**MONTANA SELF INSURERS’ ASSOCIATION**

**March 23 Board Meeting Minutes**

**1:30p Mountain**

**Zoom Meeting ID: 898 7367 8582**

**Passcode: 514482**

Members Present: A. Komac (Chair) MMIA, J. Haun (Vice Chair) Rosauers, M. Marsh (Sec’y/Treas) Midland Claims, D. Walcheck Logan Health, P. Strauss (Exec Dir) ex-officio and non-voting. D Haeder, Northwestern Energy was excused.

1. **Approval of 2/17/2022 Board Meeting Minutes**

**Komac moved and Marsh seconded a motion to approve the 1/20/2022 Board Meeting Minutes as presented. Motion passed unanimously with no abstentions.**

1. **Director’s Report**:

**Financials**

Attached to the meeting invitation were the February 2022 monthly statements from First Interstate Bank, the DA Davidson Savings and Investment accounts and the most current fiscal year to date Financial Transactions spreadsheet, which is more up to date.

First Interstate Balance                               = $37,612.15

DA Davidson Bond Fund Balance        = $9,579.43

DA Davidson Investment Acct                   = $24,321.35

In addition, we have the Valley Bank 12-month CD deposit of $10,240.

Strauss provided a Same Time Last Year financial review,

First Interstate Balance                               = $30,175

DA Davidson Acct Balance = $43,974 compared to $44,140 in our current reserve accounts

Strauss reported that we had added an Employer member and five Associate members during the year. In addition, there are three more potential Associate members and Strauss had a positive discussion with an Albertsons representative about membership. The results of a growing membership base was a more positive financial picture and a more credible Association in terms of public policy issues both in Montana and nationally.

Association expenses incurred in February included the domain name, $50 registration for the BBER Economic Outlook Seminar, parking and coffee with a potential member for $7 (MSQ), MSAE membership at $155, CE credit charge from the state for our Webinar of $78.48, lunch for the WCCM business caucus meeting of $16.36 and airfare for the WCRI meeting of $717.20. Strauss reported he attended the WCRI Annual Meeting last week at no registration cost, based on his relationship with the organization. The monthly CardSetter maintenance fee was not processed against my credit card this month, so the Association should expect double the usual charge in March.

Strauss reported that anticipated expenses in March will include the WCRI hotel, mileage to and from the Bozeman airport, where the airfare was less than half of the Helena based charges, parking and incidental food and transportation associated with the WCRI meeting. We will also have the usual domain name charge and the website maintenance charges

Strauss also identified that in reviewing our financial information, he recognized he had inadvertently requested and received reimbursement twice for the $155 MSAE annual dues. Strauss was reimbursed in both January and February for those dues. The Board considered an immediate refund and decided to allow a $155 credit to be applied to the March expenses. Strauss apologized for his error.

We still do not have a definitive answer as to whether we have to file an amended tax return for 2/4 – 6/30/2021 (the period the IRS awarded our tax exempt status last year). Realistically, Strauss reported he does not expect to pursue this issue with our new accountant until after 4/15 as we are not a pressing issue. Strauss has traded emails with Dawn Wrigg and hopes to have an answer later in April.

**Membership**

Strauss attended the WCRI meeting in Boston last week and secured commitments from Paradigm, One Call and Rising Medical Solutions to join as Associate members. He also reported a very positive hallway conversation with Denise Algire, Director of Managed Care & Disability for Albertsons. She indicated she was surprised the Albertsons had dropped membership. Strauss has followed up with all four organizations. Both Rising and Paradigm have asked for payment information. The big fish of course will be getting Albertsons back into the organization.

Strauss asked the Board to approve a proposal to provide the final quarter at no cost, should an organization join and pay during that time. In other words, collect the funds during the last fiscal quarter, and provide membership from the date of payment through to the end of the next membership year – in this case, June 2023. We already have permitted two members to pay based on a January annual basis to make it easier for their accounting systems. We are small enough and nimble enough to accommodate these different membership due dates. Strauss is keeping track of membership status via spreadsheet. The Board discussed the proposal and offered an alternative to provide for a monthly pro-rata membership charge for those organizations not paying for either a January or July membership start date.

**Marsh moved and Komac seconded a proposal to provide the Executive Director the flexibility for new members to pay dues on a pro-rata basis for the remaining months of the membership year in which the new member becomes active; and to bill in advance for the following years’ membership in full, based on the new members’ choice. Motion passed unanimously with no abstentions.**

In an email motion and vote on April 14, Strauss had asked the Board to consider a slightly different tack towards new members who join in the last quarter of the year. This motion will supersede the prior motion.

Strauss explained the adopted language did not really provide the market flexibility he was seeking. When we have an associate who is considering membership, the maximum we would be waiving under the language is less than $80. Strauss explained being able to bring a new member in, and not have to bill them for up to 14 months, makes life so much easier for new members and the Executive Director. Strauss continued that with the above language as a policy, the Executive Director would not have the flexibility and new Associate members would likely wait until the next year anyway to join. And, they would then be joining when the Executive Director is busiest with billing and collections. Bringing in an Employer member is different and landing them is much more of a delicate and deliberate dance. Strauss proposed language below, which would also give the Executive Director some freedom to dangle something for nothing to potential new members – or offer them the opportunity to wait for the new year (January). Either approach could make a difference in being able to attract new members.

