

MINUTES OF THE MEETING
HUMAN SERVICES SUBCOMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

February 13, 1985

The meeting of the Human Services Subcommittee was called to order by Chairman Cal Winslow on February 13, 1985 at 8:05 a.m. in Room 108 of the State Capitol.

ROLL CALL: All members were present, with the exception of Representative Bradley, who arrived at 9:15 a.m.

Bob Donaldson (43:B:022), administrator of the Rehabilitative Services Division and the Visual Services Division of SRS, gave a brief overview of the two programs. He said the eligibility for the vocational rehabilitation program is the presence of a mental or physical disability, and the feasibility that this service would make it possible for the person to return to gainful employment. He said the bulk of the services given are evaluation, guidance and counseling, vocational training, and other similar services. He gave everyone a set of handouts with general information, a program summary for FY84, a benefits graph, and the employee list all over the state (EXHIBIT 1) and discussed all of this information. He also mentioned that the executive request does not have a position for a counselor in Butte and he said he would like to retain the position that is included in the LFA current analysis. He also pointed out that the executive request has \$30,000 more in contracted services that is for a training contract to train handicapped people in the fast-food business.

Discussion followed concerning the counselor position in Butte, and what percentage of the people on extended employment are DD.

Testimony was heard from the following people:

Dawn DeWolf (43:B:328) spoke from her written testimony (EXHIBIT 2).

Bob Frazier, a PFP disabilities team member, discussed Initiative D-6, and the number of people not being served; the initiative is the result. He also discussed Initiative D-10 and D-14.

Jean Meyers, associate director of Flathead Industries for the Handicapped, pointed out that there are seven sheltered workshops in Montana that receive funding from the DD division. She also discussed Initiatives D-1 and D-2 and addressed the waiting list.

Cliff Murphy, who is chairman for the Legislative Committee of the Mental Health Association, discussed the importance of funding in the PFP process for vocational rehabilitation for mental health patients.

Judy Robinson (43:B:695), a vocational counselor at the Mental Health Center in Billings, spoke on the concern of extended employment; they are asking to serve more people.

At this point of the meeting, Chairman Winslow had to present a bill and Vice Chairman Christiaens chaired the meeting.

Virginia Sutich, president for the Montana Association for the Blind, discussed the \$300,000 additional for vocational rehabilitation and supports that increase.

Jean Sandquist, a Montana State University (MSU) student, spoke about her need for a series of laser treatments to improve her eyesight that were very costly. She said visual services helped her out with the cost of those treatments. She also said visual services is helping her out with school.

Scott Wheat, a visually impaired student at MSU majoring in computer sciences, discussed the ways in which visual services is helping him through school. He urged the committee to accept the budgeting so he and others like him can get an education to be gainfully employed.

Edward Robbins, the first vice president for the Montana Association for the Blind, spoke in support of the additional funding for visual services. He mentioned that losing a persons's sight can be a devastating experience.

Vicky Greaney spoke on the support that visual services has given her and discussed the various things visual services helped her to relearn when she lost her sight; teaching her how to be functional.

Joyce Kalmes spoke from her written statement (EXHIBIT 3).

David Kelly spoke from his written statement (EXHIBIT 4).

Wanda Lang spoke from her written statement (EXHIBIT 5).

Boyd Peterson spoke from his written testimony on behalf of the Disabled Student's Organization (EXHIBIT 6).

Stan McEntire spoke on more training programs for employees, and the need for businesses to be more accessible to handicapped people.

Scott Birkenbuel, an MSU student, discussed the cost of living in a university city for a disabled person with limited choices. He also discussed the high medical expenses.

Kathleen Perry, a senior at MSU with three teenagers in the vocational rehabilitation program, said she could not finish her education without the support of visual services. She said she would like to see this program expended and continue to help others.

Judy Goucher spoke from her written statement (EXHIBIT 7).

HOUSE BILL NO. 430

Hearing commenced on House Bill No. 430 (44:A:473). Representative Dorothy Bradley, District #79, sponsor of the bill, stated that the purpose of this bill is to establish a voluntary statewide genetics program. She gave everyone a copy of the bill and a copy of four amendments to be attached to the bill (EXHIBIT 8,9)

PROPOSERS

Dr. John Opitz gave everyone a summary of this testimony (EXHIBIT 10). He is the Chairman of the Department of Medical Genetics at Shodair Hospital and directs the Genetics Services Program throughout Montana. He spoke about the lab fees, health insurance, and costs involved with this bill. He said that 20 percent of the entire population needs one kind of genetic service or another. He also pointed out that the poorer the state, the less it can afford not to have a genetics services program.

Joan Fitzgerald (44:B:103) spoke from her written testimony (EXHIBIT 11). She also presented the committee with a map showing the people that the department has seen.

Don Espelin (44:B:252), on staff at the Department of Health and Environmental Sciences, pointed out that the Health Department supports HB 430. He supports this bill both as a pediatrician and as a representative of the Health Department. He then gave a brief history of the March of Dimes drive.

Bill Leary, president of the Montana Hospital Association, said that Montana hospitals are in support of HB 430. He commented on the need to avoid the \$100,000 babies born in the state of Montana, and if such births can be prevented, this would pay for the program.

Rick Back, representing the Insurers Department and the Insurance Commission, said that the insurance commissioner is in favor of the intent of HB 430; however, there are some problems in the proposed amendments to the bill. More specifically, the .50 charge to each Montana resident who is insured. He gave everyone a proposed amendment (EXHIBIT 13). He said there is also some concern about the fact that insurance companies may perceive this as a hidden tax.

Judy Olson, representing the Montana Nurse's Association, said her association supports HB 430. She pointed out that the emotional benefits obtained to the citizens of Montana is worth the consideration.

Patti Bonnes, a parent of a birth defect child and a registered nurse, supports HB 430.

Chad Smith, an attorney and board member of Shodair Hospital, said Shodair Hospital has come to the point where they can no longer meet the cost of genetic services. He pointed out that the actual operation cost of the program for one year is \$468,696; if HB 430 were passed, of that total, Shodair would still continue to be responsible for payment of \$190,696, minus what amounts they were able to collect from the paying patients. He also discussed the financing for this bill; this will reduce the cost of health care. He gave everyone a copy of statutes concerning regulation of insurance companies and health service corporations (EXHIBIT 14, 15).

