



Economic Affairs Interim Committee

63rd Montana Legislature

SENATE MEMBERS

BRUCE TUTVEDT--Chair
ELSIE ARNTZEN
DICK BARRETT
TOM FACEY

HOUSE MEMBERS

RYAN LYNCH--Vice Chair
TOM BERRY
GREG HERTZ
LEA WHITFORD

COMMITTEE STAFF

PATRICIA MURDO, Lead Staff
BART CAMPBELL, Staff Attorney
KRISTINA LIMING, Secretary

MINUTES LOG

May 12-13, 2014

Rm 317, State Capitol, Helena, MT

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. To the left of each section in these minutes is a time designation indicating the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select *Committees*, then *Interim*. Once on the page for *Interim Committees*, scroll down to the appropriate committee. The written minutes summary, along with the audio and video recordings, are listed by meeting date on the interim committee's web page.

Hard copies of the exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.

COMMITTEE MEMBERS PRESENT

SEN. BRUCE TUTVEDT, Chair
REP. RYAN LYNCH, Vice Chair

SEN. ELSIE ARNTZEN
SEN. DICK BARRETT
SEN. TOM FACEY

REP. TOM BERRY - (Excused)
REP. GREG HERTZ
REP. LEA WHITFORD

STAFF PRESENT

PATRICIA MURDO, Lead Staff
BART CAMPBELL, Staff Attorney
KRISTINA LIMING, Secretary

AGENDA & VISITORS' LIST

Agenda, [Attachment #1](#).
Visitors' list, [Attachment #2](#).

COMMITTEE ACTION

The Economic Affairs Interim Committee (EAIC):

- ! by consensus agreed to include in a draft bill for discussion purposes regulation of Montana State Fund by the State Auditor (Insurance Commissioner) and the following items from Exhibit 12:
 - A) retaining Montana State Fund as a guaranteed market;
 - B) retaining Montana State Fund eligibility for the federal tax exemption;
 - C) preventing Montana State Fund from being dissolved by the State Auditor;
 - L) allowing Montana State Fund to have a calendar, not fiscal budget year;
 - M) providing that a memorandum of understanding be allowed for Montana State Fund to have tiered rating;
 - N) allowing Montana State Fund (and all insurers) to use a higher experience rating trigger and all have the same class codes;
 - P) providing that Montana State Fund statutes be in Title 33, but with flexibility;
 - Q) providing that Montana State Fund receive an automatic certificate of approval.

- ! agreed unanimously that due diligence had been done as directed by House Bill No. 525 in the 2011 session and that the following boards would be recommended to be retained: the Alternative Health Care Board, Board of Architects and Landscape Architects, Board of Athletic Trainers, Board of Barbers and Cosmetologists, Board of Massage Therapy, Board of Occupational Therapy Practice, Board of Physical Therapy Examiners, Board of Private Security, Board of Real Estate Appraisers, Board of Realty Regulation, Board of Sanitarians, Board of Social Work Examiners and Professional Counselors, and the Board of Speech Language Pathologists and Audiologists.

AGENDA

- 00:00:00 **1. Welcome -- Call to Order 10:33a.m. - Roll Call -- Introduction -- Sen. Tutvedt**

- 00:01:27 **2. Updates on Department of Labor & Industry Licensing Board Concerns (carried over from March 2014 meeting)**

- 00:01:39 **a) Review of Contingency Funds and "Fees Commensurate with Costs"**
 - Overview by **Pat Murdo**, Committee Staff, ([EXHIBIT 1](#))
 - **Adam de Yong**, Business Standards Division (BSD) administrator
 - Enterprise Funding* ([EXHIBIT 2](#))
 - Options for BSD* ([EXHIBIT 3](#))
 - Answers to Committee Questions* ([EXHIBIT 4](#))
 - BSD Summary HB2* ([EXHIBIT 5](#))
 - Fines to Accela Database* ([EXHIBIT 6](#))
 - Changes in Fund Balance* ([EXHIBIT 7](#))
 - Public Accountant Letter* ([EXHIBIT 8- Presented in March](#))
 - Ms. Egan Letter* ([EXHIBIT 9 - Presented in March](#))

