

SENATE BILL NO. 391

INTRODUCED BY KEATING
BY REQUEST OF THE DEPARTMENT
OF SOCIAL AND REHABILITATION SERVICES

IN THE SENATE

FEBRUARY 14, 1991 INTRODUCED AND REFERRED TO COMMITTEE
 ON FINANCE & CLAIMS.

 FIRST READING.

MARCH 7, 1991 COMMITTEE RECOMMEND BILL
 DO PASS. REPORT ADOPTED.

MARCH 8, 1991 PRINTING REPORT.

 SECOND READING, DO PASS.

MARCH 9, 1991 ENGROSSING REPORT.

 THIRD READING, PASSED.
 AYES, 48; NOES, 0.

 TRANSMITTED TO HOUSE.

IN THE HOUSE

MARCH 9, 1991 INTRODUCED AND REFERRED TO COMMITTEE
 ON APPROPRIATIONS.

MARCH 11, 1991 FIRST READING.

APRIL 4, 1991 COMMITTEE RECOMMEND BILL BE
 CONCURRED IN. REPORT ADOPTED.

APRIL 6, 1991 SECOND READING, CONCURRED IN.

 ON MOTION, RULES SUSPENDED. BILL
 PLACED ON THIRD READING THIS DAY.

 THIRD READING, CONCURRED IN.
 AYES, 85; NOES, 11.

 RETURNED TO SENATE.

IN THE SENATE

APRIL 9, 1991 RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Senate* BILL NO. *391*
 2 INTRODUCED BY *Anthony*
 3 BY REQUEST OF THE DEPARTMENT
 4 OF SOCIAL AND REHABILITATION SERVICES
 5

6 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE INCREASED
 7 MANAGEMENT OF THE COST AND DELIVERY OF MEDICAL SERVICES
 8 UNDER THE MEDICAID AND GENERAL RELIEF MEDICAL ASSISTANCE
 9 PROGRAMS; TO AUTHORIZE MANAGED-CARE SYSTEMS FOR THE MEDICAID
 10 AND GENERAL RELIEF MEDICAL ASSISTANCE PROGRAMS; TO AUTHORIZE
 11 CASE MANAGEMENT SERVICES UNDER THE MEDICAID PROGRAM; TO
 12 GRANT THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
 13 AUTHORITY TO ADOPT RULES; AMENDING SECTIONS 53-6-101 AND
 14 53-6-113, MCA; AND PROVIDING AN EFFECTIVE DATE."
 15

16 STATEMENT OF INTENT

17 A statement of intent is required for this bill because
 18 it grants the department of social and rehabilitation
 19 services authority to adopt rules for the administration of
 20 medicaid managed-care systems.

21 It is the intent of the legislature that the department
 22 may adopt rules concerning:

- 23 (1) participation in managed care;
- 24 (2) selection and qualifications for providers of
- 25 managed care; and

1 (3) standards for the provision of managed care.
 2 It is also intended that rules adopted by the department
 3 comply with federal regulations governing administration of
 4 the medicaid program.
 5

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

7 NEW SECTION. **Section 1. Medicaid managed care.** (1) The
 8 department of social and rehabilitation services, in its
 9 discretion, may develop managed-care systems for medicaid
 10 recipients.

11 (2) A managed-care system is a program organized to
 12 serve the medical needs of medicaid recipients in an
 13 efficient and cost-effective manner by managing the receipt
 14 of medical services for a geographical or otherwise defined
 15 population of recipients through appropriate health care
 16 professionals.

17 (3) The provision of medicaid services through
 18 managed-care systems is not subject to the limitations
 19 provided in 53-6-101, 53-6-103, and 53-6-104.

20 NEW SECTION. **Section 2. Participation requirements.**

21 (1) The department of social and rehabilitation services may
 22 require medicaid recipients to participate in a managed-care
 23 system.

24 (2) Recipients who are required by the department to
 25 participate in a managed-care system shall participate as

1 required in order to remain eligible for medicaid.

2 (3) The department may require the participation of
3 medicaid recipients in managed-care systems based upon
4 geographical, financial, social, medical, and other factors
5 as the department may determine are relevant to the
6 development and efficient management of managed-care
7 systems.

8 **Section 3.** Section 53-6-101, MCA, is amended to read:

9 *53-6-101. Montana medicaid program -- authorization of
10 services. (1) There is a Montana medicaid program
11 established for the purpose of providing necessary medical
12 services to eligible persons who have need for medical
13 assistance. The Montana medicaid program is a joint
14 federal-state program administered under this chapter and in
15 accordance with Title XIX of the federal Social Security Act
16 (42 U.S.C. 1396, et seq.), as may be amended. The department
17 of social and rehabilitation services shall administer the
18 Montana medicaid program.

19 (2) Medical assistance provided by the Montana medicaid
20 program includes the following services:

- 21 (a) inpatient hospital services;
22 (b) outpatient hospital services;
23 (c) other laboratory and x-ray services;
24 (d) skilled nursing services in long-term care
25 facilities;

1 (e) physicians' services;

2 (f) nurse specialist services;

3 (g) early and periodic screening, diagnosis, and
4 treatment services for persons under 21 years of age;

5 (h) services provided by physician assistants-certified
6 within the scope of their practice and that are otherwise
7 directly reimbursed as allowed under department rule to an
8 existing provider;

9 (i) health services provided under a physician's orders
10 by a public health department; and

11 (j) hospice care as defined in 42 U.S.C. 1396d(o).

12 (3) Medical assistance provided by the Montana medicaid
13 program may, as provided by department rule, also include
14 the following services:

15 (a) medical care or any other type of remedial care
16 recognized under state law, furnished by licensed
17 practitioners within the scope of their practice as defined
18 by state law;

19 (b) home health care services;

20 (c) private-duty nursing services;

21 (d) dental services;

22 (e) physical therapy services;

23 (f) mental health center services administered and
24 funded under a state mental health program authorized under
25 Title 53, chapter 21, part 2;

1 (g) clinical social worker services;
 2 (h) prescribed drugs, dentures, and prosthetic devices;
 3 (i) prescribed eyeglasses;
 4 (j) other diagnostic, screening, preventive,
 5 rehabilitative, chiropractic, and osteopathic services;
 6 (k) inpatient psychiatric hospital services for persons
 7 under 21 years of age;
 8 (l) services of professional counselors licensed under
 9 Title 37, chapter 23, if funds are specifically appropriated
 10 for the inclusion of these services in the Montana medicaid
 11 program;
 12 (m) ambulatory prenatal care for pregnant women during
 13 a presumptive eligibility period, as provided in 42 U.S.C.
 14 1396a(a)(47) and 42 U.S.C. 1396r-1;
 15 (n) case management services as provided in 42 U.S.C.
 16 1396d(a) and 1396n(g); and
 17 (n)(o) any additional medical service or aid allowable
 18 under or provided by the federal Social Security Act.
 19 (4) The department may implement, as provided for in
 20 Title XIX of the federal Social Security Act (42 U.S.C.
 21 1396, et seq.), as may be amended, a program under medicaid
 22 for payment of medicare premiums, deductibles, and
 23 coinsurance for persons not otherwise eligible for medicaid.
 24 (5) The department may set rates for medical and other
 25 services provided to recipients of medicaid and may enter

1 into contracts for delivery of services to individual
 2 recipients or groups of recipients.

