

1 HOUSE BILL NO. 87

2 INTRODUCED BY C. HUNTER

3 BY REQUEST OF THE ECONOMIC AFFAIRS INTERIM COMMITTEE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING WORKERS' COMPENSATION LAWS TO IMPLEMENT
6 RECOMMENDATIONS OF THE LABOR MANAGEMENT ADVISORY COUNCIL; PROVIDING A PROCESS FOR
7 CLOSING WORKERS' COMPENSATION CLAIMS; OUTLINING CONDITIONS FOR REOPENING AND
8 MEDIATING A CLAIM; REVISING PUBLIC POLICY TO REMOVE REFERENCE TO ACTUAL WAGE LOSS;
9 PROVIDING EXCEPTIONS TO THE COURSE AND SCOPE OF EMPLOYMENT; REDUCING THE TIME FOR
10 INSURERS TO ACCEPT OR DENY A CLAIM; REVISING CONDITIONS FOR TEMPORARY TOTAL DISABILITY
11 BENEFITS; REVISING THE PROCESS FOR PROVIDING COSTS AND ATTORNEY FEES FOR DISPUTED
12 MEDICAL BENEFITS AWARDED BY COURT; REVISING CERTAIN CONDITIONS AND PROCESSES
13 RELATED TO PERMANENT TOTAL DISABILITIES; PROVIDING SPECIFIC GUIDANCE FOR IMPAIRMENT
14 RATINGS AND ALLOWING DEPARTMENT TO CHANGE GUIDANCE BY RULE; ALLOWING RETROACTIVE
15 BENEFIT PAYMENT TO CERTAIN WORKERS; REVISING MEDICAL CLAIM SETTLEMENTS AND LUMP-SUM
16 PAYMENTS; REVISING VOCATIONAL REHABILITATION SERVICES AND TERMS TO ASSIST AN
17 EMPLOYEE IN STAYING AT WORK OR RETURNING TO WORK; PROVIDING CONDITIONS FOR
18 RETRAINING BENEFITS; ALLOWING EXCHANGE OF INFORMATION AMONG INTERESTED PARTIES;
19 CREATING A STAY-AT-WORK/RETURN-TO-WORK ASSISTANCE FUND AND ASSESSMENTS FOR THE
20 FUND; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTIONS 39-71-105, 39-71-116, 39-71-118,
21 39-71-316, 39-71-407, 39-71-606, 39-71-609, 39-71-611, 39-71-612, 39-71-614, 39-71-701, 39-71-702,
22 39-71-703, 39-71-704, 39-71-710, 39-71-711, 39-71-712, 39-71-721, 39-71-723, 39-71-736, 39-71-737,
23 39-71-741, 39-71-744, 39-71-1011, 39-71-1025, AND 39-71-1031, MCA; REPEALING SECTIONS 39-71-1006,
24 39-71-1014, AND 39-71-1032, MCA; AND PROVIDING EFFECTIVE DATES AND APPLICABILITY DATES."

25

26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

27

28 NEW SECTION. **Section 1. Claim closure -- reopening -- procedure.** (1) When a worker has
29 submitted a claim for an injury or occupational disease under this chapter and an insurer has accepted liability
30 or made payments pursuant to 39-71-608 or 39-71-615 on that claim, the claim is eligible for closure 3 years after

1 the latest of:

2 (a) the date of the injury;

3 (b) the date of the last indemnity payment; or

4 (c) the date of the last use of medical benefits pursuant to 39-71-704.

5 (2) The 3-year period for closure of a claim provided for in subsection (1) begins when the insurer gives
6 written notice to the claimant and the department that the claim is eligible to be closed pursuant to this section.
7 Notice must be given at the time the insurer, based on its records, reasonably believes the 3-year period will
8 begin.

9 (3) Except as provided by subsection (6), if the insurer does not pay indemnity benefits or the worker
10 does not use medical benefits on the claim during the 3 years after the insurer has given written notice of the
11 claim's eligibility for closure, the claim is closed by operation of law pursuant to this section. Once a claim is
12 closed pursuant to this section, the insurer is not liable for the payment of any additional benefits unless the claim
13 is reopened as provided in subsection (4).

14 (4) (a) Within 2 years of claim closure, a claimant may ask that a claim closed pursuant to this section
15 be reopened by making a request to the insurer. A claimant is entitled to have a claim reopened if the claimant
16 can prove by a preponderance of the evidence that there has been a substantial or material change in the
17 claimant's condition, and the condition is a result of the injury or disease on which the claim was filed under
18 subsection (1).

19 (b) A claim reopened under subsection (4)(a) may be closed again following the procedures in
20 subsections (2) and (3).

21 (5) Any dispute regarding closure of a claim or reopening of a claim is considered a dispute that, after
22 mediation pursuant to department rules, is subject to the jurisdiction of the workers' compensation court.

23 (6) If there is a dispute regarding whether benefits are due under the claim and if a party to the dispute
24 has requested mediation pursuant to department rules, the period for closure of a claim provided for in subsection
25 (2) is tolled until the 2-year limitation period of 39-71-2905 expires or there is a final judicial decision regarding
26 the dispute, whichever is later. If the parties otherwise resolve the dispute, the tolling of the period ceases.

27 (7) This section does not apply to those benefits that have been settled pursuant to 39-71-741 or to
28 court-ordered closures.

29 (8) If the time for reopening under subsection (4) has passed, the closure of a claim pursuant to this
30 section terminates benefits for all purposes.

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Section 2. Section 39-71-105, MCA, is amended to read:

"39-71-105. Declaration of public policy. For the purposes of interpreting and applying this chapter, the following is the public policy of this state:

(1) An objective of the Montana workers' compensation system is to provide, without regard to fault, wage-loss and medical benefits to a worker suffering from a work-related injury or disease. Wage-loss benefits are not intended to make an injured worker whole but are intended to ~~assist~~ provide reasonable assistance to a worker at a reasonable cost to the employer. ~~Within that limitation, the wage-loss benefit should bear a reasonable relationship to actual wages lost as a result of a work-related injury or disease.~~

(2) It is the intent of the legislature to assert that a conclusive presumption exists that recognizes that a holder of a current, valid independent contractor exemption certificate issued by the department is an independent contractor if the person is working under the independent contractor exemption certificate. The holder of an independent contractor exemption certificate waives the rights, benefits, and obligations of this chapter unless the person has elected to be bound personally and individually by the provisions of compensation plan No. 1, 2, or 3.

(3) A worker's removal from the workforce because of a work-related injury or disease has a negative impact on the worker, the worker's family, the employer, and the general public. Therefore, an objective of the workers' compensation system is to return a worker to work as soon as possible after the worker has suffered a work-related injury or disease.

(4) Montana's workers' compensation and occupational disease insurance systems are intended to be primarily self-administering. Claimants should be able to speedily obtain benefits, and employers should be able to provide coverage at reasonably constant rates. To meet these objectives, the system must be designed to minimize reliance upon lawyers and the courts to obtain benefits and interpret liabilities.

(5) This chapter must be construed according to its terms and not liberally in favor of any party.

(6) It is the intent of the legislature that:

(a) stress claims, often referred to as "mental-mental claims" and "mental-physical claims", are not compensable under Montana's workers' compensation and occupational disease laws. The legislature recognizes that these claims are difficult to objectively verify and that the claims have a potential to place an economic burden on the workers' compensation and occupational disease system. The legislature also recognizes that there are other states that do not provide compensation for various categories of stress claims and that stress

1 claims have presented economic problems for certain other jurisdictions. In addition, not all injuries are
 2 compensable under the present system, and it is within the legislature's authority to define the limits of the
 3 workers' compensation and occupational disease system.

4 (b) for occupational disease claims, because of the nature of exposure, workers should not be required
 5 to provide notice to employers of the disease as required of injuries and that the requirements for filing of claims
 6 reflect consideration of when the worker knew or should have known that the worker's condition resulted from
 7 an occupational disease. The legislature recognizes that occupational diseases in the workplace are caused by
 8 events occurring on more than a single day or work shift and that it is within the legislature's authority to define
 9 an occupational disease and establish the causal connection to the workplace."

10

11 **Section 3.** Section 39-71-116, MCA, is amended to read:

12 **"39-71-116. Definitions.** Unless the context otherwise requires, in this chapter, the following definitions
 13 apply:

14 ~~(1) "Actual wage loss" means that the wages that a worker earns or is qualified to earn after the worker~~
 15 ~~reaches maximum healing are less than the actual wages the worker received at the time of the injury.~~

16 ~~(2)~~(1) "Administer and pay" includes all actions by the state fund under the Workers' Compensation Act
 17 necessary to:

18 (a) investigation, review, and settlement of claims;

19 (b) payment of benefits;

20 (c) setting of reserves;

21 (d) furnishing of services and facilities; and

22 (e) use of actuarial, audit, accounting, vocational rehabilitation, and legal services.

23 ~~(3)~~(2) "Aid or sustenance" means a public or private subsidy made to provide a means of support,
 24 maintenance, or subsistence for the recipient.

25 ~~(4)~~(3) "Beneficiary" means:

26 (a) a surviving spouse living with or legally entitled to be supported by the deceased at the time of injury;

27 (b) an unmarried child under 18 years of age;

28 (c) an unmarried child under 22 years of age who is a full-time student in an accredited school or is
 29 enrolled in an accredited apprenticeship program;

30 (d) an invalid child over 18 years of age who is dependent, as defined in 26 U.S.C. 152, upon the

1 decedent for support at the time of injury;

2 (e) a parent who is dependent, as defined in 26 U.S.C. 152, upon the decedent for support at the time
3 of the injury if a beneficiary, as defined in subsections ~~(4)(a)~~ (3)(a) through ~~(4)(d)~~ (3)(d), does not exist; and

4 (f) a brother or sister under 18 years of age if dependent, as defined in 26 U.S.C. 152, upon the decedent
5 for support at the time of the injury but only until the age of 18 years and only when a beneficiary, as defined in
6 subsections ~~(4)(a)~~ (3)(a) through ~~(4)(e)~~ (3)(e), does not exist.

7 ~~(5)(4)~~ "Business partner" means the community, governmental entity, or business organization that
8 provides the premises for work-based learning activities for students.

9 ~~(6)(5)~~ "Casual employment" means employment not in the usual course of the trade, business,
10 profession, or occupation of the employer.

11 ~~(7)(6)~~ "Child" includes a posthumous child, a dependent stepchild, and a child legally adopted prior to
12 the injury.

13 ~~(8)(a)~~ "Construction industry" means the major group of general contractors and operative builders,
14 heavy construction (other than building construction) contractors, and special trade contractors listed in major
15 group 23 in the North American Industry Classification System Manual.

16 ~~————(b)~~ The term does not include office workers, design professionals, salespersons, estimators, or any
17 other related employment that is not directly involved on a regular basis in the provision of physical labor at a
18 construction or renovation site.

19 ~~(9)(7)~~ (a) "Claims examiner" means an individual who, as a paid employee of the department, of a plan
20 No. 1, 2, or 3 insurer, or of an administrator licensed under Title 33, chapter 17, examines claims under chapter
21 71 to:

- 22 (i) determine liability;
- 23 (ii) apply the requirements of this title;
- 24 (iii) settle workers' compensation or occupational disease claims; or
- 25 (iv) determine survivor benefits.

26 (b) The term does not include an adjuster as defined in 33-17-102.

27 (8) (a) "Construction industry" means the major group of general contractors and operative builders,
28 heavy construction (other than building construction) contractors, and special trade contractors listed in major
29 group 23 in the North American Industry Classification System Manual.

30 (b) The term does not include office workers, design professionals, salespersons, estimators, or any

1 other related employment that is not directly involved on a regular basis in the provision of physical labor at a
2 construction or renovation site.

3 ~~(10)~~(9) "Days" means calendar days, unless otherwise specified.

4 ~~(11)~~(10) "Department" means the department of labor and industry.

5 ~~(12)~~(11) "Fiscal year" means the period of time between July 1 and the succeeding June 30.

6 ~~(13)~~(12) (a) "Household or domestic employment" means employment of persons other than members
7 of the household for the purpose of tending to the aid and comfort of the employer or members of the employer's
8 family, including but not limited to housecleaning and yard work.

9 (b) The term does not include employment beyond the scope of normal household or domestic duties,
10 such as home health care or domiciliary care.

11 (13) (a) "Indemnity benefits" means any payment made directly to the worker or the worker's
12 beneficiaries, other than a medical benefit. The term includes payments made pursuant to a reservation of rights.

13 (b) The term does not include stay-at-work/return-to-work assistance or expense reimbursements for
14 items such as meals, travel, or lodging.

15 (14) "Insurer" means an employer bound by compensation plan No. 1, an insurance company transacting
16 business under compensation plan No. 2, or the state fund under compensation plan No. 3.

17 (15) "Invalid" means one who is physically or mentally incapacitated.

18 (16) "Limited liability company" has the meaning provided in 35-8-102.

19 (17) "Maintenance care" means treatment designed to provide the optimum state of health while
20 minimizing recurrence of the clinical status.

21 (18) "Medical stability", "maximum healing", or "maximum medical healing" means a point in the healing
22 process when further material improvement would not be reasonably expected from primary medical treatment.

23 (19) "Objective medical findings" means medical evidence, including range of motion, atrophy, muscle
24 strength, muscle spasm, or other diagnostic evidence, substantiated by clinical findings.

25 (20) (a) "Occupational disease" means harm, damage, or death arising out of or contracted in the course
26 and scope of employment caused by events occurring on more than a single day or work shift.

27 (b) The term does not include a physical or mental condition arising from emotional or mental stress or
28 from a nonphysical stimulus or activity.

29 (21) "Order" means any decision, rule, direction, requirement, or standard of the department or any other
30 determination arrived at by the department.

1 (22) "Palliative care" means treatment designed to reduce or ease symptoms without curing the
2 underlying cause of the symptoms.

3 (23) "Payroll", "annual payroll", or "annual payroll for the preceding year" means the average annual
4 payroll of the employer for the preceding calendar year or, if the employer has not operated a sufficient or any
5 length of time during the calendar year, 12 times the average monthly payroll for the current year. However, an
6 estimate may be made by the department for any employer starting in business if average payrolls are not
7 available. This estimate must be adjusted by additional payment by the employer or refund by the department,
8 as the case may actually be, on December 31 of the current year. An employer's payroll must be computed by
9 calculating all wages, as defined in 39-71-123, that are paid by an employer.