Committee Questions and Comments

00:17:15 SEN. FACEY
00:17:25 Mr. de Yong
00:18:05 REP. HERTZ
00:18:26 Mr. de Yong
00:19:15 SEN. BARRETT - Mr. de Yong
00:22:36 SEN. TUTVEDT - Mr. de Yong
00:25:29 REP. HERTZ - Mr. de Yong
00:26:51 SEN. TUTVEDT - Mr. de Yong
00:31:16 REP. LYNCH - Mr. de Yong
00:35:56 SEN. FACEY - Mr. de Yong
00:39:37 SEN. BARRETT - Mr. de Yong
00:43:22 REP. LYNCH
00:44:02 Ms. Murdo
00:44:36 SEN. FACEY
00:45:34 SEN. TUTVEDT

Public Comment

00:46:12 **Erin McLean**, Montana Funeral Director's Association
Handed out an *Informational Packet* (**EXHIBIT 10**) and reviewed information included in the packet about costs to the Board of Funeral Services.

Committee Questions and Comments

00:59:22 SEN. TUTVEDT
01:02:33 SEN. BARRETT
01:08:23 SEN. TUTVEDT
01:11:25 SEN. BARRETT
01:13:42 SEN. TUTVEDT
01:14:51 REP. HERTZ
01:16:19 SEN. TUTVEDT
01:16:23 Ms. Murdo
01:17:21 SEN. TUTVEDT - Ms. McLean
01:20:27 Ms. Murdo - *Letter to Adam de Yong* (**EXHIBIT 11**)

01:20:50 **Mary Anne Guggenheim**, MD, Montana Board of Medical Examiners
Commented about her work on the Board of Medical Examiners and communications with the Department of Labor and Industry staff. She also gave information regarding fund balances and program changes to the board.

01:26:22 **Rick Hutchinson**, Master Electrician, Montana Board of Electricians
Commented about the Electrical Board wanting to have control over their budget.

01:28:21 **Dan Vuckovich**, Montana Board of Public Accountants
Commented about cost allocations and budgeting for the boards. He also stated that the Board of Public Accountants supports the enterprise fund.

01:32:38 **Greg Kohn**, Montana Board of Nursing

Read a letter (**EXHIBIT 12**) on behalf of the Montana Board of Nursing.

01:38:34 **Charles Abramson**, Montana Board of Realty Regulation (RRE)
Commented about the issues with different staff handling RRE board work and the need for knowledgeable staff specifically designated to each board. He also stated the support from RRE for the enterprise fund.

01:43:31 **b) Board of Hearing Aid Dispensers re: Memorandum of Understanding**
-- Ms. Murdo
Board of Hearing Aid Fees in Nearby States (**EXHIBIT 13**)
-- Adam de Yong, Business Standards Division Administrator

Committee Questions and Comments

01:53:33 REP. LYNCH - Mr. de Yong

01:58:20 SEN. BARRETT

01:59:05 Mr. de Yong

01:59:28 REP. HERTZ

02:00:30 Mr. de Yong

02:00:47 **Kim Moog**, Central Services Administrator

02:01:51 REP. HERTZ - Ms. Moog

02:03:39 SEN. TUTVEDT - Mr. de Yong

02:05:07 REP. LYNCH

02:05:30 Mr. de Yong

02:06:26 Mr. De Yong continued his informational briefing on Hearing Aid Dispensers.

Committee Questions and Comments

02:08:14 SEN. FACEY

02:08:34 SEN. TUTVEDT

02:08:40 Mr. de Yong

02:09:16 SEN. TUTVEDT

02:10:52 LUNCH

03:07:04 **4. Agency Monitoring - Division of Banking and Financial Institutions**
-- **Melanie Hall**, Banking Commissioner
Legislative Brief on Banking and Financial Institutions (**EXHIBIT 14**)

Committee Questions and Comments

03:21:23 SEN. TUTVEDT - Ms. Hall

03:25:33 **5. Agency Monitoring Follow-ups -- Department of Livestock - Horse Theft Concerns**
--**Christian Mackay**, Department of Livestock
Report on Horse Inspections (**EXHIBIT 15**)
Legislative Brief on Horse Theft & Per Capita Fee Charges (**EXHIBIT 16**)

Committee Questions and Comments

03:30:07 REP. HERTZ
03:30:28 Mr. Mackay
03:31:28 SEN. FACEY - Mr. Mackay

03:32:31 **6. Report on HB 630 and Updates to Food Modernization Act**
-- **Cort Jensen**, Department of Agriculture
-- **Jim Murphy**, Department of Public Health and Human Services,
-- **Gary Hamel**, Department of Livestock
Montana Food Modernization Project (EXHIBIT 17)

