

MINUTES OF THE MEETING  
BUSINESS AND INDUSTRY COMMITTEE  
MONTANA STATE SENATE

February 3, 1983

The Business and Industry Committee met in Executive Session on February 3, 1983, at 11:00 a.m. The meeting was called to order by Chairman Allen Kolstad in Room 404, State Capitol.

ROLL CALL: All committee members were present.

ACTION ON SENATE BILL 107: Senator Fuller gave the committee a handout entitled "Inpatient and Outpatient Services". (Exhibit No. 1) He stated in talking with the personnel division and in trying to assess the fiscal impact you are still looking at \$60/\$80 per year. As an example, he stated he was not proposing this, we could go to 50/50 on co-insurance, drop \$1500 to \$1000 and eliminate social workers totally. He doesn't have any specific plans but he is interested in devising some bill here.

Senator Kolstad asked Staff Attorney Petesch what amendments we had adopted. Staff Attorney Petesch replied all have been adopted so far and there is a reference bill.

Senator Kolstad asked has the social worker been taken out of this bill? Staff Attorney Petesch stated it was added back where they are affiliated with the treatment centers.

Senator Regan stated these are psychiatric social workers that will be certified.

Senator Gage stated there is no harm in putting it in even though no one is under it now.

Senator Goodover stated he thinks it is premature to include in a bill people who are not qualified under the other bill.

Senator Regan stated if that bill passes those social workers will be able to accept third party payments. The net result instead of paying a psychiatrist \$60 per hour you will be paying a psychiatric social worker at \$35 per hour.

Senator Lee stated his impression of the bill was that there was not any distinct tie to the psychiatrists that is why his amendment was put in for the social workers.

Staff Attorney Petesch stated if the committee chooses we can delete the social worker and put in psychiatric social worker.

Senator Fuller stated he thinks the distinction instead of having third party payments go to anyone we are making it tied to those affiliated with a treatment center.

Senator Goodover stated if you remember in the original hearing we talked about a psychologist and psychiatrist and those who would apply under this bill would be the PHD's. You have people with

Masters who would not be included in the third party payments. You are going to tie people who are trained in the business but you cannot be licensed without a PHD.

David Briggs stated the way the bill presently reads, with amendments, the present laws in the state in regard to licensures of psychologists requires PHD level and others would be eliminated on any level of insurance benefits. He feels the committee should amend it to Masters.

Senator Dover stated you are really jumping the gun when you start doing that.

Terry Screnar, President, Blue Cross, stated his problem with the bill is the mandatory aspect of it. The cost would be \$3-4 per month more per individual. He would like to see the bill remain an optional type that the consumer can get if they want.

David Briggs, representing Montana Council of Governing Boards of Treatment Centers, stated he would like 50% co-insurance and a limit of \$1000 as opposed to \$1500. The amendment in regard to social workers in a treatment center is agreeable with them. There have been a number of comments about people being out of work. That is when people need that kind of coverage most because of the stresses involved.

Dick Baumberger, Alcoholism Programs of Montana, stated one of the biggest benefits is the free standing impatient facilities; however, they do not have social workers in their program. He would like to see mandated coverage.

Senator Goodover made a motion that we retain the 50/50 co-insurance, present limit of \$1000, and benefits remain as is at the present state plan and this be retained as an optional coverage.

The committee asked that he make a motion on each separately.

Senator Goodover made a motion that we retain the 50/50 co-insurance and the present limit of \$1000.

Staff Attorney Petesch stated on page 5 of the existing bill, line 15, strike 20% and insert 50% and line 19 strike \$1500 and insert \$1000. Senator Christiaens seconded the motion.

The committee voted unanimously, by voice vote, that the proposed amendments to SENATE BILL 107 BE ADOPTED.

Senator Fuller stated we should consider that we amend the bill to make it mandatory coverage for group health plans and exclude the individual. On the new bill, page 4, section 3, on lines 13 and 14 strike "or individual". (Exhibit No. 2)

Senator Regan made the motion to amend the new bill page 1, line 18, following "all" insert "group" and page 4, lines 13 and 14 strike

"or individual". Senator Dover seconded the motion.