OPPONENTS

Bill Jensen (44:B:580), general counsel for Blue Cross of Montana, and in support of Blue Shield, said they were originally going to be in support of the bill, but with the amendments submitted, they must oppose the bill. He said the amendments changes the bill from an appropriations bill to a tax bill. He said this bill does place a hidden tax on insurance companies.

John Vandenacre (45:A:006) spoke from his written statement (EXHIBIT 16).

Representative Rehberg asked the other proponents that did not get a chance to speak to identify themselves.

PROPOSERS

Jackie Penrod	Virginia Thompson
Linda Ekblom	Art Daniel
Jim Reynolds	Sandy Phillips
Rena Wheeler	Susie Holt

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Representative Rehberg asked Representative Bradley if there is a fiscal cost to the state to those members who have their health insurance paid for by the state.

Representative Bradley said it is individually charged.

Representative Rehberg requested that the fiscal note reflect that this cost will have to be accounted for in the budget.

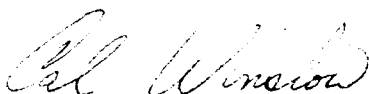
Representative Rehberg asked Dr. Opitz if he could tell the committee in what way there might be a duplication of services within the Perinatal program under the Health Department.

Dr. Opitz said there is no duplication of services; he said they will be in close proximity between the perinatal program and the proposed genetic services in that it will be the state department's program. He would like to arrange with Maternal-Child Health and Records and Statistics for notification of every abnormal infant that goes through his office.

In summary, Representative Bradley said one of the good things about funding this is it is not a new program; it is a known program with an incredible track record. She said they would be taking on something that has proven itself well. She also pointed out that this is a shared program funding-wise. She said she thinks it is a very serious proposal; if it is not funded, the doors to that program may close.

There being no further discussion on House Bill No. 430, the hearing was closed.

The meeting was adjourned at 10:30 a.m.



CAL WINSLOW, Chairman

DAILY ROLL CALL

Human Services Subcommittee

49th LEGISLATIVE SESSION -- 1985

Date 2-13-85

[illegible]

Exhibit 1
2-13-85

DEPARTMENT OF SOCIAL & REHABILITATION SERVICES

REHABILITATIVE SERVICES & VISUAL SERVICES DIVISIONS

These are the two principal state programs to provide needed services to vocationally handicapped people of employable age to restore them to gainful employment.

Eligibility for Vocational Rehabilitation (VR) will be determined upon the basis of these established criteria: (1) the presence of a physical or mental disability, which for the individual constitutes or results in a substantial handicap to employment; and (2) a reasonable expectation that Vocational Rehabilitation services may benefit the individual in terms of employability. These two VR Divisions originate with PL95-602; CFR 34, Parts 361, 365, and 370. They are 80% federally funded.

Vocational Rehabilitation Services means any goods and services necessary to render a handicapped individual fit to engage in a gainful occupation. These include: evaluation of rehabilitation potential; counseling, guidance, and referral; physical and mental restoration services; vocational and other training services; maintenance; transportation; services to members of a handicapped individual's family necessary to the adjustment or rehabilitation of the handicapped individual; interpreter services for the deaf; reader services, rehabilitation teaching services, and orientation and mobility services for the blind; telecommunications, sensory, and other technological aids and devices; recruitment and training services to provide new employment opportunities in rehabilitation, health, welfare, public safety, law enforcement, and other appropriate public services employment; placement in suitable employment; post-employment services necessary to assist handicapped individuals to maintain suitable employment; occupational licenses, tools, equipment such as initial stocks (including livestock) and supplies; and other goods and services which can reasonably be expected to benefit a handicapped individual in terms of his employability.

REHABILITATIVE SERVICES DIVISION

Rehabilitation Services Bureau - Field Bureau responsible for caseload management, eligibility determination and purchase of services.

Special Projects Bureau - Staff Bureau responsible for grant and contract negotiating and monitoring; technical assistance; special fund monitoring; planning and evaluation; and staff development.

Disability Determination Bureau - Staff Bureau responsible for initiating Social Security Disability (SSDI) and Supplemental Security Income (SSI) claims adjudication; SSDI and SSI disability investigation; SSDI and SSI claims reconsideration; and quality appraisal. This is a 100% federally funded program originating with Titles II and XVI of the Social Security Act.

VISUAL SERVICES DIVISION

Provides Vocational Rehabilitation services to the blind and visually impaired. Other specific services provided are Rehabilitation Teaching, Orientation and Mobility, Business Enterprise, and Visual Services Medical.

DISABILITY DETERMINATION BUREAU

The Rehabilitation Services Division, through the Disability Determination Bureau (Department of SRS) has the state responsibility for the administration of the disability provisions of the Federal Social Security Program (Title 2) and the Supplemental Security Income Program (Title 16). Title 2 provides coverage for cash benefits for those disabled workers (and their dependents) who have contributed to the Social Security Trust Fund through the FICA tax on their earnings. These individuals have an "earned right" to disability insurance benefits. Title 16 (SSI) provides for a minimum income level for the needy aged, blind and disabled. A person qualifies under the SSI Program because of financial need rather than an earned right.

Under both programs the definitions of disability and blindness are essentially the same. The programs define disability as "inability to engage in any substantial gainful activity by reasons of a medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months."

Claimants file for disability benefits through local Social Security District or Branch Offices. In Montana, these are located in Kalispell, Missoula, Butte, Helena, Bozeman, Great Falls, Havre, Glasgow, Billings and Miles City. Personnel in the Social Security Offices conduct eligibility reviews and record disability related information. When the claim reaches the Disability Determination Bureau, medical and vocational development is undertaken on behalf of the claimant. In approximately 40% of the claims a consultative medical examination is purchased to more clearly assess the claimant's residual functional capacity. A disability adjudication team composed of a professional disability examiner and a licensed physician or psychologist decides jointly whether the claimant meets the definition of disability outlined above. The claimant's folder and decision is subject to further sample review in a Social Security disability component either in the Regional Office in Denver or Central Office in Baltimore.

During the past year a total of 7,012 claims were processed in both programs. The average processing time amounted to 41 calendar days. The percent of folders returned by a review component for further development or disagreement was less than 6% of the total workload. The allowance rate for initial claims averaged 38%. Regarding reconsideration actions the reversal rate amounted to 20%.

All of our operating statistics are well within the performance levels established for State Disability Determination Services established by the Social Security Administration.

