2021 MSIA Business Meeting

**and**

**2021 MSIA Annual Meeting**

**Sept 29, 2021**

MSIA 2021 Business Meeting September 29, 2021 8:30a

1. Introductions & Adoption of 9/29/2020 Business & Annual Meeting Minutes (membership vote)

Business Meeting Members Present: Brentwood (J. Carr & A. Nicol), Browning, Kaleczyc, Berry & Hoven (M. Weber), Definiti Comp Solutions (S.Timmons), Logan Health (D. Wallcheck & H. Callefl) Midland Claims Service (M. Marsh), MCCF (V. Evans), MHN (C. Hopkins), MSBGA (K. Bartsch), MUS (L. Tietz), PacBlu (A. Lynn & M, Steed) & MSIA Executive Director, P. Strauss. Members who provided proxies for quorum purposes are: Forensic Nursing, MT Electric Cooperative Association, Providence Health, SCL Health, Rosauers, NorthWestern Energy, MMIA, myMatrixx, Harnish Group, Take Courage Coaching and Health-e-Systems.

The meeting was called to order at 8:30a. Between live attendees and written proxies received prior to the meeting, a quorum of the 35 members was present.

A copy of all the materials for the meeting was provided to the membership on 9/21/2021 via email. Hard copies of the material was also available to members in attendance at the meeting.

**Evans moved and Hopkins seconded a motion to accept the Business and Annual Meeting Minutes from 9/29/2021. Motion passed unanimously with no abstentions.**

1. Financial Review

Among the documents provided to the membership for review and available at the meeting was the financial comparison between FY 2020 and FY 2021. Strauss explained the differences and the reasons for them. Strauss explained the increase in expenses, memberships in NCSI and MSAE, the IRS non-profit application fee, the differences in the expense dollars as well as the web-site and domain costs.

Strauss reviewed the Year-to-Date information provided to the members. Strauss pointed out the differences in the two years investment income based on changes to the savings and investment reserve accounts based on Board action. The conclusion was the Association is in fine financial shape and does not have a financial concern. The Board reviews the financial results on a monthly basis and expenses are also reviewed by the Secretary/Treasuer and are subject to approval prior to payment. Strauss pointed out the bank fees include credit card charges for annual dues paid by credit card. The credit card company charges 3% of the transaction total as their fee.

Strauss reported that dues are strong, with three new Associate members in this year so far, the return of one Employer member and the addition of a new Employer member.

Strauss reported the Board has made further changes to the investment and reserve accounts. MSIA started the fiscal year with about $22,000 in the operating checking account. With a budget that contemplates expenditures to roughly equal income, we finished the year about where we started - - with about $22,000 in the operating checking account. The operating checking account is in addition to the reserve investment and savings accounts. The reserve investment account saw a gain of about $3000. During the year, the Board approved continuing to invest a bit more than half of the MSIA reserves in a modest growth investment account, and splitting the remainder of our reserve funds, roughly $9,700 in a traditional DA Davidson savings account, currently returning a 0.1% yield and about $10,000 in a high yield CD offered through Valley Bank of Helena providing 0.4% yield. . Strauss reported his Board member relationship with Valley Bank along with the results of a survey of Montana based financial institutions which demonstrated the Valley Bank CD return was mor than twice that of the other institutions.

Strauss reported the annual tax return had not yet been filed, but our accountant had expected it to require the standard $50 to the state as the minimum corporate tax payment and no taxes to be paid to the federal government as a result of activities for FY 2020.

1. 2022 Budget

Strauss reviewed the proposed budget presented to the membership and approved by the Board to permit operations from the beginning of the fiscal year through the Business & Annual Meeting. Overall, the budget contemplates some growth in membership, and therefore growth in income. At the same time, the expenditures include new proposals, such as WCRI membership, which will increase our expenses. Overall the budget provides for a modest deficit of about $750, which may or may not come to pass. The budget does not include investment income and includes D & O insurance coverage for the Board members, which has not been purchased by the Association in the past. Investment income should exceed our budget deficit and failure to spend the monies allocated for the insurance coverage will more than make up the difference as well.

**Hopkins moved and Marsh seconded a motion to adopt the budget as proposed. The motion passed unanimously with no abstentions.**

1. Issues Survey Review

Strauss reported the first thing he does when the Annual Issues Survey responses come in is to number them and save them based on the number, not the name of the individual or organization which provided the response. This preserves the anonymity of the response.

Members do not support creating mental-mental injuries within the Montana Workers’ Compensation system. Members pointed out there was no way to create a baseline to return someone to pre-injury levels. Further, if we were to provide it to a specific group of injured workers such as first responders or law enforcement, we would be creating two classes of injured worker and could create an unconstitutional situation within the system.

Similarly, members also opposed creating COVID presumptions within the system. Members pointed out that doing so was antithetical to the grand bargain and with all the PPE requirements, including the current OSHA ETS for health care employers, it is more likely staff would contract COVID from community spread rather than through work exposures. Members did not support changing the current law regarding infectious diseases either.