10 (24) "Permanent partial disability" means a physical condition in which a worker, after reaching maximum
11 medical healing:

12 (a) has a permanent impairment rating greater than 0% established by objective medical findings;

13 ~~(b) is able to return to work in some capacity but the permanent impairment impairs the worker's ability~~
14 ~~to work; and~~

15 ~~_____ (c) has an actual wage loss as a result of the injury~~

16 (b) has not been offered, in writing, a job by the employer at the time of injury:

17 (i) for which the claimant is qualified;

18 (ii) that is within the physical abilities of the worker; and

19 (iii) that pays wages equal to or greater than the position held at the time of injury;

20 (c) has not returned to work within 21 days of the insurer receiving notice of maximum medical healing;

21 and

22 (d) is not incarcerated as provided in 39-71-744, and has not resigned or been terminated for disciplinary
23 reasons caused by a violation of the employer's policies that provide for termination of employment.

24 (25) "Permanent total disability" means a physical condition resulting from injury as defined in this
25 chapter, after a worker reaches maximum medical healing, in which a worker does not have a reasonable
26 prospect of physically performing regular employment. ~~Regular employment means work on a recurring basis~~
27 ~~performed for remuneration in a trade, business, profession, or other occupation in this state.~~ Lack of immediate
28 job openings is not a factor to be considered in determining if a worker ~~is permanently totally disabled~~ has a
29 permanent total disability.

30 (26) "Primary medical services" means treatment prescribed by a treating physician, for conditions

1 resulting from the injury, necessary for achieving medical stability.

2 (27) "Public corporation" means the state or a county, municipal corporation, school district, city, city
3 under a commission form of government or special charter, town, or village.

4 (28) "Reasonably safe place to work" means that the place of employment has been made as free from
5 danger to the life or safety of the employee as the nature of the employment will reasonably permit.

6 (29) "Reasonably safe tools or appliances" are tools and appliances that are adapted to and that are
7 reasonably safe for use for the particular purpose for which they are furnished.

8 (30) "Regular employment" means work on a recurring basis performed for remuneration in a trade,
9 business, profession, or other occupation in this state.

10 ~~(30)~~(31) (a) "Secondary medical services" means those medical services or appliances that are
11 considered not medically necessary for medical stability. The services and appliances include but are not limited
12 to spas or hot tubs, work hardening, physical restoration programs and other restoration programs designed to
13 address disability and not impairment, or equipment offered by individuals, clinics, groups, hospitals, or
14 rehabilitation facilities.

15 (b) (i) As used in this subsection ~~(30)~~ (31), "disability" means a condition in which a worker's ability to
16 engage in gainful employment is diminished as a result of physical restrictions resulting from an injury. The
17 restrictions may be combined with factors, such as the worker's age, education, work history, and other factors
18 that affect the worker's ability to engage in gainful employment.

19 (ii) Disability does not mean a purely medical condition.

20 ~~(31)~~(32) "Sole proprietor" means the person who has the exclusive legal right or title to or ownership of
21 a business enterprise.

22 ~~(32)~~(33) "State's average weekly wage" means the mean weekly earnings of all employees under
23 covered employment, as defined and established annually by the department before July 1 and rounded to the
24 nearest whole dollar number.

25 ~~(33)~~(34) "Temporary partial disability" means a physical condition resulting from an injury, as defined in
26 39-71-119, in which a worker, prior to maximum healing:

27 (a) is temporarily unable to return to the position held at the time of injury because of a medically
28 determined physical restriction;

29 (b) returns to work in a modified or alternative employment; and

30 (c) suffers a partial wage loss.

1 ~~(34)~~(35) "Temporary service contractor" means a person, firm, association, partnership, limited liability
 2 company, or corporation conducting business that hires its own employees and assigns them to clients to fill a
 3 work assignment with a finite ending date to support or supplement the client's workforce in situations resulting
 4 from employee absences, skill shortages, seasonal workloads, and special assignments and projects.

5 ~~(35)~~(36) "Temporary total disability" means a physical condition resulting from an injury, as defined in this
 6 chapter, that results in total loss of wages and exists until the injured worker reaches maximum medical healing.

7 ~~(36)~~(37) "Temporary worker" means a worker whose services are furnished to another on a part-time or
 8 temporary basis to fill a work assignment with a finite ending date to support or supplement a workforce in
 9 situations resulting from employee absences, skill shortages, seasonal workloads, and special assignments and
 10 projects.

11 ~~(37)~~(38) "Treating physician" means a person who is primarily responsible for the treatment of a worker's
 12 compensable injury and is:

13 (a) a physician licensed by the state of Montana under Title 37, chapter 3, ~~and~~ who has admitting
 14 privileges to practice in one or more hospitals, if any, in the area where the physician is located;

15 (b) a chiropractor licensed by the state of Montana under Title 37, chapter 12;

16 (c) a physician assistant licensed by the state of Montana under Title 37, chapter 20, if there is not a
 17 treating physician, as provided for in subsection ~~(37)(a)~~ (38)(a), in the area where the physician assistant is
 18 located;

19 (d) an osteopath licensed by the state of Montana under Title 37, chapter 3;

20 (e) a dentist licensed by the state of Montana under Title 37, chapter 4;

21 (f) for a claimant residing out of state or upon approval of the insurer, a treating physician defined in
 22 subsections ~~(37)(a)~~ (38)(a) through ~~(37)(e)~~ (38)(e) who is licensed or certified in another state; or

23 (g) an advanced practice registered nurse licensed by the state of Montana under Title 37, chapter 8.

24 ~~(38)~~(39) "Work-based learning activities" means job training and work experience conducted on the
 25 premises of a business partner as a component of school-based learning activities authorized by an elementary,
 26 secondary, or postsecondary educational institution.

27 ~~(39)~~(40) "Year", unless otherwise specified, means calendar year."

28

29 **Section 4.** Section 39-71-118, MCA, is amended to read:

30 **"39-71-118. Employee, worker, volunteer, and volunteer firefighter defined.** (1) As used in this

1 chapter, the term "employee" or "worker" means:

2 (a) each person in this state, including a contractor other than an independent contractor, who is in the
3 service of an employer, as defined by 39-71-117, under any appointment or contract of hire, expressed or implied,
4 oral or written. The terms include aliens and minors, whether lawfully or unlawfully employed, and all of the
5 elected and appointed paid public officers and officers and members of boards of directors of quasi-public or
6 private corporations, except those officers identified in 39-71-401(2), while rendering actual service for the
7 corporations for pay. Casual employees, as defined by 39-71-116, are included as employees if they are not
8 otherwise covered by workers' compensation and if an employer has elected to be bound by the provisions of
9 the compensation law for these casual employments, as provided in 39-71-401(2). Household or domestic
10 employment is excluded.

11 (b) any juvenile who is performing work under authorization of a district court judge in a delinquency
12 prevention or rehabilitation program;

13 (c) a person who is receiving on-the-job vocational rehabilitation training or other on-the-job training
14 under a state or federal vocational training program, whether or not under an appointment or contract of hire with
15 an employer, as defined in 39-71-117, and, except as provided in subsection (9), whether or not receiving
16 payment from a third party. However, this subsection (1)(c) does not apply to students enrolled in vocational
17 training programs, as outlined in this subsection, while they are on the premises of a public school or community
18 college.

19 (d) an aircrew member or other person who is employed as a volunteer under 67-2-105;

20 (e) a person, other than a juvenile as described in subsection (1)(b), who is performing community
21 service for a nonprofit organization or association or for a federal, state, or local government entity under a court
22 order, or an order from a hearings officer as a result of a probation or parole violation, whether or not under
23 appointment or contract of hire with an employer, as defined in 39-71-117, and whether or not receiving payment
24 from a third party. For a person covered by the definition in this subsection (1)(e):

25 (i) compensation benefits must be limited to medical expenses pursuant to 39-71-704 and an impairment
26 award pursuant to 39-71-703 that is based upon the minimum wage established under Title 39, chapter 3, part
27 4, for a full-time employee at the time of the injury; and

28 (ii) premiums must be paid by the employer, as defined in 39-71-117(3), and must be based upon the
29 minimum wage established under Title 39, chapter 3, part 4, for the number of hours of community service
30 required under the order from the court or hearings officer.

1 (f) an inmate working in a federally certified prison industries program authorized under 53-30-132;
 2 (g) a volunteer firefighter as described in 7-33-4109 or a person who provides ambulance services under
 3 Title 7, chapter 34, part 1;

4 (h) a person placed at a public or private entity's worksite pursuant to 53-4-704. The person is
 5 considered an employee for workers' compensation purposes only. The department of public health and human
 6 services shall provide workers' compensation coverage for recipients of financial assistance, as defined in
 7 53-4-201, or for participants in the food stamp program, as defined in 53-2-902, who are placed at public or
 8 private worksites through an endorsement to the department of public health and human services' workers'
 9 compensation policy naming the public or private worksite entities as named insureds under the policy. The
 10 endorsement may cover only the entity's public assistance participants and may be only for the duration of each
 11 participant's training while receiving financial assistance or while participating in the food stamp program under
 12 a written agreement between the department of public health and human services and each public or private
 13 entity. The department of public health and human services may not provide workers' compensation coverage
 14 for individuals who are covered for workers' compensation purposes by another state or federal employment
 15 training program. Premiums and benefits must be based upon the wage that a probationary employee is paid for
 16 work of a similar nature at the assigned worksite.

17 (i) a member of a religious corporation, religious organization, or religious trust while performing services
 18 for the religious corporation, religious organization, or religious trust, as described in 39-71-117(1)(d).

19 (2) The terms defined in subsection (1) do not include a person who is:

20 ~~(a) participating in recreational activity and who at the time is relieved of and is not performing prescribed~~
 21 ~~duties, regardless of whether the person is using, by discount or otherwise, a pass, ticket, permit, device, or other~~
 22 ~~emolument of employment;~~

23 ~~——(b)(a) performing voluntary service at a recreational facility and who receives no compensation for those~~
 24 ~~services other than meals, lodging, or the use of the recreational facilities;~~

25 ~~(c)(b)~~ performing services as a volunteer, except for a person who is otherwise entitled to coverage
 26 under the laws of this state. As used in this subsection ~~(2)(c)~~ (2)(b), "volunteer" means a person who performs
 27 services on behalf of an employer, as defined in 39-71-117, but who does not receive wages as defined in
 28 39-71-123.

29 ~~(d)(c)~~ serving as a foster parent, licensed as a foster care provider in accordance with 52-2-621, and
 30 providing care without wage compensation to no more than six foster children in the provider's own residence.

1 The person may receive reimbursement for providing room and board, obtaining training, respite care, leisure
2 and recreational activities, and providing for other needs and activities arising in the provision of in-home foster
3 care.

4 (3) With the approval of the insurer, an employer may elect to include as an employee under the
5 provisions of this chapter any volunteer as defined in subsection ~~(2)(c)~~ (2)(b).

6 (4) (a) The term "volunteer firefighter" means a firefighter who is an enrolled and active member of a
7 governmental fire agency organized under Title 7, chapter 33, except 7-33-4109.

8 (b) The term "volunteer hours" means all the time spent by a volunteer firefighter in the service of an
9 employer, including but not limited to training time, response time, and time spent at the employer's premises.

10 (5) (a) If the employer is a partnership, limited liability partnership, sole proprietor, or a member-managed
11 limited liability company, the employer may elect to include as an employee within the provisions of this chapter
12 any member of the partnership or limited liability partnership, the owner of the sole proprietorship, or any member
13 of the limited liability company devoting full time to the partnership, limited liability partnership, proprietorship, or
14 limited liability company business.

15 (b) In the event of an election, the employer shall serve upon the employer's insurer written notice
16 naming the partners, sole proprietor, or members to be covered and stating the level of compensation coverage
17 desired by electing the amount of wages to be reported, subject to the limitations in subsection (5)(d). A partner,
18 sole proprietor, or member is not considered an employee within this chapter until notice has been given.

19 (c) A change in elected wages must be in writing and is effective at the start of the next quarter following
20 notification.

21 (d) All weekly compensation benefits must be based on the amount of elected wages, subject to the
22 minimum and maximum limitations of this subsection (5)(d). For premium ratemaking and for the determination
23 of the weekly wage for weekly compensation benefits, the electing employer may elect an amount of not less than
24 \$900 a month and not more than 1 1/2 times the state's average weekly wage.

25 (6) (a) If the employer is a quasi-public or a private corporation or a manager-managed limited liability
26 company, the employer may elect to include as an employee within the provisions of this chapter any corporate
27 officer or manager exempted under 39-71-401(2).

28 (b) In the event of an election, the employer shall serve upon the employer's insurer written notice
29 naming the corporate officer or manager to be covered and stating the level of compensation coverage desired
30 by electing the amount of wages to be reported, subject to the limitations in subsection ~~(5)(d)~~ (6)(d). A corporate

1 officer or manager is not considered an employee within this chapter until notice has been given.

2 (c) A change in elected wages must be in writing and is effective at the start of the next quarter following
3 notification.

4 (d) All weekly compensation benefits must be based on the amount of elected wages, subject to the
5 minimum and maximum limitations of this subsection (6)(d). For premium ratemaking and for the determination
6 of the weekly wage for weekly compensation benefits, the electing employer may elect an amount of not less than
7 \$200 a week and not more than 1 1/2 times the state's average weekly wage.

8 (7) (a) The trustees of a rural fire district, a county governing body providing rural fire protection, or the
9 county commissioners or trustees for a fire service area may elect to include as an employee within the provisions
10 of this chapter any volunteer firefighter. A volunteer firefighter who receives workers' compensation coverage
11 under this section may not receive disability benefits under Title 19, chapter 17.

12 (b) In the event of an election, the employer shall report payroll for all volunteer firefighters for premium
13 and weekly benefit purposes based on the number of volunteer hours of each firefighter times the average weekly
14 wage divided by 40 hours, subject to a maximum of 1 1/2 times the state's average weekly wage.

15 (c) A self-employed sole proprietor or partner who has elected not to be covered under this chapter, but
16 who is covered as a volunteer firefighter pursuant to subsection (7)(a) and when injured in the course and scope
17 of employment as a volunteer firefighter, may in addition to the benefits described in subsection (7)(b) be eligible
18 for benefits at an assumed wage of the minimum wage established under Title 39, chapter 3, part 4, for 2,080
19 hours a year. The trustees of a rural fire district, a county governing body providing rural fire protection, or the
20 county commissioners or trustees for a fire service area may make an election for benefits. If an election is made,
21 payrolls must be reported and premiums must be assessed on the assumed wage.

22 (8) Except as provided in chapter 8 of this title, an employee or worker in this state whose services are
23 furnished by a person, association, contractor, firm, limited liability company, limited liability partnership, or
24 corporation, other than a temporary service contractor, to an employer, as defined in 39-71-117, is presumed to
25 be under the control and employment of the employer. This presumption may be rebutted as provided in
26 39-71-117(3).

