

MINUTES OF THE MEETING

PUBLIC HEALTH, WELFARE AND SAFETY COMMITTEE

March 31, 1977

The thirty-sixth meeting of the Senate Public Health, Welfare and Safety Committee was called to order in Room 405 of the State Capitol Building by Chairman Stan Stephens on Thursday, March 31, at approximately 11:00 A.M.

ROLL CALL: All members of the Committee were present.

CONSIDERATION OF HOUSE JOINT RESOLUTION 70: Chairman Stephens introduced the sponsor, Representative Nathe, to the Committee and turned the meeting over to him. Representative Nathe told the Committee this joint resolution would simply request Congress and the President to begin negotiations with Canada for a boundary treaty for air quality protection. This treaty would be similar to the one the two countries entered into in 1909 for water. The sponsor said this would get the two countries to look at the air sheds and to at least begin work on a air quality treaty. If both countries decide to do this, it would probably take 15 to 20 years to hammer a treaty out that would be agreeable to both countries. At this point in time, there is no framework to really handle air sheds in both countries. The sponsor then gave a couple examples of air pollution which causes problems between Canada and our State of Washington; and also Windsor, Ontario versus Detroit. This Resolution is merely an attempt to start both countries in the direction of looking at this specific problem.

There were no witnesses, either for or against this bill.

Questions concerned the specific problems encountered over the years between the countries on either water pollution (Lake Erie) or air pollution. Representative Nathe explained fully the International Joint Commission's functions and the make-up of that group (3 certified millionaires from Canada and 3 from the United States). Dr. Al LaFond was helpful to the sponsor in getting this Resolution drafted. Representative Nathe closed by saying that the International Joint Commission has worked remarkably well for both sides; never once have the members voted along nationalistic lines - he feels the idea in his Resolution is an idea that is long overdue.

ACTION ON HOUSE JOINT RESOLUTION 70: Senator Roberts moved HJR 70 BE CONCURRED IN - motion carried 7 - 1. (Senator Ed Smith or Chairman Stephens will carry this on the Senate floor.)

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CONSIDERATION OF HOUSE JOINT RESOLUTION 66: Representative Menahan explained his bill to the Committee as one which would help persons in need of financial assistance as a result of a catastrophic illness. Bill is House Public Health Committee Bill.

Bill Ikard of the Social Rehabilitation Services testified in support of this Resolution. In essence, the bill is aimed at okaying the SRS to conduct a study of catastrophic illnesses and the subsequent feasibility of a catastrophic illness insurance program for all Montana citizens. The SRS would report their findings to the 46th Legislature.

Ikard cited one example of a Montana couple who had such an illness in their family - the illness cost \$100,000 - the family was forced to seek help through the County Welfare Department - the Department in turn worked with the County, in the way of an emergency mill levy just to cover one case. Mr. Ikard said no one county should be forced to take that kind of loss, the State can if you use an expanded tax base. Ten different cases such as the above were reported in Montana last year. Mr. Ikard said he didn't know what it would cost but they wanted to study it for a couple years. The insurance would be catastrophic illness insurance - not major medical insurance.

Rod Gudgel, representing the Montana Nursing Home Association, supports the Resolution. Congress is giving it some study now also.

There were no opponents to this Resolution.

Questions included the following:

1) Montana has an Artificial Kidney Program set up now; last session, \$200,000 was appropriated for the program. Only \$65,000 has been used to this date - the remainder will revert back to the general fund.

2) Mr. Ikard said, on an insurance program of this type, there would possibly be a limitation based on income, i.e., his Department talked about the possibility of tying the initial deductible to 100 percent of the family income. In that manner, no medical bills would be paid for the family until the expenses passed their total income. They want to help only people who have had catastrophic illnesses.