3 (6) The services provided under this part may be only
 4 those that are medically necessary and that are the most
 5 efficient and cost effective.

6 (7) The amount, scope, and duration of services
 7 provided under this part must be determined by the
 8 department in accordance with Title XIX of the federal
 9 Social Security Act (42 U.S.C. 1396, et seq.), as may be
 10 amended.

11 (8) Services, procedures, and items of an experimental
 12 or cosmetic nature may not be provided.

13 (9) If available funds are not sufficient to provide
 14 medical assistance for all eligible persons, the department
 15 may set priorities to limit, reduce, or otherwise curtail
 16 the amount, scope, or duration of the medical services made
 17 available under the Montana medicaid program.

18 (10) Community-based medicaid services, as provided for
 19 in part 4 of this chapter, must be provided in accordance
 20 with the provisions of this chapter and the rules adopted
 21 thereunder. (Subsection (2)(j) terminates June 30,
 22 1991--sec. 4, Ch. 633, L. 1989; Subsection (3)(m) terminates
 23 June 30, 1991--sec. 15, Ch. 649, L. 1989.)"

24 **Section 4.** Section 53-6-113, MCA, is amended to read:
 25 "53-6-113. Department to adopt rules. (1) The

1 department of social and rehabilitation services shall adopt
 2 appropriate rules necessary for the administration of the
 3 Montana medicaid program as provided for in this part and as
 4 may be required by federal laws and regulations governing
 5 state participation in medicaid under Title XIX of the
 6 federal Social Security Act (42 U.S.C. 1396, et seq.), as
 7 amended.

8 (2) The department shall adopt rules as are necessary
 9 to further define for the purposes of this part the services
 10 provided under 53-6-101 and to provide that services
 11 utilized are medically necessary and that these services are
 12 the most efficient and cost effective available. The rules
 13 may establish the amount, scope, and duration of services
 14 provided under the Montana medicaid program, including the
 15 items and components constituting the services.

16 (3) The department shall establish by rule the rates
 17 for reimbursement of services provided under this part. The
 18 department may in its discretion set such rates of
 19 reimbursement as it determines necessary for the purposes of
 20 the program. In establishing rates of reimbursement, the
 21 department may consider but is not limited to:

- 22 (a) the availability of appropriated funds;
- 23 (b) the actual cost of services;
- 24 (c) the quality of services;
- 25 (d) the professional knowledge and skills necessary for

1 the delivery of services; and

2 (e) the availability of services.

3 (4) The department shall specify by rule those
 4 professionals who may deliver or direct the delivery of
 5 particular services.

6 (5) The department may provide by rule for payment by a
 7 recipient of a portion of the reimbursements established by
 8 the department for services provided under this part.

9 (6) The department may adopt rules consistent with this
 10 part to govern eligibility for the Montana medicaid program.
 11 Rules may include but are not limited to financial standards
 12 and criteria for income and resources, treatment of
 13 resources, nonfinancial criteria, family responsibilities,
 14 residency, application, termination, definition of terms,
 15 and confidentiality of applicant and recipient information.

16 (7) The department may adopt rules limiting eligibility
 17 based on criteria more restrictive than that provided in
 18 53-6-131 if required by Title XIX of the federal Social
 19 Security Act (42 U.S.C. 1396, et seq.), as may be amended,
 20 or if funds appropriated are not sufficient to provide
 21 medical care for all eligible persons.

22 (8) The department may adopt rules necessary for the
 23 administration of medicaid managed-care systems. Rules to be
 24 adopted may include but are not limited to rules concerning:

- 25 (a) participation in managed care;

1 (b) selection and qualifications for providers of
2 managed care; and

3 (c) standards for the provision of managed care."

4 NEW SECTION. Section 5. Managed care. (1) The
5 department, in its discretion, may develop managed-care
6 systems for general relief medical assistance recipients.

7 (2) A managed-care system is a program organized to
8 serve the medical needs of recipients in an efficient and
9 cost-effective manner by managing the receipt of medical
10 services for a geographical or otherwise defined population
11 of recipients through primary physicians and other health
12 care providers.

13 (3) The department may require recipients to
14 participate in a managed-care system.

15 (4) Recipients who are required by the department to
16 participate in a managed-care system shall participate as
17 required in order to remain eligible for general relief
18 medical assistance.

19 (5) The department may require the participation of
20 recipients in managed-care systems based upon geographical,
21 financial, social, medical, and other factors as the
22 department may determine are relevant to the development and
23 efficient management of managed-care systems.

24 NEW SECTION. Section 6. Codification instruction. (1)
25 [Sections 1 and 2] are intended to be codified as an

1 integral part of Title 53, chapter 6, part 1, and the
2 provisions of Title 53, chapter 6, part 1, apply to
3 [sections 1 and 2].

4 (2) [Section 5] is intended to be codified as an
5 integral part of Title 53, chapter 3, part 3, and the
6 provisions of Title 53, chapter 3, part 3, apply to [section
7 5].

8 NEW SECTION. Section 7. Coordination instruction. (1)

9 If House Bill No. 103 is passed and approved and if it
10 includes a section amending 53-6-101, then the section in
11 House Bill No. 103 amending 53-6-101 is void, and [section 3
12 of this bill] amending 53-6-101 which reads "case management
13 services as provided in 42 U.S.C. 1396d(a) and 1396n(g)"
14 should read "case management services as provided in 42
15 U.S.C. 1396d(a) and 1396n(g), including targeted case
16 management services for the mentally ill, but limited to
17 services provided in crisis intervention programs".

18 (2) If ___ Bill No. ___ [LC 590] is passed and
19 approved and if it includes a section authorizing the
20 department of social and rehabilitation services to develop
21 managed-care systems for general relief medical assistance
22 recipients, then [section 5 of this bill] is void.