PROGRAM SUMMARY
VOCATIONAL REHABILITATION AND VISUAL SERVICES
FEDERAL FISCAL YEAR 1984

During fiscal year 1984, 7,051 persons were served in the Vocational Rehabilitation (VR) and Visual Services (VS) programs. Of these 7,051 persons, 798 were rehabilitated. A total of 598 clients were placed in competitive employment and 93 were restored to their roles of homemakers or unpaid family workers. The average weekly wage of the rehabilitated clients was \$155. The average cost per client of providing services during the year was \$940.

Services Provided

Table 1 displays the types of services provided during the year.

Table 1
VR Services Provided
Federal Fiscal Year 1984

<u>Service</u>	<u>Number of Clients</u>
Counseling and Placement	7,051
Diagnosis and Evaluation	2,272
Total Restoration	394
College or University	579
Other Post Secondary (Business, Vocational, etc.)	387
High School	90
JTPA Training	224
Personal and Vocational Adjustment	214
Maintenance	572
Post Employment	15
All other (including services to family members)	521

A total of 7,051 clients were served during the year; 1,494 of these received some type of training.

Type of Disability

Table 2 displays rehabilitation statistics for selected disabilities. The number of clients served, number of clients rehabilitated, and the cost per client are listed for a few of the more common disabilities.

Table 2
Rehabilitation Statistics by Type of Disability
Federal Fiscal Year 1984

<u>Disability</u>	<u>Number Served</u>	<u>Number Rehabilitated</u>	<u>Average Cost Per Client</u>
Blind	380	56	\$1,186
Visually Impaired	286	17	564
Mental Retardation	410	78	1,657
Cerebral Palsy	59	12	2,026
Epilepsy	108	12	922
Emotionally Ill	822	100	1,305
Deaf	258	43	1,265
Amputation	118	18	1,196
Rheumatoid Arthritis	189	17	802

A national priority of the VR and VS programs is serving the severely disabled. Forty-eight percent of clients served and 64% of the clients rehabilitated were severely disabled.

OTHER FUNDING SOURCES

In addition to Section 110 funds, the state receives funding from the Workers Compensation Division and from the Job Training Partnership Act (JTPA).

Workers Compensation Fund - A total of 695 industrially injured clients were referred through the RSD-WCD coordinated program. This is an increase of 8% over the previous year. There were 182 successful rehabilitations and the active caseload was 856 clients at the end of fiscal year 1984.

JTPA - A total of 224 clients were served under a nine month JTPA grant. Thirty eight clients were placed in gainful employment at an average hourly wage of \$5.36.

NON-VR PROGRAMS

The state funds two programs which do not receive federal funds. These are Extended Employment and Visual Services Medical.

Extended Employment - This state funded, VR administered program provides sheltered employment and work activity services to severely disabled persons not qualifying for VR services. During state fiscal year 1984, a total of 62 persons received extended employment services in seven rehabilitation facilities.

Visual Services Medical - This state funded, VR administered program is designed to restore vision or prevent blindness. It serves all age groups. A total of 112 persons were served under VSM in state fiscal year 1984.

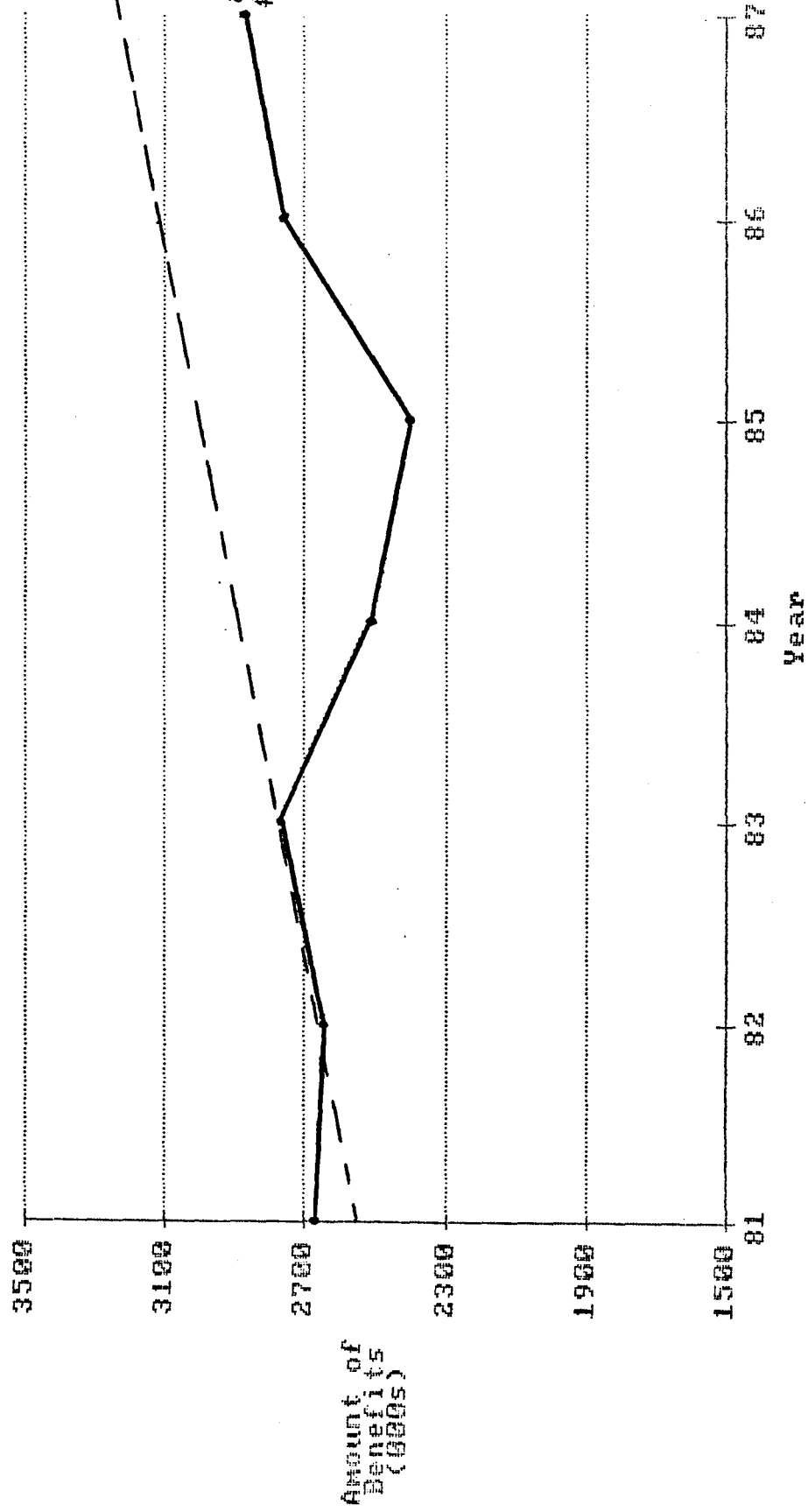
REHABILITATION FACILITIES

Eight rehabilitation facilities served 1,162 VR and VS clients in fiscal year 1984. Services provided include vocational evaluation, work adjustment, on-the-job training, skill training, and outreach training.

