

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 3M



ROLL NUMBER

DESCRIPTION

3064

2001 HOUSE INDUSTRY, BUSINESS AND LABOR  
HCR 3064


2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3064

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb. 21, 2001

Tape Number	Side A	Side B	Meter #
1	X		8.85-16.84
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep Mary Ekstrom: This provides a broad based study to look into fraud dealings from employers and, if we amend, employees especially in health fields.

Rep Froseth: I move the amendments.

Rep Keiser: Second.

Rep Ekstrom: I move a do pass as amended.

Rep Ruby: Second.

13 yea, 0 nay, 2 absent      Carrier Rep Lemieux

Date: 2-21-01  
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HCR 3064

House Industry, Business and Labor Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken ~~Do Pass~~ Do Pass as amended

Motion Made By Ekstorm Seconded By Ruby

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser	✓		Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm	✓		Rep. Myron Koppang	✓	
Rep. Rod Froelich			Rep. Doug Lemieux	✓	
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe		

Total (Yes) 13 No 0

Absent 2

Floor Assignment Rep Lemieux

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)  
February 21, 2001 11:24 a.m.

Module No: HR-32-4193  
Carrier: Lemieux  
Insert LC: 13125.0101 Title: .0200

**REPORT OF STANDING COMMITTEE**

HCR 3084: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HCR 3084 was placed on the Sixth order on the calendar.

Page 1, line 2, after "employers" insert ", employees"

Page 1, line 18, after "employers" insert ", employees"

Renumber accordingly

2001 SENATE INDUSTRY, BUSINESS AND LABOR

HCR 3064

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3064

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date March 14, 2001.

Tape Number	Side A	Side B	Meter #
1	x		10.9 to 21.0
	x		34.0 to 35.3
Committee Clerk Signature <i>Devin E. Pires</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on HCR 3064 directing the Legislative Council to study workers' compensation fraud by employers, employees, attorneys, health care providers, and rehabilitation service providers in order to identify the financial impact of such fraud on the ND workers' compensation fund, the most appropriate method of addressing such fraud, and the cost of addressing such fraud.

**Representative Mary Ekstrom**, District 11, cosponsor. We usually look at employees when talking about workers' compensation fraud. There are other types of fraud that should be looked at : employers (do not declare all employees, classify them incorrectly to get lower premiums, etc.), providers (reimbursement methods, medical care really being provided, etc..) ... Studying all kinds of fraud will make sure that we have all bases covered. This is a good idea urge do pass.

**Senator Espgaard**: I presume that the recovered amount includes the money they won't have to spend?

Page 2  
Senate Industry, Business and Labor Committee  
Bill/Resolution Number HCR 3064  
Hearing Date March 14, 2001.

**Rep Ekstrom** : Yes.

**Julle Leer**, General Counsel, ND Workers' Compensation Bureau, in support of bill. Distributed "Special Investigations Unit" statistics.

**Senator Espgaard**: Which is the most common employer fraud?

**J Leer**: About 90% is because people are not covered., this are civil cases. Sample of criminal fraud would be: uninsured employee suffers accident and employer says he is not employee but a contract laborer.

**Senator Every**: How do investigations come about? Tips?

**J Leer**: Normally through tips, referrals from analysts (inconsistencies in reports) and from policy holders and claims division staffs. Information gathered during investigation is confidential and protected by statute.

No opposing testimony. Hearing concluded.

Tape 1-A-34.0 to

**Senator Krebsbach**: Motion: do pass and place on consent calendar. **Senator Klein**: Second.

Roll call vote: 7 yes; 0 no. Motion carried. Floor assignment: **Senator Klein**.



Date: 3/14/01  
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 3064

Senate Industry, Business and Labor Committee

- Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass & be placed on consent calendar

Motion Made By Sen Krebsbach Seconded By Sen Klein

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espgaard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen Klein

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE (410)**  
March 14, 2001 10:01 a.m.

Module No: SR-44-5545  
Carrier: Klein  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

HCR 3064, as engrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HCR 3064 was placed on the Tenth order on the calendar.

2001 TESTIMONY

HCR 3064

# Special Investigations Unit

(developed in 1994)

- Active investigations as of November 2000:
  - Injured worker: 76
  - Employer: 35
  - Provider: 1
- Criminal fraud prosecutions since inception: 37
- Civil fraud orders since inception: 162
- Estimated net cumulative savings: \$12,766,962
- Fraud amnesty period: June 1- July 31, 2001

NDWC