3) When Senator Olson asked why the SRS could not go ahead without a Resolution, Mr. Ikard answered that that was possible to conduct the study without the Legislature's permission - however, the Governor's office felt that they were not comfortable

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enough with the whole situation but something the Department should study - This would just bring the problem to the attention of the Legislature and ask someone to look at it. Medicaid would not be involved in it from a patient standpoint but would be involved from the administration standpoint, with almost no new employees. The only thing Medicaid does not have that would be needed is actuary experience but that could be gained with one or two new employees - just put it together with the existing staff. No new bureaucracy. (See Exhibit "B".)

4) A person on Medicaid would not be in this insurance coverage program - this is for the person and family above that income or resource level.

ACTION ON HOUSE JOINT RESOLUTION 66: There was some discussion before final action on this Resolution as to its necessity - some thought the SRS was asking for something they can do without authorization right now, plus the fact that if Congress is taking a hard look at this same type insurance, the State of Montana need not legislate in this area this Session.

Senator Olson moved HJR66 BE NOT CONCURRED IN - motion failed 6 - 2. Senator Lee then moved HJR66 BE CONCURRED IN - motion carried 6 - 2. (Senator Stephens will carry on the Senate floor.)

CONSIDERATION OF HOUSE BILL 658: In the absence of Representative Lynch, the sponsor of this bill, Representative Estenson, District 32, presented the bill to the Committee, saying this bill is one dealing with payments for care of residents of institutions, district youth guidance homes, and custodial agencies.

Joan Uda, attorney for the office of Budget and Program Planning, explained the bill in detail, since she has worked on it at great length. This is a bill, she said, that pertains to payments for people who are in institutions that existing law provides their care must be paid for. Uda said the reason the bill is so long is they wanted to clean up the language for re-codification since they were working on the law. There are some substantive changes and these will do two things: (1) Assure department's procedures will be fair, and (2) Make it as effective as possible. This bill provides some new definitions - one important one is that of "responsible person" (limited to spouse or parent if under 18). Also limited and clarified what is protected in an estate when a claim has to be filed against that estate. Bill also gives explicit powers of the Department; plus it provides language that requires the Department to make reviews of a person's ability to pay. These are the primary changes in this bill - it has been thoroughly worked out. It has no affect generally on federal reimbursements - this bill deals with those who do not qualify for federal assistance. By adding "as budgeted" on page 2, line 9, 18, it allows usage

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of current costs rather than last year's costs so they can bill Medicaid at current level costs rather than last year's costs. That is the only fiscal impact this bill will have.

There were no other witnesses.

Questions covered the following points:

- 1) Payments can be split, that is, part from the responsible party and part from State.
- 2) Determination of responsible party's ability to pay is done through a financial inventory - most of the people in the institutions have some personal income involved.
- 3) Section 8 of the bill was stricken at the request of Representative Bardanouve since there is another bill which has already been signed by the Governor that pertains to same language.
- 4) Jim Harbein, of the Department of Institutions, said they have never taken anyone to court over financial inventories. If they refuse to give information, the Department can only go on the assumption that they have the ability to pay.
- 5) Certain kinds of information cannot be asked for, such as their IRS forms.
- 6) Vets Home is at present under this law; have an ability to pay schedule they operate on now. It is far less than what it would be in other institutions.
- 7) The boys' school, girls' school, penal institutions are not covered, nor are the insane because the equal protection question arises. But you could have a person put in Warm Springs by Court order (because of a crime) who would not have to pay; however, the treatment of the same malady in another would demand payment - this is only because of the crime.

The hearing was concluded on this bill, with NO ACTION at the present time.

ANNOUNCEMENTS: Chairman Stephens questioned the Committee on its preference for the next Executive Session. It was decided to meet upon adjournment today, March 31.

ADJOURNMENT: With no further business at the present time, Chairman Stephens adjourned the meeting at 12:00 noon.


STAN STEPHENS, Chairman

March 31, 1947
Santa Lucia Health

T E S T I F Y I N G

SUPPORT,
OPPOSE OR
AMEND?