**Marsh moved and Walcheck seconded a proposal to provide the Executive Director the flexibility for new members only, to pay dues on a pro-rata basis for the remaining months of the membership year in which the new member becomes active, or to offer up to three months at no additional charge if they join the Association in the last quarter of the fiscal year and pay in full in advance for the next fiscal year. Motion passed with all Board members supporting the proposal via email on 4/14 with no abstentions.**

1. **Web Site**

The Web Site has been updated with the most recent MSIA Update.

1. **Workers Compensation Council of Montana**

The Labor Co-Chair, Don Judge and Strauss as Business Co-Chair discussed the potential agenda for a tentatively scheduled meeting on Thursday 3/24 and other than a vague sense of safety issues, could not identify a solid agenda. As discussed at the MSIA February 2022 Board meeting the business caucus has some ideas of issues to bring forth, particularly if the labor caucus requests a change in the benefit levels, but no specific language nor pricing has been created as yet.

Judge and Strauss I agreed to postpone the next meeting to the call of the Chairs. As a result, the March 24 tentative meeting has been cancelled.

To review, the Business Caucus items are:

Subrogation – not a primary priority but should remain on the list

Replace the Coles criteria with a hard date for benefit changes

Eliminate Mandatory Voc Rehab

Change to concurrent employment benefit calculation

Change to definition of wages

No specific language has been created – and based on that, no value to the system has been estimated. Research for language has been assigned, largely to Kevin Braun, General Counsel for MSF and myself. APCIA – the Plan 2 carriers have volunteered to assist in that effort as well.

1. **Old Business / New Business**

**Tax Filing -** As discussed above, we do not yet have a definitive answer about filing an amended return reflecting our tax exempt status retroactive to February 4, 2021 and at this point do not expect a response until after 4/15. I will keep you apprised of what we will be required to do. There will be a professional accounting firm charge.

**WCRI Meeting –** Strauss will be reporting in the April issue of the MSIA Update about the substance of the meeting and reported to the Board he had re-connected with a number of national WC professional friends and have at least introduced the idea of providing a “free speech” webinar for MSIA to Joe Paduda, Alex Swedlow, Mark Pew and others.

Strauss provided some information gleaned from the meeting –

* Medical CPI is projected to be about 2.4% for this year but we should be ready for medical inflation to be up towards the end of ’22 or early ’23;
* The economy is still growing but we may feel like we are in a recession based on the decrease in GDP growth from 7.5% to about 2%;
* The American workforce has lost bout 2.1 million workers since the start of the pandemic – for the first time in our history, over 50% of adults over 55 are not part of the workforce;
* Comparisons to the economy of the early 80’s don’t stand up to scrutiny, mortgage rates, UI levels and wage/price inflation are very different;
* The Ukrainian conflict will have the effect of slowing our economy. However, should China choose to take the same path as Russia with Taiwan, there will be a significant impact to the US economy based on the trade between the three nations;
* Nationally, there have been no COVID vaccine reaction claims to speak of and no significant level of long-COVID claims;
* As a result of the pandemic, executive awareness of safety, cleanliness, telehealth and suicide and prevention is way up and is impacting the workplace;
* Over 216 million Americans have had at least one dose of a COVID vaccine and 95 million have been fully vaccinated and boosted. We have never before attempted to vaccinate the entirety of the American population so the results to date should not be surprising. In comparison, it took more than two years to reach a significant population of children to be vaccinated against polio.
* A panel of a plaintiff attorney, an industry representative and a Florida workers’ compensation judge reviewed where the systems are 50 years after the National Commission report. All agreed that at least in some ways, the systems are better than they were. Predictably, the plaintiff attorney bemoaned the limitations on access to benefits, based on work being required to being a major contributing factor of the disability. The industry represented countered with facts regarding the failures of systems across the country based on the liberal interpretation of work as a factor in the disability. The plaintiff’s attorney suggested that the Federal government might better set some minimum standards for workers’ compensation systems. The judge responded immediately with, “If the Federal Government is the answer, then it is a really stupid question.”

One of the more interesting contacts Strauss made was with an old friend from the twin cities who is representing a new group who is using digital sports technology to assist in targeting physical therapy modalities. There may be an application for some of our members. Strauss will learn more about the technology and share that information with members.

**MSIA Webinar Series** – Feedback from our first webinar was very positive. Strauss also learned the administrator of the webinar and the host must be different people. It is too confusing to try to run the technology and host the meeting. Strauss plans to conduct at least quarterly live webinars for our members with CE credits as often as possible. Topics should have a focus on Montana and reflect national information as well. In time, I would ask that we figure out how to provide the webinars free for members and provide a nominal charge for non-members. As of now, we are anticipating conducting a number of “free speech” webinars and focus on providing information to members.

In the immediate, NCCI has just released their State Advisory Forum information and will not be providing a State Advisory Forum either live or virtually. While there is no specific self-insured interests nor data in the NCCI presentation this can be a service to the Montana workers’ compensation market. The Board asked Strauss to have self insured data from DOLI available and share it with attendees, should we provide a forum for NCCI to share their information. This webinar could demonstrate MSIA’s added value to the marketplace and provide it to everyone involved in the marketplace, whether there is a charge or not. We would ask MSF, DOLI, NCCI and others for an email distribution to non-members.

The Board also suggested Strauss survey members regarding their preferences for CE eligible topics for future webinars.

1. **Adjourn**

The meeting adjourned at 11:45a MDT. Nnext meeting is scheduled for April 21 at 11:00a MDT.