Mr. Harrison stated on page 4, lines 13 and 14, where you struck "or individual" this is identifying that kind of business, group or individual. In the elimination of individual plan he feels page 4, line 16 following "insurance" insert "group" and page 4, line 17, following "plan" insert "group".

Senator Regan made the motion that on page 4, line 16, following "insurance" insert "group" and on page 4, line 17, following "plan" insert "group". Senator Dover seconded the motion.

The committee voted unanimously, by voice vote, that the proposed amendment to SENATE BILL 107 BE ADOPTED.

Senator Goodover made the motion that on page 1, line 23, reinsert "select" in place of "have" to make this again optional.

Senator Lee asked is that necessary now? Senator Goodover replied yes. To force every company to have to include this in their policy is not what you call free enterprise. Senator Lee seconded the motion.

Senator Regan stated she was against such an optional basic coverage. A person does not think about it certainly an alcoholic is the last one to know that he needs that coverage. It defeats the purpose of the bill. We can automatically reduce the cost of health care by early treatment of alcoholism and those that are having the problem. She feels we should not have the amendment.

Senator Fuller stated he is also opposed to the amendment. We should not eliminate any insurance coverage. It is a social problem in our country. Senator Goodover stated it is not to eliminate the coverage. The problem is not the young people who buy the policies it is the people who drink. We should increase the cost of liquor. Let the people who buy booze pay for it through the liquor tax and buy the insurance out of the fee. To require everyone to buy the insurance policy is unfair. There are a number of people who do not drink and it is not relevant to their way of life. He feels this is not right. If they want it they will buy it, if not they won't.

Senator Gage stated he thinks it is in the bill right now. Anyway, the way he reads it.

Mr. Cain stated as he reads it Senator Goodover's amendments would create confusion in the bill. What you did with the last amendment would be that group health coverage would carry the benefit but the individual would not.

Senator Gage asked is it your opinion of this portion, page 1, line 20, do you interpret that if that coverage is in my policy and I do not feel I need it I do not have to take it? Mr. Cain stated no. As these amendments were proposed it was intended to make it mandatory, and to change "select" to "have" was not in

line with that. As the bill now reads it indicates that would be mandatory for all group policies.

Senator Gage asked the next amendment page 4, line 15, should "shall provide "optional coverage" under hospital and medical" .....  
Mr. Cain stated with those two amendments together you would have the option.

Senator Severson stated we are back to the original bill.

Senator Goodover stated two years ago all they wanted was the option. They got that option and it is there for those who want it.

Senator Dover stated he was confused. Even if we leave "have" in there doesn't that leave out individual policies if we had not defined it as group. Maybe we should say "group subscriber contracts" then we can leave the "have".

Senator Goodover withdrew his motion.

Senator Dover made the motion that on the new bill, page 1, line 18, following "all" insert "group" and following line 18, insert "group".  
Senator Lee seconded the motion.

The Committee voted unanimously, by voice vote, that the proposed amendment to SENATE BILL 107 BE ADOPTED.

Senator Gage stated we are now saying groups who are covered that do not have alcoholism and drug coverage will have no policies at all. Senator Dover stated it is mandatory to groups. Those who do not want it have to have it anyway.

Senator Fuller made the motion that Senate Bill 107, As Amended Do Pass.

Senator Goodover asked is it going to solve the problem for the group insurers or create a problem?

Senator Regan seconded the motion.

Senator Goodover asked if we could find out how many state employees are covered. Ron Sunstead stated right now they have one group contract. It is 50% co-insurance. We have \$4,000 limit on impatient and we also have lifetime limits.

Senator Gage asked how many persons who are being treated for what we are discussing here have coverage in comparison to those who are not being treated at the present time. Mr. Cain stated we cover about 125,000 people in the State. All of the groups do have the now amended coverage. Alcoholism is still not an accepted illness. They do not utilize their insurance as the medical bills would show they had treatment.

