2013 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1052

2013 HOUSE STANDING COMMITTEE MINUTES

House Industry, Business and Labor Committee
Peace Garden Room, State Capitol

HB 1052
January 9, 2013
Job 17041, minutes 1:10 to 6:35
Job 17042
Job 17043, minutes 0:55 to 6:35

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Refers to the Workers' Compensation preferred provider program

Minutes:

Attachments 1 and 2

Hearing 1051 called to order. Chairman Keiser asked Representative Sukut to start the hearing by providing information about HB 1052 to give context to HB 1051.

(Minute 1:10 to 6:35 on Job 17041) **Representative Sukut, chair of the interim Workers' Compensation Review Committee**: An employer through WSI has two choices when insuring employees. They can go through the traditional method or go through a preferred provider program. With the traditional method, an injured worker can go to a doctor and get treated, and then the claim gets submitted to WSI. Then WSI takes a look at it and determines that it looks eligible for compensation. Then they in turn select a list of three other physicians who are experts in that particular injury. Then the employee has an opportunity to select which of those three physicians he or she will go to. The preferred provider is another option that an employer can select. If they select that option, then they can indeed select a specific provider for covering the injured worker. That could be a single provider or a group. HB 1052 spells that out the policies for the preferred provider.

The change that we're look at in the bill is in Section 5. During the interim, we had an injured worker who went to his own physician. The policies within the preferred provider option say that the injured worker needs to go to the preferred provider, so for that worker, compensation was denied at that time. The young man said that he was unaware that his employer had a preferred provider.

Section 5 of this bill tightens up the employer's responsibilities for keeping employees informed of the preferred providers and of the policies that accompany that program.

As you look through HB 1052, you'll see that some things have been added which encourage the employer to keep his or her employees informed of preferred provider program and the preferred providers. This would make sure that information is posted and

that the employer talks to the employees on an annual basis and makes them aware of who the preferred provider is.

Chairman Keiser: That provides the background regarding the problems encountered by the injured worker who came to the committee. After we hear HB 1051, we'll come back to the hearing for HB 1052.

The remaining portion of the hearing is recorded on Job 17042

Jennifer Clark of the North Dakota Legislative Council: Refers to her handout, Attachment #1

You have had quite a bit of discussion on this and have talked through much of it. Would there be benefit of my walking through this law, subsection by subjection, to clarify where this language is that you've been talking about?

This program is included in two sections of law. The first one, 65-05-28.1, is the one that says that an employer may select a preferred provider to render medical treatment to employees who sustain compensable injuries. It defines "preferred provider," and you can see why WSI uses "designated provider" since "preferred provider" means a designated provider or group of providers of medical services, including consultations or referral by the provider or providers. So that is the law that allows us to have this program.

The second section, 65-05-28.2, is the one that is in your bill. I will walk you through each one of those subjections. The substantive changes for this do not come until the very last section of the bill. Any changes you see up to Subsection 5 are housekeeping

(1:23) If an employer has selected this program, during the first 30 days an injured employee needs to seek treatment through the preferred provider. There is some inconsistency with "during the first thirty days" because that leads you to believe that after thirty days, you could go somewhere else. But that is not quite accurate the way this goes on.

Under Subsection 1, in the first 30 days, make sure you go to the preferred provider if one has been selected. If you go to someone who is not a preferred provider, that other provider cannot certify disability or render an opinion about any matter pertaining to the injury, including causation, compensability, impairment, or disability.

Essentially what that means is that you went to the wrong doctor. Now you get into the system and go to the right doctor. Now you've got a contested injury. In theory, you may not be able to admit any of the evidence from the non-preferred provider. That is an incentive not to go outside of the system.

The subsection includes a statement that this section does not apply to emergency care nor to any care the employee reasonably did not know was related to a work injury. If you have an emergency situation, you go to whatever provider is appropriate. If you did not realize it was a work-related injury, you could not have known to go to the preferred provider.

(3:00) Subsection 2 is the first section in which we talk about an employee's option to opt out of this program. At the time of hire or any time before injury, an employee can opt out by filing in writing with the employer.

(3:34) There is another way to opt out of the preferred provider after an injury. This is covered in Subsection 3. After the first 30 days have passed following the injury, the employee may make a written request to WSI to change providers. The employee has to make that request at least 30 days before he or she wants to go to the other provider. So now we're up to 60 days since time of injury before employee can see the provider of their own choosing. The first 30 days, you need to treat with the preferred provider; then you can file your request to opt out. You are not going to be able to go to your new provider for another 30 days following that request. The employee needs to say why they want out and who the new provider will be.

Representative Ruby: Once you would opt out of the preferred provider, are you opted out of that preferred provider for good or just for the term or treatment of that injury?

Jennifer Clark: Had you opted out before your injury, it is pretty clear that you're out entirely, as long as go to the person you identified. If you opt out for that injury, I would defer to WSI to say how they would treat that, whether you opted out only for the injury or entirely.

(5:40) Subsection 4 deals with the role the employer plays if an employee as opted out either before or after their injury. That employer has the ability to disagree with the request or choice of the employee. If the employer objects to the provider selected, the employee may file an objection to the change of provider. If they do that, the employer needs to detail in the objection the grounds for the objection. The objection by the employer must be made within 5 days. This objection is made within the 30-day window after you have filed to opt out before seeing new provider. Then employee has 5 days to respond in support of the request for change of provider. Then the organization has 15 days to make a decision. In theory, this is all taking place in the 30 days before your appointment with the new provider. If no decision has been made by WSI as to yes or no, go to your individual provider; it has been accepted.

Even if I made that opt out before injury, the employer has the ability to disagree with the request to opt out of the plan. I think the same protocol still falls whether you opt out before an injury or following an injury.

(7:23) Subsection 5 is where the substantive changes are in this bill. This talks about making sure your employees know about the program. The new language is underlined. It is not changing the program that much; it's saying to make sure to get the details to the injured employee. Make sure they know the terms of the preferred provider program. That may mean how to opt out, that we may not let you opt out, what happens if you go to a provider outside of a program, and the consequences of doing something or doing nothing. We're really not changing the protocol that much but are trying to get more information to the injured employee.

(8:32) **Representative M. Nelson:** In Subsection 1, it says that a provider who is not a preferred provider may not certify disability or render option about any matter. That is within the first 30 days after a work injury. Does that go away automatically go away after 30 days? Does that follow the preferred provider? Say if the employee gets a new preferred provider, does the old preferred provider have no say in anything?

(9:15) **Jennifer Nelson:** Although there is room for interpretation, the way I read it is that this language pertains to if you have a preferred provider program and you did not opt out appropriately and you go to a provider outside, then this language applied. I would not read it to say that if you've gone through the necessary steps and you've gotten out, either before injury or within the 30/60 days after, then my reading of this is that this language is not applicable to that either. I think it is for that injury forever.

In the case of the injured worker in the Dickinson area, the worker was injured and did not recall being told about the preferred provider program. He went to his chiropractor, and the chiropractor made some determinations and diagnoses, perhaps determination about causation. This injured worker now has a string of injuries. This clause says that the worker will not be able to submit that evidence throughout the whole working of his claim.

Chairman Keiser: Further question of Jennifer Clark? Mr. Wahlin, you're next.

Tim Wahlin, Chief of Injury Services at WSI: See attached Testimony #2 (11:05 to 13:06)

Chairman Keiser: Question from committee members?

Representative N. Johnson: To get an idea of the scope of the problem, how frequently does this happen that an employee goes somewhere other than the employer's designated medical provider [DMP] and the claim is denied?

Tim Wahlin: With respect to the claim being denied, it happens infrequently. Generally, the course of events is that someone will go for treatment outside of the designated medical provider. There is correspondence back with the adjuster. The adjuster says we cannot pay these particular bills. The injured worker would be referred back to the designated medical provider. They go back, they treat, we get the bills, and we are able to adjudicate the claim. Often, that initial medical evidence from other than the DMP cannot be considered by WSI, but the new physician (the designated medical provider) has that evidence and can refer to it in the rendering of their opinions. In that respect, the organization does get to consider it as it has been laundered through the DMP process. Actual claim denials do occur but they are infrequent. Some sort of alteration in care or loss of continuity in care does occur and is more frequent, and that is one of the issues surrounding the designated medical provider system.

