



Montana

Labor-Management Advisory Council Meeting

NCCI HB 334 Preliminary Review
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Montana HB 334
Effective 7/1/2011

Quantified Provisions and Impacts

Provision (Statute Section §39-71-__)	Percentage Impact
Permanent Partial Awards (703)	-1.7%
◦ Termination of Medical Benefits at 60 months (704) ◦ Reopening Provisions	-12.1%
Medical Fee Schedule (704)	-2.3%
Retroactive Period (736)	+0.5%
Choice of Healthcare Provider (1101)	-8.5%
Overall Impact on Montana WC System Costs	-22.4%

Quantified Provisions and Impacts

- Permanent Partial Disability (PPD) impairment awards
 - Eliminated for claimants with no wage loss and Class 1 permanent impairment
 - Increased maximum PPD duration from 375 weeks to 400 weeks

- Termination of medical benefits at 60 months after injury
 - Some exceptions are allowed; also allows some claims to be reopened

- Changed medical fee schedule to 2010 version

- Introduced a retroactive period of 21 days

- Choice of Healthcare Provider
 - Injured worker may designate initial treating physician.
 - Upon acceptance of liability, employer may then designate the treating physician
 - Creates tiered system of reimbursement

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Preliminary Post-Reform Observations PPD

- Elimination of awards for class 1 with no wage loss has dramatically reduced the number of PPD awards.
 - PPD claims as percent of total lost-time claims dropped from over 40% to approximately 20%
 - TTD claims as percent of total lost-time claims increased, consistent with expectations
 - Some types of claims that were PPD pre-reform may be medical-only claims post-reform
 - Too early to evaluate overall impact on costs as many PPD claims will continue to develop over time



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Preliminary Post-Reform Observations
PPD

- Increase in PPD maximum duration from 375 weeks to 400 weeks
 - Too early to evaluate overall impact on PPD costs
 - Very few observations available at this time
 - PPD claims will continue to develop over time
 - Interaction with other provisions complicates the estimation of isolated impacts from this provision

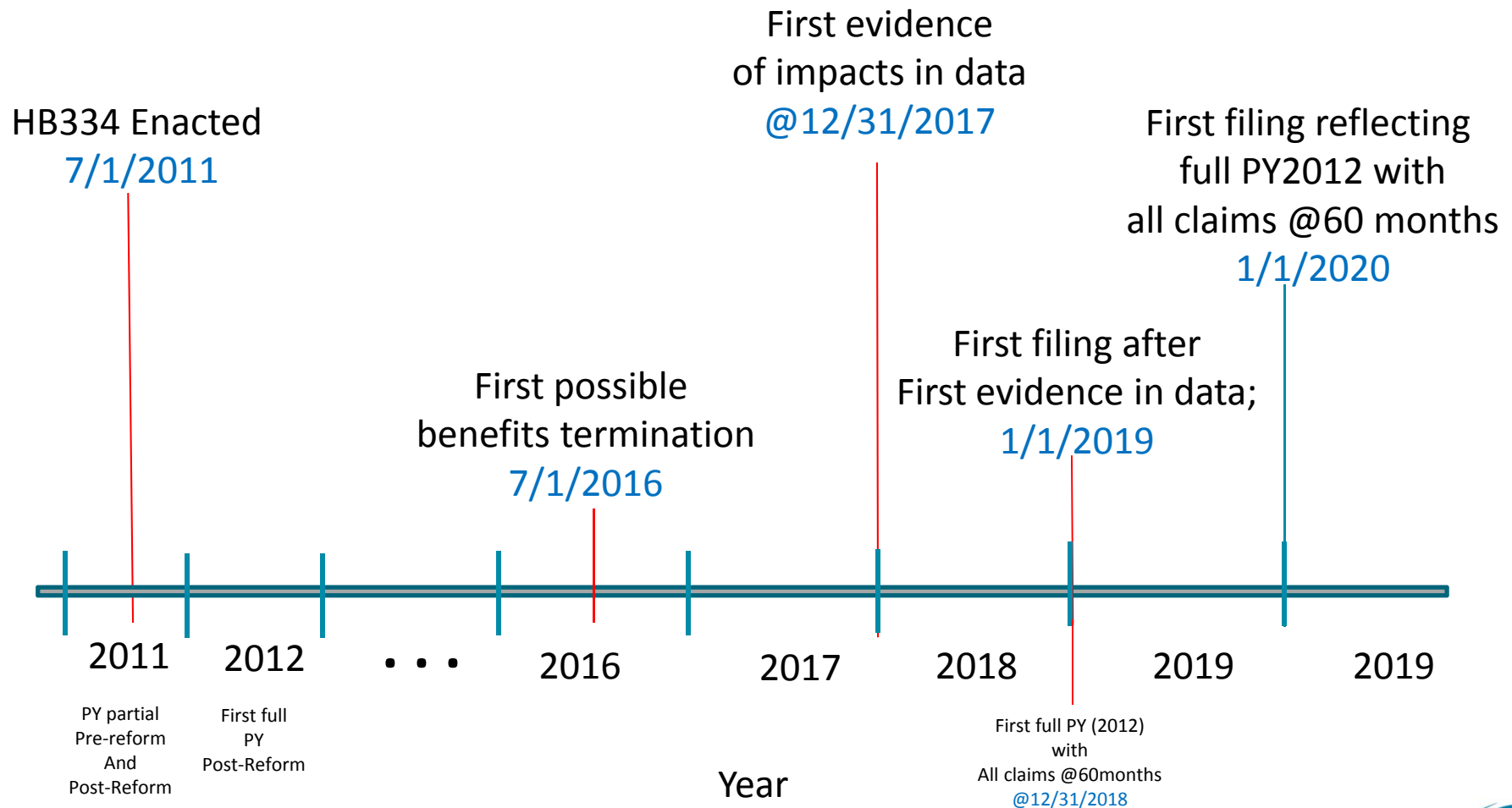
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Preliminary Post-Reform Observations
Provisions for Medical Benefits

- Termination of Medical Benefits after 60 months

- Medical Fee schedule
 - Previous fee schedule was in place for 6 months before reverting back to previous schedule
 - No post-reform cost impact to be provided since impact **effective 1/1/2011** was simply reversed

- Choice of Physician
 - Detailed data not available which identifies carrier designation/status of physician

Montana HB 334 Termination of Medical Benefits after 60 Months Timeline



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Preliminary Post-Reform Observations 21-day Retroactive Period

- NCCI attempted to estimate the post reform impact with DLI data
- Measuring post-reform impacts with precision is difficult due to the interaction with other system changes and data fluctuations, and timing of this analysis
- This provision was estimated to have a relatively small impact on costs in Montana; quantified impacts seem reasonable



Montana HB 334 Other Provisions and Comments

- NCCI did not quantify several provisions in the bill, and have no further analysis for:
 - Definition of Course and Scope of Employment
 - Utilization and Treatment Guidelines
 - Use of 6th Edition of AMA Guides
 - Settlements
 - Stay-At-Work-Return-To-Work



Montana HB 334 Other Provisions and Comments

■ Other thoughts:

- Many of the provisions in the bill interact with each other
- Difficult to clearly attribute a change in data to HB 334
- Any impact on system costs will be realized in experience in Montana loss cost filings