Members supported the idea of a broader anti-fraud prosecution effort within the state government but did not want it to be housed within the Department of Insurance as they do not have any regulatory authority over self-insureds. Members suggested prosecution services through the Department of Justice or the AG’s office directly. There were no comments on how to fund such an effort. Strauss suggested that a way to get more attention to workers’ compensation system fraud prosecutions could be based on his knowledge of the Texas Mutual (State Fund) program which funded efforts in the Tarrant County (Austin) Prosecutors office specifically to pursue fraud convictions. He will explore that potential with the L & C County Prosecutor.

Members supported either suspension or termination of benefits for injured worker delays in benefit change implementations citing what seemed to be endless physical therapy with no change in condition.

In response to the top three issues in the system for members results included:

* + - Subrogation
		- Lack of Employee accountability to RTW
		- Lockhart Liens
		- Increasing the Dental Fee Schedule
		- Suspension of benefits for drug tests which indicate illegal drugs
1. Bylaw Review
	1. 2020-21 Board Amendments

Strauss reported on the Bylaw changes adopted by the Board during the past year and had provided written copies of the changes to the members via email on 9/21/2021 and hardcopy at the meeting.

The first change was to dedicate an individual Board seat to an Associate member, to allow that member to serve in any capacity on the Board and to provide that Associate member full Board voting rights. Strauss reported this was necessary to execute the membership’s election last year of an Associate member as the Secretary/Treasurer of the Association.

The second change was to create staggered, two-year terms for Board members.

**Evans moved and Bartsch seconded a motion to accept the Bylaw changes as adopted and proposed by the Board. The motion passed unanimously with no abstentions.**

* 1. Additional changes From the Floor?

There were no other bylaw changes discussed via the floor.

1. Additional Board Member and Officer Election

Strauss reviewed that to implement the new Bylaws just adopted, the membership needed to elect the two Board members who were first elected to their positions at the 2020 Business & Annual meeting to new terms ending in 2022.

Strauss also pointed out that the bylaw permitted more Board members, should a member desire to serve on the MSIA Board of Directors. None forwarded their name for consideration.

**Tietz moved and Evans seconded a motion to elect Mike Marsh, an Associate member from Midland Claims Service to serve as Treasurer and Dee Walcheck representing Logan Health to serve as a member at large to terms ending in 2022. The motion passed unanimously with no abstentions.**

**Tietz moved and Bartsch seconded a motion to elect Ann Komac representing MMIA as Chair, Jamie Haun representing Rosauers as Vice Chair and Donna Haeder representing NorthWestern Corporation as a member-at-large to serve terms ending in 2023. The motion passed unanimously with no abstentions.**

1. Old Business/New Business
	1. Policy Statement – Board Member Responsibilities

Strauss reported that as a result of Board discussion of the MSIA Investment Policy Statement, and their interest in creating a Conflict of Interest and Confidentiality statement, the Board adopted an MSIA Board of Directors Responsibility Statement. A copy of the statement was provided to all members via email on 9/21/2021 and was made available hardcopy at this meeting.

Strauss reported he had contacted a number of Montana organizations to review their Conflicts, Confidentiality and Responsibilities documents and had the Board had adopted something that was based on the WorkSafeMT Board adopted language as it seemed to fit the MSIA culture best. In effect, the statement provides for Board member responsibilities, requires that confidential information remain confidential and identifies what steps are to be taken should a conflict of interest arise. As well, the statement identified responsibilities of the Executive Director to the Board members.

**Evans moved and Marsh seconded a motion for the membership to adopt the MSIA Board Member Responsibilities document as a policy statement of the Association. The motion passed unanimously with no abstentions.**

There was no other old business and members did not identify any new business for the Association to address.

1. Adjourn

A motion to adjourn the 2021 MSIA Business Meeting was made at 9:03a from the floor and passed unanimously.

Copies of the documents reviewed and/or adopted by the membership is attached to these minutes.

MSIA 2021 Annual Meeting September 29, 2021 9:00a

Attendees: The members noted above as attending the MSIA 2021 Business meeting remained in attendance and were joined by other attendees of the Governor’s Conference on Workers’ Compensation and Safety.

Strauss welcomed and introduced MSIA member Browning, Kaleczyc, Berry & Hoven representative Morgan Weber as a sponsor of the 2021 MSIA Business & Annual Meeting to present some background and information on the services BKBH offers to their clients in the state.

Strauss welcomed and introduced MSIA member Definiti Comp Solutions/Definit Rx representative Sherry Timmons as the sponsor of breakfast at the meetings to present some background and information on the services their companies provide to business partners to the attendees.

MSIA has decided to provide a national speaker for members as a routine for the Annual Meeting and would welcome Governors Conference attendees to join the meeting. As a result, the MSIA Annual Meeting will become an agenda item on the Governors Conference agenda.

Strauss welcomed the members and Conference guests to the MSIA 2021 Annual Meeting and introduced Bob Wilson, founder, President and CEO of workerscompensation.com as a guest speaker. Wilson joined the meeting and provided a presentation on COVID and its’ impact on workers compensation and our systems virtually. A copy of Wilson’s presentation is attached to these minutes.

**The 2021 MSIA Annual Meeting adjourned at 10:00a.**