



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill #	SB 295	Title:	Restoring the right for injured worker to choose their own doctor.
Primary Sponsor:	Andrea Olsen	Status:	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns   |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$5,000	\$0	\$0	\$0
Other - Proprietary	Unable to Determine	Unable to Determine	Unable to Determine	Unable to Determine
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Other - Proprietary	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** SB 295 restores the right for an injured worker to designate a treating physician for workers' compensation purposes. The bill requires the worker's designated treating physician to be reimbursed at 110% of the fee schedule rates. This bill may cause an indeterminate increase in the workers' compensation system cost in Montana.

## FISCAL ANALYSIS

### Assumptions:

#### Department of Labor and Industry

1. The Department of Labor and Industry (DLI) estimates \$5,000 for rulemaking costs. The time will primarily take the form of legal staff drafting as well as Secretary of State fees for rules proposals and adoption.
2. DLI anticipates that additional work would be minimal and any associated costs will be covered by resources within the department.

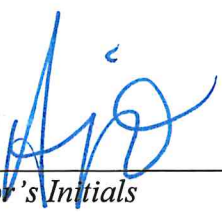
**Montana State Fund**

3. Eliminating the insurers' ability to designate the treating physician will nullify a material portion of the workers' compensation system estimated cost reductions created following the enactment of HB 334 in 2011. After the enactment of HB 334, the National Council on Compensation Insurance (NCCI) filed with the Montana Commissioner of Securities and Insurance a loss cost filing in which NCCI determined the insurers' ability to designate the treating physician after acceptance of liability reduced Montana workers' compensation system loss costs by 8.5%.
4. Current law enables insurers, after accepting liability, to designate an injured worker's treating physician. It prohibits a health care provider who is not a participant of a managed care organization (MCO) from providing treatment unless authorized by the insurer.
5. This bill enables an injured worker to designate a health care provider, who is not an MCO or preferred provider organization (PPO) participant, as their treating physician and to provide the injured worker treatment.
6. Under current law, the insurer's authorized designated treating physician is reimbursed at 110% of the Department of Labor and Industry's fee schedule. The higher reimbursement rate is to compensate the designated treating physician for the additional responsibilities associated with delivery and coordination of the worker's medical services for the treatment of a worker's compensable injury or occupational disease.
7. This bill requires insurers to reimburse an injured worker's designated treating physician at the same 110% reimbursement rate provided to insurer designated treating physicians.
8. An insurer, upon finding that the injured worker's designated treating physician is not qualified to perform the responsibilities, must receive the injured worker's consent prior to changing. Should the injured worker refuse to consent to changing the designated treating physician, the designation could result in mediation. This process may result in the injured worker's treatment being prolonged and increase claim benefit costs.

	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
<b>FTE</b>	0.00	0.00	0.00	0.00
<b><u>Expenditures:</u></b>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$5,000	\$0	\$0	\$0
Benefits	Unable to Determine	Unable to Determine	Unable to Determine	Unable to Determine
<b>TOTAL Expenditures</b>	<u>\$5,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$5,000	\$0	\$0	\$0
Other - Proprietary	Unable to Determine	Unable to Determine	Unable to Determine	Unable to Determine
<b>TOTAL Funding of Exp.</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Other - Proprietary	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$5,000)	\$0	\$0	\$0
Other - Proprietary	Unable to Determine	Unable to Determine	Unable to Determine	Unable to Determine

**Technical Concerns**

1. This bill states that treating physicians who are not members of a managed care organization (MCO) or preferred provider organization (PPO) may not be paid at rates paid to treating physicians unless approved by the insurer. However, the bill does not specify the rate to be paid if the insurer approves, nor does the bill specify a rate to be paid, if any, if not approved.

  
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*Sponsor's Initials*

  
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*Date*

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*Budget Director's Initials*

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