(14:50) **Representative Kasper:** Would you be able to provide us with the data from the last 5 years with the number of claims and the dollar amount of claims denied due to going outside of the preferred provider system?

Tim Wahlin: I will look to see whether the information is coded in a way so that I can extract it from the system with regard to the numbers.

Chairman Keiser: Requiring employers to do this annually is a reasonable step. In our company, we have clearly informed our employees that we do not want to pay the deductible which would be required if the injury is not reported within 24 hours. Any injury needs to be reported within 24 hours of when it occurred. The impact of that is that we file a lot more potential claims which do not result in claims. If we have a preferred provider program, it would be reasonable to remind an injured worker of that program when the worker comes in to report the injury to the employer. At the time of hire, there is so much new information for the new employee to absorb, so the information about a preferred provider may be forgotten. Should we require employers, in addition to the annual reminder, to remind a worker at the time the worker reports the injury?

(18:00) **Tim Wahlin:** If it is the desire that this program be as effective as possible, I do not see that that is an issue. To the extent that it would require significant record keeping and a record inquiry process, it would create an extra level of bureaucracy and will end up slowing things down. It is a balance.

Representative Becker: Mr. Chairman, I like your idea very much. As for another level of bureaucracy, what I am seeing so far in the preferred program is there may be marginal benefit, yet there is a lot of rigmarole to try and make this program happen.

(19:01) Additionally, what I am seeing is that there seems to be an all or none payment. With other types of insurance, you have a preferred provider where the insurance company will pay, say, 100 percent, when a patient sees the preferred provider. If someone goes to someone who is not a preferred provider, the insurance company will pay 80% or 70% or something thereabouts. My concern is that you are encumbering the employee, potentially, with a large medical bill because, by your own admission, they may or may not be notified in a timely fashion their visits to a non-preferred provider will not be covered. By having the employer tell the person tell the person at time of notification, you are going to minimize that potential bill that the employee suddenly has.

(19:53) Additionally, when you have situations where the services provided by the physician or other healthcare provider are suddenly not covered by WSI at all and cannot be covered by another health insurance, that means they're not going to get paid. That is going to start to make an environment in which healthcare providers may be hesitant to take on workers' compensation patients because there are so many steps at which matters could go awry. They may end up getting paid nothing.

Chairman Keiser: Any further questions? Anyone else to testify in support of HB 1052? Is there anyone here to testify in opposition to HB 1052? Support? Come forward, please.

(21:10) **Tom Ricker, President of ND AFL-CIO:** I speak in support of adding the requirements of additional notification of employees. However, does not fully support the entire program. I have seen too many employees who have fallen between the cracks and who have had claims entirely denied because of not being informed of the provider network. I support the notion of an amendment along lines of what Representative Keiser

stated. There is already a provision so that workers in an emergency situation do not fall between the cracks. When it is an injury that they know about and they go to their employer and fill out the Workers' Compensation paperwork, it would behoove the employer to inform the employee at the time of injury that if they go to someone who is not a preferred provider, the claim will not be covered. As it is now, sometimes an employee falls between the cracks when neither WSI nor Blue Cross will cover the injury. The worker ends up stuck in the middle with the bill. Sometimes the program is detrimental to the provider. In a small community and you're a medical provider, you going to appease the employer because if you do not and your name comes off the list of preferred providers, that would be a death sentence to that medical provider. Although I do not support the whole preferred provider network list, I do support adding more onus on the employer to inform the employee. If that would include informing them before they seek treatment for the injury, I would support that even more.

Chairman Keiser: Any questions from the committee members? Anyone else to testify on HB 1052?

(23:32) Hearing closed on HB 1052

Chairman Keiser: I don't think we're quite ready to take action on this yet. Do you have any discussion you want to enter into now?

(23:50) **Representative Kasper:** Without change, I do not see any advantage to continue with current system of preferred providers for WSI claims. I see a lot of disadvantages, particularly to injured workers. I do not see anything advantages in terms of saving costs because there are no discounts which have been negotiated. Self-admitted, you have an open network. If you the employer does not choose a PPO, then employee can go to any doctor in the state. If you choose a PPO, you have detriment to the employees, potentially, and to the providers. We need a lot of work in this area. That is one of the reason the study is important. This whole discussion has opened my eyes.

(24:49) **Representative Kreun:** A comment on the providers. I know that in many healthcare institutions, they're trying to do a holistic operation. If you have several doctors or procedures, it can be done in a sequential operation so that the person does not have to make a series of appointments over an extended time due to physician availability and then can get back to work sooner. There are advantages to employers to work with a provider to do that. Additionally, the doctors within the group can work together to provide that care. I don't know if we want to through the baby out with the bath. The study in HB 1051 will be beneficial.

Representative Louser: In the case in Dickinson which we've been discussing, did the employer appear in front of the interim committee?

Chairman Keiser: No, the employer did not appear.

Is there any further discussion? We will hold this for committee action down the road. Be thinking about it. Just looking at my own company, I would strongly support the requirement that I inform my employees when they report an injury. If I have a preferred

provider network, that I tell them or remind them because they do report their injuries within 24 hours. That deductible is a real incentive for an organization to get the injuries reported quickly.

Discussion continued; included on Recording Job 17043, minutes 0:55 to 6:50.

Chairman Keiser: While we are waiting for individuals who will testify on HB 1078, we can continue the discussion on HB 1052. A reminder we are on record.

I have a lot of frustrations that the preferred provider program has been allowed to be so open that an individual person could join. There are three areas which should be covered in any work-related provider group. One is a neurologist, one is an orthopod, and one is a physiatrist. You could have an existing group or form a new group of three independents. If you had that combination in your group, then you would meet the minimum standards that this group should meet. We cannot say with any certainty whether the program is good or bad, and that's why we need to do the study. That is why this study (covered in HB 1052) is critical. What should we do as an interim step until we get the report from the study two years from now? The interim committee came up an annual notification from employers. That is more than employees are getting now. They're getting a notification at time of hire, along with many other forms. If we had a preferred provider network program, I would tell my people when they reported the injury.

Representative Kreun: The prime time to remind employees and have them sign it again is at the annual performance review. Also remind employees at the time of injury that you have that program. I don't know if you want to make that a requirement, but I think most responsible employers would do that.

Representative N. Johnson: I don't know how it works in a lot of companies, but when you're going to go for a work-related injury, do you have to report to a supervisor, to the HR person? Who do you say has that responsibility?

Chairman Keiser: I don't want to speak for all companies. When they put the deductible into play--and we are the only state that has a deductible--the employer will pay the first $250 of any claim unless claim is filed within 24 hours of injury. The minute that was signed into law, it became vital that the employee notifies their immediate supervisor. That supervisor is then to bring it forward and report to WSI. When we say "report to WSI," the injured worker has to fill out the form, the supervisor signs it, and then the form is sent in by e-mail to WSI. With that protocol, the employer notifies WSI within 24 hours so that the deductible will not be required. At the time of an emergency, we don't worry about the form. Back injuries are common. We want them to see a treating provider as fast as they can, but the workers will come in and tell us they've been injured.

Representative Louser: What if employee does not report it to the employer?

Chairman Keiser: We don't have the preferred provider program at my business. If the employee does not report it and they have to go in for treatment, the worker will go to his own provider. The provider will ask if it's work related, and if the person says yet, that initiates the claim payment with WSI. Then the request for payment will be submitted to

WSI, they will pay all but $250 of it, and they will send the company a bill for $250. Then the company pays that $250, but conceptually they do not want to have situations for which they need to pay that deductible because there had not been timely notification.

Carrier of the bill will be Representative Sukut.

2013 HOUSE STANDING COMMITTEE MINUTES

House Industry, Business and Labor Committee
Peace Garden Room, State Capitol

HB 1052
January 16, 2013
Job 17310

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Workers' compensation preferred provider program

Minutes:

You may make reference to "attached testimony."

Chairman Keiser: I know of two amendments. Are there any others?

0:40 **Representative Sukut:** Reviewed background behind bill and the amendment proposed by Representative Becker (13.0199.02003, Attachment 1).