23 NEW SECTION. Section 8. Effective date. [This act] is
24 effective July 1, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0391, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

A bill for an act entitled: "An act to provide increased management of the cost and delivery of medical services under the Medicaid and General Relief Medical Assistance Programs; to authorize managed-care systems for the Medicaid and General Relief Medical Assistance Programs; to authorize case management services under the Medicaid Program; to grant the Department of Social and Rehabilitation Services authority to adopt rules; amending sections 53-6-101 and 53-6-113, MCA; and providing an effective date."

ASSUMPTIONS:Department of Social & Rehabilitation Services:

1. Managed care for general relief medical assistance is included in the executive budget recommendation and has been approved in subcommittee action. Expenditures of \$150,000 per year and savings of \$310,000 per year are anticipated in the action approved.
2. Managed care for medicaid will commence in FY93. Cost will be \$3.00 per client for approximately 28,384 clients.
3. Managed care for medicaid will require an additional 1.00 FTE with associated operating and equipment costs. Also required will be one-time computer system changes to allow tracking and payment for the new service.
4. Managed care for medicaid is estimated to produce savings in primary care of approximately \$2,500,000 in FY93 of which \$702,500 would be general fund. This estimate is 5% of the AFDC-related base primary care projection.
5. Targeted case management for high-risk pregnant women will be provided to approximately 25% of the women eligible at 133% of poverty. Fees will be \$15.00 for risk assessment, \$30.00 per month for case management and \$10.00 per visit. Funds required for this program are included in an executive recommended modification which has been approved by the subcommittee.
6. Targeted case management for the chronically mentally ill will serve clients in 734 slots at an estimated cost of \$2,870 per slot in FY92 and the same number at a cost of \$2,890 in FY93. General fund for this program is included in the current budget of the Department of Institutions.
7. Targeted case management for developmentally disabled persons will be provided by the Department of Family Services. The required general fund match will be from the DFS budget. According to the DFS random-moment-time-study, approximately 14.86% of the DFS caseload is DD clients.

Department of Family Services:

8. Current level general fund budgeted for DD case management will continue at a federal matching rate of 71.71% in FY92 and 71.90% in FY93 instead of the current 50% match rate. Current law column reflects appropriation subcommittee action to date.
9. Current regional administration and supervision costs will continue to be billed to Title XIX.
10. After system review, new targeted case management services will be provided by staff or contract.


 ROD SUNDSTED, BUDGET DIRECTOR 2-22-91
 Office of Budget and Program Planning DATE


 THOMAS F. KEATING, PRIMARY SPONSOR 2/23/91
 DATE

Fiscal Note for SB0391, as introduced

5B 391

FISCAL IMPACT:

Social & Rehab Services:

	FY 92			FY 93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Expenditures:</u>						
FTE	0.00	1.00	1.00	0.00	1.00	1.00
Personal Services	0	28,102	28,102	0	28,102	28,102
Operating Costs	0	156,495	156,495	0	149,201	149,201
Equipment	0	4,000	4,000	0	0	0
AFDC Primary Care	50,000,000	50,000,000	0	50,000,000	47,500,000	(2,500,000)
Ben & Claims Med Man Care	0	0	0	0	510,912	510,912
Ben & Claims DOI	0	1,510,752	1,510,752	0	1,524,996	1,524,996
Transfers to DFS	0	1,908,791	1,908,791	0	1,926,674	1,926,674
Total	50,000,000	53,608,140	3,608,140	50,000,000	51,639,885	1,639,885
<u>Funding:</u>						
General Fund	14,145,000	14,214,298	69,298	14,050,000	13,577,618	(472,382)
Federal Revenue	35,855,000	39,393,842	3,538,842	35,950,000	38,062,267	2,112,267
Total	50,000,000	53,608,140	3,608,140	50,000,000	51,639,885	1,639,885

Family Services:

	FY 92			FY 93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Expenditures:</u>						
F.T.E.	32.37	32.37	0.00	32.37	32.37	0.00
Personal Services	849,604	849,604	0	849,441	849,441	0
Operating Costs	675,830	675,830	0	678,777	678,777	0
Equipment	2,888	2,888	0	0	0	0
New Case Management Services	0	1,133,498	1,133,498	0	1,151,440	1,151,440
Total	1,528,322	2,661,820	1,133,498	1,528,218	2,679,658	1,151,440
<u>Funding:</u>						
General Fund	753,029	753,029	0	752,984	752,984	0
Federal Revenue	775,293	1,908,791	1,133,498	775,234	1,926,674	1,151,440
Total	1,528,322	2,661,820	1,133,498	1,528,218	2,679,658	1,151,440

Net Impact General Fund

(69,298)

472,382

SB 391

APPROVED BY COMM. ON
FINANCE AND CLAIMS

Smith BILL NO. 391

INTRODUCED BY *Smith*
BY REQUEST OF THE DEPARTMENT
OF SOCIAL AND REHABILITATION SERVICES

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE INCREASED
MANAGEMENT OF THE COST AND DELIVERY OF MEDICAL SERVICES
UNDER THE MEDICAID AND GENERAL RELIEF MEDICAL ASSISTANCE
PROGRAMS; TO AUTHORIZE MANAGED-CARE SYSTEMS FOR THE MEDICAID
AND GENERAL RELIEF MEDICAL ASSISTANCE PROGRAMS; TO AUTHORIZE
CASE MANAGEMENT SERVICES UNDER THE MEDICAID PROGRAM; TO
GRANT THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
AUTHORITY TO ADOPT RULES; AMENDING SECTIONS 53-6-101 AND
53-6-113, MCA; AND PROVIDING AN EFFECTIVE DATE."

STATEMENT OF INTENT

A statement of intent is required for this bill because
it grants the department of social and rehabilitation
services authority to adopt rules for the administration of
medicaid managed-care systems.

It is the intent of the legislature that the department
may adopt rules concerning:

- (1) participation in managed care;
- (2) selection and qualifications for providers of
managed care; and

(3) standards for the provision of managed care.

It is also intended that rules adopted by the department
comply with federal regulations governing administration of
the medicaid program.

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

NEW SECTION. **Section 1. Medicaid managed care.** (1) The
department of social and rehabilitation services, in its
discretion, may develop managed-care systems for medicaid
recipients.

(2) A managed-care system is a program organized to
serve the medical needs of medicaid recipients in an
efficient and cost-effective manner by managing the receipt
of medical services for a geographical or otherwise defined
population of recipients through appropriate health care
professionals.

(3) The provision of medicaid services through
managed-care systems is not subject to the limitations
provided in 53-6-101, 53-6-103, and 53-6-104.