NAME:

REPRESENTING:

ON BILL #

(Please leave any prepared statement with Secretary)

[illegible]

ROLL CALL

PUBLIC HEALTH, WELFARE AND SAFETY COMMITTEE

45th LEGISLATIVE SESSION - 1977

MARCH 31-1977

DATE :

[illegible]

ROLL CALL

VOTE

SENATE COMMITTEE PUBLIC HEALTH, WELFARE AND SAFETY

45th LEGISLATIVE SESSION - 1977.

Date MARCH 31 - 1977

Bill No. HJR70

Time _____

NAME S:

YES

NO

	YES	NO
LEE, Robert	✓	
RASMUSSEN, Tom	✓	
OLSON, Stuart		✓
HIMSL, Matt	✓	
WATT, Robert	✓	
ROBERTS, Joe	✓	
NORMAN, Bill - V. Chm.	✓	
STEPHENS, Stan - Chairman	✓	

Joyce (Kelly) Allen
Secretary

STAN STEPHENS
Chairman

Motion: SENATOR ROBERTS

MOVED BILL BE ADOPTED

MOTION CARRIED - Ed Smith or S.S. will carry

(include enough information on motion—put with yellow copy of committee report.)

1 of 2 sheets
ON HSN 76

ROLL CALL

VOTE

SENATE COMMITTEE PUBLIC HEALTH, WELFARE AND SAFETY

45th LEGISLATIVE SESSION - 1977.

Date MARCH 31, 1977 Bill No. HJR66 Time 11:50

NAME S:	YES	NO
LEE, Robert	1	LEE
RASMUSSEN, Tom	2	RASMUSSEN
OLSON, Stuart		1 OLSON
HIMSL, Matt		2 HIMSL
WATT, Robert	3	WATT
ROBERTS, Joe	4	ROBERTS
NORMAN, Bill - V. Chm.	5	NORMAN
STEPHENS, Stan - Chairman	6	STEPHENS

Joyce (Kelly) Allen
Secretary

STAN STEPHENS
Chairman

Motion: SENATOR LEE

MOVED ~~BE~~ CONCURRED IN..

MOTION PASSED - S.S. will carry.

(Include enough information on motion—put with yellow copy of

1 of 2 SHEETS
ON HJR66

ROLL CALL

VOTE

SENATE COMMITTEE PUBLIC HEALTH, WELFARE AND SAFETY

45th LEGISLATIVE SESSION - 1977.

Date MARCH 31 - 1977 Bill No. HJR66 Time 11:50

NAME S:	YES	NO	
LEE, Robert		1	LEE
RASMUSSEN, Tom		2	RASMUS
OLSON, Stuart	1		OLSON
HIMSL, Matt	2		HIMSL
WAIT, Robert		3	WAIT
ROBERTS, Joe		4	ROBERT
NORMAN, Bill - V. Chm.		5	NORMAN
STEPHENS, Stan - Chairman		6	STEPHE

Joyce (Kelly) Allen
Secretary

STAN STEPHENS
Chairman

Motion: SENATOR OLSON MOVED

BE NOT CONCURRED IN.

MOTION FAILED - (See next ROLL CALL)

(include enough information on motion—put with yellow copy of committee report.)

EXHIBIT "A"

LEAGUE OF WOMEN VOTERS OF MONTANA

1100 AVENUE B, N.W., GREAT FALLS, MONTANA 59404

HJR 70 Boundry Treaty - Air Quality

The League of Women Voters of Montana speaks in support of HJR 70. We are concerned that air quality be protected by us, and by our neighboring nation, Canada, and that we, in turn, protect their air quality. We are certainly hopeful that Congress and the President will heed our request, and a boundry treaty will be negotiated. There have been several pieces of legislation this session dealing fully or in part with this problem - we believe this bill to be the best answer at this time, and we urge your support.

*This is a concept Paper to stimulate thought
not a plan that could be implemented as is*

CATASTROPHIC HEALTH INSURANCE

The plan shall have an initial deductible of 100% of the family's gross income (as reported on their last income tax return) less \$1,000 per dependent. The deductible percentage shall be adjusted every four months for the first two years and every six months thereafter to keep the plan actuality sound and within budgeted amounts.