Senator Goodover asked does that mean you can live with the bill the

the way it is now? Mr. Cain stated yes.

The Committee voted unanimously, by voice vote, that SENATE BILL 107 AS AMENDED DO PASS.

ACTION ON SENATE BILL 84: Senator Goodover stated the subcommittee met and had proposed data given to them by both sides. He had the Public Service Commission, Bill Opitz, meet with them. He is going to come back with a report and have it in time for tomorrow's meeting. He feels it would be premature to do anything on this bill before Mr. Opitz brings his information.

Senator Regan stated they have met twice. She feels they are very close to an agreement. If they allow the Public Service Commission to look over all of this they will come up with something that we can all live with.

ADJOURN: There being no further business, the meeting adjourned at 12:00 p.m.

  
ALLEN C. KOLSTAD, CHAIRMAN

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STANDING COMMITTEE REPORT

February 2 ..... 19 83

MR. .... PRESIDENT

We, your committee on ..... BUSINESS AND INDUSTRY

having had under consideration ..... SENATE ..... Bill No. 107

Respectfully report as follows: That ..... SENATE ..... Bill No. 107

be amended as follows:

1. Page 1, line 16.

Following: "all"

Insert: "group"

2. Page 1, line 17.

Following: line 16

Insert: "group"

3. Page 2, line 2.

Following: "hospital"

Insert: "or free standing inpatient facility"

4. Page 2, line 5.

Following: "as"

Strike: "a hospital"

Insert: "an"

DO PASS

February 2

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19.....

5. Page 2, line 25.

Following: "center"

Insert: "including charges by a licensed social worker  
affiliated with the treatment center"

6. Page 3, line 2.

Following: "psychiatrist"

Strike: "I"

Insert: "or"

Following: "psychologist"

Strike: ", or social worker"

7. Page 3, line 7.

Following: "physician"

Insert: "physician or"

Following: "chemical"

Strike: "dependence"

Insert: "dependency"

8. Page 3, line 12.

Following: "licensed,"

Strike: "certified,"

9. Page 3, line 13.

Following: "the"

Insert: "alcohol authority of the"

10. Page 4, line 7.

Following: "group"

Strike: "or individual"

11. Page 4, line 8.

Following: "or group"

Strike: "or individual"

12. Page 4, line 10.

Following: "insurance"

Insert: "group"

13. Page 4, line 11.

Following: "plan"

Insert: "group"

14. Page 4, line 20.

Following: "basic"

Strike: "hospital"

Insert: "inpatient"



15. Page 5, line 3.  
Following: "inpatient"  
Strike: "hospital"

16. Page 5, line 7.  
Following: "inpatient"  
Strike: "hospital"

17. Page 5, line 9.  
Following: "inpatient"  
Strike: "hospital"

18. Page 5, line 15.  
Following: "50%"  
Strike: "20%"  
Insert: "50%"

19. Page 5, line 19.  
Following: "\$1,000"  
Strike: "\$1,500"  
Insert: "\$1,000"

20. Page 6, line 16.  
Following: "31,"  
Strike: "1984"  
Insert: "1983"

AND AS AMENDED

DO PASS

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS AND INDUSTRY

Date 2-3-83 Senate Bill No. 107 Time \_\_\_\_\_

NAME	YES	NO
PAUL F. BOYLAN		
B. F. CHRIS CHRISTIAENS	✓	
HAROLD L. DOVER	✓	
DAVID FULLER	✓	
DELWYN GAGE	✓	
PAT M. GOODOVER	✓	
GARY P. LEE, VICE CHAIRMAN	✓	
PAT REGAN	✓	
PAT M. SEVERSON	✓	
ALLEN C. KOLSTAD, CHAIRMAN	✓	

Mimi Fancher  
Secretary

ALLEN C. KOLSTAD  
Chairman

Motion: To Pass As Amended.