STAFF DEVELOPMENT

The emphasis remained on training RSD staff on the current rehabilitation resources for the severely disabled. Special emphasis has been placed in the area of job placement for disabled clients. All training is coordinated with SRS Staff Development, Regional RSA offices, the Regional Rehabilitation Continuing Education Program at the University of Northern Colorado and Eastern Montana College.

NON-MCD BENEFITS VOCATIONAL REHABILITATION AND VISUAL SERVICES PROGRAMS



State of Montana
Department of Social & Rehabilitation Services

REHABILITATIVE SERVICES DIVISION/
VISUAL SERVICES DIVISION

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 Golden Valley Wheatland
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Madeline O'Connell.....Clerk Admin I
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Pat Reichert.....Clerk Admin I



MONTANA ASSOCIATION FOR REHABILITATION

A PRIVATE NON-PROFIT ORGANIZATION DEDICATED TO HANDICAPPED PEOPLE

Chairman Winslow, Members of the Committee, for the record, I am Dawn DeWolf, a member of the Priorities for People Budget Building Team and the Past President of the Montana Association of Rehabilitation, an organization whose members represent rehabilitation professionals from across the state. I am here to support the priority initiatives in the first tier of the PFP Budget Package.

D-1 is an initiative to increase funding for Rehabilitative and Visual Services Division of SRS.

Rehabilitative and Visual Services Division provides services to the visually impaired, physically, mentally and emotionally disabled to maximize their vocational potential and return them to gainful employment, thus they become taxpaying citizens. According to 1983 State Rehab. Program figures, 735 people from both divisions were rehabilitated at an average per case cost of \$807. (Those 735 people at their placement salaries will earn over \$5,700,000 thus returning \$10.30 to the economy for each \$1 invested in their rehabilitation). For these individuals the dependency on Public Assistance Programs such as G.A., Supplemental Security Income, and Medicare is no longer needed.

The 1983 Legislature reduced general funds to Rehabilitative and Visual Services by \$700,000.00. The Legislature utilized Workman's Compensation dollars to meet the Federal match available. Worker's Compensation funds serve only 11% of the population needing services. The intent of the proposed increase is to restore services to the 1983

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level. Even with approval of this increase it will not meet the service demands for 1986 - 87. There are a number of people here today that are going to testify and will describe what those service demands are.

D-2, a priority initiative to increase funding for the Vocational Rehabilitation Extended Employment Program.

V.R. Extended Employment provides vocational training and support services to individuals who do not qualify for either Rehabilitative services or D.D. services. 60% of those currently enrolled are cronicallly mentally ill. The remaining 40% are neurologically disabled and visually impaired. Services are provided in 7 production based rehabilitation facilities across the state. Programs are designed to maximize the participants vocational potential. Since its inception in 1974, this program has received only one inflationary increase which was during the 1981 - 82 biennium. This increase did not keep pace with the number of disabled individuals referred to this service. The intent of this proposal is to minimally expand the program so an additional 20 individuals can receive services. There are currently 93 individuals on waiting lists across the state. With improvements in medical technology and availability of residential programs to maintain individuals in communities the waiting lists continue to grow.

D-6, is a priority initiative to address the needs of Special Disabled Populations.

This population includes such disabilities as head injured, Multiple Sclerosis, Muscular Dystrophy, severe spinal cord injured, cancer, and Alzheimer Disease. These individuals are not capable of competitive employment, can not be appropriately served by the V.R.E.E. programs

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and are not developmentally disabled. The majority of these individuals are currently receiving life support services, yet, are in need of independent living skills, training in their own personal care, cognitive re-training and support, and training for spouses and family members. Very often the alternative for these individuals is care in nursing homes or institutionalization. The intent of this initiative is to fund those services that will enable these individuals to live as normally and productively as possible.

In conclusion, the PFP package represents much needed minimal increases in services to meet the needs of Montana's disabled.

I urge your support for all the initiatives in Tier one of the PFP Package.

Thank you.

Joint Appropriations Sub-Committee

DATE: 02/13/85

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Phone: 728-1630

REPRESENTING: Montana Association for Rehabilitation (MAR)

I am here today representing the Montana Association for Rehabilitation. I've been a member of this association for 2 years and am currently serving on its State Board. Montana Association for Rehabilitation is a non-profit organization advocating for handicapped persons and is a chapter of the National Rehabilitation Association. The organization is comprised of professionals who believe all persons have the right to equal opportunity. Currently our Montana chapter membership is over 60 statewide.

Our organization endorses and supports:

- 1) Increase General Fund for Rehab/Visual Services Division by \$300,000.00 to restore services to 1983 level.

This division serves a multitude and wide variety of disabled individuals from the emotionally handicapped to the physically handicapped. The increased fund would enhance this agency's ability to move disabled persons into employment.

- 2) Increase General Fund for Voc. Rehab. Extended Employment Program by \$200,000.00 to serve an additional 20 individuals currently on waiting lists across the state.

This initiative is self-explanatory; the increased funding would provide needed and necessary services for persons currently on the waiting lists.

- 3) Provide funding to meet the needs of Special Disabled Population. There are a growing number of disabled people who currently do not meet the criteria for existing services. This initiative would go a long way in correcting this situation.

February 5, 1985

Dear Committee Members:

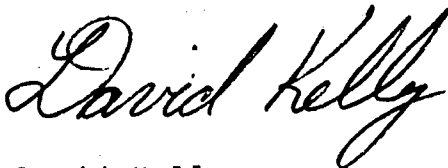
My name is David Kelly, and I am here to represent some needs of head injured people. I live in Missoula. I am here to support Initiative D-2 of the Priorities For People and ~~Bill~~ Initiative #D-6 sponsored by Representative Joan Miles

I suffered a head injury April 25, 1980. Since my head injury, I have difficulty remembering names and faces, dates, and what has happened in the past. I use a calendar to help keep track of my daily schedule. I learn more slowly now than before my head injury. I know this is true because I repeated courses at the University and did not do nearly as well as before my head injury.