Committee Questions and Comments

03:36:24 SEN. TUTVEDT
03:37:18 Ms. Murdo
03:38:04 SEN. TUTVEDT - Mr. Jensen
03:40:45 Mr. Murphy
03:46:15 REP. WHITFORD
03:46:45 Mr. Murphy
03:47:26 Mr. Jensen
03:47:50 Mr. Hamel
03:51:17 SEN. FACEY
03:51:28 Mr. Hamel
03:52:06 SEN. TUTVEDT
03:52:50 Mr. Hamel
03:53:50 REP. HERTZ
03:54:22 Mr. Hamel
03:54:36 REP. HERTZ
03:55:15 Mr. Jensen
03:57:35 REP. HERTZ
03:58:18 Mr. Murphy
04:00:06 REP. HERTZ
04:00:24 Mr. Murphy
04:00:56 SEN. TUTVEDT
04:01:22 Mr. Murphy
04:01:39 Mr. Hamel
04:02:25 Mr. Jensen
04:03:27 SEN. TUTVEDT
04:03:41 REP. HERTZ - Mr. Hamel
04:05:10 REP. HERTZ
04:05:33 Mr. Jensen
04:06:35 SEN. TUTVEDT

Public Comment

04:07:14 **Stephanie Potts**, Grow MT
Commented about her hope for legislation to streamline regulations and help create opportunity while protecting public health and safety. She emphasized that education is important for producers, sanitarians, and health officials. She also provided a handout to the committee (**EXHIBIT 18**).

04:09:40 BREAK
04:30:49 **7. HJR 25 Study of Worker's Compensation - MSF Restructuring**
04:31:20 **a) Review of Montana State Fund Restructuring Matrix (EXHIBIT 19)**
--Pat Murdo, EAIC Staff
Matrix Tally (EXHIBIT 20)

Committee Questions and Comments

04:36:35 SEN. TUTVEDT
04:36:50 Ms. Murdo
04:37:47 **Bart Campbell**, Staff Attorney
04:38:48 SEN. TUTVEDT
04:38:59 Ms. Murdo
04:40:00 REP. LYNCH
04:40:30 REP. HERTZ
04:40:48 Ms. Murdo
04:42:42 SEN. FACEY
04:43:29 SEN. TUTVEDT
04:43:36 Ms. Murdo
04:43:45 **Jesse Laslovich**, State Auditors Office
04:44:51 SEN. TUTVEDT - Mr. Laslovich
04:48:29 Ms. Murdo
04:51:13 SEN. TUTVEDT
04:51:15 Ms. Murdo
04:52:14 Mr. Campbell
04:53:14 Ms. Murdo
04:53:32 SEN. TUTVEDT
04:53:40 **Laurence Hubbard**, Montana State Fund
04:55:08 SEN. TUTVEDT
04:55:12 Ms. Murdo
04:55:55 SEN. TUTVEDT
04:56:26 SEN. FACEY
04:56:48 Ms. Murdo
05:00:34 **Mark Barry**, Montana State Fund
05:00:49 Ms. Murdo
05:03:56 Mr. Hubbard
05:04:43 Ms. Murdo
05:06:22 Mr. Laslovich
05:07:10 Ms. Murdo
05:08:03 Mr. Laslovich
05:08:59 SEN. TUTVEDT
05:09:36 Ms. Murdo
05:14:16 Mr. Laslovich
05:15:07 Mr. Hubbard
05:17:07 Ms. Murdo
05:18:11 SEN. TUTVEDT
05:18:23 Mr. Hubbard

05:19:03 SEN. TUTVEDT - Mr. Laslovich
05:20:35 Ms. Murdo
05:25:43 SEN. TUTVEDT
05:26:11 Mr. Hubbard
05:27:12 Mr. Laslovich
05:27:47 Mr. Hubbard
05:28:04 SEN. TUTVEDT
05:28:23 Mr. Laslovich
05:29:31 SEN. TUTVEDT
05:30:02 Ms. Murdo
05:30:45 SEN. TUTVEDT
05:30:57 Mr. Hubbard
05:31:49 Ms. Murdo
05:34:16 SEN. TUTVEDT
05:34:38 SEN. FACEY
05:35:12 SEN. TUTVEDT
05:35:23 SEN. FACEY
05:35:45 Mr. Laslovich
05:35:56 REP. HERTZ

