

MINUTES OF THE MEETING

PUBLIC HEALTH, WELFARE & SAFETY COMMITTEE

February 9, 1979

The thirteenth meeting of the Public Health, Welfare and Safety Committee met on February 9, 1979, in Room 410 of the State Capitol Building at 1:00 p.m.

ROLL CALL: All members were present except Senator Himsel and Senator Palmer, who arrived later in the meeting.

CONSIDERATION OF SENATE BILL 100: Senator Norman, sponsor of Senate Bill 100, said that it is his understanding that any amendments made on pages 1 through 24 of Senate Bill 100 are still adopted by this Committee. The Department of Health and Environmental Sciences has proposed an amendment (see Attachment "A") to Senate Bill 100 on page 25, lines 11 through 23. Senator Norman stated that this refers to hearings with good cause, and it is his understanding that this proposed amendment is agreeable to all parties concerned. Senator Norman made a motion that the Committee incorporate as an amendment item 1 in Attachment "A." Senator Lensink stated that this allows showing good cause in writing and asked Mr. Fenner, Department of Health, for clarification. Mr. Fenner said this amendment was worked out with the department's legal department, the Legislative Council, and the Montana Medical Association. It says that the health systems agency and the applicant have a right to a hearing, but anybody else wanting a hearing must show good cause. Motion passed unanimously.

Senator Norman referred the Committee to the amendment proposed in item 2 of Attachment "A." Senator Norman made a motion that we adopt amendment 2 of Attachment "A." Senator Lensink stated that this broadens the hearing quite a bit and asked Mr. Fenner about this. Mr. Fenner said it does broaden it so that it allows new testimony to be brought in. Motion passed unanimously.

Senator Norman referred the Committee to number 3 on Attachment "A." Dennis Taylor said that this amendment was taken care of with the other amendments. He then referred the Committee to amendment number 19 on Attachment "B" and asked for the correction because of a typographical error. Senator Norman moved that amendment 19, on Attachment "B" be adopted. Motion carried unanimously.

ACTION ON SENATE BILL 100: Senator Norman moved that Senate Bill 100 as amended DO PASS. The motion passed unanimously.

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Chairman Rasmussen stated that a statement of intent was needed on Senate Bill 100. He appointed a subcommittee of Senator Norman and Senator Olson to work with Dennis Taylor in drafting up a letter of intent. Senator Norman asked each of the groups present who had interest in Senate Bill 100 to appoint one person from their organization to work with the subcommittee and to give the name of that person to the committee secretary that afternoon.

CONSIDERATION OF SENATE BILL 61: Senator Norman, sponsor of Senate Bill 61, said that the introduced bill met with a lot of opposition. By working on amendments to the bill much of the opposition has subsided. He referred the Committee to Substitute Bill 61 (see Attachment "C") and said that he had some amendments to this substitute bill that were suggested by Mr. Tom Harrison, MPS Blue Shield. In Section 2 of Attachment "C" Mr. Harrison suggests that the Committee delete "while confined" and substitute "which requires confinement." Senator Norman stated that he doesn't understand the need for the change. Ms. Driscoll, Insurance Department, said that what might be behind this proposed amendment is the requirement that the doctor require that the patient be in the hospital. After much discussion, it was decided that the amendment was not necessary.

Senator Norman then referred the Committee to Section 2, subsection 2, of Attachment "C" and stated that Mr. Harrison would like the word "reasonable" inserted in front of "charges" in three places. Senator Lensink stated that he feels this is necessary rather than leaving it open-ended. Senator Norman moved that the proposed amendment be adopted. The motion passed unanimously.

Senator Norman referred the Committee to page 2 of Attachment "C" and said that before Section 3 Mr. Harrison would like to add a subsection (4) which more clearly defines a physician. Ms. Driscoll said that there is a law on the books now which defines physician, and this amendment would be in conflict. The Insurance Department could not allow the regular carriers to restrict the definition of physician. The definition of physician as defined in the Code was read to the Committee. Senator Lensink said he feels the substitute bill as proposed is okay since it is referring to the center setting. It was decided not to adopt the suggested amendment.