2:25 **Representative Becker:** Refers to 13.0199.02003, Attachment 1. The amendment prepared by Legislative Council contains some clean up. The section I contributed as to what I believed were the wishes of the committee fall under page 2, after line 18, insert. The question was what is an adequate notification to the employee, and I heard testimony that it is possible that there could be a lag time before it was caught that the employee was going to the wrong provider. In the bill, there is the wording that requires the employer to reacquaint the employee yearly, but this would also make it that the employer notify the employee at the time when the employer is notified of the injury. There is a clear-cut point at which the employer is notified. This wording gives the employer up to two days to notify the employee of the preferred providers.

3:45 **Representative Boschee:** Curious about the reason for two days.

Representative Becker: This allows for any administrative catch up, and very little non-emergent medical treatment would occur in that period.

Representative Frantsvog: I thought we were also looking at some language as it relates to a possible timeline about being a preferred provider so that if you have not been active in that capacity, if someone wanted to see that physician, they would not have to relay that information.

4:40 **Chairman Keiser:** We may have had that discussion, but we do not have an amendment to that effect.

Representative Beadle: In regard to the two days, is there a need to clarify business days or calendar days?

Representative Becker: That's a good idea, and it is possible that I intended to have it worded that way.

Chairman Keiser: Add *business* in front of days. Any questions on this proposed amendment? Let's look at a second proposed amendment, 13.0199.02001 (attachment 2)

6:15 **Alan Austad, North Dakota Association for Justice:** See attachments 2 and 3. What this amendment does is remove the restriction on an employee when he gets injured. It takes the government out of his decision. It allows him to choose his own doctor. It eliminates the preferred provider program and allows him to choose his own doctor. If Workers' Comp does not like the results from that, they can do an IME, which they have done consistently even with employers' preferred providers. This lets a worker choose a doctor who knows him, knows his history, and knows what a better course of treatment would be for that patient. This sounds like a simple amendment, but it has major impact on your right to choose your own physician. This proposed amendment maintains the right of WSI to use an IME. If a doctor is providing consistently poor treatment and he's not doing his job, they can decide not to cover his bills. They can do an independent medical exam.

8:55 **Representative Ruby:** During the interim committee, the decision was not made to get rid of the preferred provider program. Did a discussion take place about doing that, or was the idea to study it as proposed in a bill we passed last week?

9:13 **Representative Sukut:** In my mind, this amendment (attachment 2) is premature. You're basically eliminating a choice. The employer at this point in time has a choice whether to stay with the traditional method...which is basically what this amendment proposes, that a patient goes to his own doctor and submits the claim, which WSI evaluates and then lists other doctors from which the worker can choose. We decided to study that program to see whether or not the action that has just taken place here really does need to take place, to see if the program is indeed providing the benefits to the employer and the employee that it is intended to do. We may be dumping something which, although flawed, may be working. We have passed a bill to study it, and I think we should follow through with doing that study. At the end of the study, if this is what really needs to be done, then we should do it at that time.

11:30 **Representative Kasper:** In your interim committee, did you have any employers come in to testify that they have benefited from the current preferred provider program and how it is working in their company to save them money and to address the injuries?

Representative Sukut: No, we did not. In our interim committee in particular, we had only two injured employees. The charge for our interim committee is to hear from injured workers. What we hear from injured employees is that they have gone through the appeals process and have been denied all the way through. By coming before the Workers' Compensation Review Committee, they are saying that needs to be a change in the law, that they are willing to tell their stories to see if the committee thinks there needs to be a

change in the law. We did not hear directly from employers. We did hear from the chairman of the board, and he gave us a review of how they felt things were working. His comments were all positive, although he did not directly address this issue.

13:53 **Representative Gruchalla:** When the preferred provider program was started, was it based on healthcare outcomes or cost savings?

Chairman Keiser: To the best of my recollection, it is a misnomer. WSI calls it the designated provider program. There have been developed in our state occupational medicine groups that specialize in occupational medicine and support this kind of program. Gave example from his own company. Who is using the preferred provider program? It's the large companies. Some of the problems we saw during the interim were due to the lack of control that resulted because WSI may have opened the program too wide. The interim committee is set to get input from workers, not from companies. I believe that if we adopt Representative Becker's amendment, there is no problem, although technically we would need to request a fiscal note. Every Workers' Comp bill needs a fiscal note. I don't know if they'd be able to give us a fiscal note on the other proposed amendment

On the House side, we have passed a bill to study WSI. It is up to this committee. Do you want to go to the study and look at this in two years? This is not a discount program; this is an attempt for a quality-management system where you have the employer, the employee, and the facility doing it, working together and having an arrangement where you can have more direct dialogue and management of the case. That was the theory when it was introduced.

18:08 **Representative Kasper:** One of the issues we've talked about previously related to WSI is that in the past, there was the appearance that some doctors specialized in workers' compensation claims, and rumors grew. The restriction was to prevent going to the wrong doctor, getting the wrong medical diagnosis and treatment, and the employer and WSI had no control over it. I think Chairman Keiser is correct that the preferred provider term is a misnomer. If we go with Alan Austad's proposed amendment, we are back to no potential control of prices and costs by the employer and WSI. I think maybe the slower approach with the study might be the way to go.

19:45 **Representative Amerman:** In the review committee, we have done good work. There are always things...30 day notice is always a problem. The preferred provider program is another of those things we cannot seem to grasp. Someone please explain for me the benefits to the worker of a preferred provider program. I see the benefits to the employer, but not to the worker. It seems to me to be another something in the WSI code that the consequences are not thought of but can trip you up even though you have an injury that is truly work related. The preferred provider program is another thing that does not need to be there.

22:08 **Representative M. Nelson:** I agree with Representative Amerman. The basic theme of Workers' Comp is supposed to be sure relief for the worker in exchange for relieving the employer of the liability. This seems to go against sure relief for the worker. It is another hurdle that potentially trips up the worker so he does not receive relief. This seems to be something that literally goes against the basic tenet of workman's comp. If it is

not going to provide sure relief for the worker, then the liability to the employers should be back on the table. There is nothing stopping an employer from having a relationship with an occupational medical group, and certainly if the medical group is working with an employer and the employees are familiar with them, and they are providing value to the employees, I would think the vast majority of the time employees are going to go to those people. The whole thing of designating a medical provider before an injury occurs... (gave example). This seems to violate the very tenant of workers' comp with the sure relief. I think it is lessening the program. I would support the ceasing of the program for now. We could consider it again in the future if people could build a case for it.

24:47 **Representative Sukut:** When the preferred provider program is set up, the employee does have an option to opt out of the program. Part of the benefits is to establish a relationship with a medical provider (group of providers) who would get to know your employees, and your employees would get to know the providers. I would feel like we're not doing the right thing if we didn't let WSI weigh in on this before we eliminate it.

26:15 **Representative Kasper:** Gave example of accident insurance policy in addition to Workers' Comp. Here's what is typical when an employee gets injured. The employee doesn't know what doctor to go to; is only concerned about getting help on a timely basis. Gave example from Fargo area. Those employees are not more prepared to know what doctor to go to next than most people anywhere. This bill provides that after a 30 day period, if that preferred provider does not feel that they can provide the relief needed, they can refer the employee to another provider. I don't see where the injured worker is being taken advantage of. You're putting a lot of onus on an injured worker to select a provider at the point of an accident. Once they are initially treated and need relief, where do they go next? It's a big burden taken off the back of the employee when the system is there.

28:51 **Representative Beadle:** During the hearing, Representative Kasper had requested data from WSI about the number of claims and the dollar amount that had been denied due to a worker's seeing someone other than a preferred provider, have we received that data?

Chairman Keiser: Provided attachment 4, an e-mail from Timothy Wahlin, Chief of Injury Services at WSI.

29:43 **Representative Ruby:** The employee has the option to opt out of the preferred provider program if they do not want to be part of it. In addition to the ability of a provider to refer an injured worker to another provider, the worker has a process to leave that preferred provider after thirty days if they had not thought about it or opted out earlier. To eliminate the preferred provider program now without seeing what effect that would have the companies and employee...I will make a motion on Representative Becker's amendment.

Representative Ruby moves to adopt the amendment offered by Representative Becker (13.0199.02003, attachment 1) with the addition of the word *business* in front of days.

Representative Sukut: Seconded the motion

Roll call vote on the adoption of amendment 13.0199.02003 with the addition of the word *business*: 15 yes, 0 no, 0 absent. Amendment adopted.