NEW SECTION. **Section 2. Participation requirements.**
(1) The department of social and rehabilitation services may
require medicaid recipients to participate in a managed-care
system.

(2) Recipients who are required by the department to
participate in a managed-care system shall participate as

SECOND READING

SB 391



1 required in order to remain eligible for medicaid.

2 (3) The department may require the participation of
3 medicaid recipients in managed-care systems based upon
4 geographical, financial, social, medical, and other factors
5 as the department may determine are relevant to the
6 development and efficient management of managed-care
7 systems.

8 **Section 3.** Section 53-6-101, MCA, is amended to read:

9 **"53-6-101. Montana medicaid program -- authorization of**
10 **services.** (1) There is a Montana medicaid program
11 established for the purpose of providing necessary medical
12 services to eligible persons who have need for medical
13 assistance. The Montana medicaid program is a joint
14 federal-state program administered under this chapter and in
15 accordance with Title XIX of the federal Social Security Act
16 (42 U.S.C. 1396, et seq.), as may be amended. The department
17 of social and rehabilitation services shall administer the
18 Montana medicaid program.

19 (2) Medical assistance provided by the Montana medicaid
20 program includes the following services:

- 21 (a) inpatient hospital services;
22 (b) outpatient hospital services;
23 (c) other laboratory and x-ray services;
24 (d) skilled nursing services in long-term care
25 facilities;

1 (e) physicians' services;

2 (f) nurse specialist services;

3 (g) early and periodic screening, diagnosis, and
4 treatment services for persons under 21 years of age;

5 (h) services provided by physician assistants-certified
6 within the scope of their practice and that are otherwise
7 directly reimbursed as allowed under department rule to an
8 existing provider;

9 (i) health services provided under a physician's orders
10 by a public health department; and

11 (j) hospice care as defined in 42 U.S.C. 1396d(o).

12 (3) Medical assistance provided by the Montana medicaid
13 program may, as provided by department rule, also include
14 the following services:

15 (a) medical care or any other type of remedial care
16 recognized under state law, furnished by licensed
17 practitioners within the scope of their practice as defined
18 by state law;

19 (b) home health care services;

20 (c) private-duty nursing services;

21 (d) dental services;

22 (e) physical therapy services;

23 (f) mental health center services administered and
24 funded under a state mental health program authorized under
25 Title 53, chapter 21, part 2;

1 (g) clinical social worker services;
 2 (h) prescribed drugs, dentures, and prosthetic devices;
 3 (i) prescribed eyeglasses;
 4 (j) other diagnostic, screening, preventive,
 5 rehabilitative, chiropractic, and osteopathic services;
 6 (k) inpatient psychiatric hospital services for persons
 7 under 21 years of age;
 8 (l) services of professional counselors licensed under
 9 Title 37, chapter 23, if funds are specifically appropriated
 10 for the inclusion of these services in the Montana medicaid
 11 program;
 12 (m) ambulatory prenatal care for pregnant women during
 13 a presumptive eligibility period, as provided in 42 U.S.C.
 14 1396a(a)(47) and 42 U.S.C. 1396r-1;
 15 (n) case management services as provided in 42 U.S.C.
 16 1396d(a) and 1396n(g); and
 17 (o) any additional medical service or aid allowable
 18 under or provided by the federal Social Security Act.
 19 (4) The department may implement, as provided for in
 20 Title XIX of the federal Social Security Act (42 U.S.C.
 21 1396, et seq.), as may be amended, a program under medicaid
 22 for payment of medicare premiums, deductibles, and
 23 coinsurance for persons not otherwise eligible for medicaid.
 24 (5) The department may set rates for medical and other
 25 services provided to recipients of medicaid and may enter

1 into contracts for delivery of services to individual
 2 recipients or groups of recipients.
 3 (6) The services provided under this part may be only
 4 those that are medically necessary and that are the most
 5 efficient and cost effective.
 6 (7) The amount, scope, and duration of services
 7 provided under this part must be determined by the
 8 department in accordance with Title XIX of the federal
 9 Social Security Act (42 U.S.C. 1396, et seq.), as may be
 10 amended.
 11 (8) Services, procedures, and items of an experimental
 12 or cosmetic nature may not be provided.
 13 (9) If available funds are not sufficient to provide
 14 medical assistance for all eligible persons, the department
 15 may set priorities to limit, reduce, or otherwise curtail
 16 the amount, scope, or duration of the medical services made
 17 available under the Montana medicaid program.
 18 (10) Community-based medicaid services, as provided for
 19 in part 4 of this chapter, must be provided in accordance
 20 with the provisions of this chapter and the rules adopted
 21 thereunder. (Subsection (2)(j) terminates June 30,
 22 1991--sec. 4, Ch. 633, L. 1989; Subsection (3)(m) terminates
 23 June 30, 1991--sec. 15, Ch. 649, L. 1989.)"
 24 **Section 4.** Section 53-6-113, MCA, is amended to read:
 25 "53-6-113. Department to adopt rules. (1) The

1 department of social and rehabilitation services shall adopt
 2 appropriate rules necessary for the administration of the
 3 Montana medicaid program as provided for in this part and as
 4 may be required by federal laws and regulations governing
 5 state participation in medicaid under Title XIX of the
 6 federal Social Security Act (42 U.S.C. 1396, et seq.), as
 7 amended.

8 (2) The department shall adopt rules as are necessary
 9 to further define for the purposes of this part the services
 10 provided under 53-6-101 and to provide that services
 11 utilized are medically necessary and that these services are
 12 the most efficient and cost effective available. The rules
 13 may establish the amount, scope, and duration of services
 14 provided under the Montana medicaid program, including the
 15 items and components constituting the services.

16 (3) The department shall establish by rule the rates
 17 for reimbursement of services provided under this part. The
 18 department may in its discretion set such rates of
 19 reimbursement as it determines necessary for the purposes of
 20 the program. In establishing rates of reimbursement, the
 21 department may consider but is not limited to:

- 22 (a) the availability of appropriated funds;
 23 (b) the actual cost of services;
 24 (c) the quality of services;
 25 (d) the professional knowledge and skills necessary for

1 the delivery of services; and

2 (e) the availability of services.

3 (4) The department shall specify by rule those
 4 professionals who may deliver or direct the delivery of
 5 particular services.

6 (5) The department may provide by rule for payment by a
 7 recipient of a portion of the reimbursements established by
 8 the department for services provided under this part.

9 (6) The department may adopt rules consistent with this
 10 part to govern eligibility for the Montana medicaid program.
 11 Rules may include but are not limited to financial standards
 12 and criteria for income and resources, treatment of
 13 resources, nonfinancial criteria, family responsibilities,
 14 residency, application, termination, definition of terms,
 15 and confidentiality of applicant and recipient information.

