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## Montana Senate Passes Workers' Comp Reform Bill

By Phil Drake | March 29, 2011

The Montana Senate has passed a workers' compensation reform bill that supporters claim will bring nearly \$100 million in savings its first year.

The Senate passed HB 334 by a 45-5 vote in its third reading on March 28. The bill now goes back to the House and could be signed into law by the governor by the end of the week.

"HB 334 has had a long trip down the road and an exciting trip," said Sen. Bruce Tutvedt, R-Kalispell, who introduced the bill to fellow senators.

Sen. David Wanzenreid, D-Missoula, tried to add an amendment that would have allowed partial paid disability workers to remain in the system, as proposed by a committee that studied workers' compensation. It said the change in law would affect 1,600 people and the \$8 million cost could be absorbed by the projected savings.

He called it a question of fairness to all the people at the low end of the spectrum.

But Sen. Ryan Zinke, R-Whitefish, who has been credited as a major player in the new workers' compensation bill, urged fellow lawmakers to oppose the amendment, saying these workers were taken into account when the bill was drafted. The amendment failed.

Montana, which has the highest workers' compensation rates in the nation, paid nearly \$400 million in workers' compensation rates last year, officials said. Lawmakers say they consistently hear from business owners that the high rates are keeping them from expanding their business, paying employees better or forcing them to move out of state. Worker's compensation reform is a top priority for the House and Senate.

In 2006, the governor started the Labor-Management Advisory Council, made up of labor and management representatives, to look at the bill. LMAC, headed by Lt. Gov. John Bohlinger, came up with HB 87, which was approved last summer by the state's Economic Affairs Interim Committee, which was headed by Sen. Jim Keane, D-Butte. The plan was discarded earlier in the session in favor of HB 334, which officials said incorporates a lot of LMAC's ideas.

Earlier this month, the governor met with GOP House and Senate leaders and asked if the bill should be delayed, adding he was skeptical that HB 334 would improve the system and wondered if history would treat lawmakers kindly for passing a mediocre bill.

Officials said they worked diligently to make the amendments, which included allowing an independent review board to extend claim closure, allows for actual wage loss for partial disability, allows patients their choice of medical providers and locks in medical provider rates at 2010 levels.

The law proposes closing benefits after five years, with a provision to re-open if necessary after a medical panel review; a part of the proposal is to require an impairment rating of at least Class 2, or "moderate" impairment, instead of "mild" in order to receive Permanent Partial Disability wage loss benefits; provide the ability for insurer and worker to agree to settle non-disputed medical benefits; make the insurer provide Stay at Work, or Return to Work programs and services, to assist workers with returning to the

same, or a modified job; prohibit claims for workers' compensation benefits in cases where employees are on breaks off the premises.

Rep. Scott Reichner, R-Bigfork, who put HB 334 together, said his bill, scored by the National Council on Compensation Insurance, would bring savings of 20 percent to 44 percent in the first year alone, or guaranteed savings of \$84-\$183 million. Reichner was approached by House Speaker Mike Milburn shortly after the Nov. 2 elections to come up with a workers' compensation reform package that would bring bigger savings faster than other proposals.

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