Representative Amerman: Motion to adopt proposed amended presented by Alan Austad.

Representative Boschee: Seconded the motion.

Representative M. Nelson: Looking at attachment 4, the e-mail sent by Timothy Wahlin, there have been 118 workers denied payment for medical care under the preferred provider program. Am I reading that correctly?

Chairman Keiser: Yes, that is correct. That is over the entire period from 2008 to 2012.

Representative M. Nelson: It does seem to me that it is having a significant detriment to workers; they are not getting there sure relief. I would support this amendment.

Chairman Keiser: What would be interesting to see is that if the amendment offered by Representative Becker gets accepted and notification does go out, what percentage of these claim denials will not occur if they are notified at the time of injury. That is the part we do not know.

Representative M. Nelson: This may have been the initial visit which was denied, and then if they went to the proper provider for coverage, that doesn't mean that the employees necessarily had lack of coverage.

Chairman Keiser: That is correct.

Roll call vote on the adoption of amendment 13.0199.02001: yes 5; no 10; absent 0. Motion fails.

Representative N. Johnson: I am not sure Representative Becker's amendment flows into the wording of the bill. Reviewed some specific wording.

Representative Ruby: Noted the missing line reference on page 2, after the period, insert c.

Chairman Keiser: We will hold action on adoption as amended until we can have Jacob, our intern, mark it up with assistance from Jennifer Clark.

Chairman Keiser, **Representative N. Johnson,** and **Representative Ruby** identified to **Jennifer Clark, Legislative Council**, the concerns with sentence structure and line reference on the amendment the committee adopted.

40:39 **Chairman Keiser:** Do we need to reconsider the amendment we adopted and then adopt the cleaned up version we're discussing now with the grammatical fixes based on the mark up?

Jennifer Clark: You already made a motion and adopted the amendment? That is okay if you like the concept. Procedurally, your intern will take it now, and we have the ability to tweak it if there is a typo or formatting error. You do not need to make a change.

Chairman Keiser: We did add the word *business* after *two*, page 2, line 26.

Jennifer Clark walked the committee members through the marked up version of amendment 13.019902003.

Representative Sukut moves we do pass as amended, 13.0199.02004, which includes the word *business*.

Representative Becker: Seconded the motion

Roll call vote: Yes 15, no 0, absent, 0. Motion to do pass as amended carries.

Carrier: Representative Sukut

FISCAL NOTE
Requested by Legislative Council
01/17/2013

Amendment to: HB 1052

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$0	$0	$0
Expenditures	$0	$0	$0	$0	$0	$0
Appropriations	$0	$0	$0	$0	$0	$0

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties	$0	$0	$0
Cities	$0	$0	$0
School Districts	$0	$0	$0
Townships	$0	$0	$0

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The proposed legislation relates to notification requirements for employers that select or change a preferred provider.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

see attached

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name: John Halvorson
Agency: WSI
Telephone: 328-6016
Date Prepared: 01/18/2013

WORKFORCE SAFETY & INSURANCE
2013 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: Engrossed HB 1052

BILL DESCRIPTION: Preferred Provider Program—Employer Notification

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, together with its actuarial firm, Bickerstaff, Whatley, Ryan & Burkhalter Consulting Actuaries, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The engrossed legislation relates to employer notification requirements when they select a preferred provider.

FISCAL IMPACT: No fiscal impact is anticipated.

DATE: January 18, 2013

FISCAL NOTE
Requested by Legislative Council
12/20/2012

Bill/Resolution No.: HB 1052

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The proposed legislation relates to notification requirements for employers that select or change a preferred provider.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

see attached

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name: John Halvorson
Agency: WSI
Telephone: 328-6016
Date Prepared: 01/04/2013

WORKFORCE SAFETY & INSURANCE
2013 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: HB 1052

BILL DESCRIPTION: Preferred Provider Program—Employer Notification

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, together with its actuarial firm, Bickerstaff, Whatley, Ryan & Burkhalter Consulting Actuaries, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation provides that the employer shall provide written notice of the identity and terms of the preferred provider program to its employees upon initial selection of a preferred provider or a change in preferred provider as well as to every new employee hired after the initial selection was made. Notice must be provided at least annually to all employees after the initial notice.

FISCAL IMPACT: No fiscal impact is anticipated.

DATE: December 26, 2012

13.0199.02004
Title.03000

Prepared by the Legislative Council staff for
Representative M. Nelson
January 15, 2013

VR
1/17/13

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1052

Page 2, line 13, after "5." insert "An employer that selects a preferred provider shall give notice and post notice as required under this subsection.

a."

Page 2, line 14, overstrike "to its" and insert immediately thereafter ":

(1) To the employer's"

Page 2, line 15, overstrike "or" and insert immediately thereafter ".

(2) To the employer's employees when the employer"

Page 2, line 15, overstrike "An employer"

Page 2, line 16, overstrike "shall give written notice identifying the selected preferred provider"

Page 2, line 16, remove "and the terms of the"

Page 2, line 17, remove "preferred provider program"

Page 2, line 17, overstrike "to every" and insert immediately thereafter:

"(3) To an"

Page 2, line 17, overstrike "hired after the selection was made"

Page 2, line 17, remove "and"

Page 2, line 18, replace "to" with "at the time of hire.

(4) To"

Page 2, line 18, after the period, insert:

"(5) To an employee when the employee notifies the employer of an accident under section 65-05-01.2, but in no case more than two business days following the employee's notification of the employer.

b."

Page 2, line 18, overstrike "who" and insert immediately thereafter "that"

Page 2, line 23, after the period, insert:

"c."

Renumber accordingly

Date: 1-16-2013 pm
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1052

House Industry, Business, and Labor Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 13.0199.02003

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☑ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Ruby Seconded By Sukut

Representatives	Yes	No	Representatives	Yes	No
Chairman George Keiser	✓		Rep. Bill Amerman	✓	
Vice Chairman Gary Sukut	✓		Rep. Joshua Boschee	✓	
Rep. Thomas Beadle	✓		Rep. Edmund Gruchalla	✓	
Rep. Rick Becker	✓		Rep. Marvin Nelson	✓	
Rep. Robert Frantsvog	✓				
Rep. Nancy Johnson	✓				
Rep. Jim Kasper	✓				
Rep. Curtiss Kreun	✓				
Rep. Scott Louser	✓				
Rep. Dan Ruby	✓				
Rep. Don Vigesaa	✓				

Total (Yes) 15 No 0

Absent —

Floor Assignment

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

Becker's - with addition of business in front of days

Date: 1-16-2013 ~~02~~
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. ______

House Industry, Business, and Labor Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 13.0199.02001 ~~02.001~~

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☑ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Amerman Seconded By Boschee

Representatives	Yes	No	Representatives	Yes	No
Chairman George Keiser		✓	Rep. Bill Amerman	✓	
Vice Chairman Gary Sukut		✓	Rep. Joshua Boschee	✓	
Rep. Thomas Beadle		✓	Rep. Edmund Gruchalla	✓	
Rep. Rick Becker	✓		Rep. Marvin Nelson	✓	
Rep. Robert Frantsvog		✓			
Rep. Nancy Johnson		✓			
Rep. Jim Kasper		✓			
Rep. Curtiss Kreun		✓			
Rep. Scott Louser		✓			
Rep. Dan Ruby		✓			
Rep. Don Vigesaa		✓			

Total Yes ~~4~~ 5 (No) ~~8~~ 10

Absent —

Floor Assignment ______

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

- Offered by Alan Austad
- to remove from the code the preferred provider restriction.

Date: 1-16-2013 pm
Roll Call Vote #: 3

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1052

House Industry, Business, and Labor Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 13.0199.02001

Action Taken: ☑ Do Pass ☐ Do Not Pass ☑ As Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Sukut Seconded By Becker

Representatives	Yes	No	Representatives	Yes	No
Chairman George Keiser	✓		Rep. Bill Amerman	✓	
Vice Chairman Gary Sukut	✓		Rep. Joshua Boschee	✓	
Rep. Thomas Beadle	✓		Rep. Edmund Gruchalla	✓	
Rep. Rick Becker	✓		Rep. Marvin Nelson	✓	
Rep. Robert Frantsvog	✓				
Rep. Nancy Johnson	✓				
Rep. Jim Kasper	✓				
Rep. Curtiss Kreun	✓				
Rep. Scott Louser	✓				
Rep. Dan Ruby	✓				
Rep. Don Vigesaa	✓				

Total (Yes) 15 No 0

Absent —

Floor Assignment Sukut

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

with "Becker" amendment and added word "business"

REPORT OF STANDING COMMITTEE

HB 1052: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1052 was placed on the Sixth order on the calendar.