27 (9) A student currently enrolled in an elementary, secondary, or postsecondary educational institution
28 who is participating in work-based learning activities and who is paid wages by the educational institution or
29 business partner is the employee of the entity that pays the student's wages for all purposes under this chapter.
30 A student who is not paid wages by the business partner or the educational institution is a volunteer and is subject

1 to the provisions of this chapter.

2 (10) For purposes of this section, an "employee or worker in this state" means:

3 (a) a resident of Montana who is employed by an employer and whose employment duties are primarily
4 carried out or controlled within this state;

5 (b) a nonresident of Montana whose principal employment duties are conducted within this state on a
6 regular basis for an employer;

7 (c) a nonresident employee of an employer from another state engaged in the construction industry, ~~as~~
8 ~~defined in 39-71-116~~, within this state; or

9 (d) a nonresident of Montana who does not meet the requirements of subsection (10)(b) and whose
10 employer elects coverage with an insurer that allows an election for an employer whose:

11 (i) nonresident employees are hired in Montana;

12 (ii) nonresident employees' wages are paid in Montana;

13 (iii) nonresident employees are supervised in Montana; and

14 (iv) business records are maintained in Montana.

15 (11) An insurer may require coverage for all nonresident employees of a Montana employer who do not
16 meet the requirements of subsection (10)(b) or (10)(d) as a condition of approving the election under subsection
17 (10)(d)."

18

19 **Section 5.** Section 39-71-316, MCA, is amended to read:

20 **"39-71-316. Filing true claim -- obtaining benefits through deception or other fraudulent means.**

21 (1) A person filing a claim under this chapter, by signing the claim, affirms the information filed is true and correct
22 to the best of that person's knowledge.

23 (2) (a) A person who obtains or assists in obtaining benefits to which the person is not entitled or who
24 obtains or assists another person in obtaining benefits to which the other person is not entitled under this chapter
25 is guilty of theft and may be prosecuted under 45-6-301. A county attorney or the attorney general may initiate
26 criminal proceedings against the person. This subsection includes but is not limited to a person who is receiving
27 temporary total disability benefits, permanent total disability benefits, or ~~rehabilitation~~ retraining benefits while
28 working without the knowledge and concurrence of the insurer.

29 (b) As used in subsection (2)(a), "person" includes but is not limited to an employee, employer, insurer,
30 or medical service provider.

1 (3) (a) The department may require a person convicted of theft under 45-6-301(5) to pay to the
 2 department an amount equal to 10 times the amount paid by an insurer on the false claim, provided that the
 3 amount does not exceed \$50,000. If upon demand of the department the person refuses to pay the fine, the
 4 department may petition the workers' compensation court to collect the money owed.

5 (b) The department shall:

6 (i) use the money collected pursuant to subsection (3)(a) to administer and enforce the provisions of this
 7 section; and

8 (ii) forward any surplus money to the department of justice. The forwarded money must be used
 9 exclusively for the staffing and operation of the workers' compensation fraud investigation and prosecution office
 10 established in 2-15-2015.

11 (c) This section does not limit an insurer's civil remedies to collect for money paid to a person convicted
 12 under 45-6-301(5).

13 (4) A person licensed under the provisions of Title 37 is subject to suspension, revocation, or denial of
 14 a license if the person knowingly claims or assists in the claiming of benefits in violation of the provisions of this
 15 chapter."

16

17 **Section 6.** Section 39-71-407, MCA, is amended to read:

18 **"39-71-407. Liability of insurers -- limitations.** (1) For workers' compensation injuries, each insurer
 19 is liable for the payment of compensation, in the manner and to the extent provided in this section, to an employee
 20 of an employer covered under plan No. 1, plan No. 2, and the state fund under plan No. 3 that it insures who
 21 receives an injury arising out of and in the course of employment or, in the case of death from the injury, to the
 22 employee's beneficiaries, if any.

23 (2) An injury does not arise out of and in the course of employment when the employee is:

24 (a) on a paid or unpaid break, is not at a worksite of the employer, and is not performing any specific
 25 tasks for the employer during the break; or

26 (b) engaged in a social or recreational activity, regardless of whether the employer pays for any portion
 27 of the cost of the activity. The exclusion from coverage of this subsection (2)(b) does not apply to an employee
 28 who, at the time of injury, is either on paid time while participating in a social or recreational activity or whose
 29 presence at the activity is required or requested by the employer. For the purposes of this subsection (2)(b),
 30 "requested" means the employer asked the employee to assume duties for the activity so that the employee's

1 presence is not completely voluntary and optional and the injury occurred in the performance of those duties.

2 ~~(2)~~(3) (a) An insurer is liable for an injury, as defined in 39-71-119, if the injury is established by objective
3 medical findings and if the claimant establishes that it is more probable than not that:

4 (i) a claimed injury has occurred; or

5 (ii) a claimed injury aggravated a preexisting condition.

6 (b) Proof that it was medically possible that a claimed injury occurred or that the claimed injury
7 aggravated a preexisting condition is not sufficient to establish liability.

8 ~~(3)~~(4) (a) An employee who suffers an injury or dies while traveling is not covered by this chapter unless:

9 (i) the employer furnishes the transportation or the employee receives reimbursement from the employer
10 for costs of travel, gas, oil, or lodging as a part of the employee's benefits or employment agreement and the
11 travel is necessitated by and on behalf of the employer as an integral part or condition of the employment; or

12 (ii) the travel is required by the employer as part of the employee's job duties.

13 (b) A payment made to an employee under a collective bargaining agreement, personnel policy manual,
14 or employee handbook or any other document provided to the employee that is not wages but is designated as
15 an incentive to work at a particular jobsite is not a reimbursement for the costs of travel, gas, oil, or lodging, and
16 the employee is not covered under this chapter while traveling.

17 ~~(4)~~(5) An employee is not eligible for benefits otherwise payable under this chapter if the employee's use
18 of alcohol or drugs not prescribed by a physician is the major contributing cause of the accident. However, if the
19 employer had knowledge of and failed to attempt to stop the employee's use of alcohol or drugs, this subsection
20 does not apply.

21 ~~(5)~~(6) If there is no dispute that an insurer is liable for an injury but there is a liability dispute between
22 two or more insurers, the insurer for the most recently filed claim shall pay benefits until that insurer proves that
23 another insurer is responsible for paying benefits or until another insurer agrees to pay benefits. If it is later
24 proven that the insurer for the most recently filed claim is not responsible for paying benefits, that insurer must
25 receive reimbursement for benefits paid to the claimant from the insurer proven to be responsible.

26 ~~(6)~~(7) If a claimant who has reached maximum healing suffers a subsequent nonwork-related injury to
27 the same part of the body, the workers' compensation insurer is not liable for any compensation or medical
28 benefits caused by the subsequent nonwork-related injury.

29 ~~(7)~~(8) An employee is not eligible for benefits payable under this chapter unless the entitlement to
30 benefits is established by objective medical findings that contain sufficient factual and historical information

1 concerning the relationship of the worker's condition to the original injury.

2 ~~(8)~~(9) For occupational diseases, every employer enrolled under plan No. 1, every insurer under plan
3 No. 2, or the state fund under plan No. 3 is liable for the payment of compensation, in the manner and to the
4 extent provided in this chapter, to an employee of an employer covered under plan No. 1, plan No. 2, or the state
5 fund under plan No. 3 with an occupational disease that arises out of or is contracted in the course and scope
6 of employment.

7 ~~(9)~~(10) Occupational diseases are considered to arise out of employment or be contracted in the course
8 and scope of employment if:

9 (a) the occupational disease is established by objective medical findings; and

10 (b) the events occurring on more than a single day or work shift are the major contributing cause of the
11 occupational disease in relation to other factors contributing to the occupational disease.

12 ~~(10)~~(11) When compensation is payable for an occupational disease, the only employer liable is the
13 employer in whose employment the employee was last injuriously exposed to the hazard of the disease.

14 ~~(11)~~(12) When there is more than one insurer and only one employer at the time that the employee was
15 injuriously exposed to the hazard of the disease, the liability rests with the insurer providing coverage at the
16 earlier of:

17 (a) the time that the occupational disease was first diagnosed by a treating physician or medical panel;

18 or

19 (b) the time that the employee knew or should have known that the condition was the result of an
20 occupational disease.

21 ~~(12)~~(13) In the case of pneumoconiosis, any coal mine operator who has acquired a mine in the state
22 or substantially all of the assets of a mine from a person who was an operator of the mine on or after December
23 30, 1969, is liable for and shall secure the payment of all benefits that would have been payable by that person
24 with respect to miners previously employed in the mine if acquisition had not occurred and that person had
25 continued to operate the mine, and the prior operator of the mine is not relieved of any liability under this section.

26 ~~(13)~~(14) As used in this section, "major contributing cause" means a cause that is the leading cause
27 contributing to the result when compared to all other contributing causes."

28

29 **Section 7.** Section 39-71-606, MCA, is amended to read:

30 **"39-71-606. ~~Insurer to accept or deny~~ Acceptance or denial of claim ~~within thirty days of receipt~~**

1 -- notice of benefits and entitlements to claimants -- notice of denial -- notice of reopening -- notice to
 2 employer. (1) Each insurer under any plan for the payment of workers' compensation benefits shall, within 30
 3 21 days of receipt of a claim for compensation signed by the claimant or the claimant's representative, either
 4 accept or deny the claim and, if denied, shall inform the claimant and the department in writing of the denial.

5 (2) The department shall make available to insurers for distribution to claimants sufficient copies of a
 6 document describing current benefits and entitlements available under Title 39, chapter 71. Upon receipt of a
 7 claim, each insurer shall promptly notify the claimant in writing of potential benefits and entitlements available by
 8 providing the claimant a copy of the document prepared by the department.

9 (3) Each insurer under plan No. 2 or No. 3 for the payment of workers' compensation benefits shall notify
 10 the employer of the reopening of the claim within 14 days of the reopening of a claim for the purpose of paying
 11 compensation benefits.

12 (4) Upon the request of an employer that it insures, an insurer shall notify the employer of all
 13 compensation benefits that are ongoing and are being charged against that employer's account.

14 (5) Failure of an insurer to comply with the time limitations required in this section does not constitute
 15 an acceptance of a claim as a matter of law. However, an insurer who fails to comply with 39-71-608 or this
 16 section may be assessed a penalty under 39-71-2907 if a claim is determined to be compensable by the workers'
 17 compensation court."
 18

19 **Section 8.** Section 39-71-609, MCA, is amended to read:

20 "**39-71-609. Denial of claim after payments made or termination of all benefits or reduction to**
 21 **partial benefits by insurer -- fourteen days' notice required -- criteria for conversion of benefits.** (1) Except
 22 as provided in subsection (2), if an insurer determines to deny a claim on which payments have been made under
 23 39-71-608 during a time of further investigation or, after a claim has been accepted, terminates all biweekly
 24 compensation benefits, it may do so only after 14 days' written notice to the claimant, the claimant's authorized
 25 representative, if any, and the department. ~~For injuries occurring prior to July 1, 1987, an insurer shall give 14~~
 26 ~~days' written notice to the claimant before reducing benefits from total to partial.~~ However, if an insurer has
 27 knowledge that a claimant has returned to work, compensation benefits may be terminated or converted to
 28 another class of benefits as of the time the claimant returned to work.

29 (2) Temporary total disability benefits may be terminated subject to 39-71-701(4) and 39-71-712 if:

30 (a) the claimant has actually returned to work; or

1 (b) (i) the claimant has reached maximum healing; and
 2 (ii) the insurer has:
 3 (A) been advised by a physician that the claimant has no permanent physical restrictions as a result of
 4 the injury or occupational disease; or
 5 (B) received an impairment rating for the claimant.
 6 (3) Permanent partial disability benefits for an eligible claimant begin on the day following the day the
 7 claimant is no longer entitled to receive temporary total disability or temporary partial disability benefits, on the
 8 date that the worker has been released to return to work in some capacity. Unless the claimant is found, at
 9 maximum healing, to be without a permanent physical impairment from the injury, the insurer, prior to converting
 10 temporary total disability benefits or temporary partial disability benefits to permanent partial disability benefits:
 11 ——— (a) must have a physician's determination that the claimant has reached medical stability;
 12 ——— (b) must have a physician's determination of the claimant's physical restrictions resulting from the
 13 industrial injury;
 14 ——— (c) must have a physician's determination, based on the physician's knowledge of the claimant's job
 15 analysis prepared by a rehabilitation provider, that the claimant can return to work, with or without restrictions,
 16 on the job on which the claimant was injured or on another job for which the claimant is suited by age, education,
 17 work experience, and physical condition;
 18 ——— (d) shall give notice to the claimant of the insurer's receipt of the report of the physician's determinations
 19 required pursuant to subsections (2)(a) through (2)(c). The notice must be attached to a copy of the report."

20
 21 **Section 9.** Section 39-71-611, MCA, is amended to read:
 22 **"39-71-611. Costs and attorney fees payable on denial of claim or termination of benefits later**
 23 **found compensable -- barring of attorney fees under common fund and other doctrines.** (1) ~~The For~~
 24 benefits other than medical benefits, the insurer shall pay reasonable costs and attorney fees as established by
 25 the workers' compensation court if:
 26 (a) the insurer denies liability for a claim for compensation or terminates compensation benefits;
 27 (b) the claim is later adjudged compensable by the workers' compensation court; and
 28 (c) in the case of attorney fees, the workers' compensation court determines that the insurer's actions
 29 in denying liability or terminating benefits were unreasonable.
 30 (2) A finding of unreasonableness against an insurer made under ~~this section~~ subsection (1) does not

1 constitute a finding that the insurer acted in bad faith or violated the unfair trade practices provisions of Title 33,
2 chapter 18.

3 (3) For medical benefits, the insurer shall pay reasonable costs and attorney fees if the insurer denies
4 liability for a claim for medical benefits or terminates medical benefits and the medical benefits are later adjudged
5 compensable by the workers' compensation court.

6 (4) The fees under subsection (3) must be calculated using the attorney's contract of employment filed
7 and approved by the department under 39-71-613.

8 (5) An insurer may not seek reimbursement or contribution from a health care provider for any costs or
9 fees awarded pursuant to this section.

10 ~~(3)~~(6) Attorney fees may be awarded only under the provisions of ~~subsection~~ subsections (1) and (3)
11 and may not be awarded under the common fund doctrine or any other action or doctrine in law or equity.

12 (7) For the purposes of subsection (3), "medical benefits" means those benefits furnished pursuant to
13 39-71-704."

