

Montana State Senate



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COMMITTEES:
BUSINESS AND LABOR
HIGHWAYS AND TRANSPORTATION

The Big Sky Country

August 30, 2010

Chairman Keane and Fellow Economic Affairs Committee Members,

First, let me say I am very thankful to the LMAC group and all those that participated in the process that resulted in the legislation brought forward to reform Worker's Comp. A tremendous amount of effort was expended to put this together.

I realize this is a huge balancing act between Labor and Management and I have been impressed at how well both sides have been able to maneuver through this discussion and come up with credible solutions. One group that was not at the negotiating table but plays a huge part of the solution is the medical providers who get our injured workers back on the job. They play a very important role in a positive outcome for Montana, for workers, and for businesses.

As you know, the major portion of the bill's cost savings is the reduction in the provider reimbursement rates. I have many constituents that often call me with complaints that their medical provider will not handle Worker's Comp claims. There are also complaints about how long it takes to get in to see a provider when they can find one who will accept Worker's Comp. With the bill's proposed reduction in provider reimbursements, my main concern is for injured workers who through no fault of their own find out there are even fewer Doc's and facilities that will accept them for Worker's Comp claims. Especially in rural Montana, Doctors and facilities that accept WC claims are already far and few between. We are not going to reduce the time to get the injured worker back on the job if they have to travel 200 miles to get treatment.

The other concern about this portion of the bill is that it was rolled out near the end of the process without a lot of debate and without the Providers at the negotiating table. I have many constituents who rely on WC to get them back to work. I also have many constituents who are Doctors, Nurses, Physical Therapists, and Providers of some sort. This reduction in reimbursements which is tied to Medicare rates (that are also scheduled to be reduced in the new Federal health care mandate) goes right to the bottom line for providers. If providers are required to reduce their reimbursements by nearly \$50 million per year, it will have an effect on employment and jobs.

Medical providers testified that they disagree with the LMAC's payment data and believe that the claim that providers are overpaid is exaggerated. Hospital and doctor groups have said they will fight against any rules that substantially cut payments based upon the LMAC proposal. At the same time, these groups have approached the Department of Labor to continue work on measuring current payment issues and hope to come to agreement on a fair reimbursement proposal. Medical providers are asking for an opportunity to amend the LMAC proposal to reflect the outcome of their work with the Department.

Not knowing whether we would be having another meeting of the Economic Affairs Committee, and the fact that the Provider reimbursement reduction was put in at the last minute, I was not prepared to provide alternatives during our discussion at the last meeting. The vote seemed like a take it or leave it vote and of course I wanted the bill to continue on. We must get a handle on Worker's Comp. Reform and this bill goes a long way toward that.

Now that we are having another meeting, I would like the opportunity to place these concerns on the record so access for injured workers is not put in jeopardy. I am asking that committee members keep an open mind to consider further amendments to the LMAC proposal that add some safeguards for the providers. Thank you for your patience in this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Roy A. Brown", with a long horizontal flourish extending to the right.