16 (7) The department may adopt rules limiting eligibility
 17 based on criteria more restrictive than that provided in
 18 53-6-131 if required by Title XIX of the federal Social
 19 Security Act (42 U.S.C. 1396, et seq.), as may be amended,
 20 or if funds appropriated are not sufficient to provide
 21 medical care for all eligible persons.

22 (8) The department may adopt rules necessary for the
 23 administration of medicaid managed-care systems. Rules to be
 24 adopted may include but are not limited to rules concerning:

- 25 (a) participation in managed care;

1 (b) selection and qualifications for providers of
2 managed care; and

3 (c) standards for the provision of managed care."

4 NEW SECTION. Section 5. Managed care. (1) The
5 department, in its discretion, may develop managed-care
6 systems for general relief medical assistance recipients.

7 (2) A managed-care system is a program organized to
8 serve the medical needs of recipients in an efficient and
9 cost-effective manner by managing the receipt of medical
10 services for a geographical or otherwise defined population
11 of recipients through primary physicians and other health
12 care providers.

13 (3) The department may require recipients to
14 participate in a managed-care system.

15 (4) Recipients who are required by the department to
16 participate in a managed-care system shall participate as
17 required in order to remain eligible for general relief
18 medical assistance.

19 (5) The department may require the participation of
20 recipients in managed-care systems based upon geographical,
21 financial, social, medical, and other factors as the
22 department may determine are relevant to the development and
23 efficient management of managed-care systems.

24 NEW SECTION. Section 6. Codification instruction. (1)
25 [Sections 1 and 2] are intended to be codified as an

1 integral part of Title 53, chapter 6, part 1, and the
2 provisions of Title 53, chapter 6, part 1, apply to
3 [sections 1 and 2].

4 (2) [Section 5] is intended to be codified as an
5 integral part of Title 53, chapter 3, part 3, and the
6 provisions of Title 53, chapter 3, part 3, apply to [section
7 5].

8 NEW SECTION. Section 7. Coordination instruction. (1)
9 If House Bill No. 103 is passed and approved and if it
10 includes a section amending 53-6-101, then the section in
11 House Bill No. 103 amending 53-6-101 is void, and [section 3
12 of this bill] amending 53-6-101 which reads "case management
13 services as provided in 42 U.S.C. 1396d(a) and 1396n(g)"
14 should read "case management services as provided in 42
15 U.S.C. 1396d(a) and 1396n(g), including targeted case
16 management services for the mentally ill, but limited to
17 services provided in crisis intervention programs".

18 (2) If ____ Bill No. ____ [LC 590] is passed and
19 approved and if it includes a section authorizing the
20 department of social and rehabilitation services to develop
21 managed-care systems for general relief medical assistance
22 recipients, then [section 5 of this bill] is void.

23 NEW SECTION. Section 8. Effective date. [This act] is
24 effective July 1, 1991.

-End-

Smith BILL NO. *391*

INTRODUCED BY *Smith*
BY REQUEST OF THE DEPARTMENT
OF SOCIAL AND REHABILITATION SERVICES

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE INCREASED
MANAGEMENT OF THE COST AND DELIVERY OF MEDICAL SERVICES
UNDER THE MEDICAID AND GENERAL RELIEF MEDICAL ASSISTANCE
PROGRAMS; TO AUTHORIZE MANAGED-CARE SYSTEMS FOR THE MEDICAID
AND GENERAL RELIEF MEDICAL ASSISTANCE PROGRAMS; TO AUTHORIZE
CASE MANAGEMENT SERVICES UNDER THE MEDICAID PROGRAM; TO
GRANT THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
AUTHORITY TO ADOPT RULES; AMENDING SECTIONS 53-6-101 AND
53-6-113, MCA; AND PROVIDING AN EFFECTIVE DATE."

STATEMENT OF INTENT

A statement of intent is required for this bill because
it grants the department of social and rehabilitation
services authority to adopt rules for the administration of
medicaid managed-care systems.

It is the intent of the legislature that the department
may adopt rules concerning:

- (1) participation in managed care;
- (2) selection and qualifications for providers of
managed care; and

(3) standards for the provision of managed care.

It is also intended that rules adopted by the department
comply with federal regulations governing administration of
the medicaid program.

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

NEW SECTION. **Section 1. Medicaid managed care.** (1) The
department of social and rehabilitation services, in its
discretion, may develop managed-care systems for medicaid
recipients.

(2) A managed-care system is a program organized to
serve the medical needs of medicaid recipients in an
efficient and cost-effective manner by managing the receipt
of medical services for a geographical or otherwise defined
population of recipients through appropriate health care
professionals.

(3) The provision of medicaid services through
managed-care systems is not subject to the limitations
provided in 53-6-101, 53-6-103, and 53-6-104.

NEW SECTION. **Section 2. Participation requirements.**
(1) The department of social and rehabilitation services may
require medicaid recipients to participate in a managed-care
system.

(2) Recipients who are required by the department to
participate in a managed-care system shall participate as

THIRD READING

SB 391



1 required in order to remain eligible for medicaid.

2 (3) The department may require the participation of
3 medicaid recipients in managed-care systems based upon
4 geographical, financial, social, medical, and other factors
5 as the department may determine are relevant to the
6 development and efficient management of managed-care
7 systems.

8 **Section 3.** Section 53-6-101, MCA, is amended to read:

9 "53-6-101. Montana medicaid program -- authorization of
10 services. (1) There is a Montana medicaid program
11 established for the purpose of providing necessary medical
12 services to eligible persons who have need for medical
13 assistance. The Montana medicaid program is a joint
14 federal-state program administered under this chapter and in
15 accordance with Title XIX of the federal Social Security Act
16 (42 U.S.C. 1396, et seq.), as may be amended. The department
17 of social and rehabilitation services shall administer the
18 Montana medicaid program.

19 (2) Medical assistance provided by the Montana medicaid
20 program includes the following services:

- 21 (a) inpatient hospital services;
- 22 (b) outpatient hospital services;
- 23 (c) other laboratory and x-ray services;
- 24 (d) skilled nursing services in long-term care
25 facilities;

1 (e) physicians' services;

2 (f) nurse specialist services;

3 (g) early and periodic screening, diagnosis, and
4 treatment services for persons under 21 years of age;

5 (h) services provided by physician assistants-certified
6 within the scope of their practice and that are otherwise
7 directly reimbursed as allowed under department rule to an
8 existing provider;

9 (i) health services provided under a physician's orders
10 by a public health department; and

11 (j) hospice care as defined in 42 U.S.C. 1396d(o).