I feel there should be more funding for group homes for head injured people. I am in a class with one man who currently lives in a group home. Some people I know are in need of retraining to learn how to do things such as laundry, cooking, and house-keeping. More extended employment slots would give head injured people the opportunity to relearn work skills over a period of years. There is a need to develop more Cognitive Remediation Programs such as the program in Missoula. This program helps us learn our potential after a head injury.

Thank you very much for listening to me. I will be willing to answer any questions.

Sincerely,

A handwritten signature in cursive script that reads "David Kelly". The signature is written in dark ink and is positioned above the printed name.

David Kelly

Mr. Chairperson and Committee Members:

I am Wanda Lange from Missoula. I am state coordinator for the Montana Chapter of the National Head Injury Foundation and the parent of a 25 year old disabled son.

Don was the victim of an automobile accident at 19, and was in a comma for 4 months from the head injury. Two and a half months after the accident, my family and I chose to start caring for Don in our home. We needed and recieved a lot of help through Medicaid with attendants and professional supervision. Don is now in a wheelchair and mentally compromised.

Initiative D-6 would provide funds so others can recieve the help needed so they can live as independantly as possible in their homes. Respite care is important if they live with their family to prevent family burn out.

At the time of Don's accident, the potential for progress was thought to be achieved in the first year, so testing was done as soon as was reasonably possible. The latest studies from various institutions indicate that this is not true, and we can agree because of our work. Don was tested and any inacurate information is not likely to be changed.

The head injured is a new survivor in today's society and this testing is very much needed to monitor each individual as he progresses. Under initiative D-1, the funds for the testing and supervision would be available.

Funds are needed under D-2 because of the slow progress of the head injured. They need time to reach their fullest potential. Their most common problem is the loss of their short term memory. This makes competetive employment frustrating for them. Additional slots for adult extended employment are needed. Missoula has ~~one 3/4~~ slots available ~~allowing only one adult to attend part of each week~~. They need prodictive employment because their preaccident memory is partly intact and they can remember their earlier contributions to society. This causes their secound most common problem, depression.

The head injury is called the silent epidemic because the number is unbelievable. About 5600 head injured individuals will need special help in Montana in 1985, and 350 spinal cord injurys, 420 Multiple Sclerosis, 1750 Cerbral Palsy, 140 Muscular Dystrophies. These extrapolated figures were taken from a study done by Dr. Kurtzke in 1982. I am sure those figures could be even higher.

We must prepare to meet their needs, and learn more about their potential.

Thank you.



Wheelchairs, Crutches and People

MONTANA STATE UNIVERSITY, BOZEMAN 59717

TELEPHONE (406) 994-2826



February 13, 1985

Exhibit 6
1-13-85

To: Human Services Subcommittee on Appropriations

Fr: Dan McCauley, President *Dan McCauley*
Boyd Peterson, Vice President *Boyd Peterson*
Scott Birkenbuel, Treasurer *Scott Birkenbuel*
Officers of Wheelchair, Crutches and People

Fr: Human Services Budget (Rehabilitation Services)

As elected representatives of the approximately 350 disabled students of Montana State University, we would like to go on record as being in strong support of the disability issues brought forth by the Priorities for People budget process.

With an estimated 113,000 disabled Montanans, there are many who cannot get help that could be vital to their gainfully finding employment or just leading more independent lives. D-1 is important because it will give some of the 450 individuals on the waiting list for services a chance to finally get those services and ultimately become employable. D-2 is important because it would allow persons who otherwise may not be employable to become just that with the extended training time. D-6 would be funded by D-14 of the revenue enhancers. In short the one dollar tax on motor vehicle registration would generate \$1,780,822.00 over the 86-87 biennium. Of this amount \$574,000 would be used to fund D-6. This revenue enhancer is going to the root of the problem because auto accidents are the number one cause of many types of severe disabilities. You may want to consider it a insurance policy for you and your families. We say this because you can never predict when you may be the victim of ill fate and end up disabled. With these initiatives you would at least have a better chance of leading a fuller more independent life, and you are giving others the chance right now.

In closing we would just like you to realize that by gainfully employing more disabled people, the return in taxes and such would make the monies spent well worth it. You may also want to look at it as a way to give these people back a sense of self-worth.

Exhibit 7
1-13-85

Honorable Chairman &
Committee

As a mother & concerned citizen ~~of~~ I am, in support of ~~the~~ Vocational Rehab. Budget as developed by the PFD.

Due to my daughter's head injury I have become fully aware of the lack of funding & facilities needed to assist these survivors in regaining their self-respect, responsibilities to themselves & their own communities, & the

independence needed
by every individual.

~~At the very least~~

This very month, we
were told Big Bear has
an opening & it was
her second referral -
if there is no funding
available to sponsor
her.

Thank you

Jude Gaucher
429 No. Dak.

Helena, 449-6289

HOUSE BILL NO. 430INTRODUCED BY BradleyHayesHayesHayesHayesHayesHayesHayesHayesHayesHayes

A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A

VOLUNTARY STATEWIDE GENETICS PROGRAM; AND TO APPROPRIATE

MONEY THEREFOR."

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

Section 1. Voluntary genetics program established. A voluntary statewide genetics program is established in the department to offer testing, counseling, and education to parents and prospective parents. The program includes, but is not limited to, the following services:

(1) followup programs for newborn testing, with emphasis on the counseling and education of women at risk for maternal phenylketonuria;

(2) comprehensive genetic services to all areas of the state and all segments of the population;

(3) development of counseling and testing programs for the diagnosis and management of genetic conditions and metabolic disorders; and

(4) development and expansion of educational programs for physicians, allied health professionals, and the public with respect to:

(a) the nature of genetic processes;

(b) the inheritance patterns of genetic conditions; and

(c) the means, methods, and facilities available to diagnose, counsel, and treat genetic conditions and metabolic disorders.

Section 2. Appropriation. There is appropriated from the general fund to the Department of Health and Environmental Sciences \$520,000 for the biennium ending June 30, 1987, to be used for implementing and operating the voluntary genetics program established in section 1.

Section 3. Codification instruction. Section 1 is intended to be codified as an integral part of Title 50, chapter 19, part 2, and the provisions of Title 50, chapter 19, part 2, apply to section 1.

