

TESTIMONY IN FAVOR OF HB 110
SENATE BUSINESS, LABOR AND ECONOMIC AFFAIRS COMMITTEE
JERRY KECK, ADMINISTRATOR
EMPLOYMENT RELATIONS DIVISION
DEPARTMENT OF LABOR AND INDUSTRY
MARCH 4, 2011

Mr. Chairman and members of the committee, my name is Jerry Keck. I am the administrator of the Employment Relations Division of the Department of Labor and Industry. First, I want to thank Rep. Wellborn for agreeing to carry this bill.

HB 110 is the department's workers' compensation cleanup bill. It addresses several problems that the Department has encountered in administering our regulatory responsibilities in the Workers' Compensation Act.

Section 1 requires that workers' compensation insurers and their agents pay medical providers according to the Montana medical fee schedule and in a timely manner. The Department receives regular calls from hospitals and medical providers complaining that they have not been paid the appropriate amount under the Montana medical fee schedule. One specific problem is that under Montana law rural critical access hospitals receive 100% of their charged amount. Many out of state medical bill review companies have difficulty believing this is true and seek to discount the payment on their company schedule of discounts or the discounts in effect in their state. In addition, we receive regular complaints about undue delay in payment of medical bills. Section 1 will provide a penalty for payments beyond 60 days to encourage timely payments

Section 2 makes clear that the Department can revoke an independent contractor exemption certificate when it is determined that the holder of the IC exemption does not have an independently established business.

Section 3 clarifies that the accrual of earnings from security deposits required from Plan 2 private insurers accrues to the insurer rather than the security deposit. This prevents the total value of the security deposit from exceeding the maximum amount allowed by law.

Mr. Chairman, and members of the Committee, the department is requesting your support for HB 110. I will try to answer any questions that you may have. Thank you.