12 (3) Medical assistance provided by the Montana medicaid
13 program may, as provided by department rule, also include
14 the following services:

15 (a) medical care or any other type of remedial care
16 recognized under state law, furnished by licensed
17 practitioners within the scope of their practice as defined
18 by state law;

19 (b) home health care services;

20 (c) private-duty nursing services;

21 (d) dental services;

22 (e) physical therapy services;

23 (f) mental health center services administered and
24 funded under a state mental health program authorized under
25 Title 53, chapter 21, part 2;

1 (g) clinical social worker services;
 2 (h) prescribed drugs, dentures, and prosthetic devices;
 3 (i) prescribed eyeglasses;
 4 (j) other diagnostic, screening, preventive,
 5 rehabilitative, chiropractic, and osteopathic services;
 6 (k) inpatient psychiatric hospital services for persons
 7 under 21 years of age;
 8 (l) services of professional counselors licensed under
 9 Title 37, chapter 23, if funds are specifically appropriated
 10 for the inclusion of these services in the Montana medicaid
 11 program;
 12 (m) ambulatory prenatal care for pregnant women during
 13 a presumptive eligibility period, as provided in 42 U.S.C.
 14 1396a(a)(47) and 42 U.S.C. 1396r-1;
 15 (n) case management services as provided in 42 U.S.C.
 16 1396d(a) and 1396n(g); and
 17 ~~(o)~~ any additional medical service or aid allowable
 18 under or provided by the federal Social Security Act.
 19 (4) The department may implement, as provided for in
 20 Title XIX of the federal Social Security Act (42 U.S.C.
 21 1396, et seq.), as may be amended, a program under medicaid
 22 for payment of medicare premiums, deductibles, and
 23 coinsurance for persons not otherwise eligible for medicaid.
 24 (5) The department may set rates for medical and other
 25 services provided to recipients of medicaid and may enter

1 into contracts for delivery of services to individual
 2 recipients or groups of recipients.
 3 (6) The services provided under this part may be only
 4 those that are medically necessary and that are the most
 5 efficient and cost effective.
 6 (7) The amount, scope, and duration of services
 7 provided under this part must be determined by the
 8 department in accordance with Title XIX of the federal
 9 Social Security Act (42 U.S.C. 1396, et seq.), as may be
 10 amended.
 11 (8) Services, procedures, and items of an experimental
 12 or cosmetic nature may not be provided.
 13 (9) If available funds are not sufficient to provide
 14 medical assistance for all eligible persons, the department
 15 may set priorities to limit, reduce, or otherwise curtail
 16 the amount, scope, or duration of the medical services made
 17 available under the Montana medicaid program.
 18 (10) Community-based medicaid services, as provided for
 19 in part 4 of this chapter, must be provided in accordance
 20 with the provisions of this chapter and the rules adopted
 21 thereunder. (Subsection (2)(j) terminates June 30,
 22 1991--sec. 4, Ch. 633, L. 1989; Subsection (3)(m) terminates
 23 June 30, 1991--sec. 15, Ch. 649, L. 1989.)"
 24 **Section 4.** Section 53-6-113, MCA, is amended to read:
 25 "53-6-113. Department to adopt rules. (1) The

1 department of social and rehabilitation services shall adopt
 2 appropriate rules necessary for the administration of the
 3 Montana medicaid program as provided for in this part and as
 4 may be required by federal laws and regulations governing
 5 state participation in medicaid under Title XIX of the
 6 federal Social Security Act (42 U.S.C. 1396, et seq.), as
 7 amended.

8 (2) The department shall adopt rules as are necessary
 9 to further define for the purposes of this part the services
 10 provided under 53-6-101 and to provide that services
 11 utilized are medically necessary and that these services are
 12 the most efficient and cost effective available. The rules
 13 may establish the amount, scope, and duration of services
 14 provided under the Montana medicaid program, including the
 15 items and components constituting the services.

16 (3) The department shall establish by rule the rates
 17 for reimbursement of services provided under this part. The
 18 department may in its discretion set such rates of
 19 reimbursement as it determines necessary for the purposes of
 20 the program. In establishing rates of reimbursement, the
 21 department may consider but is not limited to:

- 22 (a) the availability of appropriated funds;
- 23 (b) the actual cost of services;
- 24 (c) the quality of services;
- 25 (d) the professional knowledge and skills necessary for

1 the delivery of services; and

2 (e) the availability of services.

3 (4) The department shall specify by rule those
 4 professionals who may deliver or direct the delivery of
 5 particular services.

6 (5) The department may provide by rule for payment by a
 7 recipient of a portion of the reimbursements established by
 8 the department for services provided under this part.

9 (6) The department may adopt rules consistent with this
 10 part to govern eligibility for the Montana medicaid program.
 11 Rules may include but are not limited to financial standards
 12 and criteria for income and resources, treatment of
 13 resources, nonfinancial criteria, family responsibilities,
 14 residency, application, termination, definition of terms,
 15 and confidentiality of applicant and recipient information.

16 (7) The department may adopt rules limiting eligibility
 17 based on criteria more restrictive than that provided in
 18 53-6-131 if required by Title XIX of the federal Social
 19 Security Act (42 U.S.C. 1396, et seq.), as may be amended,
 20 or if funds appropriated are not sufficient to provide
 21 medical care for all eligible persons.

22 (8) The department may adopt rules necessary for the
 23 administration of medicaid managed-care systems. Rules to be
 24 adopted may include but are not limited to rules concerning:

- 25 (a) participation in managed care;

1 (b) selection and qualifications for providers of
2 managed care; and

3 (c) standards for the provision of managed care."

4 NEW SECTION. Section 5. Managed care. (1) The
5 department, in its discretion, may develop managed-care
6 systems for general relief medical assistance recipients.

7 (2) A managed-care system is a program organized to
8 serve the medical needs of recipients in an efficient and
9 cost-effective manner by managing the receipt of medical
10 services for a geographical or otherwise defined population
11 of recipients through primary physicians and other health
12 care providers.

13 (3) The department may require recipients to
14 participate in a managed-care system.

15 (4) Recipients who are required by the department to
16 participate in a managed-care system shall participate as
17 required in order to remain eligible for general relief
18 medical assistance.

19 (5) The department may require the participation of
20 recipients in managed-care systems based upon geographical,
21 financial, social, medical, and other factors as the
22 department may determine are relevant to the development and
23 efficient management of managed-care systems.

