr. Steve Speth, orthopedic surgeon, Bozeman, talked about how workers' compensation patients are the most challenging. He addressed the return-to-work issues, stating the best solution is to change patient behavior. He doesn't see where psycho-social issues are addressed for patients to return-to-work in the bill.
- 00:44:25 Dr. Paul Gorsuch distributed a handout **(Exhibit 7)** and discussed the consequences if the bill goes through and what will happen. He said it will take longer for patients to receive medical care. He had a memo from a workers' compensation patient who explained his situation with workers' comp and how the system should be fixed. **(Exhibit 8)**
- 00:57:41 Janet Whitmoyer, R.N., Coding and Reimbursement Specialist for the Montana Medical Association (MMA), distributed and explained a handout about provider rate cuts and administrative burdens that the proposal would add. **(Exhibit 9)** She also distributed a letter from Brian Zins, executive vice president of MMA, who addressed fee schedules and hospital rates. **(Exhibit 10)**
- 00:59:21 Dr. Chriss Mack, Missoula, via poly com, gave his reasons why the bill draft proposal will not work. He said the bill will take away physicians' care from patients.
- 01:02:54 Mike Foster, representing the Catholic hospitals in Montana, said that the Montana Hospital Association has been gathering data, and the results are showing something different from what the Department of Industry and Labor (DLI) has said medical provider reimbursement rates really are. Mr. Foster asked the committee to intervene in the DLI rulemaking authority.
- 01:05:39 A handout from Al Smith, Montana Trial Lawyers Association, was distributed describing his views of the proposed bill draft. **(Exhibit 11)**

Committee comments and questions

- 01:06:14 Rep. Vance asked Dr. Roberts to give his observation of the previous comments. Rep. Roberts said what is being stated is true. The committee needs further analysis of the financial impact. He said that the proposal is trying to bring an out-of-control situation back into control, but it needs to be addressed further. Rep. Roberts said there needs to be more review of the proposed reimbursements for physicians. Rep. Vance said that providers need to be a part of the process.

01:08:59 Sen. Keane said to move the bill forward for the 2011 Legislature to work with it.

Motion

01:11:23 Sen. Brown made the motion to move forward with the bill draft proposal, LMAC, and requested that the sponsors and providers that are here today work on the suggested changes and solve the issues previously stated before the bill goes forward to the 2011 Legislature.

Vote

01:15:15 The motion is to move the bill forward and have the sponsor of the bill work with the stakeholders and work out the issues that have been aired here today. The motion **passed**. Rep. Reinhart and Sen. Zinke voted aye by proxy. Rep. Hunter will carry this bill.

Motion

01:19:59 Sen. Keane made the motion to **cancel** LC0067, LC0068, and LC0069. The motion **passed**. Rep. Reinhart and Sen. Zinke voted aye by proxy.

Department of Commerce Update

01:20:59 Director Dore Schwinden addressed the committee regarding the situation that has taken place within the department's economic development department. He said there is room for improvement, and it is his duty to streamline the delivery. He announced a new entity, Custer Country Montana, Inc. Tourism Region, and that the contract went to the Billings Chamber of Commerce. He also responded to questions from Sen. Brown about recent employee departures.

Final Committee Report

01:30:26 Ms. Murdo will write two reports of the EAI committee's 2009-2010 interim work, one an overview that includes the committee's work on brucellosis and the other on the workers' compensation study, SJR 30..

Adjourn

01:31:32 Sen. Keane thanked the members and staff for all their work. He adjourned the committee at 11:28 a.m.

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