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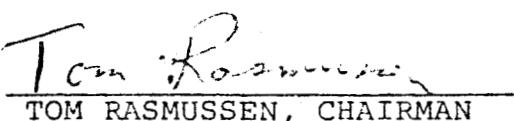
Senator Norman referred the Committee to Section 3, subsection (1) of Attachment "C" and said that Mr. Harrison would like "30 days" changed to "30 calendar days per year" on the second line. This relates to in-patient benefits. Ms. Driscoll objected to the change. Mr. Zanto, Department of Institutions, explained the proposed amendment to the Committee and said that his department has no objection. Senator Lensink moved the amendment be adopted. The lawyer from the Department of Institutions pointed out that this proposed amendment is needed in two places in Section 3, subsection (1) of Attachment "C" in order to be consistent. Senator Lensink amended his motion to include that the change be incorporated in both places in the bill. Motion passed unanimously.

Ms. Driscoll asked the Committee to delete Section 5 of Attachment "C" which would make the bill effective on passage and let the bill become effective on July 1, 1979. This would give the department and insurance companies more time to incorporate these changes. Senator Himsel moved this amendment. Motion passed unanimously.

ACTION ON SENATE BILL 61: Senator Norman moved that Senate Bill 61 as amended, DO PASS. Senator Lensink asked for clarification on the opting out as contained in the amended bill. A roll call vote was taken. Senate Bill 61, as amended, passed unanimously.

ANNOUNCEMENTS: Curt Chisholm, Department of Institutions, distributed the information requested by the Committee on Senate Bill 238.

ADJOURNMENT: There being no further business to discuss, the meeting was adjourned at 1:55 p.m.



TOM RASMUSSEN, CHAIRMAN

ROLL CALL

PUBLIC HEALTH COMMITTEE

45th LEGISLATIVE SESSION - - 1979

Date 8-2-70

SENATE COMMITTEE PUBLIC HEALTH, WELFARE & SAFETY

Date 2 Dec. 79 Bill No. 11 Time 11 a.m.

Secretary

Chairman

Motion: As finalized in the first climate talk at

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

SENATE

SENATE Bill Hall COMMITTEE

BILL SB 644/100

VISITORS' REGISTER

DATE 3-17-77

Department of Health and Environmental Sciences
STATE OF MONTANA HELENA, MONTANA 59601



February 9, 1979 A. C. Knight, M.D., F.C.C.P.
Director

TO: Senator S. A. Olson, Chairman
Public Health, Welfare and Safety Committee
And Members of the Committee

FROM: George M. Fenner, Administrator
Division of Hospital and Medical Facilities
Department of Health and Environmental Sciences

RE: Continuation of response to Suggested Amendments to Senate Bill 100
"Certificate of Need" Legislation sponsored by Senator Norman at the
request of the Department of Health and Environmental Sciences.

The following amendments are offered as a substitute for amendments 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18 as presented to the Senate Health, Welfare and Safety Committee hearing on Senate Bill 100 on January 19, 1979, by Chad Smith, Montana Hospital Association.

1. Page 25, line 11 through line 23 (this includes proposed amendments 9 through 15)

"The applicant or a Health Systems Agency designated pursuant to Title XV of the Public Health Service Act may request and shall be granted a public hearing before the Department to reconsider its decision, if the request is received by the Department within 30 calendar days after the decision is announced. Any other affected person may, for good cause, request the Department to reconsider its decision at such a hearing. The Department shall grant the request if the affected person submits the request in writing showing good cause as defined in rules adopted by the Department and if the request is received by the Department within 30 calendar days after the decision is announced. The public hearing to reconsider shall be held, if warranted or required, within 30 calendar days after its request. The Department shall make its final decision and written findings of fact and conclusions of law in support thereof within 45 days after the conclusion of the reconsideration hearing. The hearing shall be conducted in accordance with 2-4-601 through 2-4-623." The hearing.

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2. Page 26, line 12 following decision. Add (addresses proposed amendment 16)

"The Board, upon the request of any party to an appeal before the Board, shall hear oral arguments and receive written briefs."