14

15 **Section 10.** Section 39-71-612, MCA, is amended to read:

16 **"39-71-612. Costs and attorney fees that may be assessed against insurer by workers'**
17 **compensation judge -- barring of attorney fees under common fund or other doctrines.** (1) If an insurer
18 pays or submits a written offer of payment of compensation under this chapter but controversy relates to the
19 amount of compensation due, if the case is brought before the workers' compensation judge for adjudication of
20 the controversy, and if the award granted by the judge is greater than the amount paid or offered by the insurer,
21 reasonable attorney fees and costs as established by the workers' compensation judge if the case has gone to
22 a hearing may be awarded by the judge in addition to the amount of compensation.

23 (2) ~~An~~ Except as provided in subsection (4), an award of attorney fees under subsection (1) may be
24 made only if it is determined that the actions of the insurer were unreasonable. Any written offer of payment made
25 30 days or more before the date of hearing must be considered a valid offer of payment for the purposes of this
26 section.

27 (3) A finding of unreasonableness against an insurer made under ~~this section~~ subsection (2) does not
28 constitute a finding that the insurer acted in bad faith or violated the unfair trade practices provisions of Title 33,
29 chapter 18.

30 (4) (a) For medical benefits, the insurer shall pay reasonable costs and attorney fees as established and

1 ordered by the workers' compensation court if:

2 (i) the insurer pays or submits a written offer of payment of medical benefits under Title 39, chapter 71,
3 but there is controversy related to the amount of benefits due. A written offer of payment made 30 days or more
4 before the date of hearing must be considered a valid offer of payment for the purposes of this section.

5 (ii) the case is brought before the workers' compensation judge for adjudication of the controversy; and

6 (iii) the award granted by the judge is greater than the amount paid or offered by the insurer.

7 (b) If the insurer denies liability for a claim for medical benefits or terminates medical benefits and the
8 insurer subsequently accepts or settles the claim for medical benefits less than 30 days before the date of
9 hearing, the insurer shall pay reasonable costs and attorney fees.

10 (5) The fees under subsection (4) must be calculated using the attorney's contract of employment filed
11 and approved by the department under 39-71-613.

12 (6) An insurer may not seek reimbursement or contribution from a health care provider for any costs or
13 fees awarded pursuant to this section.

14 ~~(4)(7)~~ Attorney fees may be awarded only under the provisions of subsections (1) ~~and~~ (2), ~~and~~ (4) and
15 may not be awarded under the common fund doctrine or any other action or doctrine in law or equity.

16 (8) For the purposes of subsection (4), "medical benefits" means those benefits furnished pursuant to
17 39-71-704."

18

19 **Section 11.** Section 39-71-614, MCA, is amended to read:

20 **"39-71-614. Calculation of attorney fees -- limitation.** (1) The amount of an attorney's fee assessed
21 against an insurer under 39-71-611 or 39-71-612, when the actions of the insurer were unreasonable, must be
22 based exclusively on the time spent by the attorney in representing the claimant on the issues brought to hearing.
23 The attorney must document the time spent, but the judge is not bound by the documentation submitted. The
24 hourly rate applied to the time spent must be based on the attorney's customary and current hourly rate for legal
25 work performed in this state, subject to a maximum established by the department.

26 (2) The judge shall determine a reasonable attorney fee and assess costs. ~~The hourly rate applied to~~
27 ~~the time spent must be based on the attorney's customary and current hourly rate for legal work performed in this~~
28 ~~state, subject to a maximum established by the department.~~ The amount of attorney fees assessed against an
29 insurer under 39-71-611 or 39-71-612 for payment of medical benefits when the actions of the insurer were not
30 determined to be unreasonable must be based exclusively on the fee agreement approved by the department

1 under 39-71-613.

2 (3) This section does not restrict a claimant and an attorney from entering into a contingency fee
3 arrangement under which the attorney receives a percentage of the amount of compensation payments received
4 by the claimant because of the efforts of the attorney. However, an amount equal to any fee and costs assessed
5 against an insurer under 39-71-611 or 39-71-612 and this section must be deducted from the fee an attorney is
6 entitled to from the claimant under a contingency fee arrangement."

7

8 **Section 12.** Section 39-71-701, MCA, is amended to read:

9 **"39-71-701. Compensation for temporary total disability -- exception.** (1) Subject to the limitation
10 in 39-71-736 and subsection (4) of this section, a worker is eligible for temporary total disability benefits:

11 (a) when the worker suffers a total loss of wages as a result of an injury ~~and~~ or occupational disease;

12 (b) until the worker reaches maximum healing; or

13 ~~—— (b) until the worker has been released to return to the employment in which the worker was engaged~~
14 ~~at the time of the injury or to employment with similar physical requirements and~~ and

15 (c) until the insurer has:

16 (i) been advised by a physician that the worker has no permanent physical restrictions as a result of the
17 injury or occupational disease; or

18 (ii) received an impairment rating for the worker.

19 (2) The determination of temporary total disability must be supported by a preponderance of objective
20 medical findings.

21 (3) Weekly compensation benefits for injury producing temporary total disability are 66 2/3% of the wages
22 received at the time of the injury. The maximum weekly compensation benefits may not exceed the state's
23 average weekly wage at the time of injury. Temporary total disability benefits must be paid for the duration of the
24 worker's temporary disability. The weekly benefit amount may not be adjusted for cost of living as provided in
25 ~~39-71-702(5)~~ 39-71-702(6).

26 (4) If the treating physician releases a worker to return to the same, a modified, or an alternative position
27 that the individual is able and qualified to perform with the same employer at an equivalent or higher wage than
28 the individual received at the time of injury, the worker is no longer eligible for temporary total disability benefits
29 even though the worker has not reached maximum healing. A worker requalifies for temporary total disability
30 benefits if the modified or alternative position is no longer available to the worker for any reason except for the

1 worker's incarceration as provided for in 39-71-744, resignation, or termination for disciplinary reasons caused
 2 by a violation of the employer's policies that provide for termination of employment and if the worker continues
 3 to be temporarily totally disabled have a temporary total disability, as defined in 39-71-116.

4 (5) In cases in which it is determined that periodic disability benefits granted by the Social Security Act
 5 are payable because of the injury, the weekly benefits payable under this section are reduced, but not below zero,
 6 by an amount equal, as nearly as practical, to one-half the federal periodic benefits for the week, which amount
 7 is to be calculated from the date of the disability social security entitlement.

8 (6) If the claimant is awarded social security benefits, the insurer may, upon notification of the claimant's
 9 receipt of social security benefits, suspend biweekly compensation benefits for a period sufficient to recover any
 10 resulting overpayment of benefits. This subsection does not prevent a claimant and insurer from agreeing to a
 11 repayment plan.

12 (7) A worker may not receive both wages and temporary total disability benefits without the written
 13 consent of the insurer. A worker who receives both wages and temporary total disability benefits without written
 14 consent of the insurer is guilty of theft and may be prosecuted under 45-6-301."

15

16 **Section 13.** Section 39-71-702, MCA, is amended to read:

17 **"39-71-702. Compensation for permanent total disability.** (1) ~~If a worker is no longer temporarily~~
 18 ~~totally disabled and is permanently totally disabled, Subject to the provisions of [section 29], a worker may request~~
 19 benefits for a permanent total disability as defined in 39-71-116. The request for permanent total disability benefits
 20 must be made not later than 2 years after the worker receives the worker's final permanent partial disability
 21 award.

22 (2) If the worker requests permanent total disability benefits, the insurer is required to designate a
 23 certified vocational rehabilitation provider to provide stay-at-work/return-to-work assistance as defined in
 24 39-71-1011 for the purposes of assessing the worker's employability, potential for retraining, or eligibility for
 25 permanent total disability benefits. If, after having received stay-at-work/return-to-work assistance, the worker
 26 has a permanent total disability, the worker is eligible for permanent total disability benefits. Permanent total
 27 disability benefits must be paid for the duration of the worker's permanent total disability, subject to 39-71-710.

28 ~~(2)(3)~~ (3) The determination of permanent total disability must be supported by a preponderance of objective
 29 medical findings.

30 ~~(3)(4)~~ (4) Weekly compensation benefits for an injury resulting in permanent total disability are 66 2/3% of

1 the wages received at the time of the injury. The maximum weekly compensation benefits may not exceed the
2 state's average weekly wage at the time of injury.

3 ~~(4)~~(5) In cases in which it is determined that periodic disability benefits granted by the Social Security
4 Act are payable because of the injury, the weekly benefits payable under this section are reduced, but not below
5 zero, by an amount equal, as nearly as practical, to one-half the federal periodic benefits for the week, which
6 amount is to be calculated from the date of the disability social security entitlement.

7 ~~(5)~~(6) A worker's benefit amount must be adjusted for a cost-of-living increase on the next July 1 after
8 104 weeks of permanent total disability benefits have been paid and on each succeeding July 1. The adjustment
9 must be the percentage increase, if any, in the state's average weekly wage as adopted by the department over
10 the state's average weekly wage adopted for the previous year.

11 ~~(6)~~(7) A worker may not receive both wages and permanent total disability benefits without the written
12 consent of the insurer. A worker who receives both wages and permanent total disability benefits without written
13 consent of the insurer is guilty of theft and may be prosecuted under 45-6-301.

14 ~~(7)~~(8) If the claimant is awarded social security benefits, the insurer may, upon notification of the
15 claimant's receipt of social security benefits, suspend biweekly compensation benefits for a period sufficient to
16 recover any resulting overpayment of benefits. This subsection does not prevent a claimant and insurer from
17 agreeing to a repayment plan."
18

19 **Section 14.** Section 39-71-703, MCA, is amended to read:

20 **"39-71-703. Compensation for impairment award and permanent partial disability award.** (1) If an
21 injured worker ~~receives~~ receives a permanent ~~partial disability~~ impairment rating and is no longer entitled to
22 temporary total or permanent total disability benefits, the worker is entitled to a permanent partial disability an
23 impairment award if that worker:

24 ~~_____~~ (a) ~~has an actual wage loss as a result of the injury; and~~

25 ~~_____~~ (b) has a permanent impairment rating that:

26 (i) ~~(a)~~ is not based exclusively on complaints of pain;

27 (ii) ~~(b)~~ is established by objective medical findings; and

28 (iii) ~~(c)~~ is more than zero as determined by ~~the latest edition of the American medical association Guides~~
29 ~~to the Evaluation of Permanent Impairment~~ using the impairment rating method provided in 39-71-711.

30 (2) When a worker receives an impairment rating as the result of a compensable injury or occupational

1 ~~disease and has no actual wage loss as a result of the injury~~ returned to work at wages equal to or greater than
 2 the worker's wages at the time of injury, the worker is eligible for an impairment award only.

3 ~~(3) The permanent partial disability award must be arrived at by multiplying the percentage arrived at~~
 4 ~~through the calculation provided in subsection (5) by 375 weeks.~~

5 ~~—— (4) A permanent partial disability award granted an injured worker may not exceed a permanent partial~~
 6 ~~disability rating of 100%.~~

7 ~~—— (5) The percentage to be used in subsection (4) must be determined by adding all of the following~~
 8 ~~applicable percentages to the impairment rating:~~

9 (3) (a) For injuries or occupational diseases that occur from July 1, 2011, through June 30, 2013, the
 10 impairment award must be determined by multiplying the percentage of the whole body impairment by 375 weeks.

11 (b) For injuries or occupational diseases that occur on or after July 1, 2013, the impairment award must
 12 be determined by multiplying the percentage of the whole body impairment by 400 weeks.

13 (4) If the worker has suffered a permanent partial disability, the worker is entitled to an impairment award
 14 and a permanent partial disability award. The permanent partial disability award is based on the sum of the
 15 following percentages multiplied by the number of weeks in subsection (3)(a) or (3)(b), as applicable:

16 (a) if the claimant is 40 years of age or younger at the time of injury, 0%; if the claimant is over 40 years
 17 of age at the time of injury, 1%;

18 (b) for a worker who has completed less than 12 years of education, 1%; for a worker who has
 19 completed 12 years or more of education or who has received a graduate equivalency diploma, 0%;

20 (c) ~~if a worker has no actual wage loss as a result of the industrial injury, 0%; if a worker has an actual~~
 21 ~~wage loss of \$2 or less an hour as a result of the industrial injury, 10%; if a worker has an actual wage loss of~~
 22 ~~more than \$2 an hour as a result of the industrial injury, 20%. Wage loss benefits must be based on the difference~~
 23 ~~between the actual wages received at the time of injury and the wages that the worker earns or is qualified to earn~~
 24 ~~after the worker reaches maximum healing.~~

25 ~~(d)(c)~~ if a worker, at the time of the injury, was performing heavy labor activity and after the injury the
 26 worker can perform only light or sedentary labor activity, 5%; if a worker, at the time of injury, was performing
 27 heavy labor activity and after the injury the worker can perform only medium labor activity, 3%; if a worker was
 28 performing medium labor activity at the time of the injury and after the injury the worker can perform only light or
 29 sedentary labor activity, 2%; and

30 (d) a percentage equal to the impairment rating.

1 (5) (a) For injuries or occupational diseases that occur from July 1, 2011, through June 30, 2013, the
 2 total amount of benefits paid for an impairment award and a permanent partial disability award granted to an
 3 injured worker may not exceed 375 weeks.

4 (b) For injuries or occupational diseases that occur on or after July 1, 2013, the total amount of benefits
 5 paid for an impairment award and a permanent partial disability award granted to an injured worker may not
 6 exceed 400 weeks.

7 (6) (a) The For the dates from July 1, 2011, through June 30, 2013, the weekly benefit rate for an
 8 impairment award or a permanent partial disability award is 66 2/3% of the wages received at the time of injury,
 9 but the rate may not exceed one-half 75% the state's average weekly wage.

10 (b) Beginning July 1, 2013, the weekly benefit rate for an impairment award or a permanent partial
 11 disability award is 66 2/3% of the wages received at the time of injury, but the rate may not exceed the state's
 12 average weekly wage.

13 (c) The weekly benefit amount established for an injured worker as provided in subsection (6)(a) or
 14 (6)(b), as applicable, may not be changed by a subsequent adjustment in the state's average weekly wage for
 15 future fiscal years.

16 (7) An undisputed impairment award may be paid biweekly or in a lump sum at the discretion of the
 17 worker. Lump sums paid for impairments are not subject to the requirements of 39-71-741, except that lump-sum
 18 conversions for benefits not accrued may be reduced to present value at the rate established by the department
 19 pursuant to ~~39-71-741(3)~~ 39-71-741(6).

20 (8) If a worker suffers a subsequent compensable injury or injuries to the same part of the body, the
 21 award payable for the subsequent injury may not duplicate any amounts paid for the previous injury or injuries.

