

**Unofficial Draft Copy**

As of: July 24, 2014 (10:35am)

LCfrod

\*\*\*\* Bill No. \*\*\*\*

Introduced By \*\*\*\*\*

By Request of the \*\*\*\*\*

A Bill for an Act entitled: "An Act requiring a study of workers' compensation fraud and investigation services provided in Montana; providing an appropriation; providing an immediate effective date; and providing a termination date."

Be it enacted by the Legislature of the State of Montana:

NEW SECTION. **Section 1. Study of workers' compensation fraud and prosecution activities -- appropriation.** (1) The department of justice, the state auditor's office, the state compensation insurance fund provided for in 39-71-2313, and the department of labor and industry shall coordinate with the economic affairs interim committee provided for in 5-5-223 to develop the following information:

(a) information regarding how other states in the Western region, in particular states with state funds, investigate and prosecute workers' compensation fraud by employees, employers, and health care providers;

(b) costs of the Montana department of justice in providing investigative and prosecution services as provided under 2-15-2015, including expenses and judgments received and disposition of those judgments. The information may include efficiencies enabled by housing the workers' compensation fraud investigation

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and prosecution office in the department of justice.

(c) cost projections of the state auditor's office if the workers' compensation fraud investigation and prosecution office were transferred from the department of justice to the state auditor's office, including projected efficiencies;

(d) information from the state compensation insurance fund as to cases investigated but not referred as well as cases referred to the workers' compensation fraud investigation and prosecution office and outcomes of referred cases; and

(e) information on potential impacts on the uninsured employers' fund cases of a transfer to the state auditor's office of the workers' compensation fraud investigation and prosecution office along with information on past outcomes of referred cases.

(2) A study by the economic affairs interim committee on workers' compensation fraud investigation and prosecution also must include information on whether any county attorney has prosecuted a referred plan 1 or plan 2 workers' compensation fraud case since 2010. If earlier information is available, the committee may report that information as part of the study.

(3) The state auditor's office shall provide deidentified data on cases of workers' compensation fraud referred to the insurance commissioner by plan 2 insurers.

(4) The economic affairs interim committee shall report study findings and make recommendations to the 65th Legislature.

(5) There is appropriated from the state general fund for the biennium beginning July 1, 2015, the sum of \$2,000 to the following agencies for the purposes of research and providing

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data requested in this section to the economic affairs interim committee:

- (a) the state auditor;
- (b) the department of justice;
- (c) the department of labor and industry; and
- (d) the state compensation insurance fund.

NEW SECTION. **Section 2. {standard} Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 3. {standard} Termination.** [This act] terminates September 15, 2016.

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