3. The Hospital Association agreed to strike proposed amendments 17 and 18.

These amendments were drafted in consultation with Mr. Smith; Bill Leary, Executive Secretary, Montana Hospital Association; the Legal Division of the Department of Health and Environmental Sciences; and Wallace A. King, Chief, Bureau of Health Planning and Resource Development, Department of Health and Environmental Sciences.

SUGGESTED AMENDMENTS TO SB 100 "CERTIFICATE OF NEED" LEGISLATION
SPONSORED BY SENATOR NORMAN AT THE REQUEST OF THE DEPARTMENT
OF HEALTH AND ENVIRONMENTAL SCIENCES.

1. Page 8, line 21. (Montana Hospital Assn. Bill Leary)
Following: line 21
Insert: "(d) requests for decreases in the number of beds by 10% of the facility's licensed capacity or 10 beds, whichever is less, or decreases in services will be subjected to a non-substantive review by the state department of health and environmental sciences."
2. Page 9, line 7. (Bill Leary, MT Hospital Ass'n)
Following: line 7
Insert: "(20) Non-substantive review" means... (definition to be supplied by DH&ES)"
Renumber: subsequent subsections.
3. Page 9, line 24. (Dennis Taylor, Staff)
Following: "An"
Strike: "out patient"
Insert: "outpatient"
4. Page 13, line 15. (Sen. Norman; John McMahon, MT Medical Assn)
Following: "patients."
Insert: "A department employee who discloses information which would identify a patient shall be dismissed from employment and subject to the provision of 45-7-401, unless the disclosure was authorized in writing by the patient, his guardian, or his agent."
5. Page 20, line 13. (Bill Leary, MT Hospital Assn)
Strike: ", with or without conditions,"
6. Page 20, line 14. (Bill Leary, MT Hospital Assn;
Glen Drake, MT Nursing Home Assn)
Following: "Application"
Strike: "If the department fails to act within the"
7. Page 20, line 15. (Bill Leary, Montana Hospital Assn;
Glen Drake, Montana Nursing Home Assn)
Following: Line 15
Strike: Lines 15 and 16 in their entirety
8. Page 22, line 9. (John McMahon, Montana Medical Assn)
Following: "costly"
Insert: "quality equivalent"
9. Page 25, line 11. (Chad Smith, Montana Hospital Assn)
Following: "may"
Strike: ", for"

10. Page 25, line 12. (Chad Smith, Montana Hospital Assn)
Following: line 11
Strike: "good cause,"
11. Page 25, line 15. (Chad Smith, Montana Hospital Assn)
Following: "writing"
Strike: remainder of line 15
12. Page 25, line 16. (Chad Smith, Montana Hospital Assn)
Following: line 15
Strike: "the department"
13. Page 25, line 18. (Chad Smith, Montana Hospital Assn)
Strike: ","
14. Page 25, line 19. (Chad Smith, Montana Hospital Assn)
Strike: "if warranted,"
15. Page 25, line 23. (Chad Smith, Montana Hospital Assn)
Following: "hearing."
Insert: "The hearing shall be conducted in accordance
with 2-4-601 through 2-4-623."
16. Page 26, line 12. (Chad Smith, Montana Hospital Assn)
Following: "decision."
Insert: "The board, upon request of any interested
person, shall hear oral argument and receive written
briefs."
17. Page 26, line 25. (Chad Smith, Montana Hospital Assn)
Strike: line 25 in its entirety
18. Page 27, line 1. (Chad Smith, Montana Hospital Assn)
Strike: Line 1 in its entirety
19. Page 27, line 19. (Dennis Taylor, Staff)
Following: line 18
Strike: "59-5-301"
Insert: "50-5-301"

SENATE BILL 61

1. Title, line 5.

Following: "ACT"

Strike: remainder of lines 5 through 7 in their entirety

Insert: "TO INSURE THE AVAILABILITY OF BASIC LEVELS OF
BENEFITS UNDER HEALTH INSURANCE POLICIES AND"

2. Title, line 8.

Following: line 7

Strike: "IN THE"

Following: "FOR THE"

Strike: "COVERAGE OF THE"

Insert: "CARE AND"

3. Title, line 9.

Strike: ", CHEMICAL DEPENDENCY,"

4. Pages 1 and 2.

Strike: all of the bill following the enacting clause

Insert: Section 1. Purpose. The purpose of (this act)
is to encourage consumers to avail themselves of basic
levels of benefits under health insurance policies and
contracts for the care and treatment of alcoholism and
drug addiction, and to preserve the rights of the con-
sumer to select such coverage according to his medical
and economic needs.