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

[illegible]

SENATE BILL NO. 107

INTRODUCED BY BLAYLOCK, SCHYE, MCBRIDE, BACHINI,

PECK, HARPER, IVERSON, HAZELBAKER, FULLER,

J. JACOBSON, OCHSNER, LYNCH, LANE

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR BASIC LEVELS OF BENEFITS UNDER DISABILITY INSURANCE POLICIES AND CONTRACTS FOR THE CARE AND TREATMENT OF MENTAL ILLNESS, ALCOHOLISM, AND DRUG ADDICTION; AMENDING SECTIONS 33-22-701 THROUGH 33-22-704, MCA."

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

Section 1. Section 33-22-701, MCA, is amended to read:

"33-22-701. Purpose Scope of part ~~--- purpose.~~ The ~~purpose--of--this--part--is--to--encourage--consumers--to--avail~~ themselves--of--basic--levels--of--benefits--under--health insurance--policies--and--contracts provisions of this part apply to all <sup>group</sup> policies of accident and health insurance and subscriber contracts offered in Montana by insurers and health service corporations for the care and treatment of mental illness, alcoholism, and drug addiction, and It is the purpose of this part to preserve the rights of the consumer to select ~~have~~ such coverage according to his medical and economic needs."

Section 2. Section 33-22-702, MCA, is amended to read:

1           "33-22-702. Definitions. For purposes of this part,  
2           the following definitions apply:

3           (1) "Inpatient hospital benefits" means benefits  
4           payable for charges made by a hospital ~~OR~~ FREE STANDING  
5           ~~INPATIENT~~ EACILITY, as defined in the policy or contract,  
6           for the necessary care and treatment of mental illness,  
7           alcoholism, or drug addiction furnished to a covered person  
8           while confined as ~~a hospital~~ AN inpatient and, with respect  
9           to major medical policies or contracts, also includes those  
10          benefits payable for charges made by a physician, as defined  
11          in the policy or contract, for the necessary care and  
12          treatment of mental illness, alcoholism, or drug addiction  
13          furnished to a covered person while confined as a hospital  
14          inpatient.

15          (2) "Outpatient benefits" means benefits payable for:

16          (a) reasonable charges made by a hospital for the  
17          necessary care and treatment of mental illness, alcoholism,  
18          or drug addiction furnished to a covered person while not  
19          confined as a hospital inpatient;

20          (b) reasonable charges for services rendered or  
21          prescribed by a physician for the necessary care and  
22          treatment for mental illness, alcoholism, or drug addiction  
23          furnished to a covered person while not confined as a  
24          hospital inpatient; and

25          (c) reasonable charges made by a mental health,

1 alcoholism, or drug addiction treatment center for the  
 2 necessary care and treatment of a covered person provided in  
 3 the treatment center. INCLUDING CHARGES BY A LICENSED SOCIAL  
 4 WORKER AFFILIATED WITH THE TREATMENT CENTER; and

5 (d) reasonable charges for services rendered by a  
 6 licensed psychiatrist OR psychologist or social worker.

7 (3) "Alcoholism treatment center" and "drug addiction  
 8 treatment center" mean a treatment facility which provides a  
 9 program for the treatment of alcoholism or drug addiction  
 10 pursuant to a written treatment plan approved and monitored  
 11 by a physician ~~PHYSICIAN~~ OR ~~chemical dependence~~ DEPENDENCY  
 12 counselor certified by the state, and which facility is  
 13 also:

14 (a) affiliated with a hospital under a contractual  
 15 agreement with an established system for patient referral;  
 16 or

17 (b) licensed, ~~certified~~, or approved as an alcoholism  
 18 or drug addiction treatment center by the ALCOHOL AUTHORITY  
 19 OF THE state.

20 (4) "Mental health treatment center" means a treatment  
 21 facility organized to provide care and treatment for mental  
 22 illness through multiple modalities or techniques pursuant  
 23 to a written treatment plan approved and monitored by an  
 24 interdisciplinary team, including a licensed physician,  
 25 psychiatric social worker, and psychologist, and which

1 facility is also:

2 (a) licensed as a mental health treatment center by  
3 the state;

4 (b) funded or eligible for funding under federal or  
5 state law; or

6 (c) affiliated with a hospital under a contractual  
7 agreement with an established system for patient referral.