Section 4. Extension of authority. Any existing authority of the department of health and environmental sciences to make rules on the subject of the provisions of this act is extended to the provisions of this act.

-End-

Exhibit
1-13-85
HB 430

INTRODUCED BILL
HB 430

STATEMENT OF INTENT

 BILL NO. 430

A statement of intent is desirable for this bill because 50-19-202 authorizes the department of health and environmental sciences to adopt rules administering Title 50, chapter 19, part 2; section 3 of this bill makes section 1 an integral part of Title 50, chapter 19, part 2; and a substantial body of rules is needed to implement section 1.

The rules adopted by the department shall provide for the implementation and operation of the voluntary statewide genetics program. They may provide for the following:

(1) coordination of matters pertaining to detection, prevention, and treatment of genetic conditions and metabolic disorders;

(2) cooperation between the department and other public or private organizations involved in developing and implementing program and activities designed to provide services for genetic conditions and metabolic disorders;

(3) administration of funds appropriated for genetic screening, counseling, and education;

(4) defining eligibility requirements of public or private organizations wishing to contract for the delivery of genetic services;

(5) establishment of a public information program on genetic conditions and metabolic disorders and the availability of counseling and treatment services in the state; and

(6) publication and distribution of the results of research conducted on genetic conditions and metabolic disorders.

Exhibit 9
1-13-85
HB 430
Rep. Bradley

House Bill 430 Amendments:

1. Title, line 5.
Following: "PROGRAM;"
Insert: "TO FUND THE PROGRAM BY A CHARGE ON HEALTH INSURERS OF 50 CENTS FOR EACH MONTANA RESIDENT INSURED;"
2. Page 2.
Following: line 5
Insert: "Section 2. Genetics program charge. There is imposed upon every private health disability insurer and health service corporation an annual charge of 50 cents for each Montana resident insured under any individual or group policy in effect as of February 1 of each year for the purpose of funding the voluntary genetics program established in section 1. Proceeds of the charge must be submitted to the commissioner on or before March 1 each year, and must be deposited in the state general fund.
Renumber: subsequent sections
3. Page 2, line 14.
Following: "section 1."
Insert: "Section 2 is intended to be codified as an integral part of Title 33, chapter 2, part 7, and the provisions of Title 33 apply to section 2."
4. Page 2, line 17.
Following: "sciences"
Insert: "and the commissioner of insurance"

Exhibit 10
1-13-85
HB 430
John Opitz

SUPPORT NEEDED FOR MONTANA CLINICAL GENETICS PROGRAM

1.) COST EFFECTIVENESS OF SERVICES:

In industrialized countries, over $\frac{1}{2}$ of all human morbidity and mortality is due to genetic disorders, imposing an enormous economic cost on the population. Congenital malformations remain the second commonest cause of infant mortality, and survivors still face a life-long risk of handicap, suffering, and maladjustment as well as transmission of their condition to offspring. Genetic medicine is the most cost-effective form of preventive medicine since a judicious investment of a few hundred thousand dollars for counseling, carrier detection, and other genetic services in Montana will lead to the saving of millions of dollars now expended for therapies needed later in life. Comprehensive genetic counseling will prevent unnecessary abortion of normal babies perceived to be at high risk by ill-informed parents and will allow confident reproduction by those previously fearful of having further affected children.

2.) NEEDS OF THE MONTANA POPULATION:

Montanans need genetic services. Fifteen to 20% of the population, approximately 112,000 to 150,000 Montanans, are affected by or at risk of transmitting a genetic condition. Many of these Montanans are unaware of their needs and, because of lack of adequate funding, only a small fraction of them can be served. The people of Montana deserve a Clinical Genetic Services Program supported at least as well as its livestock and crop genetics programs.

3.) INSURANCE DOES NOT PAY ALL THE BILL:

Statewide genetic services are expensive and cannot be covered by fees and insurance payments. Grant funds help but are inadequate to cover the cost of services: the \$18,000.00/year grant from the March of Dimes to Shodair Hospital covers less than 40% of costs of state-wide field clinics and an outreach program. A federal Maternal-Child Health grant to Montana, matched in a greater than 4:1 ratio by Shodair Hospital, was discontinued by federal mandate.

4.) MONTANA ALREADY IS INVOLVED:

When it *mandated* and funded biochemical/genetical screening of every newborn infant, Montana embarked on a statewide genetic services program which remains incomplete. Briefly, Montana contracted for additional genetic services in Billings and Missoula through a federal grant to the University of Colorado/Denver Medical School. Both this and the federal Improved Pregnancy Outcome grant to Montana, which supported some genetic services have expired, and the State of Montana grants no additional specific support for clinical genetic services to any of its citizens. For the past 9 years, Shodair Children's Hospital, a nonprofit organization in Helena, has supported a statewide genetic services program at a heavy deficit and financially is no longer able to do so.

5.) A UNIQUE SERVICE SHOULD NOT BE LOST:

The Shodair Department of Medical Genetics is the *only* clinical genetics program in the Northern Rocky Mountain Region (Montana, Idaho). The quality of clinical and laboratory services, information resources center (library), and scholarly work rivals that of far more expensive and more distant University-based centers in Salt Lake City, Denver, Seattle, and Rochester, MN. It is affiliated with MSU and the Medical Schools of Washington and Wisconsin who provide no financial support for its programs. Thus, this program is able to combine, as a secondary care center, the advantage of strong University affiliation with a primary care approach without the costs of a University center. This Department has made a commitment to the people of Montana to provide the highest quality services in Helena and in the five outreach clinics (Missoula, Great Falls, Kalispell, Billings, and Miles City) and would like to continue to do so.

