

CONSENSUS STATEMENT FROM  
The Labor-Management Advisory Council on Workers' Compensation  
To The Economic Affairs Interim Committee  
May 26, 2010

Members of the Committee:

In December of 2006, Keith Kelly, the Commissioner of Labor and Industry, appointed the Labor Management Advisory Council on Workers' Compensation (LMAC) by agency order. The purpose of the LMAC as set out in the order is to identify problems with Montana's workers' compensation system and recommend improvements and solutions. Since its inception, the LMAC has worked on issues that have been identified as cost drivers in the system.

Subsequently, SJR 30 from the 2009 Legislature called for a study of the cost drivers in the Montana workers' compensation system and, as you know, the Legislature assigned that study to the Economic Affairs Interim Committee (EAIC). The EAIC then requested the LMAC to report its recommendations to the Committee.

The LMAC has conducted extensive studies and review of the issues requested by the EAIC. The LMAC has designed a comprehensive package of measures intended to:

- reduce costs;
- maintain or enhance actual benefits to injured workers;
- provide for a more efficient and equitable benefit delivery system; and
- improve Montana's workers' compensation standing nationally.

The LMAC is pleased to offer these recommendations to the EAIC. The individual items in the comprehensive package are the result of negotiations and compromises made by both the labor and management representatives of the LMAC. Further, LMAC unanimously endorsed this comprehensive package only after a long and deliberative process.

The LMAC research identified that reducing Montana's injury rates and improving early return to work are essential parts of reducing our costs. To this end, the LMAC authorized and supported the formation of the WorkSafeMT Foundation, a private-public partnership focused on reducing injuries and improving return to work. In order to continue the positive work that has already been done by WorkSafeMT, the LMAC notes that a stable, dependable source of private and public funding is needed.

The LMAC offers its support and continued work to the EAIC to carry these ideas for reducing costs and improving benefits forward to the 2011 Legislative Session. If the EAIC supports taking the LMAC comprehensive package forward as a committee bill, the LMAC is committed to developing broad stakeholder support for the bill. The LMAC is also committed to working closely with the National Council of Compensation Insurers (NCCI) to bring accurate cost estimates to the EAIC at your August meeting. If changes are proposed to the key concepts in the comprehensive package, the LMAC is committed to reviewing those proposed changes with the goal of attempting to reach agreement on changes that continue to have the support of both labor and management in the final bill.

The LMAC wishes to thank the members of the EAIC for your interest and support in the work that has been done. We will continue to work closely with you and your staff and seek to provide any additional information or recommendations that you may request.