05:36:39 **b) Montana State Fund Comments**
-- Mr. Hubbard

05:42:56 **c) State Auditor's Office Comments**
--Mr. Laslovich

Committee Questions and Comments

05:48:40 SEN. TUTVEDT
05:49:48 Ms. Murdo
05:50:33 SEN. TUTVEDT

05:50:49 **d) Attorney General's Office Comments**
--Jon Bennion

Committee Questions and Comments

05:52:49 SEN. FACEY
05:53:26 SEN. TUTVEDT
05:53:54 Mr. Laslovich
05:54:17 SEN. TUTVEDT
05:54:49 Mr. Laslovich
05:55:07 SEN. TUTVEDT
05:55:24 Mr. Laslovich
05:55:55 SEN. TUTVEDT

Public Comment

05:56:46 **Jim Keane**, Senate District 38
Commented about the costs and concerns related to changing the system for worker's compensation. He also noted concerns about excess funds.

06:00:56 **8. Agency Monitoring -- Insure Montana and Montana health exchange**
--Adam Schafer, State Auditor's Office
Health Exchange Enrollment Numbers (EXHIBIT 21)

Committee Questions and Comments

06:07:10 SEN. BARRETT- Mr. Schafer
06:08:13 REP. HERTZ - Mr. Schafer
06:10:48 SEN. FACEY
06:11:14 Mr. Schafer
06:11:19 SEN. ARNTZEN - Mr. Schafer
06:14:10 SEN. TUTVEDT
06:14:26 Mr. Schafer

06:15:30 Mr. Schafer presented *Insure Montana Program Statistics (EXHIBIT 22)*.

06:24:03 **9. Review of termination plans for Montana Comprehensive Health Association (MCHA)**

-- Tanya Ask, MCHA Board Presiding Officer
MCHA Informational Document (EXHIBIT 23)
Termination Plan for MCHA health benefit plans (EXHIBIT 24)

06:32:20 **10. Rule Review (EXHIBIT 25)**

-- Bart Campbell

Committee Questions and Comments on MSF Restructuring

06:33:22 REP. HERTZ
06:33:43 SEN. TUTVEDT
06:34:05 REP. HERTZ
06:34:26 SEN. BARRETT
06:35:00 SEN. FACEY
06:35:13 SEN. TUTVEDT
06:35:53 SEN. BARRETT
06:36:47 SEN. TUTVEDT
06:37:35 REP. HERTZ
06:37:48 SEN. ARNTZEN
06:38:16 SEN. TUTVEDT
06:38:20 REP. HERTZ

06:39:02 11. SEN. TUTVEDT called recess at 5:12 p.m. on May 12, 2014 to resume at 8:00 a.m. May 13, 2014.

May 13, 2014

Rm 317, State Capitol, Helena, MT

AGENDA & VISITORS' LIST

Agenda, [Attachment #1](#).
Visitors' list, [Attachment #2](#).

AGENDA

- 00:00:00 **1. Welcome -- Call to Order 8:06a.m. - Roll Call Attachment #3 -- Introduction --** Sen. Tutvedt
- 00:00:40 **2. Competition in Montana's Workers' Compensation Market**
- 00:01:02 **a) Analysis of Competition Using the Herfindahl-Hirschman Index (EXHIBIT 1)**
- **Jesse Laslovich**, State Auditor's Office

