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**MONTANA STATE FUND
OPERATIONAL EXCELLENCE**

March 9, 2023

The Montana State Fund (MSF) Operational Excellence Committee meeting was held March 9, 2023 in MSF's Board Room at 855 Front Street, Helena, Montana 59601 and via Zoom.

Committee Members Attending

Dexter Thiel, Chair, Sidney
Michael Marsh, Billings

Jan VanRiper, Missoula

Board Members Attending

Richard Miltenberger, Helena
Karen Fagg, Billings

John Maxness, Helena

MSF Staff Attending

Holly O'Dell, President/CEO
Kevin Braun, General Counsel
Hannah Osinga, Enterprise Strategist Project Mgr
Julie Jenkinson, VP, Operations

Verna Boucher, Executive Assistant
Matt Mandell, Interim Operations Support VP
Ethan Heverly, Director, Government Relations

I. Meeting Preliminaries – Dexter Thiel

A. Call to Order

The meeting was called to order at 2:32 p.m.

B. December 8, 2022 Operational Excellence Committee Meeting Minutes.

The Committee took action to approve the minutes as presented; Mr. Marsh made the motion, Ms. VanRiper seconded, the motion passed unanimously.

II. Past Unfinished Business

A. Board Member Insight/Commentary

The Chair asked Committee members if they had any unfinished business they would like addressed at this time. Committee members said they had no unfinished business but did reflect on their time on the Board positively and thanked staff.

The Chair asked that their compliments of the staff and their appreciation of their good work be passed along.

III. Operational Excellence Committee Charter Review

The Committee reviewed the proposed clarification language of the Committee Charter.

The Committee took action to recommend to the full Board an amendment to the Operational Excellence Committee Charter to insert the following language, as the second to last sentence, in the Committee Reports section of the Charter:

“The Committee shall make recommendations related to its duties and responsibilities to the full Board for consideration.”

Mr. Marsh made the motion, Ms. VanRiper seconded the motion. The Chair called for public input; there was none. The motion passed unanimously.

IV. Legislative Update – Kevin Braun

Staff provided an update on the status of a variety of proposed legislation that had been and are being heard during the 2023 Legislative Session that could or will have an effect on Montana State Fund, its policyholders, its injured workers and employees.

V. Injured Worker Survey – Matt Mandell, Assistant Vice President, Policy Services

Staff provided a report on the results of the injured worker survey completed in October 2022. Results indicated that 81% of injured employees reported a Good to Excellent overall experience, 89% stated they had received benefits in a timely manner, and 84% stated that they were informed, cared after, and listened to throughout the process.

The Committee discussed the importance of strong communication approaches with injured workers, including communicating using the approach preferred by the worker. This survey will be issued again in Fall of 2023.

VI. Rate Trends in Montana – Hannah Osinga, Enterprise Strategist Project Manager

Staff reported on rates in Montana as compared to national rates, trends in rates in Montana compared to trends in national rates, and the drivers that differentiate rates in Montana from the national median. In response to a request from a Board member, staff also included rates in Montana as compared to neighboring states and trends and rates in Montana as compared to neighboring states.

In 2010, Montana had the highest workers' compensation index rate in the nation. Montana reforms in 2012 brought rates down to the 11th highest in 2014 and rates have continued to drop over subsequent years. During this time, the range has narrowed as rates are converging towards the median and as of 2022, Montana had the 15th highest index rate.

The two drivers of differences in rate in Montana compared to the national median are the frequency of medical only claims (small difference) and the medical costs (larger difference). Further research into the medical cost difference will continue to provide a deeper understanding and then additional considerations will be shared with the Board.

VII. Old Business/New Business

The Chair called for any Old or New Business.

Based on a Board member's request, President O'Dell committed to bringing back to the Committee a quarterly Enterprise Project Portfolio, a quarterly Enterprise Scorecard, a quarterly litigation update, a presentation about the life-cycle of core systems and strategy, a presentation about current return-to-work results, a final presentation about the claims examiner experience efforts, and an continued annual claims metrics written report.

X. Public Comment

The Chair called for public comment; there was none.

The meeting adjourned at 4:22 p.m. The next scheduled Operational Excellence Committee meeting will be held on Thursday, June 8, 2023 at Montana State Fund, 855 Front Street, Helena, Montana in the Board Room.

Respectfully submitted,

Verna Boucher
Special Assistant to the President/CEO