22 ~~(9) If a worker is eligible for a rehabilitation plan, permanent partial disability benefits payable under this~~
 23 ~~section must be calculated based on the wages that the worker earns or would be qualified to earn following the~~
 24 ~~completion of the rehabilitation plan.~~

25 ~~(10)(9)~~ As used in this section:

26 (a) "heavy labor activity" means the ability to lift over 50 pounds occasionally or up to 50 pounds
 27 frequently;

28 (b) "medium labor activity" means the ability to lift up to 50 pounds occasionally or up to 25 pounds
 29 frequently;

30 (c) "light labor activity" means the ability to lift up to 20 pounds occasionally or up to 10 pounds

1 frequently; and

2 (d) "sedentary labor activity" means the ability to lift up to 10 pounds occasionally or up to 5 pounds
3 frequently.

4 (10) If a worker received only an impairment award at medical stability and returned to work with the
5 employer at the time of injury at wages equal to or greater than the wages at the time of injury and within 6
6 months of the return to work the position is no longer available to the worker for any reason except the worker's
7 incarceration as provided in 39-71-744, resignation, or termination for disciplinary reasons, the worker qualifies
8 for any additional percentages resulting from the injury.

9 (11) (a) If a worker is union-attached or job-attached to the employer at the time of injury when the worker
10 reaches medical stability and is waiting to be returned to work, the worker is only eligible for an impairment award
11 if the worker returns to work within 6 months of reaching medical stability.

12 (b) For purposes of this subsection (11):

13 (i) "union-attached" means the worker is a member in good standing and on the out-of-work list of a labor
14 union that operates an exclusive hiring hall; and

15 (ii) "job-attached" means the worker has a definite or approximate date of hire or recall to work at which
16 the worker will be regularly scheduled to work."

17

18 **Section 15.** Section 39-71-704, MCA, is amended to read:

19 **"39-71-704. Payment of medical, hospital, and related services -- fee schedules and hospital rates**
20 **-- fee limitation.** (1) In addition to the compensation provided under this chapter and as an additional benefit
21 separate and apart from compensation benefits actually provided, the following must be furnished:

22 (a) After the happening of a compensable injury and subject to other provisions of this chapter, the
23 insurer shall furnish reasonable primary medical services for conditions resulting from the injury for those periods
24 as the nature of the injury or the process of recovery requires.

25 (b) The insurer shall furnish secondary medical services only upon a clear demonstration of
26 cost-effectiveness of the services in returning the injured worker to actual employment.

27 (c) The insurer shall replace or repair prescription eyeglasses, prescription contact lenses, prescription
28 hearing aids, and dentures that are damaged or lost as a result of an injury, as defined in 39-71-119, arising out
29 of and in the course of employment.

30 (d) (i) The insurer shall reimburse a worker for reasonable travel, lodging, meals, and miscellaneous

1 expenses incurred in travel to a medical provider for treatment of an injury pursuant to rules adopted by the
2 department. Reimbursement must be at the rates allowed for reimbursement for state employees.

3 (ii) Rules adopted under subsection (1)(d)(i) must provide for submission of claims, within 90 days from
4 the date of travel, following notification to the claimant of reimbursement rules, must provide procedures for
5 reimbursement receipts, and must require the use of the least costly form of travel unless the travel is not suitable
6 for the worker's medical condition. The rules must exclude from reimbursement:

7 (A) 100 miles of automobile travel for each calendar month unless the travel is requested or required by
8 the insurer pursuant to 39-71-605;

9 (B) travel to a medical provider within the community in which the worker resides;

10 (C) travel outside the community in which the worker resides if comparable medical treatment is available
11 within the community in which the worker resides, unless the travel is requested by the insurer; and

12 (D) travel for unauthorized treatment or disallowed procedures.

13 (iii) An insurer is not liable for injuries or conditions that result from an accident that occurs during travel
14 or treatment, except that the insurer retains liability for the compensable injuries and conditions for which the
15 travel and treatment were required.

16 (e) Pursuant to rules adopted by the department, an insurer shall reimburse a catastrophically injured
17 worker's family or, if a family member is unavailable, a person designated by the injured worker or approved by
18 the insurer for travel assistance expenditures in an amount not to exceed \$2,500 to be used as a match to those
19 funds raised by community service organizations to help defray the costs of travel and lodging expenses incurred
20 by the family member or designated person when traveling to be with the injured worker. These funds must be
21 paid in addition to any travel expenses paid by an insurer for a travel companion when it is medically necessary
22 for a travel companion to accompany the catastrophically injured worker.

23 (f) Except for the repair or replacement of a prosthesis furnished as a result of an industrial injury, the
24 benefits provided for in this section terminate ~~when they are not used for a period of 60 consecutive months~~
25 pursuant to [section 1].

26 (g) Notwithstanding subsection (1)(a), the insurer may not be required to furnish, after the worker has
27 achieved medical stability, palliative or maintenance care except:

28 (i) when provided to a worker who has been determined to ~~be permanently totally disabled~~ have a
29 permanent total disability and for whom it is medically necessary to monitor administration of prescription
30 medication to maintain the worker in a medically stationary condition;

1 (ii) when necessary to monitor the status of a prosthetic device; or
 2 (iii) when the worker's treating physician believes that the care that would otherwise not be compensable
 3 under subsection (1)(g) is appropriate to enable the worker to continue current employment or that there is a clear
 4 probability of returning the worker to employment. A dispute regarding the compensability of palliative or
 5 maintenance care is considered a dispute over which, after mediation pursuant to department rule, the workers'
 6 compensation court has jurisdiction.

7 (h) Notwithstanding any other provisions of this chapter, the department, by rule and upon the advice
 8 of the professional licensing boards of practitioners affected by the rule, may exclude from compensability any
 9 medical treatment that the department finds to be unscientific, unproved, outmoded, or experimental.

10 (2) (a) The department shall annually establish a schedule of fees for medical services that are
 11 necessary for the treatment of injured workers. Charges submitted by providers must be the usual and customary
 12 charges for nonworkers' compensation patients. The department may require insurers to submit information to
 13 be used in establishing the schedule.

14 ~~————(b) (i) The department may not set the rate for medical services at a rate greater than 40% above the~~
 15 ~~average of the conversion factors used by up to the top five insurers or third-party administrators providing group~~
 16 ~~health insurance coverage within this state who use the resource-based relative value scale to determine fees~~
 17 ~~for covered services. To be included in the rate determination, the insurer or third-party administrator must occupy~~
 18 ~~at least 1% of the market share for group health insurance policies as reported annually to the state auditor.~~

19 ~~————(ii) The insurers or third-party administrators included under subsection (2)(b)(i) shall provide their~~
 20 ~~standard conversion rates to the department.~~

21 ~~————(iii) The department may use the conversion rates only for the purpose of determining average conversion~~
 22 ~~rates under this subsection (2).~~

23 ~~————(iv) The department shall maintain the confidentiality of the conversion rates 65% above medicare's~~
 24 ~~reimbursement rates for the same services.~~

25 ~~(c)(b)~~ The fee schedule rates established in subsection ~~(2)(b)~~ (2)(a) must be based on the following
 26 standards as adopted by the centers for medicare and medicaid services in effect at the time the services are
 27 provided, regardless of where services are provided:

- 28 (i) the American medical association current procedural terminology codes;
 29 (ii) the healthcare common procedure coding system;
 30 (iii) the medicare severity diagnosis-related groups;

1 (iv) the ambulatory payment classifications;
2 (v) the ratio of costs to charges for each hospital;
3 (vi) the national correct coding initiative edits; and
4 (vii) the relative value units as adjusted annually using the most recently published resource-based
5 relative value scale.

6 ~~(d)(c)~~ The department may establish additional coding standards for use by providers when billing for
7 medical services under this section.

8 (3) (a) The department ~~may~~ shall establish by rule evidence-based utilization and treatment guidelines
9 for primary and secondary medical services. There is a rebuttable presumption that the utilization and treatment
10 guidelines established by the department are correct medical treatment for the injured worker.

11 (b) An insurer is not responsible for treatment or services that do not fall within the utilization and
12 treatment guidelines adopted by the department unless the provider obtains prior authorization from the insurer.
13 If prior authorization is not requested or obtained from the insurer, an injured worker is not responsible for
14 payment of the medical treatment or services.

15 (c) The department may establish by rule an independent medical review process for treatment or
16 services denied by an insurer pursuant to this subsection (3) prior to mediation under 39-71-2401.

17 (4) For services available in Montana, insurers may pay facilities located outside Montana according to
18 the workers' compensation fee schedule of the state where the medical service is performed.

19 (5) (a) An insurer shall make payments at the fee schedule rate within 30 days of receipt of medical bills
20 for which a claim has been accepted and for which no other disputes exist. Disputes must be defined by the
21 department by rule.

22 (b) Any unpaid balance under this subsection (5) accrues interest at 12% a year or 1% a month or a
23 fraction of a month. If the charge is not paid within 30 days, interest on the unpaid balance accrues from the date
24 of receipt of the original billing.

25 (6) Once a determination has been made regarding the correct reimbursement amount, any
26 overpayment made to a medical provider must be reimbursed to the insurer within 30 days of the determination.
27 Any reimbursement amount remaining unpaid after 30 days accrues interest at 12% a year or 1% a month or a
28 fraction of a month. Interest on the reimbursement amount remaining unpaid accrues from the date of receipt of
29 the determination of the correct reimbursement amount.

30 (7) For a critical access hospital licensed pursuant to Title 50, chapter 5, the rate for services is the usual

1 and customary charge.

2 (8) Payment pursuant to reimbursement agreements between managed care organizations or preferred
3 provider organizations and insurers is not bound by the provisions of this section.

4 (9) After mediation pursuant to department rules, an unresolved dispute between an insurer and a
5 medical service provider regarding the amount of a fee for medical services may be brought before the workers'
6 compensation court.

7 (10) (a) After the initial visit, the worker is responsible for \$25 of the cost of each subsequent visit to a
8 hospital emergency department for treatment relating to a compensable injury or occupational disease.

9 (b) "Visit", as used in this subsection (10), means each time that the worker obtains services relating to
10 a compensable injury or occupational disease from:

11 (i) a treating physician;

12 (ii) a physical therapist;

13 (iii) a psychologist; or

14 (iv) hospital outpatient services available in a nonhospital setting.

15 (c) A worker is not responsible for the cost of a subsequent visit pursuant to subsection (10)(a) if the visit
16 is for treatment requested by an insurer."

17

18 **Section 16.** Section 39-71-710, MCA, is amended to read:

19 **"39-71-710. Termination of benefits upon retirement.** (1) If a claimant is receiving disability or
20 ~~rehabilitation compensation~~ retraining benefits and the claimant receives social security retirement benefits or
21 is eligible to receive or is receiving full social security retirement benefits or retirement benefits from a system that
22 is an alternative to social security retirement, the claimant is considered to be retired. When the claimant is
23 retired, the liability of the insurer is ended for payment of retraining benefits, permanent partial disability benefits
24 other than the impairment award, ~~payment of and~~ permanent total disability benefits, ~~and payment of rehabilitation~~
25 ~~compensation benefits~~. However, the insurer remains liable for temporary total disability benefits, any impairment
26 award, and medical benefits.

27 (2) If a claimant who is eligible under subsection (1) to receive retirement benefits and while gainfully
28 employed suffers a work-related injury, the insurer retains liability for temporary total disability benefits, any
29 impairment award, and medical benefits."

30

1 **Section 17.** Section 39-71-711, MCA, is amended to read:

2 **"39-71-711. Impairment evaluation -- ratings.** (1) An impairment rating:

3 (a) is a purely medical determination and must be determined by an impairment evaluator after a
4 claimant has reached maximum healing;

5 (b) except as provided in subsection (5), must be based on the ~~current~~ fifth edition of the Guides to
6 Evaluation of Permanent Impairment published by the American medical association;

7 (c) must be expressed as a percentage of the whole person; and

8 (d) must be established by objective medical findings.

9 (2) A claimant or insurer, or both, may obtain an impairment rating from an evaluator if the injury falls
10 within the scope of the evaluator's practice and if the evaluator is one of the following:

11 (a) a physician or an osteopath licensed under Title 37, chapter 3, with admitting privileges to practice
12 in one or more hospitals, if any, in the area where the physician or osteopath is located;

13 (b) a chiropractor licensed under Title 37, chapter 12;

14 (c) a physician assistant licensed under Title 37, chapter 20, if there is not a physician as provided for
15 in subsection (2)(a) in the area where the physician assistant is located;

16 (d) a dentist licensed under Title 37, chapter 4;

17 (e) an advanced practice registered nurse licensed under Title 37, chapter 8; or

18 (f) for a claimant residing out of state or upon approval of the insurer, an evaluator referred to in
19 subsections (2)(a) through (2)(e) who is licensed or certified in another state.

20 (3) If the claimant and insurer cannot agree upon the rating, the mediation procedure in Title 39, chapter
21 71, part 24, must be followed.

22 (4) Disputes over impairment ratings are subject to the provisions of 39-71-605.

23 (5) The department, in consultation with an appointed advisory body, may by administrative rule adopt
24 or change to another system or method for the evaluation and rating of permanent impairment. The department
25 may adopt a different edition of the Guides to Evaluation of Permanent Impairment published by the American
26 medical association or a system or method of rating developed by another state or well-recognized medical
27 association. The department may change the system or method as often as the department considers a change
28 advisable because of improvements in the methods of evaluating and rating permanent impairment."

29

30 **Section 18.** Section 39-71-712, MCA, is amended to read:

1 **"39-71-712. Temporary partial disability benefits.** (1) Subject to the provisions of subsection ~~(5)~~ (6),
 2 if prior to maximum healing an injured worker has a physical restriction and is approved to return to a modified
 3 or alternative employment that the worker is able and qualified to perform and the worker suffers an actual wage
 4 loss as a result of a temporary work restriction, the worker qualifies for temporary partial disability benefits. For
 5 the purposes of this subsection, an actual wage loss is the difference between the worker's average weekly wage
 6 at the time of injury and the actual weekly wages received from the alternative employment the worker is able to
 7 perform.

8 (2) An insurer's liability for temporary partial disability benefits must be the difference between the injured
 9 worker's average weekly wage received at the time of the injury, subject to a maximum of 40 hours a week, and
 10 the actual weekly wages earned during the period that the claimant ~~is temporarily partially disabled~~ has a
 11 temporary partial disability, not to exceed the injured worker's temporary total disability benefit rate.

12 (3) Except as provided in subsection ~~(5)~~ (6), a worker is not eligible for temporary partial disability
 13 benefits or temporary total disability benefits if:

14 (a) the worker has been released by the treating physician to return to a modified or alternative position
 15 that the individual is able and qualified to perform with the same employer;

16 (b) the wages payable in the modified or alternative position, when combined with the temporary partial
 17 disability benefits, would result in an equivalent or higher wage than the worker received at the time of injury; and

18 (c) the worker refuses to accept the modified or alternative position.

