

HOUSE JOINT RESOLUTION NO. 31

INTRODUCED BY Z. BROWN

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A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF WORKERS' COMPENSATION FRAUD AS RELATED TO WORKERS, EMPLOYERS, AND HEALTH CARE PROVIDERS AS WELL AS TO BAD FAITH OR PROBLEMATIC ACTIVITIES BY INSURERS; AND REQUIRING THAT THE FINAL RESULTS BE REPORTED TO THE 65TH LEGISLATURE.

WHEREAS, according to a 2014 study of national premiums, Montana's workers' compensation premium rates rank 11th highest in the nation; and

WHEREAS, fraud is a component of higher premium rates, whether the fraud results from misclassification of employees, provider code falsification, or false claims by employees; and

WHEREAS, there is a debate over whether health insurance offered by employers has an impact on false claims filed by workers.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislative Council be requested to designate an appropriate interim committee or statutory committee, pursuant to section 5-5-217, MCA, to examine workers' compensation fraud as related to workers, employers, health care providers, and problematic activities bordering on fraud or bad faith by insurers, gathering information on:

- (1) the cost of fraudulent claims:
  - (a) examined by the attorney general's office for the Montana State Fund; or
  - (b) filed by insurers with the workers' compensation court or any district court;
- (2) the number and nature of bad faith complaints filed against insurers and the number of times insurers have been assessed penalties by the workers' compensation court for problematic activities, even if the activities do not rise to the level of fraud or bad faith;
- (3) the efforts made by Plan No. 1, Plan No. 2, and Plan No. 3 insurers to determine an employer's accurate classification of employees for premium purposes;



1 (4) filings with the uninsured employers' fund that relate to misclassifications by employers; and  
2 (5) the number of employers who offer health insurance and the number of employers who do not offer  
3 health insurance cross-referenced with employers who provide workers' compensation to gain insights into  
4 whether employees use workers' compensation as an alternative to using their health insurance or to making  
5 health insurance copayments.

6 BE IT FURTHER RESOLVED, that the study include representatives of labor, management, and health  
7 care providers in addition to representatives of workers' compensation insurers and the Department of Justice  
8 as appropriate.

9 BE IT FURTHER RESOLVED, that the study seek to determine whether information can be gathered  
10 from insurer audits, fraud complaints, or elsewhere to determine whether billing codes are being properly applied  
11 and whether solutions are available to provide assistance to treating physicians or other workers' compensation  
12 health care providers to improve health care provider coding and the use of utilization and treatment guidelines.

13 BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review  
14 requirements, be concluded prior to September 15, 2016.

15 BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions,  
16 comments, or recommendations of the appropriate committee, be reported to the 65th Legislature.

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