24 NEW SECTION. Section 6. Codification instruction. (1)
25 [Sections 1 and 2] are intended to be codified as an

1 integral part of Title 53, chapter 6, part 1, and the
2 provisions of Title 53, chapter 6, part 1, apply to
3 [sections 1 and 2].

4 (2) [Section 5] is intended to be codified as an
5 integral part of Title 53, chapter 3, part 3, and the
6 provisions of Title 53, chapter 3, part 3, apply to [section
7 5].

8 NEW SECTION. Section 7. Coordination instruction. (1)
9 If House Bill No. 103 is passed and approved and if it
10 includes a section amending 53-6-101, then the section in
11 House Bill No. 103 amending 53-6-101 is void, and [section 3
12 of this bill] amending 53-6-101 which reads "case management
13 services as provided in 42 U.S.C. 1396d(a) and 1396n(g)"
14 should read "case management services as provided in 42
15 U.S.C. 1396d(a) and 1396n(g), including targeted case
16 management services for the mentally ill, but limited to
17 services provided in crisis intervention programs".

18 (2) If ___ Bill No. ___ [LC 590] is passed and
19 approved and if it includes a section authorizing the
20 department of social and rehabilitation services to develop
21 managed-care systems for general relief medical assistance
22 recipients, then [section 5 of this bill] is void.

23 NEW SECTION. Section 8. Effective date. [This act] is
24 effective July 1, 1991.

-End-

1 SENATE BILL NO. 391
 2 INTRODUCED BY KEATING
 3 BY REQUEST OF THE DEPARTMENT
 4 OF SOCIAL AND REHABILITATION SERVICES
 5

6 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE INCREASED
 7 MANAGEMENT OF THE COST AND DELIVERY OF MEDICAL SERVICES
 8 UNDER THE MEDICAID AND GENERAL RELIEF MEDICAL ASSISTANCE
 9 PROGRAMS; TO AUTHORIZE MANAGED-CARE SYSTEMS FOR THE MEDICAID
 10 AND GENERAL RELIEF MEDICAL ASSISTANCE PROGRAMS; TO AUTHORIZE
 11 CASE MANAGEMENT SERVICES UNDER THE MEDICAID PROGRAM; TO
 12 GRANT THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
 13 AUTHORITY TO ADOPT RULES; AMENDING SECTIONS 53-6-101 AND
 14 53-6-113, MCA; AND PROVIDING AN EFFECTIVE DATE."
 15

16 STATEMENT OF INTENT

17 A statement of intent is required for this bill because
 18 it grants the department of social and rehabilitation
 19 services authority to adopt rules for the administration of
 20 medicaid managed-care systems.

21 It is the intent of the legislature that the department
 22 may adopt rules concerning:

- 23 (1) participation in managed care;
 24 (2) selection and qualifications for providers of
 25 managed care; and

- 1 (3) standards for the provision of managed care.
 2 It is also intended that rules adopted by the department
 3 comply with federal regulations governing administration of
 4 the medicaid program.
 5

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

7 NEW SECTION. **Section 1. Medicaid managed care.** (1) The
 8 department of social and rehabilitation services, in its
 9 discretion, may develop managed-care systems for medicaid
 10 recipients.

11 (2) A managed-care system is a program organized to
 12 serve the medical needs of medicaid recipients in an
 13 efficient and cost-effective manner by managing the receipt
 14 of medical services for a geographical or otherwise defined
 15 population of recipients through appropriate health care
 16 professionals.

17 (3) The provision of medicaid services through
 18 managed-care systems is not subject to the limitations
 19 provided in 53-6-101, 53-6-103, and 53-6-104.

20 NEW SECTION. **Section 2. Participation requirements.**

21 (1) The department of social and rehabilitation services may
 22 require medicaid recipients to participate in a managed-care
 23 system.

24 (2) Recipients who are required by the department to
 25 participate in a managed-care system shall participate as

1 required in order to remain eligible for medicaid.

2 (3) The department may require the participation of
3 medicaid recipients in managed-care systems based upon
4 geographical, financial, social, medical, and other factors
5 as the department may determine are relevant to the
6 development and efficient management of managed-care
7 systems.

8 **Section 3.** Section 53-6-101, MCA, is amended to read:

9 *53-6-101. Montana medicaid program -- authorization of
10 services. (1) There is a Montana medicaid program
11 established for the purpose of providing necessary medical
12 services to eligible persons who have need for medical
13 assistance. The Montana medicaid program is a joint
14 federal-state program administered under this chapter and in
15 accordance with Title XIX of the federal Social Security Act
16 (42 U.S.C. 1396, et seq.), as may be amended. The department
17 of social and rehabilitation services shall administer the
18 Montana medicaid program.

19 (2) Medical assistance provided by the Montana medicaid
20 program includes the following services:

- 21 (a) inpatient hospital services;
22 (b) outpatient hospital services;
23 (c) other laboratory and x-ray services;
24 (d) skilled nursing services in long-term care
25 facilities;

1 (e) physicians' services;

2 (f) nurse specialist services;

3 (g) early and periodic screening, diagnosis, and
4 treatment services for persons under 21 years of age;

5 (h) services provided by physician assistants-certified
6 within the scope of their practice and that are otherwise
7 directly reimbursed as allowed under department rule to an
8 existing provider;

9 (i) health services provided under a physician's orders
10 by a public health department; and

11 (j) hospice care as defined in 42 U.S.C. 1396d(o).

12 (3) Medical assistance provided by the Montana medicaid
13 program may, as provided by department rule, also include
14 the following services:

15 (a) medical care or any other type of remedial care
16 recognized under state law, furnished by licensed
17 practitioners within the scope of their practice as defined
18 by state law;

19 (b) home health care services;

20 (c) private-duty nursing services;

21 (d) dental services;

22 (e) physical therapy services;

23 (f) mental health center services administered and
24 funded under a state mental health program authorized under
25 Title 53, chapter 21, part 2;

1 (g) clinical social worker services;
 2 (h) prescribed drugs, dentures, and prosthetic devices;
 3 (i) prescribed eyeglasses;
 4 (j) other diagnostic, screening, preventive,
 5 rehabilitative, chiropractic, and osteopathic services;
 6 (k) inpatient psychiatric hospital services for persons
 7 under 21 years of age;
 8 (l) services of professional counselors licensed under
 9 Title 37, chapter 23, if funds are specifically appropriated
 10 for the inclusion of these services in the Montana medicaid
 11 program;
 12 (m) ambulatory prenatal care for pregnant women during
 13 a presumptive eligibility period, as provided in 42 U.S.C.
 14 1396a(a)(47) and 42 U.S.C. 1396r-1;
 15 (n) case management services as provided in 42 U.S.C.
 16 1396d(a) and 1396n(g); and
 17 (o) any additional medical service or aid allowable
 18 under or provided by the federal Social Security Act.
 19 (4) The department may implement, as provided for in
 20 Title XIX of the federal Social Security Act (42 U.S.C.
 21 1396, et seq.), as may be amended, a program under medicaid
 22 for payment of medicare premiums, deductibles, and
 23 coinsurance for persons not otherwise eligible for medicaid.
 24 (5) The department may set rates for medical and other
 25 services provided to recipients of medicaid and may enter