8 (5) "Mental illness" means neurosis, psychoneurosis,  
9 psychopathy, psychosis, or personality disorder."

10 Section 3. Section 33-22-703, MCA, is amended to read:

11 "33-22-703. ~~Availability---of---coverage~~ Coverage for  
12 mental illness, alcoholism, and drug addiction. Insurers and  
13 health service corporations transacting group or individual  
14 health insurance or group or individual health plans in this  
15 state ~~must make available~~ shall provide, under hospital and  
16 medical expenses incurred insurance policies and under  
17 hospital and medical service plan contracts, the level of  
18 benefits specified in this section for the necessary care  
19 and treatment of mental illness, alcoholism, and drug  
20 addiction subject to the right of the applicant ~~for a group~~  
21 ~~or individual policy or contract to reject the coverage or~~  
22 to select any alternative level of benefits above the  
23 minimum level of benefits described in subsections (2)(a)  
24 and (2)(b) as may be offered by the insurer or service plan  
25 corporation;

1           (1) Under ~~under~~ basic hospital ~~INPATIENT~~ expense  
 2 policies or contracts, inpatient hospital benefits  
 3 consisting of durational limits, dollar limits, deductibles,  
 4 and coinsurance factors that are not less favorable than for  
 5 physical illness generally, except that benefits may be  
 6 limited to not less than 30 calendar days per year as  
 7 defined in the policy or contract*;*

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

13           (a) inpatient hospital benefits may be limited to no  
 14 less than 30 calendar days per year as defined in the policy  
 15 or contract. If inpatient hospital benefits are provided  
 16 beyond 30 calendar days per year, the durational limits,  
 17 dollar limits, deductibles, and coinsurance factors  
 18 applicable thereto need not be the same as applicable to  
 19 physical illness generally.

20           (b) for outpatient benefits, the coinsurance factor  
 21 may not exceed ~~50%~~ 20% or the coinsurance factor applicable  
 22 for physical illness generally, whichever is greater, and  
 23 the maximum benefit for mental illness, alcoholism, and drug  
 24 addiction in the aggregate during any applicable benefit  
 25 period may be limited to not less than ~~\$1,000~~ \$1,500*;*



1           (c) maximum lifetime benefits may shall, for mental  
 2     illness, alcoholism, and drug addiction in the aggregate, be  
 3     no less than ~~those applicable to physical illness generally~~  
 4     ~~an amount equal to the lesser of \$10,000 or 25% of the~~  
 5     ~~lifetime policy limit."~~

6           Section 4. Section 33-22-704, MCA, is amended to read:

7           "33-22-704. Applicability. (1) Except as provided in  
 8     ~~subsection~~ subsections (2) and (3), this part applies to  
 9     policies or contracts delivered or issued for delivery in  
 10    this state more than 120 days after July 1, 1979, but does  
 11    not apply to blanket, short term travel, accident only,  
 12    limited or specified disease, individual conversion policies  
 13    or contracts, or to policies or contracts designed for  
 14    issuance to persons eligible for coverage under Title XVIII  
 15    of the Social Security Act, known as medicare, or any other  
 16    similar coverage under state or federal governmental plans.

17          (2) With respect to mental illness, this part applies  
 18    to policies or contracts delivered or issued for delivery in  
 19    this state after January 29, 1982.

20          ~~(3) [This act] applies to policies or contracts~~  
 21    ~~delivered or issued for delivery in this state after~~  
 22    ~~December 31, 1984 1983, but does not apply to blanket,~~  
 23    ~~short-term travel, accident only, limited or specified~~  
 24    ~~disease, or policies or contracts designed for issuance to~~  
 25    ~~persons eligible for coverage under Title XVIII of the~~

1     Social Security Act, known as medicare, or any other similar  
2     coverage under state or federal governmental plans."

-End-