Committee Questions and Comments

- 00:05:58 SEN. BARRETT
- 00:06:21 Mr. Laslovich
- 00:06:25 SEN. TUTVEDT - Mr. Laslovich
- 00:11:21 SEN. BARRETT
- 00:12:35 Mr. Laslovich
- 00:13:13 REP. HERTZ
- 00:13:43 **Laurence Hubbard**, Montana State Fund
- 00:15:58 REP. HERTZ - Mr. Hubbard
- 00:17:09 SEN. TUTVEDT
- 00:18:00 Mr. Hubbard
- 00:19:46 SEN. BARRETT - Mr. Hubbard
- 00:22:02 REP. LYNCH
- 00:22:31 Mr. Hubbard
- 00:23:24 SEN. FACEY
- 00:24:11 Mr. Hubbard
- 00:25:06 SEN. TUTVEDT
- 00:25:50 Mr. Laslovich
- 00:26:28 **Bruce Wood**, American Insurance Association
- 00:29:11 SEN. TUTVEDT
- 00:29:37 Mr. Wood
- 00:30:57 SEN. BARRETT
- 00:31:39 Mr. Wood
- 00:34:11 SEN. FACEY
- 00:34:57 Mr. Wood
- 00:38:13 REP. HERTZ
- 00:38:33 Mr. Wood
- 00:38:56 SEN. TUTVEDT
- 00:39:19 Mr. Wood
- 00:41:14 Ms. Murdo
- 00:41:39 SEN. FACEY - Mr. Wood
- 00:44:40 **Diana Ferriter**, Administrator, Employment Relations Division (ERD)
- 00:47:12 REP. LYNCH
- 00:47:40 Ms. Ferriter
- 00:49:20 **Mike Taylor**, National Council on Compensation Insurance (NCCI)
- 00:51:04 SEN. TUTVEDT- Mr. Taylor

00:53:24 **b) Presentation on Guaranteed Markets vs. Risk Pools in Other States**

00:54:31 -- **Bruce Hockman**, JLT Towers Re
Montana State Fund Presentation (EXHIBIT 2)

Committee Questions and Comments

01:11:51 REP. HERTZ
01:12:05 Mr. Hockman - answered Rep. Hertz's question, then continued presentation
01:21:59 SEN. FACEY - Mr. Hockman answered Sen. Facey's question, then continued
01:41:31 SEN. TUTVEDT
01:41:39 Mr. Hockman
01:41:50 SEN TUTVEDT
01:42:05 Mr. Hubbard
01:43:21 SEN. TUTVEDT
01:43:40 Mr. Hockman - answered Sen. Tutvedt's question then continued
01:49:48 REP. HERTZ - Mr. Hockman

01:52:44 BREAK

02:10:23 -- **Jim Nau**, NCCI
Residual Market Plan and Pool Functions (EXHIBIT 3)

Committee Questions and Comments

02:37:43 SEN. BARRETT- Mr. Nau
02:43:24 Mr. Hockman
02:44:03 REP. HERTZ
02:44:33 Mr. Nau

02:44:50 -- **Bruce Wood**, American Insurance Association

Committee Questions and Comments

02:58:22 SEN. FACEY
02:59:09 Mr. Hockman
03:02:32 SEN. TUTVEDT
03:03:25 Mr. Hockman
03:04:33 Mr. Nau
03:04:54 SEN. TUTVEDT
03:05:47 Mr. Hockman
03:08:16 Mr. Wood
03:11:22 SEN. TUTVEDT
03:12:35 Mr. Hockman
03:16:15 SEN. BARRETT
03:16:59 REP. HERTZ
03:18:07 Mr. Wood
03:18:35 SEN. TUTVEDT

03:18:47 **3. HJR 25 Study of Workers' Compensation -- Stay-at-Work, Return-to-Work**

-- **Jason Swant**, Department of Labor and Industry
Stay-at-Work/Return-to-Work Assistance Program (EXHIBIT 4)
Post Card from ERD (EXHIBIT 5)

Committee Questions and Comments

03:44:40 SEN. BARRETT- Mr. Swant
03:46:29 REP. HERTZ - Mr. Swant
03:48:10 SEN. TUTVEDT
03:49:52 **Kevin Braun**, Montana State Fund
03:51:14 SEN. TUTVEDT - Mr. Braun
03:53:20 Mr. Swant - *Medical Status Form (EXHIBIT 6)*

Public Comment

03:55:40 **Don Agan**, Agan Consulting, Inc.
Provided commentary (EXHIBIT 7) and spoke about his personal experience providing vocational rehabilitation services to injured workers. He presented ideas for improving an injured worker's return-to-work process.

04:06:15 **Al Smith**, Montana Trial Lawyers Association
Commented about his experience working with injured workers and their employers, as well as his opinion regarding vocational rehabilitation.

04:08:28 Mr. Agan returned to comment about the number of people interested in receiving vocational rehabilitation services.

