CAMBRIDGE

APR 28 1977

TO: R.L. Oliverio - Libby

DATE: April 27, 1977

FROM: H.A. Eschenbach

SUBJECT: Industrial Health Claims - Libby

CC: J.P. Cahalane
J.W. Wolter

02146615

After reviewing the Montana Occupational Disease Act and the correspondence from Thomas W. Mazurek of Hugo-Dobler Adjuster, Inc., with Paul Cahalane, we both conclude that there is a difference between what the act says and the information which Mazurek apparently received from the Department of Workmen's Compensation (DWC). The law indicates that if a person has an occupational disease but is continuing to work, he "shall be entitled to receive such medical services, treatments, and medicines reasonably required not exceeding the value of $1,000." There is no stipulation that the person be on the verge of retirement for medical purposes related to his work before being eligible for this award. There is an exclusion if the employee is covered under hospital contract as provided in section 92-610. We do not have a copy of that section in Cambridge, but it does not appear to be pertinent to this case. The DeShazer case is clearly an occupational disease claim and Mazurek's comment that his bills from March and April 1956 are not covered since that "was before the possibility of occupational disease," obviously are ill advised. Therefore, we believe that the following steps are necessary:

1. Request a medical examination for DeShazer and the other employees who have medical bills associated with their lung disease which is

apparently asbestosis. While these cases may not meet Mazurek's test that they are going to have to quit working shortly, there are significant drug and medical costs which are obviously not related to the Group Medical Insurance but rather Workmen's Compensation.

2. If we are unable to arrange these appointments through Mazurek, we should contact the DWC directly and determine just what is the situation here.

3. If we fail to have the provisions of the Occupational Disease Act applied to these employees and are forced to secure benefits from our Group Medical Insurance, we should then determine whether or not we will supplement those payments to make up the difference between the actual cost and the insurance benefit after deductibles and reduction to 80%. The implications of making these supplemental payments are far-reaching and must be carefully considered. However, I believe that causing the employee to pay something for medical treatment and medication when the disease was obviously caused on the job would have more serious implications than if we decided to pay that difference ourselves.

H.A. Eschenbach

HAE:bp