



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0738	Title:	Revise work comp law for claim closure and medical services rates
Primary Sponsor:	Mendenhall, Scott	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
Proprietary (06)	Unknown	Unknown	Unknown	Unknown
Revenue:				
Proprietary (06)	Unknown	Unknown	Unknown	Unknown
Net Impact-General Fund Balance	Unknown	Unknown	Unknown	Unknown

Description of fiscal impact:

The fiscal impact cannot be determined until the fee schedules and guidelines required to be established by the Department of Labor and Industry are established and implemented.

FISCAL ANALYSIS

Assumptions:

Montana State Fund

- On claims for injury, where payment has been made and liability accepted, the bill provides for a termination date of benefits within two years of the date of injury or within two years from the last payment of benefits, whichever is later.
- On claims for occupational disease, where payment has been made and liability accepted, the bill provides for a termination date of benefits within two years of the date the occupational disease claim was received or within two years from the last payment of benefits, whichever is later.
- The Department of Labor and Industry (DLI) shall annually establish a schedule of fees for medical services.
- The medical services fee schedule adopted by the department will include medical services provided at hospitals.

5. The department may establish evidence-based utilization and treatment based guidelines for primary and secondary medical services.
6. Until the department adopts a fee schedule, insurers shall pay hospitals at the rate payable on June 30, 2007, for those services provided by the hospitals with specified adjustments.
7. There is the potential for improved operating costs in that using treatment and utilization guidelines will reduce the potential of disputes by clarifying the level of care provided to injured employees. This fiscal impact cannot be determined until the treatment and utilization guidelines are written and implemented.
8. An insurer is not responsible for treatment or services outside of the utilization and treatment guidelines adopted by the department without prior authorization from the insurer.
9. The department may establish coding standards to be used by providers when billing for medical services.
10. An insurer is not responsible for treatment or services outside of the utilization and treatment guidelines adopted by the department without prior authorization from the insurer.
11. The fiscal impact of this legislation cannot be determined until the (DLI) establishes and implements treatment and utilization guidelines and fee schedules.

Technical Notes:

Termination dates on injury and occupational disease benefit payments, following a period of time after payments of benefits and services have lapsed, will provide certainty on claim closures. Adoption of treatment and utilization guidelines may mitigate increasing medical cost to the workers' compensation system by identifying appropriate treatment for injured employees. Adoption of fee schedules for workers' compensation by utilizing the reimbursement rate of domestic insurers will provide for a schedule of fees for services not currently under a fee schedule as well as provide for consistency in reimbursement for medical providers in workers' compensation as compared to averages of other domestic insurers. The fiscal impact cannot be determined until the fee schedules and guidelines are established and implemented.

Sponsor's Initials

Date

Budget Director's Initials

Date