Committee Questions and Comments

04:09:04 SEN. TUTVEDT
04:09:37 Diana Ferriter, ERD Administrator

04:10:48 **4. Pricing of Treating Physician Impact for HB 334**
-- **Mike Taylor**, NCCI

Committee Questions and Comments

04:11:40 SEN. TUTVEDT
04:11:43 Mr. Taylor
04:11:57 SEN. TUTVEDT
04:12:03 Ms. Murdo
04:12:13 REP. WHITFORD
04:13:04 Mr. Taylor
04:13:42 SEN. TUTVEDT
04:13:55 Mr. Taylor

Public Comment

04:14:20 **Al Smith**, Montana Trial Lawyers Association
Commented about the availability of information that will be provided regarding treating physicians.

04:15:03 **Laurence Hubbard**, Montana State Fund President and Chief Executive Officer

Commented about information to be provided to the committee later on in the agenda. He also clarified Mr. Taylor's statement about the lack of treating physician data.

04:16:42 LUNCH

05:13:31 **5. Panel Discussion Among Health Care Providers Regarding Treating Physician Changes in HB 334 from the 2011 Session**

05:14:57 **Dr. John Petrisko**, Billings Clinic(via Skype)

Committee Questions and Comments

05:19:08 SEN. TUTVEDT

05:19:23 Dr. Petrisko

05:21:45 **Dr. Phillip Steele**, Helena

Committee Questions and Comments

05:30:00 SEN. FACEY

05:31:00 Ms. Murdo

05:31:44 SEN. FACEY

05:31:50 Dr. Steele

05:33:17 REP. WHITFORD

05:34:35 SEN. ARNTZEN

05:35:21 Dr. Steele

05:37:40 SEN. ARNTZEN

05:37:49 Ms. Murdo

05:38:01 Ms. Ferriter

05:39:05 SEN. ARNTZEN - Ms. Ferriter

05:41:05 REP. HERTZ

05:42:27 SEN. BARRETT

05:44:21 Ms. Ferriter

05:44:44 SEN. TUTVEDT - Ms. Ferriter

05:47:16 SEN. FACEY

05:47:32 Ms. Ferriter

05:48:03 SEN. BARRETT

05:48:45 Ms. Ferriter

05:48:57 REP. HERTZ - Ms. Ferriter

05:50:45 Dr. Steele

05:52:42 SEN. TUTVEDT

05:53:04 Mr. Laslovich

Public Comment

05:53:12 **Al Smith**, Montana Trial Lawyers Association
Commented about the issues he has seen regarding treating physician changes. He also gave his suggestions to possible changes later to improve the process.

05:56:00 **Bridget McGregor**, Montana State Fund

Provided and reviewed an Informational Packet on *Designated Treating Physician Provisions* (**EXHIBIT 8**) from Montana State Fund.

Committee Questions and Comments

06:02:12 REP. LYNCH - Ms. McGregor
06:04:53 Ms. Murdo
Handout from Montana Self-Insurers' Association (**EXHIBIT 9**)
Legislative Brief on Treating Physician Issues (**EXHIBIT 10**)

06:05:50 **6. Follow-up on Old Fund**
-- **Scot Conrady**, Legislative Fiscal Division
Budget Option for Old Fund Payout (**EXHIBIT 11**)

Committee Questions and Comments

06:11:49 REP. HERTZ - Mr. Conrady
06:15:00 REP. LYNCH - Mr. Conrady
06:16:39 Mark Barry, Montana State Fund
06:17:20 REP. LYNCH - Mr. Barry
06:17:47 SEN. FACEY
06:18:11 Mr. Barry
06:18:24 REP. LYNCH - Ms. Ferriter
06:19:48 REP. HERTZ
06:20:01 Ms. Ferriter
06:20:54 SEN. TUTVEDT
06:21:18 Mr. Barry
06:23:15 SEN. TUTVEDT
06:23:35 Mr. Barry
06:23:40 REP. LYNCH
06:24:10 Mr. Barry
06:25:05 REP. HERTZ - Mr. Barry
06:26:07 SEN. FACEY
06:26:33 Mr. Barry
06:27:17 SEN. FACEY
06:27:24 SEN. ARNTZEN - Mr. Barry
06:29:25 Mr. Conrady

Public Comment

None.