Section 2. Definitions. For purposes of (this act),
the following definitions apply:

(1) "Inpatient hospital benefits" means benefits payable
for charges made by a hospital, as defined in the policy or
contract, for the necessary care and treatment of alcoholism
or drug addiction furnished to a covered person while confined
as a hospital inpatient; and with respect to major medical
policies or contracts, also includes those benefits payable
for charges made by a physician, as defined in the policy or
contract, for the necessary care and treatment of alcoholism
or drug addiction furnished to a covered person while confined
as a hospital inpatient.

(2) "Outpatient benefits" means benefits payable for:
(a) charges made by a hospital for the necessary care and
treatment of alcoholism or drug addiction furnished to a
covered person while not confined as a hospital inpatient;
(b) charges for services rendered or prescribed by a physician
for the necessary care and treatment for alcoholism or drug
addiction furnished to a covered person while not confined
as a hospital inpatient; and (c) charges made by an alcoholism
or drug addiction treatment center for the necessary care and
treatment of a covered person provided in the treatment center.

(3) "Alcoholism Treatment Center" and "Drug Addiction Treatment Center" mean a treatment facility which provides a program for the treatment of alcoholism or drug addiction pursuant to a written treatment plan approved and monitored by a physician, and which facility is also: (a) affiliated with a hospital under a contractual agreement with an established system for patient referral; or (b) licensed, certified, or approved as an alcoholism or drug addiction treatment center by the state.

Section 3. Availability of coverage for alcoholism and drug addiction. Insurers and health service corporations transacting health insurance in this state must make available under hospital and medical expense incurred insurance policies and under hospital and medical service plan contracts the level of benefits specified in this section for the necessary care and treatment of alcoholism and drug addiction subject to the right of the applicant for a group or individual policy or contract to reject the coverage or to select any alternative level of benefits as may be offered by the insurer or service plan corporation.

(1) Under basic hospital expense policies or contracts, inpatient hospital benefits consisting of durational limits, dollar limits, deductibles, and coinsurance factors that are not less favorable than for physical illness generally, except that benefits may be limited to not less than 30 days per confinement as defined in the policy or contract.

(2) Under major medical policies or contracts, inpatient hospital benefits and outpatient benefits consisting of durational limits, dollar limits, deductibles, and coinsurance factors that are not less favorable than for physical illness generally, except that:

(a) Inpatient hospital benefits may be limited to not less than 30 days per confinement as defined in the policy or contract. If inpatient hospital benefits are provided beyond 30 days of confinement, the durational limits, dollar limits, deductibles, and coinsurance factors applicable thereto need not be the same as applicable to physical illness generally.

(b) For outpatient benefits, the coinsurance factor may not exceed 50% or the coinsurance factor applicable for physical illness generally, whichever is greater, and the maximum benefit for alcoholism and drug addiction in the aggregate during any applicable benefit period may be limited to not less than \$1000.

(c) Maximum lifetime benefits may, for alcoholism and drug addiction in the aggregate, be no less than an amount equal to the lesser of \$10,000 or 25% of the lifetime policy limit.

Section 4. Applicability. (This act) applies to policies or contracts delivered or issued for delivery in this state more than 120 days after (the effective date of this act) but

does not apply to blanket, short term travel, accident only, limited or specified disease, individual conversion policies or contracts, or to policies or contracts designed for issuance to persons eligible for coverage under Title XVIII of the Social Security Act, known as medicare, or any other similar coverage under state or federal governmental plans.

Section 5. Effective date. (This act) is effective on passage and approval.

- END -