Page 2, line 13, after "5." insert "An employer that selects a preferred provider shall give notice and post notice as required under this subsection.

a."

Page 2, line 14, overstrike "to its" and insert immediately thereafter ":

(1) To the employer's"

Page 2, line 15, overstrike "or" and insert immediately thereafter ".

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Page 2, line 15, overstrike "An employer"

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Page 2, line 17, overstrike "to every" and insert immediately thereafter:

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Page 2, line 17, overstrike "hired after the selection was made"

Page 2, line 17, remove "and"

Page 2, line 18, replace "to" with "at the time of hire.

(4) To"

Page 2, line 18, after the period, insert:

"(5) To an employee when the employee notifies the employer of an accident under section 65-05-01.2, but in no case more than two business days following the employee's notification of the employer.

b."

Page 2, line 18, overstrike "who" and insert immediately thereafter "that"

Page 2, line 23, after the period, insert:

"c."

Renumber accordingly

2013 SENATE INDUSTRY, BUSINESS, AND LABOR

HB 1052

2013 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

HB 1052
February 13, 2013
Job Number 18872

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to workers' compensation preferred providers program

Minutes:

Testimony Attached

Chairman Klein: Opened the hearing.

Tim Wahlin, Chief of Injury Services at WSI. Written Testimony Attached (1) and Amendment (2).

Bill Shalhoob, Greater North Dakota Chamber of Commerce: Written Testimony Attached (3).

Renee Pfenning, North Dakota Building and Construction Trades: Said they are in support of the bill but opposed to the amendment provided by WSI. There is some concern of striking the language of when the employee notifies the employer of an injury. It wouldn't hurt to give the employee a reminder of who the medical provider is.

Chairman Klein: Asked if she liked it without the amendment.

Renee Pfenning: Said the portion of the amendment that they are concerned with is removing lines 24 through 26 of the Engrossed bill. The other amendments are fine.

Chairman Klein: Commented that 1051 is a comprehensive study and they would probably figure out how many days it should be and that it most likely could change.

Russ Hanson, Associated General Contractor of North Dakota: Said they would just echo the comments made by Bill Shalhoob and the state chamber. They are supportive of the bill and the amendments as proposed by WSI.

Chairman Klein: Asked about doing the notification; isn't that the most likely thing the employer would do anyway.

Tim: Said in many situations that is what does happen. However, many of the claims will be coming in from a remote site where an employer will be filling out and filing on line. The

board is concerned about a written notice transfer in that two day window. There also are times when the employee does a claim file after he has left employment.

Chairman Klein: Said the employer needs to let WSI know within how much time, otherwise he is charged how much?

Tim: Said 24 hours or the employer has to pay the two hundred and fifty dollar medical assessment.

Senator Sinner: Asked if there was a time period that would work for the agency rather than two days because the notification to the injured worker makes sense. Sometimes they are injured on the job and end up in the emergency room someplace and it isn't one of these designated medical providers.

Tim: Said the statute has that right in it, a waiver in the system in any sort of emergent care, which is covered even if they go outside of the DMP area. With respect to putting any time frame on the written notification requirements it wasn't discussed with the board whether or not there would be a palpable time frame for the written notification. It was the board's position that they receive notification all along the line, including yearly written notification to the employee.

Chairman Klein: Closed the hearing.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

HB 1052
February 13, 2013
Job Number 18890

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to workers' compensation preferred providers program

Minutes:

Discussion on Engrossed HB 1052

Chairman Klein: Said that he could see WSI's point of why they would try to change something that is being studied and most likely could be changed a lot more.

Senator Laffen: Asked about getting filled in on the study; is it a though shalt study or a might study.

Chairman Klein: Said he believes the language is; though shall study.

Senator Laffen: Said that means it will get done, so do we really need the second bill at all, could it just be part of the study. If they are going to study it they may as well study the whole thing.

Senator Murphy: Said it may be okay to have it for a couple of years. The last section for instance; failure to give written notice or properly posted or reasonably inform employees of the terms that provide preferred provider program. It's just nice for them to know that.

Chairman Klein: Said with the amendments we are back to having a bill, for the next two years. It may help everybody a little and in two years they should have completed their work.

Senator Laffen: Said this is only in effect if you are an employer and decide you want your own provider instead of the WSI's approved provider.

Chairman Klein: Said no, it is if your company has a preferred provider you have to have notice saying that you don't want to use your employers preferred provider before you have the injury.

Senator Laffen: Said the employee is opting out of the employers preferred provider.

Chairman Klein: Said yes.

Senator Laffen: Said the employer has to tell the employee every year that they opted out.

Senator Sinner: Said no, the employer has to tell the employee if he wants to opt out he has to notify them, at least prior to any injury. The part that he has with this is if you want to go to Mayo or a specialty place, you can't do that under this law. It restricts you to that preferred provider.

Chairman Klein: Said that is after the injury has taken place. This is not going to restrict you from some point in your rehabilitation or special surgery to go on further.

Discussion continued and it was decided to bring Tim back from WSI to answer more questions. (5:24-10:00)

Chairman Klein: Closed the meeting.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

HB 1052
February 25, 2013
Job Number 19421

☐ Conference Committee

Committee Clerk Signature	Eva Liebelt

Explanation or reason for introduction of bill/resolution:

Relating to workers' compensation preferred provider program

Minutes: Discussion

Chairman Klein: Said 1052 dealt with the preferred provider. There was a proposed amendment provided by WSI.

Senator Andrist: Said as he understands this is to improve the notification to the employee that the preferred provider has been selected.

Chairman Klein: Said that is the way he understood it. They want to make sure that the employee knows of the preferred provider and has to say in advance that he doesn't want to go there.

Discussion followed (2:15-9:10)

Chairman Klein: Closed the meeting.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

HB 1052
March 26, 2013
Job Number 20483

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to workers' compensation preferred providers program

Minutes: Discussion and Vote

Chairman Klein: Opened the meeting. The discussion was centered on page two, lines twenty-four through twenty-six. I believe Mr. Wahlin spoke to us that day and was concerned about the impact of allowing those two business days.

Tim Wahlin, Chief of Injury Services at WSI: Taking a look back at 1052, this bill originated with some changes to the preferred provider. We refer to it as a designated medical provider. An employer can designate a medical provider, that medical provider then is the sole source of treatment for an injured worker unless emergent care is needed. What 1052 did was to expand that program when it came over from the House, after we testified. There was an amendment put on which also then put on a two day notice requirement. An employer must give notice of the designated medical provider selection a number of times but one of those is within two days of the injury. In review of that two day prevision that was put on after we had done our work and passed through, there were a number of people who noted that it would become cumbersome and many situations impossible. If the injury happens off site and the employer is not immediately notified that a treatment takes place out of state it would make it basically impossible for the employer to give written notification to an employee of a designated medical provider. If that is not given then the designation of a medical provider goes away and the injured worker then can treat wherever they choose to treat.

Further clarification on the amendment

Senator Laffen: Made a motion to adopt the Wahlin amendment.

Senator Unruh: Seconded the motion.

Roll Call Vote: Yes - 6 No - 1 Absent - 0 Motion Passed.

Senator Laffen: Moved a do pass as amended.

Senator Unruh: Seconded the motion.

Roll Call Vote: Yes - 6 No - 1 Absent - 0 Motion Passed.

