

HOUSE BILL NO. 299

INTRODUCED BY M. NOLAND

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A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING NOTIFICATION REGARDING PENALTIES FOR FRAUDULENT WORKERS' COMPENSATION CLAIMS FOR BENEFITS; ALLOWING CERTAIN CHARGES TO BE USED FOR FRAUD PREVENTION; AMENDING SECTIONS 39-71-316 AND 39-71-606, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 39-71-316, MCA, is amended to read:

"39-71-316. Filing true claim -- obtaining benefits through deception or other fraudulent means.

(1) A person filing a claim under this chapter, by signing the claim, affirms the information filed is true and correct to the best of that person's knowledge.

(2) (a) A person who obtains or assists in obtaining benefits to which the person is not entitled or who obtains or assists another person in obtaining benefits to which the other person is not entitled under this chapter ~~is guilty of theft and~~ may be prosecuted for theft under 45-6-301.

(b) A county attorney or the attorney general may initiate criminal proceedings against the person. This subsection (2) includes but is not limited to a person who is receiving temporary total disability benefits, permanent total disability benefits, or rehabilitation benefits while working without the knowledge and concurrence of the insurer.

~~(b)(c)~~ As used in this subsection (2)~~(a)~~, "person" includes but is not limited to an employee, employer, insurer, or medical service provider.

(3) (a) The department may require a person convicted of theft under 45-6-301(5) to pay to the department an amount equal to 10 times the amount paid by an insurer on the false claim, provided that the amount does not exceed \$50,000. If ~~upon~~ on demand of the department the person refuses to pay the fine, the department may petition the workers' compensation court to collect the money owed.

(b) The department shall:
(i) use the money collected pursuant to subsection (3)(a) to administer and enforce the provisions of this section and promote fraud prevention efforts; and



1 (ii) forward any surplus money to the department of justice. The forwarded money must be used
2 exclusively for the staffing and operation of the workers' compensation fraud investigation and prosecution office
3 established in 2-15-2015.

4 (c) This section does not limit an insurer's civil remedies to collect for money paid to a person convicted
5 under 45-6-301(5).

6 (4) A person licensed under the provisions of Title 37 is subject to suspension, revocation, or denial of
7 a license if the person knowingly claims or assists in the claiming of benefits in violation of the provisions of this
8 chapter."

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10 **Section 2.** Section 39-71-606, MCA, is amended to read:

11 **"39-71-606. Insurer to accept or deny claim within 30 days of receipt -- notice of**
12 **fraudulent-reporting penalties, benefits, and entitlements to claimants -- notice of denial -- notice of**
13 **reopening -- notice to employer.** (1) Each insurer under any plan for the payment of workers' compensation
14 benefits shall, within 30 days of receipt of a claim for compensation signed by the claimant or the claimant's
15 representative, either accept or deny the claim and, if denied, shall inform the claimant, the employer, and the
16 department in writing, including by electronic notification to the employer or the department, of the denial.

17 (2) The department shall make available to insurers for distribution to claimants sufficient copies of a
18 document describing penalties for fraudulent-reporting as well as current benefits and entitlements available
19 under Title 39, chapter 71. Upon receipt of a claim, each insurer shall promptly notify the claimant in writing of
20 potential prosecution for theft for fraudulent reporting and of potential benefits and entitlements available by
21 providing the claimant a copy of the document prepared by the department.

22 (3) Each insurer under plan No. 2 or No. 3 for the payment of workers' compensation benefits shall notify
23 the employer of the reopening of the claim within 14 days of the reopening of a claim for the purpose of paying
24 compensation benefits.

25 (4) Upon the request of an employer that it insures, an insurer shall notify the employer of all
26 compensation benefits that are ongoing and are being charged against that employer's account.

27 (5) Failure of an insurer to comply with the time limitations required in this section does not constitute
28 an acceptance of a claim as a matter of law. However, an insurer who fails to comply with 39-71-608 or this
29 section may be assessed a penalty under 39-71-2907 if a claim is determined to be compensable by the workers'
30 compensation court."

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2 NEW SECTION. **Section 3. Effective date.** [This act] is effective July 1, 2015.

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