ANNUAL

HB 430 BUDGET REVIEW

<u>Personnel</u>	\$343,613.58
5 FTE's	
Secretarial Support	
Administrative, Overhead	
 <u>Travel</u>	 \$13,588.64
Augmenting MOD	
Other clinical travel	
 <u>Equipment</u>	 \$3,200
Clinical Replacement	
 <u>Supplies</u>	 \$20,416.00
Educational	
Fetal Path	
Clinical	
 <u>Library Support</u>	 \$17,878.00
 <u>Fetal Pathology</u>	 \$70,000.20
 Total	 \$468,696.42

Table 1.7
Physicians' Expense and Major Medical Expense Coverage in the United States, by State and Type of Insurer, December 31, 1980
 (000 omitted)

State	Hospital Expense				Surgical Expense				Blue Cross/ Blue Shield and medical society plans
	All insurers*	Insurance companies	Blue Cross/ Blue Shield and medical society plans	Blue Cross/ Blue Shield and medical society plans	All insurers*	Insurance companies	Blue Cross/ Blue Shield and medical society plans	Blue Cross/ Blue Shield and medical society plans	
Alabama	2,575	1,511	1,387	1,305	2,374	1,369	1,305	1,305	
Alaska	322	169	176	152	286	167	152	152	
Arizona	1,451	1,132	447	384	1,335	1,091	384	384	
Arkansas	1,292	766	694	750	1,220	846	750	750	
California	17,878	11,067	9,856	9,716	17,552	11,144	9,716	9,716	
Colorado	1,978	1,262	1,052	894	1,230	1,230	894	894	
Connecticut	2,685	1,641	1,530	1,382	2,685	1,744	1,382	1,382	
Delaware	511	215	376	373	511	227	373	373	
District of Columbia	567	401	1,681	1,532	432	432	1,532	1,532	
Florida	5,394	4,742	1,355	1,174	4,389	1,174	1,174	1,174	
Georgia	3,714	2,835	1,257	1,075	3,490	2,714	1,075	1,075	
Hawaii	767	114	882	828	719	69	828	828	
Idaho	533	220	376	282	436	195	282	282	
Illinois	9,741	7,450	4,075	3,913	9,741	7,502	3,913	3,913	
Indiana	4,412	2,828	2,014	2,002	4,251	2,863	2,002	2,002	
Iowa	2,331	1,278	1,284	1,090	2,084	1,210	1,090	1,090	
Kansas	1,507	857	772	831	1,435	817	831	831	
Kentucky	2,727	1,220	1,785	1,618	2,506	1,178	1,618	1,618	
Louisiana	2,749	2,273	898	849	2,550	1,880	849	849	
Maine	772	464	475	464	741	319	464	464	
Maryland	2,789	1,497	1,653	1,487	2,593	1,487	1,487	1,487	
Massachusetts	4,923	2,075	3,527	3,289	4,882	2,087	3,289	3,289	
Michigan	8,098	4,362	5,097	5,024	8,098	4,083	5,024	5,024	
Minnesota	2,717	2,027	1,154	1,165	2,545	1,910	1,165	1,165	
Mississippi	1,410	1,056	572	546	1,340	863	546	546	
Missouri	4,118	2,900	1,721	1,450	3,770	2,997	1,450	1,450	
Montana	583	314	323	288	530	301	288	288	
Nebraska	1,192	856	540	490	1,091	746	490	490	
Nevada	397	387	86	115	403	356	115	115	
New Hampshire	738	338	412	398	694	342	398	398	
New Jersey	6,315	2,253	4,795	3,688	5,851	2,667	3,688	3,688	
New Mexico	934	607	518	479	896	600	479	479	
New York	15,116	8,694	10,380	15,831	15,116	8,583	15,831	15,831	
North Carolina	4,568	2,751	1,886	1,881	4,262	2,479	1,881	1,881	
North Dakota	469	150	353	352	450	131	352	352	
Ohio	9,333	5,440	6,437	5,810	9,333	6,226	5,810	5,810	
Oklahoma	1,719	1,261	670	507	1,501	1,147	507	507	
Oregon	1,803	804	1,222	868	1,514	756	868	868	
Pennsylvania	9,987	4,264	9,189	7,325	9,987	4,483	7,325	7,325	
Rhode Island	784	178	682	743	784	169	743	743	
South Carolina	2,423	1,452	1,040	986	2,319	1,420	986	986	
South Dakota	450	418	150	171	434	335	171	171	
Tennessee	3,623	2,146	1,788	1,659	3,280	1,863	1,659	1,659	
Texas	9,072	6,535	3,037	2,789	8,485	6,147	2,789	2,789	
Utah	753	465	387	328	707	438	328	328	
Vermont	403	150	286	254	371	147	254	254	
Virginia	3,738	1,967	2,052	1,937	3,451	1,779	1,937	1,937	
Washington	3,116	1,268	2,248	1,913	2,720	1,224	1,913	1,913	
West Virginia	1,608	887	1,213	1,084	1,586	873	1,084	1,084	
Wisconsin	3,290	1,862	2,116	2,174	3,167	1,508	2,174	2,174	
Wyoming	373	236	181	170	355	227	170	170	
Total	170,703	98,901	104,146	163,841	163,841	97,415	95,518	95,518	
Puerto Rico and U.S. Territories and Possessions									
Total United States	171,596	99,444	104,589	164,743	164,743	97,900	95,968	95,968	

*The data refer to the net total of people protected, i.e., duplication among persons protected by more than one kind of insuring organization or more than one insurance company policy providing the same type of coverage has been eliminated. The estimated distribution by states essentially reflects coverage by employment rather than residence with adjustment to take into account the population of the states.

SOURCES: Health Insurance Association of America, Blue Cross Association, Blue Shield Association and the U.S. Department of Health and Human Services.

Sourcebook of Health Insurance Data

Table 1.7
Physicians' Expense and Major Medical Expense Coverage in the United States, by State and Type of Insurer, December 31, 1980
 (000 omitted)