Floor Assignment: Senator Laffen

FISCAL NOTE
Requested by Legislative Council
04/01/2013

Amendment to: HB 1052

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$0	$0	$0
Expenditures	$0	$0	$0	$0	$0	$0
Appropriations	$0	$0	$0	$0	$0	$0

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties	$0	$0	$0
Cities	$0	$0	$0
School Districts	$0	$0	$0
Townships	$0	$0	$0

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The proposed legislation as amended relates to notification requirements for employers that select or change a preferred provider.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

see attached

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name: John Halvorson
Agency: WSI
Telephone: 328-6016
Date Prepared: 04/01/2013

WORKFORCE SAFETY & INSURANCE
2013 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: Engrossed HB 1052 w/ Senate Amendments

BILL DESCRIPTION: Preferred Provider Program—Employer Notification

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, together with its actuarial firm, Bickerstaff, Whatley, Ryan & Burkhalter Consulting Actuaries, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The engrossed legislation relates to employer notification requirements when they select a preferred provider.

FISCAL IMPACT: No fiscal impact is anticipated.

DATE: April 1, 2013

FISCAL NOTE
Requested by Legislative Council
01/17/2013

Amendment to: HB 1052

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$0	$0	$0
Expenditures	$0	$0	$0	$0	$0	$0
Appropriations	$0	$0	$0	$0	$0	$0

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties	$0	$0	$0
Cities	$0	$0	$0
School Districts	$0	$0	$0
Townships	$0	$0	$0

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The proposed legislation relates to notification requirements for employers that select or change a preferred provider.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

see attached

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

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Name: John Halvorson
Agency: WSI
Telephone: 328-6016
Date Prepared: 01/18/2013

WORKFORCE SAFETY & INSURANCE
2013 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: Engrossed HB 1052

BILL DESCRIPTION: Preferred Provider Program—Employer Notification

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, together with its actuarial firm, Bickerstaff, Whatley, Ryan & Burkhalter Consulting Actuaries, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The engrossed legislation relates to employer notification requirements when they select a preferred provider.

FISCAL IMPACT: No fiscal impact is anticipated.

DATE: January 18, 2013

FISCAL NOTE
Requested by Legislative Council
12/20/2012

Bill/Resolution No.: HB 1052

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The proposed legislation relates to notification requirements for employers that select or change a preferred provider.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

see attached

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

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Name: John Halvorson
Agency: WSI
Telephone: 328-6016
Date Prepared: 01/04/2013

WORKFORCE SAFETY & INSURANCE
2013 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: HB 1052

BILL DESCRIPTION: Preferred Provider Program—Employer Notification

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, together with its actuarial firm, Bickerstaff, Whatley, Ryan & Burkhalter Consulting Actuaries, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation provides that the employer shall provide written notice of the identity and terms of the preferred provider program to its employees upon initial selection of a preferred provider or a change in preferred provider as well as to every new employee hired after the initial selection was made. Notice must be provided at least annually to all employees after the initial notice.

FISCAL IMPACT: No fiscal impact is anticipated.

DATE: December 26, 2012

13.0199.03001
Title.04000

Adopted by the Industry, Business and Labor Committee

March 26, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1052

Page 2, line 23, replace "all" with "the employer's"

Page 2, remove lines 24 through 26

Page 3, line 5, overstrike ", allowing the employee to make the initial"

Page 3, line 6, overstrike "selection of a medical provider" and insert immediately thereafter "for the employee's claim"

Renumber accordingly

Date: 03/26/2013
Roll Call Vote # 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1052

Senate Industry, Business, and Labor Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number ______

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Senator Laffen Seconded By Senator Unruh

Senators	Yes	No	Senator	Yes	No
Chairman Klein	x		Senator Murphy	x	
Vice Chairman Laffen	x		Senator Sinner		x
Senator Andrist	x				
Senator Sorvaag	x				
Senator Unruh	x				

Total (Yes) 6 No 1

Absent 0

Floor Assignment ______

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

Date: 03/26/2013
Roll Call Vote # 2

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1052

Senate Industry, Business, and Labor Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number ____________

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Senator Laffen Seconded By Senator Unruh

Senators	Yes	No	Senator	Yes	No
Chairman Klein	x		Senator Murphy	x	
Vice Chairman Laffen	x		Senator Sinner		x
Senator Andrist	x				
Senator Sorvaag	x				
Senator Unruh	x				

Total (Yes) 6 No 1

Absent 0

Floor Assignment Senator Laffen

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

REPORT OF STANDING COMMITTEE

HB 1052, as engrossed: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1052 was placed on the Sixth order on the calendar.

Page 2, line 23, replace "all" with "the employer's"

Page 2, remove lines 24 through 26

Page 3, line 5, overstrike ", allowing the employee to make the initial"

Page 3, line 6, overstrike "selection of a medical provider" and insert immediately thereafter "for the employee's claim"

Renumber accordingly

2013 TESTIMONY

HB 1052

HB 1052
1-9-13
1

65-05-28.1. Employer to select preferred provider.

Notwithstanding section 65-05-28, any employer subject to this title may select a preferred provider to render medical treatment to employees who sustain compensable injuries. "Preferred provider" means a designated provider or group of providers of medical services, including consultations or referral by the provider or providers.

Source. S.L. 1995, ch. 626, § 1; 2003, ch. 564, § 9; 2007, ch. 569, § 5.

Law Reviews.

Are Employees Obtaining "Sure and Certain Relief" Under the 1995 Legislative Enactments of the North Dakota Workers' Compensation Act?, 72 N.D. L. Rev. 349 (1996).

65-05-28.2. Preferred provider — Use required — Exceptions — Notice.

1. During the first thirty days after a work injury, an employee of an employer who has selected a preferred provider under this section may seek medical treatment only from the preferred provider for the injury. Treatment by a provider other than the preferred provider is not compensable and the organization may not pay for treatment by a provider who is not a preferred provider, unless a referral was made by the preferred provider. A provider who is not a preferred provider may not certify disability or render an opinion about any matter pertaining to the injury, including causation, compensability, impairment, or disability. This section does not apply to emergency care nor to any care the employee reasonably did not know was related to a work injury.

2. An employee of an employer who has selected a preferred provider may elect to be treated by a different provider provided the employee makes the election and notifies the employer in writing prior to the occurrence of an injury.

3. After thirty days have passed following the injury, the employee may make a written request to the organization to change providers. The employee shall make the request and serve it on the employer and the organization at least thirty days prior to treatment by the provider. The employee shall state the reasons for the request and the employee's choice of provider.

4. If the employer objects to the provider selected by the employee under subsection 2 or 3, the employer may file an objection to the change of provider. The employer shall detail in the objection the grounds for the objection and shall serve the objection on the employee and the organization within five days of service of the request. The employee may serve, within five days of service of the employer's objection, a written response on the employer and the organization

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in support of the request for change of provider. Within fifteen days after receipt of the response or of the expiration of the time for filing the response, the organization shall rule on the request. Failure of the organization to rule constitutes approval of the request. Treatment by the employee's chosen provider is not compensable until the organization approves the request. The preferred provider remains the treating provider until the organization approves the employee's request to change providers.

5. An employer shall give written notice to its employees when the employer makes an initial selection of a preferred provider or changes the selection of the preferred provider. An employer shall give written notice identifying the selected preferred provider to every employee hired after the selection was made. An employer who has selected a preferred provider shall display notice of the preferred provider in a conspicuous manner at fixed worksites, and wherever feasible at mobile worksites, and in a sufficient number of places to reasonably inform employees of the preferred provider and of the requirements of this section. Failure to give written notice or to properly post notice as required under this subsection invalidates the selection, allowing the employee to make the initial selection of a medical provider.

Source. S.L. 1995, ch. 626, § 2; 1999, ch. 550, § 3; 2003, ch. 561, § 3; 2009, ch. 625, § 1.

Effective Date. The 2009 amendment of this section by section 1 of chapter 625, S.L. 2009 became effective August 1, 2009.

Requirements.

Requirements.

Workforce Safety & Insurance (WSI) did not err in finding that the employer failed to comply with the specific statutory requirements of N.D.C.C. § 65-05-28.2(5); WSI did not err in concluding that the employer's selection of a designated medical provider was invalid and that the employee was permitted to select his own medical provider. Indus. Contrs. v. Workforce Safety & Ins., 2009 ND 157, 772 N.W.2d 582, 2009 N.D. LEXIS 168 (Sept. 4, 2009).

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1052
1-9-2013

2013 House Bill No. 1052
Testimony before the House Industry, Business, and Labor Committee
Presented by: Tim Wahlin, Chief of Injury Services
Workforce Safety & Insurance
January 9, 2013

Mr. Chairman, Members of the Committee:

My name is Tim Wahlin, Chief of Injury Services at WSI. I am here on behalf of WSI to provide information to the Committee to assist in making its determination. WSI's Board of Directors supports the proposed legislation.