1 into contracts for delivery of services to individual
 2 recipients or groups of recipients.
 3 (6) The services provided under this part may be only
 4 those that are medically necessary and that are the most
 5 efficient and cost effective.
 6 (7) The amount, scope, and duration of services
 7 provided under this part must be determined by the
 8 department in accordance with Title XIX of the federal
 9 Social Security Act (42 U.S.C. 1396, et seq.), as may be
 10 amended.
 11 (8) Services, procedures, and items of an experimental
 12 or cosmetic nature may not be provided.
 13 (9) If available funds are not sufficient to provide
 14 medical assistance for all eligible persons, the department
 15 may set priorities to limit, reduce, or otherwise curtail
 16 the amount, scope, or duration of the medical services made
 17 available under the Montana medicaid program.
 18 (10) Community-based medicaid services, as provided for
 19 in part 4 of this chapter, must be provided in accordance
 20 with the provisions of this chapter and the rules adopted
 21 thereunder. (Subsection (2)(j) terminates June 30,
 22 1991--sec. 4, Ch. 633, L. 1989; Subsection (3)(m) terminates
 23 June 30, 1991--sec. 15, Ch. 649, L. 1989.)"

24 **Section 4.** Section 53-6-113, MCA, is amended to read:
 25 "53-6-113. Department to adopt rules. (1) The

1 department of social and rehabilitation services shall adopt
 2 appropriate rules necessary for the administration of the
 3 Montana medicaid program as provided for in this part and as
 4 may be required by federal laws and regulations governing
 5 state participation in medicaid under Title XIX of the
 6 federal Social Security Act (42 U.S.C. 1396, et seq.), as
 7 amended.

8 (2) The department shall adopt rules as are necessary
 9 to further define for the purposes of this part the services
 10 provided under 53-6-101 and to provide that services
 11 utilized are medically necessary and that these services are
 12 the most efficient and cost effective available. The rules
 13 may establish the amount, scope, and duration of services
 14 provided under the Montana medicaid program, including the
 15 items and components constituting the services.

16 (3) The department shall establish by rule the rates
 17 for reimbursement of services provided under this part. The
 18 department may in its discretion set such rates of
 19 reimbursement as it determines necessary for the purposes of
 20 the program. In establishing rates of reimbursement, the
 21 department may consider but is not limited to:

- 22 (a) the availability of appropriated funds;
- 23 (b) the actual cost of services;
- 24 (c) the quality of services;
- 25 (d) the professional knowledge and skills necessary for

1 the delivery of services; and

2 (e) the availability of services.

3 (4) The department shall specify by rule those
 4 professionals who may deliver or direct the delivery of
 5 particular services.

6 (5) The department may provide by rule for payment by a
 7 recipient of a portion of the reimbursements established by
 8 the department for services provided under this part.

9 (6) The department may adopt rules consistent with this
 10 part to govern eligibility for the Montana medicaid program.
 11 Rules may include but are not limited to financial standards
 12 and criteria for income and resources, treatment of
 13 resources, nonfinancial criteria, family responsibilities,
 14 residency, application, termination, definition of terms,
 15 and confidentiality of applicant and recipient information.

16 (7) The department may adopt rules limiting eligibility
 17 based on criteria more restrictive than that provided in
 18 53-6-131 if required by Title XIX of the federal Social
 19 Security Act (42 U.S.C. 1396, et seq.), as may be amended,
 20 or if funds appropriated are not sufficient to provide
 21 medical care for all eligible persons.

22 (8) The department may adopt rules necessary for the
 23 administration of medicaid managed-care systems. Rules to be
 24 adopted may include but are not limited to rules concerning:

- 25 (a) participation in managed care;

1 (b) selection and qualifications for providers of
2 managed care; and

3 (c) standards for the provision of managed care."

4 **NEW SECTION. Section 5. Managed care.** (1) The
5 department, in its discretion, may develop managed-care
6 systems for general relief medical assistance recipients.

7 (2) A managed-care system is a program organized to
8 serve the medical needs of recipients in an efficient and
9 cost-effective manner by managing the receipt of medical
10 services for a geographical or otherwise defined population
11 of recipients through primary physicians and other health
12 care providers.

13 (3) The department may require recipients to
14 participate in a managed-care system.

15 (4) Recipients who are required by the department to
16 participate in a managed-care system shall participate as
17 required in order to remain eligible for general relief
18 medical assistance.

19 (5) The department may require the participation of
20 recipients in managed-care systems based upon geographical,
21 financial, social, medical, and other factors as the
22 department may determine are relevant to the development and
23 efficient management of managed-care systems.

24 **NEW SECTION. Section 6. Codification instruction.** (1)
25 [Sections 1 and 2] are intended to be codified as an

1 integral part of Title 53, chapter 6, part 1, and the
2 provisions of Title 53, chapter 6, part 1, apply to
3 [sections 1 and 2].

4 (2) [Section 5] is intended to be codified as an
5 integral part of Title 53, chapter 3, part 3, and the
6 provisions of Title 53, chapter 3, part 3, apply to [section
7 5].

8 **NEW SECTION. Section 7. Coordination instruction.** (1)
9 If House Bill No. 103 is passed and approved and if it
10 includes a section amending 53-6-101, then the section in
11 House Bill No. 103 amending 53-6-101 is void, and [section 3
12 of this bill] amending 53-6-101 which reads "case management
13 services as provided in 42 U.S.C. 1396d(a) and 1396n(g)"
14 should read "case management services as provided in 42
15 U.S.C. 1396d(a) and 1396n(g), including targeted case
16 management services for the mentally ill, but limited to
17 services provided in crisis intervention programs".

18 (2) If Senate Bill No. 369 is passed and approved and
19 if it includes a section authorizing the department of
20 social and rehabilitation services to develop managed-care
21 systems for general relief medical assistance recipients,
22 then [section 5 of this bill] is void.

23 **NEW SECTION. Section 8. Effective date.** [This act] is
24 effective July 1, 1991.

-End-