06:30:46 **7. HJR 25 Study of Worker's Compensation - MSF Restructuring**
Committee Discussion and Determination of Bill Components, if any, and
Determination of What Additional Information is Needed

06:31:01 Ms. Murdo
Matrix Tally Regarding Montana State Fund Restructuring (**EXHIBIT 12**)
06:31:39 SEN. TUTVEDT
06:31:47 SEN. FACEY
06:32:39 REP. HERTZ

06:33:47 REP. LYNCH
06:34:31 Bart Campbell, Staff Attorney
06:34:47 SEN. ARNTZEN
06:35:12 SEN. FACEY moved to have a draft bill for discussion purposes that would put regulation of Montana State Fund under the State Auditor's Office (Insurance Commissioner) and include the following items from Exhibit 12:
A) retaining Montana State Fund as a guaranteed market;
B) retaining Montana State Fund eligibility for the federal tax exemption;
C) preventing Montana State Fund from being dissolved by the State Auditor;
L) allowing Montana State Fund to have a calendar, not fiscal, budget year;
M) providing that Montana State Fund be allowed to have tiered rating;
N) allowing Montana State Fund (and all insurers) to use a higher experience rating trigger and all have the same class codes;
P) providing that Montana State Fund statutes be in Title 33
Q) providing that Montana State Fund receive an automatic certificate of approval.

06:36:08 Mr. Laslovich
06:38:02 SEN. TUTVEDT
06:38:32 Ms. Murdo
06:39:04 SEN. FACEY
06:39:19 SEN. TUTVEDT
06:39:40 SEN. FACEY
06:40:18 Mr. Laslovich
06:41:24 SEN. FACEY
06:41:30 **Nancy Butler**, Montana State Fund, General Counsel
06:42:44 REP. HERTZ
06:42:58 Ms. Murdo
06:44:42 REP. HERTZ
06:44:47 Ms. Murdo
06:45:14 SEN. TUTVEDT
06:45:34 Mr. Laslovich
06:46:04 SEN. TUTVEDT
06:46:12 **Bruce Spencer**, Property Casualty Insurance Association
06:47:13 SEN. TUTVEDT
06:47:21 SEN. ARNTZEN
06:47:55 SEN. TUTVEDT
06:48:03 SEN. ARNTZEN
06:48:09 REP. HERTZ
06:48:15 Ms. Murdo
06:49:08 SEN. FACEY amended the motion to remove "M".
06:50:09 Ms. Murdo
06:50:34 Mr. Hubbard
06:51:40 SEN. FACEY amended his motion to reinsert "M" so that the auditor has the ability to sign memos of understanding with insurers in relation to tiered rating.

06:52:18 **Jacqueline Lenmark**, American Insurance Association
06:54:08 SEN. TUTVEDT
06:54:15 SEN. FACEY
06:54:47 SEN. TUTVEDT

06:55:33 REP. LYNCH
06:57:16 Mr. Laslovich
06:58:20 SEN. TUTVEDT summarized the discussion saying motion carried without objection.

06:58:58 **8. Review of Which, if any, Remaining Boards are to be Studied under HB 525 and Which Boards might be Combined -- Letter to Department (EXHIBIT 13)**

Committee Discussion and Recommendations

06:59:20 Ms. Murdo
07:00:33 SEN. TUTVEDT
07:01:13 Ms. Murdo
07:02:42 SEN. TUTVEDT
07:03:05 Ms. Murdo
07:03:53 SEN. TUTVEDT
07:04:01 SEN FACEY moved that due diligence had been done and recommended that the following boards be retained: Alternative Health Care Board, Board of Architects and Landscape Architects, Board of Athletic Trainers, Board of Barbers and Cosmetologists, Board of Massage Therapy, Board of Occupational Therapy Practice, Board of Physical Therapy Examiners, Board of Private Security, Board of Real Estate Appraisers, Board of Realty Regulation, Board of Sanitarians, Board of Social Work Examiners and Professional Counselors, and the Board of Speech Language Pathologists and Audiologists. Motion carried on a unanimous voice vote. (This list includes boards that were omitted in the original motion as allowed by the committee in following comments.)
07:04:50 Ms. Murdo
07:05:04 SEN. TUTVEDT
07:05:57 REP. HERTZ
07:06:18 Ms. Murdo
07:07:16 REP. HERTZ
07:07:49 **8. Review of July agenda items (EXHIBIT 14)**
-- Ms. Murdo
07:22:58 **9. Adjourn:** Sen. Tutvedt adjourned the May 13th, Economic Affairs Interim Committee meeting at 3:26 p.m.