- II. The plan would be administered through the State's Medicaid Program, however individuals eligible for Medicaid would not be eligible. Provider fees and provider eligibility shall be equal to those of the Medicaid Program.
- III. As an incentive for families to carry current private health insurance there would be a deductible of one half the standard deductible whenever any health insurance company has paid out for the eligible individual over \$10,000 during the previous twenty-four months.
- IV. The amount which is determined to meet the deductible must be the obligation of the eligible family and not subject to payment by any third party. The deductible amount must be paid in total before eligibility is established unless it would create an extreme hardship on the family to do so. The department administering this section shall promulgate rules defining hardship and allowing partial payment prior to determination of eligibility. Insurance payments and any legal medical services may be used in determining the deductible.

The deductible may only include services which have occurred within six months of the date of application.
- V. Eligibility shall be determined on a related household basis and all household members living within the main residence shall be collectively considered as one single unit. Individuals temporarily away from the main residence for schooling may be considered as living at the main residence.
- VI. Program benefits shall be limited to necessary services including inpatient hospital care, physician care, durable medical equipment including supplies for same, physical, speech and occupational therapies and nursing home care.
- VII. Benefits under this program shall not be available to any individual who is eligible to receive the service from any other source; including but not limited to insurance, other state or federal programs, tort liability or any other legally available third party. This exclusion shall apply only to a service which is found to be reasonably available and shall not exclude the recipient from other services included within this plan.
- VIII. Eligibility for this plan may be retroactive up to one month prior to the date of application and shall not be granted for longer than three months following the date of application without a redetermination of continuing need. A second deductible shall not be required unless the family has been off the program for twelve continuous months.
- IX. Disputes arising from this program shall be handled through the department of Social and Rehabilitation Services using this law. The administrative rules pertaining to it and for areas not covered the Medicaid laws and regulations shall pertain.

Funding of the program shall be through a one mill statewide appropriation. Employers who furnish this type coverage or its equivalent to their employees and their families shall receive a tax incentive of _____ to encourage private funding to meet the needs of the public.

All claims for services under this plan must be submitted within ninety days of the date of services.

My proposal, while it needs much refining, is based on the following premises:

- 1) Catastrophe means huge dollar loss regardless of whether it's a kidney problem, heart problem or whatever. Huge dollar loss is based on family income and size so a husband and wife with \$20,000 income would be ineligible without \$18,000 in bills. A husband and wife with five children and a \$20,000 income would need \$13,000 in bills to be eligible.
- 2) The program is designed only to meet the needs of people who would likely go bankrupt without it.
- 3) The program encourages the citizen to get insurance from the private sector. In other words, it helps the person who is trying to help himself.
- 4) It is administered through an existing agency without a large number of new employees. The rules are those which for the most part are already in existence. It does not create a new bureaucracy and it does not compete with the private health insurance industry.
- 5) It has two fail safe mechanisms built in so that if costs go out of sight the state can quickly put the brakes on.

In my opinion the proposal, while calling for a very liberal concept, is very conservative in terms of cash needed to fund it. I can count on two hands the number of people that I heard about last year that needed it. Unfortunately I can just about count on those same hands the number of families that went bankrupt because we didn't have it.

Bill Iboard

449 3952

STANDING COMMITTEE REPORT

MARCH 31

19 77

MR. PRESIDENT

We, your committee on PUBLIC HEALTH, WELFARE AND SAFETY

having had under consideration HOUSE JOINT RESOLUTION Bill No. 66

Respectfully report as follows: That HOUSE JOINT RESOLUTION Bill No. 66

BE CONCURRED IN.

~~DO NOT PASS~~



STANDING COMMITTEE REPORT

MARCH 31

19 77

MR. PRESIDENT

We, your committee on PUBLIC HEALTH, WELFARE AND SAFETY

having had under consideration HOUSE JOINT RESOLUTION Bill No. 70

Respectfully report as follows: That HOUSE JOINT RESOLUTION Bill No. 70

BE CONCURRED IN.

~~DEFAKE~~