19 (4) A worker requalifies for temporary total disability benefits if the modified or alternative position is no
 20 longer available to the worker for any reason except for the worker's incarceration as provided ~~for~~ in 39-71-744,
 21 resignation, or termination for disciplinary reasons caused by a violation of the employer's policies that provide
 22 for termination of employment and if the worker continues to ~~be temporarily totally disabled~~ have a temporary total
 23 disability as defined in 39-71-116.

24 ~~(4)~~(5) Temporary partial disability may not be credited against any permanent partial disability award or
 25 settlement under 39-71-703.

26 ~~(5)~~(6) Unless a collective bargaining agreement precludes an injured worker from working in a modified
 27 or alternative position with a different employer or includes criteria different from those outlined in this subsection
 28 ~~(5)~~ (6), an injured worker who has not reached maximum healing and who has a physical restriction may return
 29 to a modified or alternative position with a different employer at the same or a lower rate of wages as the rate paid
 30 by the employer at the time of injury if:

1 (a) a modified or alternative employment with the employer at the time of injury is not provided and the
2 injured worker and that employer agree to the modified or alternative position with a different employer;

3 (b) a written description and all required duties of the modified or alternative position with a different
4 employer are approved by the treating physician;

5 (c) both the employer at the time of injury and the injured worker agree to the type of alternative work,
6 the alternative employer, and the terms and conditions of employment, including payment of benefits and
7 employment taxes for the modified or alternative position with a different employer;

8 (d) an employee is not displaced as a result of the injured worker's placement in the modified or
9 alternative position with a different employer; and

10 (e) the employer at the time of injury, the different employer, and the injured worker agree in writing to
11 the terms and conditions, including payment of benefits, covering the injured worker for subsequent injury,
12 unemployment insurance, employment taxes, and liability and provide a copy of the agreement to the injured
13 employee.

14 ~~(6)(7)~~ Any additional expenses related to the modified or alternative position, including travel, equipment,
15 or training, must be paid by either the employer at the time of injury or the different employer and may not be
16 charged to or deducted from the wages or benefits of the injured employee.

17 ~~(7)(8)~~ Notwithstanding a written agreement between the employer at the time of injury and a different
18 employer, the employer at the time of injury is the primary employer if a dispute over wages, benefits, employment
19 taxes, workers' compensation insurance, or other terms or conditions of employment occurs.

20 ~~(8)(9)~~ The injured worker may refuse to accept a modified or alternative position with an employer other
21 than the employer at the time of injury without penalty. If the injured worker is offered a modified or alternative
22 position with a different employer, the injured worker must be given written notice of the right of refusal from the
23 employer at the time of injury and the insurer prior to beginning work with the different employer."
24

25 **Section 19.** Section 39-71-721, MCA, is amended to read:

26 **"39-71-721. Compensation for injury causing death -- limitation.** (1) (a) If an injured employee dies
27 and the injury was the proximate cause of the death, the beneficiary of the deceased is entitled to the same
28 compensation as though the death occurred immediately following the injury. A beneficiary's eligibility for benefits
29 commences after the date of death, and the benefit level is established as set forth in subsection (2).

30 (b) The insurer is entitled to recover any overpayments or compensation paid in a lump sum to a worker

1 prior to death but not yet recouped. The insurer shall recover the payments from the beneficiary's biweekly
2 payments as provided in ~~39-71-741(3)~~ 39-71-741(6).

3 (2) To beneficiaries as defined in ~~39-71-116(4)(a)~~ 39-71-116(3)(a) through ~~(4)(d)~~ (3)(d), weekly
4 compensation benefits for an injury causing death are 66 2/3% of the decedent's wages. The maximum weekly
5 compensation benefit may not exceed the state's average weekly wage at the time of injury. The minimum weekly
6 compensation benefit is 50% of the state's average weekly wage, but in no event may it exceed the decedent's
7 actual wages at the time of death.

8 (3) To beneficiaries as defined in ~~39-71-116(4)(e)~~ 39-71-116(3)(e) and ~~(4)(f)~~ (3)(f), weekly benefits must
9 be paid to the extent of the dependency at the time of the injury, subject to a maximum of 66 2/3% of the
10 decedent's wages. The maximum weekly compensation may not exceed the state's average weekly wage at the
11 time of injury.

12 (4) If the decedent leaves no beneficiary, a lump-sum payment of \$3,000 must be paid to the decedent's
13 surviving parent or parents.

14 (5) If any beneficiary of a deceased employee dies, the right of the beneficiary to compensation under
15 this chapter ceases. Death benefits must be paid to a surviving spouse for 500 weeks subsequent to the date
16 of the deceased employee's death or until the spouse's remarriage, whichever occurs first. After benefit payments
17 cease to a surviving spouse, death benefits must be paid to beneficiaries, if any, as defined in ~~39-71-116(4)(b)~~
18 39-71-116(3)(b) through ~~(4)(d)~~ (3)(d).

19 (6) In all cases, benefits must be paid to beneficiaries.

20 (7) Benefits paid under this section may not be adjusted for cost of living as provided in 39-71-702."
21

22 **Section 20.** Section 39-71-723, MCA, is amended to read:

23 **"39-71-723. How compensation to be divided among beneficiaries.** Compensation that is due to
24 beneficiaries must be paid to the surviving spouse, if any, or if none, divided equally among or for the benefit of
25 the children. In cases in which beneficiaries are a surviving spouse and stepchildren of the spouse, the
26 compensation must be divided equally among all beneficiaries. Compensation that is due to beneficiaries, as
27 defined in ~~39-71-116(4)(e)~~ 39-71-116(3)(e) and ~~(4)(f)~~ (3)(f), if there is more than one, must be divided equitably
28 among them."
29

30 **Section 21.** Section 39-71-736, MCA, is amended to read:

1 **"39-71-736. Compensation -- from what dates paid.** (1) (a) ~~Compensation~~ Except as provided in
 2 subsection (1)(c), compensation may not be paid for the first 32 hours or 4 days' loss of wages, whichever is less,
 3 that the claimant worker is ~~totally disabled and~~ unable to work because of an injury. A claimant worker is eligible
 4 for compensation starting with the 5th day.

5 (b) Separate benefits of medical and hospital services must be furnished from the date of injury.

6 (c) If the worker has a temporary total disability or a permanent total disability and is unable to work in
 7 any capacity for 21 days or longer, compensation must be paid retroactive to the first day of total wage loss
 8 unless the worker waives the payment as provided in subsection (2)(b)(ii).

9 (2) (a) For the purpose of this section, except as provided in subsection (3), ~~an injured a~~ worker is not
 10 considered to be entitled to compensation benefits if the worker is receiving sick leave benefits, except that each
 11 day for which the worker elects to receive sick leave counts 1 day toward the 4-day waiting period.

12 (b) A worker who is entitled to receive retroactive compensation benefits pursuant to subsection (1)(c)
 13 but who took sick leave as provided by subsection (2)(a) may elect to either:

14 (i) repay the employer the amount of sick leave received; or

15 (ii) waive the retroactive payment of benefits attributable to any days or hours for which the worker
 16 received sick leave.

17 (3) Augmentation of temporary total disability benefits with sick leave by an employer pursuant to a
 18 collective bargaining agreement may not disqualify a worker from receiving temporary total disability benefits.

19 (4) Receipt of vacation leave by ~~an injured a~~ worker may not affect the worker's eligibility for temporary
 20 total disability benefits."

21

22 **Section 22.** Section 39-71-737, MCA, is amended to read:

23 **"39-71-737. Compensation to run consecutively -- exceptions.** Compensation must run consecutively
 24 and not concurrently, and payment may not be made for two classes of disability over the same period, except
 25 that impairment awards and auxiliary ~~rehabilitation~~ benefits may be paid concurrently with other classes of
 26 benefits."

27

28 **Section 23.** Section 39-71-741, MCA, is amended to read:

29 **"39-71-741. ~~Compromise settlements~~ Settlements and lump-sum payments.** (1) By written
 30 agreement, a claimant and an insurer may convert benefits under this chapter ~~may be converted~~ in whole or in

1 part into a lump sum. An agreement that settles a claim for any type of benefit is subject to department approval
 2 as provided in subsection (2). Lump-sum advances and payment of accrued benefits in a lump sum, except
 3 permanent total disability benefits under subsection ~~(1)(e)~~ (2)(c), are not subject to department approval. ~~If the~~
 4 ~~department fails to approve or disapprove the agreement in writing within 14 days of the filing with the~~
 5 ~~department, the agreement is approved.~~

6 (2) The department shall directly notify a claimant of a department order approving or disapproving a
 7 claimant's ~~compromise~~ settlement or lump-sum payment. Upon approval, the agreement constitutes a
 8 compromise and release settlement and may not be reopened by the department. The department may approve
 9 ~~an~~ a settlement agreement to convert the following benefits to a lump sum only under the following conditions:

10 (a) all benefits if a claimant and an insurer dispute the initial compensability of an injury and there is a
 11 reasonable dispute over compensability;

12 (b) permanent partial disability benefits if an insurer has accepted initial liability for an injury. The total
 13 of any ~~permanent partial lump-sum conversion~~ payments in part that is awarded to a claimant prior to the
 14 claimant's final award may not exceed the anticipated award under 39-71-703. The department may disapprove
 15 an agreement under this subsection ~~(1)(b)~~ (2)(b) only if the department determines that the lump-sum ~~conversion~~
 16 ~~amount~~ payment is inadequate.

17 (c) permanent total disability benefits if the total of all lump-sum conversions in part that are awarded
 18 to a claimant do not exceed \$20,000. The approval or award of a lump-sum permanent total disability payment
 19 in whole or in part by the department or court must be the exception. It may be given only if the worker has
 20 demonstrated financial need that:

21 (i) relates to:

22 (A) the necessities of life;

23 (B) an accumulation of debt incurred prior to the injury; or

24 (C) a self-employment venture that is considered feasible under criteria set forth by the department; or

25 (ii) arises subsequent to the date of injury or arises because of reduced income as a result of the injury.

26 (d) except as otherwise provided in this chapter, all other ~~compromise~~ settlements and lump-sum
 27 payments agreed to by a claimant and insurer; ~~or~~

28 (e) medical benefits on an accepted claim if an insurer disputes the insurer's continued liability for
 29 medical benefits and there is a reasonable dispute over the medical treatment or medical compensability; or

30 (f) medical benefits on an accepted claim if the claimant has reached maximum medical improvement

1 and the following applicable conditions are met:

2 (i) the insurer and claimant mutually agree to a settlement of all or a portion of medical benefits and a
3 settlement is in the best interest of the parties to the settlement. The parties to the settlement agreement shall
4 set out the amount of the anticipated future medical costs included in the settlement agreement and the rationale
5 that is the basis for the settlement. The claimant shall also indicate by a signed acknowledgment an
6 understanding of what medical benefits will terminate because of the settlement.

7 (ii) if the amount of the settlement agreement attributable to the medical portion is for \$25,000 or more,
8 department approval may be given if the agreement is in the best interest of the parties to the settlement and is
9 not grossly inadequate.

10 (3) If any settlement of medical benefits under this section is subject to a medicare-approved set-aside
11 for payment of future medical expenses, the department may not approve the settlement unless the settlement
12 language is expressly contingent on medicare's approval of the set-aside. If the department approves a
13 settlement and medicare approval is subsequently denied, the agreement between the parties is void, and the
14 insurer shall notify the department that the settlement is no longer in effect.

15 (4) For any settlement subject to this section, the parties may agree that the settlement funds be paid
16 into a trust that is specifically established for the payment of medical expenses due to the injury.

17 ~~(2)(5)~~ Any lump-sum conversion of benefits under this section must be converted to present value using
18 the rate prescribed under subsection ~~(3)(b)~~ (6)(b).

19 ~~(3)(6)~~ (a) An insurer may recoup any lump-sum ~~payment advance~~ amortized at the rate established by
20 the department, prorated biweekly over the projected duration of the compensation period.

21 (b) The rate adopted by the department must be based on the average rate for United States 10-year
22 treasury bills in the previous calendar year.

23 (c) If the projected compensation period is the claimant's lifetime, the life expectancy must be determined
24 by using the most recent table of life expectancy as published by the United States national center for health
25 statistics.

26 ~~(4)(7)~~ A dispute between a claimant and an insurer regarding the conversion of biweekly payments into
27 a lump sum or settlement of medical benefits under subsection (2)(a) or (2)(e) is considered a dispute for which
28 a mediator and the workers' compensation court have jurisdiction to make a determination. A request for
29 mediation must be filed with the department. Upon any review by a court, the court shall use the standards for
30 approval set by this section.

1 (8) If an insurer and a claimant agree to a ~~compromise and release~~ settlement or a lump-sum payment
2 but the department disapproves the agreement, the parties may request the workers' compensation court to
3 review the department's decision without requesting mediation.

4 (9) The legislature does not intend to allow settlement of undisputed medical claims under subsection
5 (2)(f) unless all parties willingly agree to the settlement. The failure of the parties to willingly agree to a settlement
6 does not constitute a dispute concerning benefits."

7

8 **Section 24.** Section 39-71-744, MCA, is amended to read:

9 **"39-71-744. Benefits not due while claimant is incarcerated -- exceptions.** (1) Except as provided
10 in subsection (2), a claimant is not eligible for disability or ~~rehabilitation compensation~~ retraining benefits while
11 the claimant is incarcerated for a period exceeding 30 days in a correctional institution or jail as the result of
12 conviction of a felony or a misdemeanor. The insurer remains liable for medical benefits. A time limit on benefits
13 otherwise provided in this chapter is not extended due to a period of incarceration.

14 (2) A person who is employed while participating in a prerelease center program or a diversionary
15 program is eligible for temporary total benefits as provided in 39-71-701 and medical benefits for a work-related
16 injury received while participating in a prerelease center program or a diversionary program. Other disability or
17 ~~rehabilitation~~ retraining benefits are not payable while the worker is participating in a prerelease center. This
18 subsection does not prohibit the reinstatement of other benefits upon release from incarceration, nor does it apply
19 to an employee performing community service described in 39-71-118(1)(e)."

20

21 **Section 25.** Section 39-71-1011, MCA, is amended to read:

22 **"39-71-1011. Definitions.** As used in this ~~chapter~~ part, the following definitions apply:

23 (1) "Assistance fund" means the stay-at-work/return-to-work assistance fund provided for in [section 35].

24 ~~(1)(2)~~ (2) "Commission on rehabilitation counselor certification" means the nonprofit, independent,
25 fee-structured organization that is a member of the national commission for health certifying agencies and that
26 is established to certify rehabilitation ~~practitioners~~ providers.