During the 2011-13 interim, the Interim Legislative Workers' Compensation Review Committee heard testimony regarding the preferred provider system created under sections 65-05-28.1 & 28.2.

The preferred provider system allows an employer to select a designated medical provider (DMP) for the treatment of their injured employees. WSI cannot pay medical expenses incurred nor consider the medical opinions from providers outside this network. An employee is free to elect another provider as long as the election occurs prior to a work injury.

The system is designed to allow employers to establish close working relationships with their treating physicians and likewise allow the physician an ongoing understanding of the work environment. This generally aids in a smoother transition back to work. In return, the medical provider is ensured an ongoing group of patients.

This bill would strengthen the employer notice provisions in order for employers to take part in the DMP program. The bill would create an annual process for informing an employee of the DMP and necessitate documentation of the notification process in order for the DMP selection to be effective. Currently there is the requirement to post information, but this bill would increase that requirement and require an employer to document at least annually, as well. In the event documentation was not readily

available upon request by an employee, WSI would ignore the DMP selection made by an employer and pay for medical care received outside of the DMP system.

I would be happy to answer any questions you may have at this time.

(1)

13.0199.02003
Title.

Prepared by the Legislative Council staff for Representative Becker
January 15, 2013

1-16-13
pm

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1052

Page 2, line 13, after "5." insert "An employer that selects a preferred provider shall give notice and post notice as required under this subsection.

a."

Page 2, line 14, overstrike "to its" and insert immediately thereafter ":

(1) To the employer's"

Page 2, line 15, overstrike "or" and insert immediately thereafter ".

(2) To the employer's employee when the employer"

Page 2, line 15, overstrike "An employer"

Page 2, line 16, overstrike "shall give written notice identifying the selected preferred provider"

Page 2, line 16, remove "and the terms of the"

Page 2, line 17, remove "preferred provider program"

Page 2, line 17, overstrike "to every" and insert immediately thereafter:

"(3) To an"

Page 2, line 17, overstrike "hired after the selection was made"

Page 2, line 17, remove "and"

Page 2, line 18, replace "to" with "at the time of hire.

(4) To"

Page 2, after line 18, insert:

"(5) To an employee when the employee notifies the employer of an accident under section 65-05-01.2, but in no case more than two days following the employee's notification of the employer.

b."

Page 2, line 18, overstrike "who" and insert immediately thereafter "that"

Page 2, after the period, insert:

"c."

Renumber accordingly

13.0199.02001
Title.

Prepared by the Legislative Council

January 10, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1052

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 65-05-28 of the North Dakota Century Code, relating to choice of doctor for workers' compensation claims; and to repeal sections 65-05-28.1 and 65-05-28.2 of the North Dakota Century Code, relating to the workers' compensation preferred provider program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 65-05-28 of the North Dakota Century Code is amended and reenacted as follows:

65-05-28. ~~Examination~~Treatment of injured employee - Paid expenses - No compensation paid if claimant refuses to reasonably participate.

1. Every employee who sustains an injury may select a doctor of that employee's choice to render ~~initial~~ treatment. ~~Upon a determination that the employee's injury is compensable, the organization may require the employee to begin treating with another doctor to better direct the medical aspects of the injured employee's claim. The organization shall provide a list of three doctors who specialize in the treatment of the type of injury the employee sustained. At the organization's request, the employee shall select a doctor from the list. An injured employee shall follow the directives of the doctor or health care provider who is treating the employee as chosen by the employee at the request of the organization and comply with all reasonable requests during the time the employee is under medical care. Providing further that:~~

~~1. No employee may change from one doctor to another while under treatment or after being released, without the prior written authorization of the organization. Failure to obtain approval of the organization renders the employee liable for the cost of treatment and the new doctor will not be considered the attending doctor for purposes of certifying temporary disability.~~

   ~~a. Any employee requesting a change of doctor shall file a written request with the organization stating all reasons for the change. Upon receipt of the request, the organization will review the employee's case and approve or deny the change of doctor, notifying the employee and the requested doctor.~~

   ~~b. Emergency care or treatment or referral by the attending doctor does not constitute a change of doctor and does not require prior approval of the organization.~~

2. Travel and other personal reimbursement for seeking and obtaining medical care is paid only upon request of the injured employee. All claims for reimbursement must be supported by the original vendor receipt, when

appropriate, and must be submitted within one year of the date the expense was incurred or reimbursement must be denied. Reimbursement must be made at the organization reimbursement rates in effect on the date of incurred travel or expense. The calculation for reimbursement for travel by motor vehicle must be calculated using miles actually and necessarily traveled. Providing further that:

a. Payment for mileage or other travel expenses may not be made when the distance traveled is less than fifty miles [80.47 kilometers] one way, unless the total mileage equals or exceeds two hundred miles [321.87 kilometers] in a calendar month;

b. All travel reimbursements are payable at the rates at which state employees are paid per diem and mileage, except that the organization may pay no more than actual cost of lodging, if actual cost is less;

c. Reimbursement may not be paid for travel other than that necessary to obtain the closest available medical or hospital care needed for the injury. If the injured employee chooses to seek medical treatment outside a local area where care is available, travel reimbursement may be denied;

d. Reimbursement may not be paid for the travel and associated expenses incurred by the injured employee's spouse, children, or other persons unless the employee's injury prevents travel alone and the inability is medically substantiated; and

e. Other expenses, including telephone calls and car rentals are not reimbursable expenses.

3. The organization may at any time require an injured employee to submit to an independent medical examination or independent medical review by one or more duly qualified doctors designated or approved by the organization. The organization shall make a reasonable effort to designate a duly qualified doctor licensed in the state in which the employee resides to conduct the examination before designating a duly qualified doctor licensed in another state or shall make a reasonable effort to designate a duly qualified doctor licensed in a state other than the employee's state of residence if the examination is conducted at a site within two hundred seventy-five miles [442.57 kilometers] from the employee's residence. An independent medical examination and independent medical review must be for the purpose of review of the diagnosis, prognosis, treatment, or fees. An independent medical examination contemplates an actual examination of an injured employee, either in person or remotely if appropriate. An independent medical review contemplates a file review of an injured employee's records, including treatments and testing. The injured employee may have a duly qualified doctor designated by that employee present at the examination or later review the written report of the doctor performing the independent medical examination, if procured and paid for by that employee. Providing further that:

a. In case of any disagreement between doctors making an examination on the part of the organization and the injured employee's doctor, the

organization shall appoint an impartial doctor duly qualified who shall make an examination and shall report to the organization.

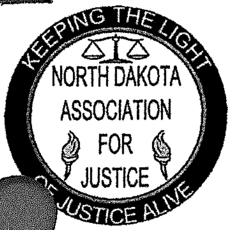
b. The injured employee, in the discretion of the organization, may be paid reasonable travel and other per diem expenses under the guidelines of subsection 2. If the injured employee is working and loses gross wages from the injured employee's employer for attending the examination, the gross wages must be reimbursed as a miscellaneous expense upon receipt of a signed statement from the employer verifying the gross wage loss.

4. If an employee, or the employee's representative, refuses to submit to, or in any way intentionally obstructs, any examination or treatment, or refuses to reasonably participate in medical or other treatments or examinations, the employee's right to claim compensation under this title is suspended until the refusal or obstruction ceases. No compensation is payable while the refusal or obstruction continues, and the period of the refusal or obstruction must be deducted from the period for which compensation is payable to the employee.

5. If an employee undertakes activities, whether or not in the course of employment, which exceed the treatment recommendations of the employee's doctor regarding the work injury, and the doctor determines that the employee's injury or condition has been aggravated or has worsened as a result of the employee's activities, the organization may not pay benefits relative to the aggravation or worsening, unless the activities were undertaken at the demand of an employer. An employer's account may not be charged with the expenses of an aggravation or worsening of a work-related injury or condition unless the employer knowingly required the employee to perform activities that exceed the treatment recommendations of the employee's doctor.

SECTION 2. REPEAL. Sections 65-05-28.1 and 65-05-28.2 of the North Dakota Century Code are repealed."

