



Montana State Fund Special Investigations Unit

Economic Affairs Committee
July 8, 2009



Montana State Fund (MSF) Special Investigations Unit (SIU)

- Instituted by the Legislature in 1993
- MSF establishes a fraud prevention unit.
§ 39-71-211, MCA
- The Attorney General - Dept of Justice provides investigative and prosecution services for MSF. § 39-71-206 & 2-15-2015, MCA



MSF Special Investigations Unit

- SIU staff: Special Investigations Unit/ Legal Director, a Coordinator, and an Investigator.
- Dept of Justice provides a full-time prosecutor, and full-time investigator.
 - MSF provides funding to DOJ.

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Scope of Services

SIU provides services and support to MSF staff in addressing “red flags” and “tips.”

- 375 to 400 claims per year investigated
 - Savings (reserves) - total since 1993- \$41,539,159
 - FY09 to date-\$3,482,329
- FY03 – 263 Investigations Opened FY03 Savings - \$2.3 Million
- FY04 – 318 Investigations Opened FY04 Savings - \$2.9 Million
- FY05 – 437 Investigations Opened FY05 Savings - \$3.5 Million
- FY06 – 480 Investigations Opened FY06 Savings - \$4.2 Million
- FY07 – 384 Investigations Opened FY07 Savings - \$3.5 Million
- FY08 – 392 Investigations Opened FY08 Savings - \$5.4 Million

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Scope of Services

- FY 2008 - 29 premium/audit issues investigated
 - *\$335,000 premium ordered*
- FY 2009 - 6 premium/audit issues investigated
 - *\$167,500 premium ordered*

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Montana Criminal Statutes

Statutes Utilized in Workers' Compensation

- Theft § 45-6-301, MCA
- Employer misconduct § 45-7-501, MCA

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Department of Justice

Referrals to the Department of Justice:

- FY 2008 – referred 15 cases for criminal investigation and prosecution
- FY2008 – 13 convictions with restitution ordered – claim cases
- FY2009 - referred 15 cases
- FY2009 – 7 convictions with restitution ordered – 6 claim cases, 1 employer
- Drug diversion – diverting of drugs from their original purpose- 6 cases referred to date, 1 conviction

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Medical Providers

- Issues primarily addressed through:
 - Review of bills and treatment provided for appropriate coding and services by claims examiners and medical bill reviewers
 - Application of Workers' Compensation Medical Fee Schedules adopted by the Department of Labor

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For questions or more information, contact:

Nancy Butler, General Counsel, Montana State Fund

Phone: (406) 444-7725

E-mail: nbutler@mt.gov