27 ~~(2) "Disabled worker" means a worker who has a permanent impairment, established by objective~~
28 ~~medical findings, resulting from a work-related injury that precludes the worker from returning to the job the~~
29 ~~worker held at the time of the injury or to a job with similar physical requirements and who has an actual wage~~
30 ~~loss as a result of the injury.~~

1 ~~——— (3) "Rehabilitation benefits" means benefits provided in 39-71-1006 and 39-71-1025.~~

2 ~~——— (4) "Rehabilitation plan" means a written individualized plan that assists a disabled worker in acquiring~~
 3 ~~skills or aptitudes to return to work through job placement, on-the-job training, education, training, or specialized~~
 4 ~~job modification and that reasonably reduces the worker's actual wage loss.~~

5 (3) "Insurer's stay-at-work/return-to-work assistance policy" or "assistance policy" means a written
 6 stay-at-work/return-to-work policy that explains to the worker the process of evaluation, planning, implementation,
 7 and services to be provided by the insurer to facilitate a worker's return to work as soon as possible following the
 8 worker's injury or occupational disease.

9 ~~(5)(4) "Rehabilitation provider" means a rehabilitation counselor certified by the commission on~~
 10 ~~rehabilitation counselor certification and designated by the insurer.~~

11 (5) "Retraining benefits" means the biweekly payments specified in [section 31] that are paid to the
 12 worker during the period specified in the retraining plan.

13 (6) "Retraining plan" means a plan agreed upon by the worker and the insurer to allow a worker to
 14 receive retraining benefits.

15 (7) "Stay-at-work/return-to-work assistance" or "assistance" means the evaluation, planning,
 16 implementation, and other appropriate services that are designed to facilitate a worker's return to work as soon
 17 as possible following the worker's injury or occupational disease. This assistance may include a
 18 stay-at-work/return-to-work plan.

19 (8) "Stay-at-work/return-to-work plan" means a written, individualized plan that identifies the services to
 20 assist a worker in returning to work as provided in [section 26(2)(a) through (2)(e)].

21 ~~(6) "Rehabilitation services" means a program of evaluation, planning, and implementation of a~~
 22 ~~rehabilitation plan to assist a disabled worker to return to work."~~

23
 24 **NEW SECTION. Section 26. Stay-at-work/return-to-work goals and options -- agreement between**
 25 **worker and insurer.** (1) The goal of stay-at-work/return-to-work assistance is to minimize avoidable disruption
 26 caused by a work-related injury or occupational disease by assisting the worker in the worker's return to work as
 27 soon as possible after an injury or an occupational disease occurs.

28 (2) Services provided as part of stay-at-work/return-to-work assistance are intended to help a worker
 29 return to work using the first appropriate option of the following prioritized options:

30 (a) return to the same position with the same employer;

- 1 (b) return to a modified position with the same employer;
- 2 (c) return to a like or modified position with another employer;
- 3 (d) return to an alternative position suited to the worker's education and marketable skills with any
- 4 employer;
- 5 (e) on-the-job training; or
- 6 (f) retraining.
- 7 (3) A worker and an insurer may mutually agree to a particular option as the worker's goal, even if an
- 8 option with a higher priority might otherwise be appropriate.

9

10 **NEW SECTION. Section 27. Insurer exception for stay-at-work/return-to-work assistance.** (1) The

11 provisions of this part that set out procedures for rehabilitation providers do not apply to an insurer that chooses

12 to use a rehabilitation provider in the implementation of its own assistance policy.

13 (2) When an insurer chooses not to use its own assistance policy or when an insurer is no longer allowed

14 to use its own assistance policy by court order or pursuant to [sections 29 and 30], the procedures for

15 rehabilitation providers apply to that insurer.

16

17 **NEW SECTION. Section 28. Request for and delivery of stay-at-work/return-to-work assistance.**

18 (1) (a) A worker who is claiming an injury or occupational disease, an employer, or a medical provider may ask

19 that the department furnish stay-at-work/return-to-work assistance. After the worker signs a claim for benefits,

20 the department shall promptly attempt to determine which insurer is at risk for the injury or occupational disease

21 and contact that insurer. The department shall advise the insurer of the request for stay-at-work/return-to-work

22 assistance and shall coordinate the assistance with the insurer.

23 (b) If an insurer has accepted liability for the claim, the insurer shall provide stay-at-work/return-to-work

24 assistance in accordance with either the insurer's stay-at-work/return-to-work assistance policy or as provided

25 for in [section 29]. The insurer is directly liable for paying for the stay-at-work/return-to-work assistance furnished.

26 (c) If an insurer at risk has not accepted liability for the claim, the insurer may choose one of the following

27 actions:

28 (i) The insurer at risk for the claim may initiate stay-at-work/return-to-work assistance in accordance with

29 either the insurer's stay-at-work/return-to-work assistance policy or as provided in [section 29] and shall notify

30 the department within 3 business days of being contacted by the department that the insurer is acting under this

1 subsection (1)(c)(i). If the insurer provides either type of assistance, the insurer becomes responsible for directly
2 paying for the assistance. Payment of assistance pursuant to this subsection (1)(c)(i) does not constitute
3 admission of liability or a waiver of any right of defense.

4 (ii) If the insurer at risk for the claim does not notify the department within 3 business days of being
5 contacted by the department that the insurer will provide assistance, the department shall obtain
6 stay-at-work/return-to-work assistance for the worker by designating a rehabilitation provider.

7 (d) If the department cannot promptly determine which insurer is at risk for coverage, the department
8 shall obtain stay-at-work/return-to-work assistance for the worker by designating a rehabilitation provider.

9 (e) Any rehabilitation provider designated by the department under this section shall bill the department
10 for services provided. The department shall pay for the stay-at-work/return-to-work assistance out of the
11 assistance fund until the maximum allowed amount of assistance is provided or until the insurer denies the claim
12 and notifies the department of the denial.

13 (f) If the insurer follows the assistance procedure provided in [section 29], the insurer shall provide a list
14 of rehabilitation providers providing stay-at-work/return-to-work assistance. The worker may select the
15 rehabilitation provider only from that list. The department shall provide by rule for geographic and other
16 appropriate parameters that the department and insurers are to use to develop a list of rehabilitation providers
17 for each worker.

18 (g) If an insurer is providing assistance pursuant to the insurer's stay-at-work/return-to-work assistance
19 policy, an insurer shall provide in writing to a worker, with a copy to the department, an explanation of the
20 stay-at-work/return-to-work assistance being provided to the worker under this section and shall include contact
21 information for the person providing the assistance.

22 (2) Rather than make a request to the department, a worker, an employer, or a medical provider may
23 directly ask the insurer to provide stay-at-work/return-to-work assistance.

24 (3) In the absence of a request by a worker, an employer, or a medical provider, an insurer may initiate
25 and provide stay-at-work/return-to-work assistance by providing the worker with a copy of the insurer's
26 stay-at-work/return-to-work assistance policy or providing assistance pursuant to [section 29].

27 (4) Stay-at-work/return-to-work assistance requested under this section is available as a service apart
28 from a determination regarding indemnity benefits. A worker or an employer may decline to accept
29 stay-at-work/return-to-work assistance. The failure of a worker to voluntarily agree to assistance is not a dispute
30 concerning benefits. However, if the assistance provided under this part results in a job offer within the worker's

1 physical abilities for which the worker is qualified and the worker refuses the offer, the workers' indemnity benefits
2 may end as provided in 39-71-701 and 39-71-712.

3 (5) If the assistance provided in this part results in a job offer after a determination that the worker has
4 a permanent partial disability, the worker is still entitled to the impairment award and the permanent partial
5 disability award provided in 39-71-703.

6 (6) Stay-at-work/return-to-work assistance is available at any time unless:

7 (a) the worker, prior to a determination that the worker has a permanent partial disability, has refused
8 a job offer for a position within the worker's physical abilities for which the worker is qualified and at a position
9 paying equal to or greater than the time of injury wages;

10 (b) the worker has actually returned to work for 6 continuous months at a position paying equal to or
11 greater than the time of injury wages; or

12 (c) the claim has been closed pursuant to [section 1] or indemnity benefits have been settled pursuant
13 to the definition of a settled claim in 39-71-107.

14 (7) If the insurer determines that the worker has not suffered a compensable injury or occupational
15 disease and denies liability for the claim, the insurer or the department shall terminate any
16 stay-at-work/return-to-work assistance that was initiated before the insurer's denial of liability.

17
18 **NEW SECTION. Section 29. Mandatory stay-at-work/return-to-work assistance.** (1) Unless the
19 insurer determines a worker has a permanent total disability, stay-at-work/return-to-work assistance is required
20 when:

21 (a) a worker who is receiving or has received permanent partial disability benefits claims to have a
22 permanent total disability as a result of a work-related injury or occupational disease;

23 (b) has not returned to work; and

24 (c) has not received a written offer of employment:

25 (i) for which the worker is qualified;

26 (ii) that is within the physical abilities of the worker; and

27 (iii) that pays wages equal to or greater than the time of injury wages.

28 (2) Stay-at-work/return-to-work assistance under this section must be provided by a rehabilitation
29 provider using the prioritized options provided in [section 26].

30 (3) The insurer shall furnish to the worker a list of rehabilitation providers providing

1 stay-at-work/return-to-work assistance. The worker shall select the rehabilitation provider only from that list. The
 2 department shall provide by rule for geographic and other appropriate parameters that insurers are to use to
 3 develop a list of rehabilitation providers for each worker.

4 (4) If a worker claiming permanent total disability benefits is unreasonably refusing to cooperate with the
 5 rehabilitation provider, the insurer, with 14 days' written notice to the worker and the department, may terminate
 6 any benefits that the worker is receiving except medical benefits and the impairment award until the worker
 7 cooperates.

8 (5) If the worker disputes the termination of benefits, the worker may, after mediation pursuant to
 9 department rule, petition the workers' compensation court for resolution of the dispute.

10
 11 **NEW SECTION. Section 30. Rehabilitation provider -- evaluation.** (1) Stay-at-work/return-to-work
 12 assistance must be provided by a rehabilitation provider pursuant to this section if:

13 (a) the department provides assistance;

14 (b) an insurer elects to designate a rehabilitation provider instead of using the insurer's own
 15 stay-at-work/return-to-work assistance policy;

16 (c) the worker is claiming permanent total disability benefits pursuant to [section 29(1)(a)]; or

17 (d) the insurer's stay-at-work/return-to-work assistance policy failed to return the worker to work or failed
 18 to identify modified or alternative employment that the worker is capable of performing and the worker requests
 19 further assistance prior to qualifying as permanently partially disabled. If the terms of this subsection (1)(d) apply,
 20 the department shall designate the rehabilitation provider.

21 (2) (a) The rehabilitation provider shall evaluate and determine the stay-at-work/return-to-work
 22 capabilities of the worker pursuant to the stay-at-work/return-to-work options listed in [section 26].

23 (b) If the worker has returned to work, the rehabilitation provider shall provide documentation of the
 24 assistance to the worker, the insurer, and the department.

25 (c) If the worker has not returned to work, has not received a job offer as provided in subsection (2)(d),
 26 and is capable of returning to work, the rehabilitation provider shall prepare a stay-at-work/return-to-work plan
 27 for the worker following the options listed in [section 26]. The documentation must be provided to the worker, the
 28 insurer, the treating physician, and the department.

29 (d) The following conditions allow termination of assistance prior to the time a worker qualifies as
 30 permanently partially disabled:

- 1 (i) the worker has returned to work earning wages that are at least as much as at the time of injury;
- 2 (ii) the worker has received an offer to return to work at a position within the worker's physical abilities
3 for which the worker is qualified and for which wages are at least as much as at the worker's time of injury;
- 4 (iii) the worker has returned to work in an alternative position that pays less than the worker's wages at
5 the time of injury and that qualifies the worker for temporary partial disability benefits pursuant to 39-71-712; or
- 6 (iv) the worker receives a job offer to return to work in a position that is within the worker's physical
7 abilities and for which the worker is qualified and that pays a wage that is less than the worker's wages at the time
8 of injury and qualifies the worker for temporary partial disability benefits under 39-71-712.
- 9 (e) If a worker has requested stay-at-work/return-to-work assistance and a stay-at-work/return-to-work
10 plan has been agreed to by the worker and the insurer prior to the worker qualifying as permanently partially
11 disabled, the plan will continue until completed.
- 12 (f) Once a worker qualifies as permanently partially disabled and if the worker requests
13 stay-at-work/return-to-work assistance for the first time, an insurer is obligated to provide assistance only until
14 the worker is capable of returning to work and has been provided with a list of alternative jobs within the worker's
15 labor market.
- 16 (3) (a) If the worker has not returned to work and is not capable of returning to work, the rehabilitation
17 provider shall prepare a stay-at-work/return-to-work plan, document the services provided, and itemize the
18 barriers to a successful return to work with any recommendations on how these barriers may be overcome to
19 maximize return-to-work options. The documentation must be provided to the worker, the insurer, the treating
20 physician, and the department.
- 21 (b) The rehabilitation provider may prepare a retraining plan only if both of the following apply:
- 22 (i) the rehabilitation provider certifies that none of the options in [section 26(2)(a) through (2)(e)] is
23 appropriate; and
- 24 (ii) the rehabilitation provider certifies that the worker has reasonable vocational goals and reasonable
25 reemployment opportunity through retraining.
- 26 (c) Retraining benefits under a retraining plan are only payable pursuant to [section 31].
- 27 (4) If the worker or insurer disputes the assistance or the stay-at-work/return-to-work plan, the worker
28 or insurer may, after mediation, petition the workers' compensation court for resolution of the dispute.
29
- 30 **NEW SECTION. Section 31. Retraining benefits.** (1) A worker is eligible for retraining benefits if:

- 1 (a) the worker is no longer entitled to temporary total disability benefits;
- 2 (b) the worker has not returned to work in regular employment;
- 3 (c) the worker has not been offered, in writing, a job by the employer at the time of injury:
- 4 (i) for which the worker is qualified; and
- 5 (ii) that is within the physical abilities of the worker;
- 6 (d) none of the options provided in [section 26(2)(a) through (2)(e)] is appropriate; and
- 7 (e) a retraining plan is agreed upon by the worker and the insurer and a written copy of the retraining
- 8 plan is provided to the worker.

9 (2) Notwithstanding the provisions of subsection (1), a worker is eligible for retraining benefits if a

10 retraining plan is mutually agreed to by the worker and insurer, even if an option provided in [section 26(2)(a)

11 through (2)(e)] with a higher priority might otherwise be appropriate.