Renumber accordingly



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3 1-16-2013pm

Amendment to HB 1052

This amendment would remove from the code the restriction on with whom an injured worker can treat for an injury when the injury occurs at the work place. It would remove government, through WSI, to come between a patient and his/her physician.

It should be the absolute right of an injured worker to select the medical provider with whom they want to treat for their injuries. No government agency should have that right. All of us have that right when we become ill or injured to treat with the physician of our choice. This interference in a choice of a physician occurs in no other insurance program. Blue Cross, the major health insurance carrier in North Dakota and other North Dakota carriers do not impose their choice of a medical physician upon North Dakotans who purchase health insurance.

Having the ability to work with a personal physician who knows the patient's history puts the injured worker in a far better position to get better information and then qualified medical treatment than going to a physician who has no knowledge of the patient's history or needs following a work injury.

Of course, if necessary, one's personal physician will refer the injured worker to a specialist if the initial treating physician does not have specialized knowledge for the type of injury that the worker suffered. But there is no one in a better position to know the injured worker than their personal physician.

If the employee's physician's diagnosis or treatment is not acceptable to WSI, they still have the option to seek an independent medical exam for a second opinion. This process occurs regularly now when WSI does not agree with the treating physician's care or opinion even when the physician is picked by the employer pursuant to the present statute.

If there is any concern that the injured worker's physician is practicing inappropriate or providing sub-standard treatment, WSI has the ability under other regulations to deny payment and, if truly inappropriate or sub-standard care occurs, WSI has its peer review system available to report the physician to the appropriate authorities.

What it basically comes down to with this statue, in North Dakota, government regulations and interference comes between an injured worker and his/her physician. Something that none of us would find acceptable in the rest of the our health care system.

Alan Austad
North Dakota Association for Justice

4) 1-16-13 am

HB 1052

From: Keiser, George J. <gkeiser@nd.gov>
Sent: Thursday, January 10, 2013 7:06 AM
To: bids@qpsnd.com
Subject: FW: Denials based upon no DMP treatment

From: Wahlin, Timothy J.
Sent: Wednesday, January 09, 2013 2:57 PM
To: Keiser, George J.; Kasper, Jim M.
Cc: Klipfel, Bryan R.; Halvorson, John L.
Subject: Denials based upon no DMP treatment

Representatives Kasper and Keiser,

This is the information regarding denials based upon no treatment with the DMP. Understand this number may be slightly understated because we also have a miscellaneous reason code that can also be used but not distinguished. It is unlikely many would fall into that group, however.

We track initial claim denials and ultimate claim denials as well. This statistic will help discern the migration of the denials which were cured either by treating with the DMP, showing emergent circumstances, that at the time of treatment the injured employee was unaware it was a work related injury or that employer had not properly notified employee of the selection.

	Initial	Ultimate
FY 2008	63	40
FY 2009	39	28
FY2010	25	28
FY2011	22	15
FY2012	24	15
Totals	173	118

During the same timeframes, WSI was facing a significantly increasing number of filings for benefits which went from just below 20,000 filings for FY2010 to approximately 25,000 filings for FY 2012.

I hope this gives you some scale of the issue. If there is anything else please let me know.

Timothy J. Wahlin
Chief of Injury Services
Workforce Safety & Insurance ND
701-328-7201
800-440-3796
email twahlin@nd.gov

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(1)

2013 Engrossed House Bill No. 1052
Testimony before the Senate Industry, Business, and Labor Committee
Presented by: Tim Wahlin, Chief of Injury Services
Workforce Safety & Insurance
February 13, 2013

Mr. Chairman, Members of the Committee:

My name is Tim Wahlin, Chief of Injury Services at WSI. I am here on behalf of WSI to provide information to the Committee to assist in making its determination. WSI's Board of Directors supports this bill with amendments.

During the 2012-14 interim, the workers' compensation review committee heard testimony regarding the preferred provider system created under sections 65-05-28.1 & 28.2.

The preferred provider system allows employer to select a designated medical provider (DMP) for the treatment of their injured employees. WSI cannot pay medical expenses incurred outside this network nor consider the provider opinions from outside treaters. An employee is free to elect another provider as long as the election occurs prior to an injury.

The system is designed to allow employers to establish close working relationships with their treating physicians and likewise allow the physician an ongoing understanding of the work environment. This generally aids in a smoother transition back to work. In return the medical provider ensures an ongoing group of patients.

This bill would strengthen the employer notice provisions in order for employers to take part in the DMP program. The bill would require written notification at the time of selection of a DMP, at the time of a change, at the time of hire, at least annually, and within two business days of employee notification of an injury.

Currently, there is the requirement for an employer to make written notification to employees when initially selecting or changing a DMP. Likewise there exists a requirement the general information regarding a DMP be posted. This bill would significantly increase those requirements.

The bill was amended in the North Dakota House of Representatives after hearing to add an additional requirement not originally considered by either WSI or its Board. The North Dakota House of Representatives added the language at (5)(a)(5) which requires written notification be given to each injured employee within two days of employer notification of an injury. This requirement garnered significant discussion and opposition by the WSI Board of Directors. With this requirement, they expressed concern the system would become unworkable under many scenarios including reported injuries while on the road; injuries reported after employment has ended; or injuries reported from remote locations. Any defect within the written notice requirement will nullify a DMP selection, thereby opening the possibility of treatments outside the employer's selected medical facilities.

The addition of the written notification within two days of an injury report will likewise be problematic for the agency to administer. The requirement for WSI to access and record the written notification following each injury is something we currently are not required to gather. This will become necessary because, opinions of non-DMP physicians may not be considered by WSI for purposes of compensability, causation, impairment or disability.

This requirement will increase record keeping requirements for employers and WSI and slow claim adjudication for the agency. The increased workload comes at the same time we are facing all-time record numbers of claim filings and employer registrations.

Additionally, the statute is unclear as to the effect an inadvertently missed notice will have on an employer's entire program. Concern was raised from the Board on this

point. They requested language be added clarifying that a single missed notice will not nullify the entire program.

To address these concerns, we have offered an amendment intended to remove the two day notice provision and clarify that any missed notice only invalidates the DMP selection for the individual claim.

In a companion bill, HB 1051, the agency would be required to study the DMP system and determine what, if anything; should be changed to increase its cost effectiveness. Even with these amendments, prior to completion of that study it appears alterations may be premature.

I would be happy to answer any questions you may have.

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT
ENGROSSED HOUSE BILL NO. 1052

Page 2, line 23, replace "all" with "the employer's"

Page 2, remove lines 24 – 26

Page 3, line 5, replace ""allowing the employee to make the initial" with "for the employee's claim."

Page 3, remove line 6

Renumber accordingly

(3)

GNDC
Greater **North Dakota** Chamber

Testimony of Bill Shalhoob
Greater North Dakota Chamber of Commerce
HB 1052
February 13, 2013

Mr. Chairman and members of the committee, My name is Bill Shalhoob and I am here today representing the Greater North Dakota Chamber of Commerce, the champions for business in North Dakota. GNDC is working to build the strongest business environment possible through its more than 1,100 business members as well as partnerships and coalitions with local chambers of commerce from across the state. GNDC also represents the National Association of Manufacturers and works closely with the U.S. Chamber of Commerce. As a group we stand in support of HB 1052 with the proposed amendments and urge the committee to add the amendments and give a do pass from your committee on the bill.

We are all aware of the growth of health care costs. Discussion of the subject consumes much of our time from the federal level with Medicare and Obamacare, to the state level where we have real concern over the financial condition of our critical care hospitals, to the personal level where businesses and residents deal with the growth of ever increasing costs of health care and health insurance. The preferred provider program was designed as a tool to help businesses control their costs and therefore be able to continue to provide health insurance to their employees. The goal should be to achieve a balance between the employee's right of choice and the employer's right to select a provider familiar with the work place and able to assess injuries that occur in it. As drafted we supported the changes. As amended we think it makes it difficult for the employer to comply. These 1,280 companies are some of our largest employers doing work in multiple locations or sending employees into the field regularly. In order to keep the option viable and balanced between the parties we suggest the amendments be adopted and the bill passed.

Thank you for the opportunity to appear before you today in support of HB 1052 with the proposed amendments. I would be happy to answer any questions.

Champions (for) Business

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