12 (3) A retraining plan must take into consideration the worker's age, education, training, work history,

13 residual physical capacities, vocational interests, and the jobs available in the statewide labor market for the new

14 occupation. The retraining plan must specify a beginning date, a completion date, and any other timeframes

15 required to complete the plan. The plan also must specify the costs of tuition, fees, books, and any other

16 reasonable and necessary retraining expenses. The plan must specify the obligations of the parties to the plan.

17 (4) To be entitled to benefits under this section, a worker is required to begin any retraining

18 recommended in the retraining plan within 78 weeks of reaching maximum medical healing. The plan must be

19 completed within 26 weeks of the completion date specified in the plan.

20 (5) (a) A worker entitled to receive retraining benefits must be paid at the worker's temporary total

21 disability rate. The benefits must be paid for the period specified in the plan, not to exceed 104 weeks. Retraining

22 benefits payable pursuant to a retraining plan under this section are not payable in a lump sum.

23 (b) Retraining benefits must be paid biweekly while the worker is satisfactorily progressing in the

24 agreed-upon retraining plan. If the worker is not satisfactorily progressing in the plan, the insurer may, with 14

25 days' written notice to the worker and to the department, terminate retraining benefits.

26 (c) If the worker disputes the termination of retraining benefits, the worker may, after mediation pursuant

27 to department rule, petition the workers' compensation court for resolution of the dispute.

28 (6) In addition to retraining benefits payable under this section, a worker is entitled to receive payment

29 for tuition, fees, books, and other reasonable and necessary retraining expenses, excluding travel and living

30 expenses paid pursuant to the provisions of 39-71-1025, as set forth by the department in rules and as specified

1 in the retraining plan. Expenses must be paid directly by the insurer.

2 (7) A worker may not receive retraining benefits and either temporary total disability benefits, temporary
3 partial disability benefits, or the permanent partial disability award during the same period. The payment of the
4 permanent partial disability award otherwise due to the worker must be tolled while the worker is receiving
5 retraining benefits. The payment of the permanent partial disability award may be resumed after retraining
6 benefits have terminated if the worker has not returned to work or is not entitled to permanent total disability
7 benefits.

8 (8) A rehabilitation provider authorized by the insurer shall continue to assist the injured worker until the
9 retraining plan is:

10 (a) completed; or

11 (b) discontinued.

12 (9) A worker may not receive both wages and retraining benefits without the written consent of the
13 insurer. A worker who receives both wages and retraining benefits without written consent of the insurer commits
14 the offense of theft and may be prosecuted under 45-6-301.

15

16 **Section 32.** Section 39-71-1025, MCA, is amended to read:

17 "**39-71-1025. Auxiliary rehabilitation benefits.** (1) In addition to benefits otherwise provided in this
18 chapter, separate benefits not exceeding a total of \$4,000, adjusted as provided in subsection (2), may be paid
19 by the insurer for specialized job modification, reasonable travel, and relocation expenses used ~~to~~ for any of the
20 following:

21 ~~(1)(a)~~ a search for new employment;

22 ~~(2)(b)~~ a return to work but in a new location;

23 ~~(3)(c) implement a rehabilitation~~ the implementation of a stay-at-work/return-to-work plan or a retraining
24 plan that has been filed with the department; and or

25 ~~(4)(d) attend attendance at~~ an on-the-job training program.

26 (2) The separate benefit may be adjusted by an amount that is the percentage increase, if any, in the
27 state's average weekly wage over the state's average weekly wage adopted for the previous year."

28

29 **Section 33.** Section 39-71-1031, MCA, is amended to read:

30 "**39-71-1031. Exchange of information.** The ~~insurer's designated~~ insurer, the rehabilitation provider,

1 and the department shall provide to one another case information as necessary to carry out the purposes of this
2 part."

3

4 **NEW SECTION. Section 34. Exchange of information regarding stay-at-work/return-to-work**
5 **assistance.** (1) In order to protect the privacy rights of an injured worker, health care information related to a
6 workplace injury or occupational disease may not be released by health care providers to the worker's employer
7 without an authorization for the release of information from the worker. A written authorization provided for in this
8 subsection for the release of stay-at-work/return-to-work information to the employer by health care providers
9 must be signed by the worker and comply with 50-16-526. The written authorization may be executed without the
10 need for either the worker or the employer to have already completed a first report of injury or occupational
11 disease.

12 (2) After satisfying the release of information requirements provided in subsection (1), only the following
13 written information, which may constitute health care information as defined in 50-16-504, may be released by
14 health care providers to the worker's employer:

- 15 (a) the workers' restrictions related to the claim;
- 16 (b) the date or anticipated date the worker is released to return to work;
- 17 (c) the approval or disapproval of work activities or job descriptions for the worker;
- 18 (d) the date or anticipated date of maximum medical healing; and
- 19 (e) the worker's next appointment date.

20 (3) An employer receiving information regarding a worker's medical condition pursuant to this section
21 shall exercise due care to prevent unauthorized use or redisclosure of that information.

22 (4) This section does not prohibit health care providers from discussing return-to-work issues with an
23 employer if the worker is present and consents to the discussion or if the worker separately signs and consents
24 in the release as provided in subsection (1) to verbal communications between the worker's employer and the
25 worker's health care provider.

26

27 **NEW SECTION. Section 35. Stay-at-work/return-to-work assistance fund -- purpose -- payment**
28 **process -- rulemaking.** (1) There is a stay-at-work/return-to-work assistance fund in the proprietary fund
29 category.

30 (2) The purpose of the assistance fund is to pay for stay-at-work/return-to-work assistance provided by

1 the department so that assistance may be provided as early as practicable in the workers' compensation claims
2 process.

3 (3) (a) The department may establish by rule:

4 (i) the amounts and types of assistance to be provided; and

5 (ii) the maximum hourly rate that can be charged for department-obtained stay-at-work/return-to-work
6 assistance paid for by the assistance fund.

7 (b) The rules adopted under subsection (3)(a) regarding the payment amounts to rehabilitation providers
8 do not apply if the insurer has taken direct responsibility for providing stay-at-work/return-to-work assistance.

9 (c) In the absence of rules being adopted under subsection (3)(a), the department may not provide more
10 than \$2,000 in assistance.

11
12 **NEW SECTION. Section 36. Assessment for stay-at-work/return-to-work assistance fund --**

13 **definition.** (1) (a) The assistance fund must be maintained by assessing each plan No. 1 employer, each
14 employer insured by a plan No. 2 insurer, and each employer insured by plan No. 3, the state fund, an amount
15 as provided in subsections (2) through (10).

16 (b) The board of investments shall invest the money in the assistance fund. The investment income must
17 be deposited in the assistance fund.

18 (2) The assessment amount is the total amount paid by the assistance fund in the preceding fiscal year
19 less other realized income that is deposited in the assistance fund. Allocation of the total assessment amount
20 among plan No. 1 employers, plan No. 2 employers, and plan No. 3 employers must be based on each plan's
21 proportionate share of money expended from the assistance fund for the calendar year preceding the year in
22 which the assessment is collected.

23 (3) On or before May 31 each year, the department shall notify each plan No. 1 employer, plan No. 2
24 insurer, and plan No. 3, the state fund, of the amount to be assessed for the ensuing fiscal year. On or before
25 April 30 each year, the department shall consult with the advisory organization designated under 33-
26 16-1023 and notify plan No. 2 insurers and plan No. 3, the state fund, of the premium surcharge rate to be
27 effective for policies written or renewed on and after July 1 in that year.

28 (4) The portion of the plan No. 1 assessment assessed against an individual plan No. 1 employer is the
29 amount actually expended by the assistance fund on behalf of injured workers employed by that plan No. 1
30 employer. A group of employers insured jointly under plan No. 1 is considered to be an individual employer for

1 the purposes of this subsection.

2 (5) After subtracting plan No. 1 assessments from the total assessment, the department shall determine
3 the surcharge rate for plan No. 2 insurers and plan No. 3, the state fund, by dividing the remaining portion of the
4 assessment by the total amount of premiums paid by employers insured under plan No. 2 or plan No. 3 in the
5 previous calendar year. The numerator for the calculation must be adjusted as provided in subsection (9).

6 (6) Employers insured under plan No. 2 or plan No. 3 shall pay their portion of the assessment in a
7 surcharge on premiums for policies written or renewed annually on or after July 1.

8 (7) (a) Each plan No. 2 insurer and plan No. 3, the state fund, shall collect from its policyholders the
9 assessment premium surcharge provided for in subsection (5). When collected, the assessment premium
10 surcharge may not constitute an element of loss for the purpose of establishing rates for workers' compensation
11 insurance but, for the purpose of collection, must be treated as separate costs imposed upon insured employers.
12 The total of this assessment premium surcharge must be stated as a separate cost on an insured employer's
13 policy or on a separate document submitted by the insured employer and must be identified as "workers'
14 compensation stay-at-work/return-to-work assistance fund surcharge". Each assessment premium surcharge
15 must be shown as a percentage of the total workers' compensation policyholder premium. This assessment
16 premium surcharge must be collected at the same time and in the same manner as the premium for the coverage.
17 The assessment premium surcharge must be excluded from the definition of premium for all purposes, including
18 computation of insurance producers' commissions or premium taxes, except that an insurer may cancel a
19 workers' compensation policy for nonpayment of the assessment premium surcharge. Cancellation must be in
20 accordance with the procedures applicable to the nonpayment of premium.

21 (b) If an employer fails to remit to an insurer the total amount due for the premium and assessment
22 premium surcharge, the amount received by the insurer must be applied to the assessment premium surcharge
23 described in 39-71-201 first, then to the assessment premium surcharge in this section, followed by the surcharge
24 in 39-71-915, with any remaining amount applied to the premium due.

25 (8) (a) The department shall deposit all assessments due under this section into the assistance fund.

26 (b) Each plan No. 1 employer shall pay its assessment due under this section by July 1.

27 (c) Each plan No. 2 insurer and plan No. 3, the state fund, shall remit to the department all assessment
28 premium surcharges collected during a calendar quarter by not later than 20 days following the end of the quarter.

29 (d) If a plan No. 1 employer, a plan No. 2 insurer, or plan No. 3, the state fund, fails to timely pay to the
30 department the assessment or assessment premium surcharge under this section, the department may impose

1 on the plan No. 1 employer, the plan No. 2 insurer, or plan No. 3, the state fund, an administrative fine of \$100
2 plus interest on the delinquent amount at the annual interest rate of 12%. Administrative fines and interest must
3 be deposited in the assistance fund.

4 (9) Each year the department shall compare the amount of the assessment premium surcharge actually
5 collected pursuant to subsection (5) with the amount assessed and upon which the premium surcharge was
6 calculated. The amount undercollected or overcollected in any given year must be used as an adjustment to the
7 numerator for the following year's assessment premium surcharge, as provided in subsection (5).

8 (10) If the total assessment is less than \$100,000 for any year, the department may defer the assessment
9 for that year and add that amount to the assessment amount for the subsequent year.

10 (11) As used in this section, "money expended" means expenditures for stay-at-work/return-to-work
11 assistance from the assistance fund.

12
13 **NEW SECTION. Section 37. Rulemaking authority.** The department may adopt rules to implement
14 this part.

15
16 **NEW SECTION. Section 38. Repealer.** The following sections of the Montana Code Annotated are
17 repealed:

18 39-71-1006. Rehabilitation benefits.

19 39-71-1014. Rehabilitation services -- required and provided by insurers.

20 39-71-1032. Termination of benefits for noncooperation with rehabilitation provider -- appeal.

21
22 **NEW SECTION. Section 39. Transition for stay-at-work/return-to-work assistance fund.** (1) The
23 department of labor and industry shall transfer \$100,000 from the administration fund provided for by 39-71-201
24 to the stay-at-work/return-to-work assistance fund to provide the initial funding for the fund.

25 (2) Effective for policies written or renewed in state fiscal year 2012 only, the premium surcharge rate
26 to be levied by insurers on workers' compensation insurance premiums pursuant to [section 36] is 0.00082.

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28 **NEW SECTION. Section 40. Notification to tribal governments.** The secretary of state shall send
29 a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
30 Chippewa tribe.

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NEW SECTION. Section 41. Codification instruction. (1) [Section 1] is intended to be codified as an integral part of Title 39, chapter 71, part 7, and the provisions of Title 39, chapter 71, part 7, apply to [section 1].

(2) [Sections 26 through 31 and 34 through 37] are intended to be codified as an integral part of Title 39, chapter 71, part 10, and the provisions of Title 39, chapter 71, part 10, apply to [sections 26 through 31 and 34 through 37].

NEW SECTION. Section 42. Severability -- nonseverability. (1) Except as provided in subsections (2) through (4), if a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

(2) (a) It is the intent of the legislature that [sections 2, 5, 8, 12 through 14, 16, 22, 24 through 33, 35 through 38] along with the deletion of the definition of "actual wage loss", the addition of a definition of "indemnity benefits", and the change in the definition of "permanent partial disability" in [section 3] are essentially dependent upon each other, and that if one or more of these sections are held invalid or unconstitutional, the other sections and the changes in definitions specified in this subsection (2)(a) also are to be made invalid.

(b) If the changes regarding definitions of "actual wage loss", "indemnity benefits", and "permanent partial disability" are affected by subsection (2)(a), then the changes to 39-71-116 as applied in [this act] remain in effect except for those subsections affecting the definitions of "actual wage loss", "indemnity benefits", and "permanent partial disability".

(3) It is the intent of the legislature that [sections 9 through 11] are essentially dependent upon each other, and that if one or more of these sections are held invalid or unconstitutional, the other sections specified in this subsection (3) also are to be made invalid.

(4) It is the intent of the legislature that if any one of the amendments to [section 23] implementing settlement of undisputed medical benefits is held invalid or unconstitutional, the other amendments in [section 23] and [section 44] implementing settlement of undisputed medical benefits are invalid so that settlement of undisputed medical benefits is no longer permitted.

NEW SECTION. Section 43. Effective dates. (1) Except as provided in subsection (2), [this act] is

1 effective July 1, 2011.

2 (2) [Sections 39 and 44] and this section are effective on passage and approval.

3

4 NEW SECTION. Section 44. Applicability. (1) Except as provided in subsections (2) through (4) and
5 unless otherwise specifically stated, [this act] applies to injuries and occupational diseases occurring on or after
6 July 1, 2011.

7 (2) [Sections 9 through 11] apply to disputes arising on or after July 1, 2011.

8 (3) [Section 15], except for subsection (1)(f), applies to service provided on or after July 1, 2011,
9 regardless of the date of injury or occupational disease.

10 (4) [Section 23] applies retroactively, within the meaning of 1-2-109, to claims for injuries or occupational
11 diseases for which all benefits have not been settled.

12 - END -