State	Physician's Expense				Major Medical Expense			
	All insurers*	Insurance companies	Blue Cross/ Blue Shield and medical society plans	Blue Cross/ Blue Shield and medical society plans	All insurers*	Insurance companies	Blue Cross/ Blue Shield and medical society plans	Blue Cross/ Blue Shield and medical society plans
Alabama	2,271	1,225	1,390	1,358	2,271	1,225	1,390	1,358
Alaska	277	171	141	189	277	171	141	189
Arizona	1,272	1,056	390	1,137	1,272	1,056	390	1,137
Arkansas	1,094	663	621	682	1,094	663	621	682
California	16,747	10,978	9,868	11,772	16,747	10,978	9,868	11,772
Colorado	1,808	1,280	1,386	1,296	1,808	1,280	1,386	1,296
Connecticut	2,685	1,601	1,362	2,05	2,685	1,601	1,362	2,05
Delaware	511	201	362	205	511	201	362	205
District of Columbia	567	430	1,435	563	567	430	1,435	563
Florida	4,792	4,229	1,175	4,092	4,792	4,229	1,175	4,092
Georgia	3,150	2,365	1,175	2,721	3,150	2,365	1,175	2,721
Hawaii	676	58	818	71	676	58	818	71
Idaho	413	187	286	197	413	187	286	197
Illinois	9,511	7,259	3,701	7,260	9,511	7,259	3,701	7,260
Indiana	4,048	2,786	1,935	2,616	4,048	2,786	1,935	2,616
Iowa	1,884	1,158	1,105	1,223	1,884	1,158	1,105	1,223
Kansas	1,340	784	1,578	821	1,340	784	1,578	821
Kentucky	2,286	1,040	1,860	1,198	2,286	1,040	1,860	1,198
Louisiana	2,391	1,860	453	1,985	2,391	1,860	453	1,985
Maine	706	316	1,394	329	706	316	1,394	329
Maryland	2,473	1,466	3,103	2,107	2,473	1,466	3,103	2,107
Massachusetts	4,509	1,992	4,941	4,374	4,509	1,992	4,941	4,374
Michigan	7,788	3,693	1,196	1,924	7,788	3,693	1,196	1,924
Minnesota	2,489	1,822	505	844	2,489	1,822	505	844
Mississippi	1,196	840	1,416	2,828	1,196	840	1,416	2,828
Missouri	3,655	2,808	274	282	3,655	2,808	274	282
Montana	488	292	473	731	488	292	473	731
Nebraska	994	691	121	369	994	691	121	369
Nevada	369	329	378	311	369	329	378	311
New Hampshire	725	2,357	3,529	5,103	725	2,357	3,529	5,103
New Jersey	6,353	607	467	632	6,353	607	467	632
New Mexico	872	5,746	14,382	10,825	872	5,746	14,382	10,825
New York	14,624	2,217	1,844	2,314	14,624	2,217	1,844	2,314
North Carolina	3,983	144	336	132	3,983	144	336	132
North Dakota	433	5,403	5,338	5,848	433	5,403	5,338	5,848
Ohio	9,228	1,410	521	1,181	9,228	1,410	521	1,181
Oklahoma	1,833	1,098	984	724	1,833	1,098	984	724
Oregon	9,365	832	6,394	4,775	9,365	832	6,394	4,775
Pennsylvania	784	156	689	1,197	784	156	689	1,197
Rhode Island	2,087	1,243	936	320	2,087	1,243	936	320
South Carolina	402	308	1,519	1,885	402	308	1,519	1,885
South Dakota	2,948	1,756	2,743	6,368	2,948	1,756	2,743	6,368
Tennessee	7,838	5,737	366	449	7,838	5,737	366	449
Texas	711	450	165	165	711	450	165	165
Utah	369	168	239	1,763	369	168	239	1,763
Vermont	3,216	1,685	1,873	1,764	3,216	1,685	1,873	1,764
Virginia	2,613	1,213	1,925	872	2,613	1,213	1,925	872
Washington	1,485	809	1,133	1,506	1,485	809	1,133	1,506
West Virginia	2,950	1,464	2,064	2,223	2,950	1,464	2,064	2,223
Wisconsin	380	270	159	19	380	270	159	19
Wyoming								
Total	155,751	92,137	81,363	105,870	155,751	92,137	81,363	105,870
Puerto Rico and U.S. Territories and Possessions								
Total United States	156,639	92,829	81,817	105,870	156,639	92,829	81,817	105,870

*The data refer to the net total of people protected, i.e., duplication among persons protected by more than one kind of insuring organization or more than one insurance company policy providing the same type of coverage has been eliminated. The estimated distribution by states essentially reflects coverage by employment rather than residence with adjustment to take into account the population of the states.

SOURCES: Health Insurance Association of America, Blue Cross Association, Blue Shield Association and the U.S. Department of Health and Human Services.

Key Health Insurance Statistics

	1977	1981	1982	1981-82	1977-82
Number of Persons with Private Health Insurance Protection in the United States (000 Omitted)				% Change	
Hospital expense	178,853	188,340	191,089	1.4	6.2
Surgical expense	168,002	176,898	180,298	1.9	7.3
Physician's expense	161,288	164,084	171,542	4.6	6.4
Major medical expense	139,884	156,000	163,089	4.5	16.6
Disability income:					
Short-term	64,627	60,306	61,658	2.2	- 4.6
Long-term	19,364	21,682	23,316	7.5	20.4
Dental expense	50,737	56,302	100,035	15.9	97.2
Health Insurance Benefit Payments in the United States (000,000 Omitted)					
Insurance companies	\$22,113	\$41,622	\$46,158	18.1	122.3
Blue Cross-Blue Shield					
and other plans	22,804	43,701*	50,354*	15.2	120.8
Total†	\$41,674	\$76,343	\$88,210	15.5	111.7
Health Insurance Premiums in the United States** (000,000 Omitted)					
Insurance companies	\$28,676	\$48,988	\$ 58,341	19.1	103.4
Blue Cross-Blue Shield					
and other plans	25,333	45,484*	52,845*	16.2	108.6
Total†	\$50,449	\$84,981	\$99,488	17.1	97.2
Community Hospital Statistics in the United States					
Average length of hospital stay (days)	7.6	7.6	7.6	-	-
Average cost to hospital per patient day	\$ 174.00	\$ 284.30	\$ 327.40	15.2	88.2
Average cost to hospital per patient stay	\$1,322.40	\$2,160.70	\$2,488.20	15.2	88.2

*Estimate.

**Data for "insurance companies" refer to earned premiums. Data for "Blue Cross-Blue Shield and other plans" refer to earned income.

†Total Benefits and Premiums eliminate the estimated duplication that results from insurance companies and the Health Care Financing Administration ("Other Plans" data) both reporting Administrative Services Only benefits and premiums in their data.

NOTE: Some data are revised from previous editions.

SOURCES: Health Insurance Association of America, Blue Cross and Blue Shield Association, American Hospital Association and U.S. Department of Health and Human Services.

Table 1.1
Number of Persons with Health Insurance Protection by Type of Coverage in the United States
(000 omitted)

End of year	Hospital expense	Surgical expense	Physician's medical expense	Major expense	Disability income		Dental expense
					Short-term	Long-term	
1940	11,962	4,900	3,000	-	N.A.	N.A.	-
1945	32,072	12,602	4,713	-	N.A.	N.A.	-
1950	76,639	54,156	21,589	-	37,793	-	-
1955	101,400	85,681	53,038	N.A.	39,513	-	-
1960	122,500	111,525	83,172	32,590	42,436	-	N.A.
1961	125,825	116,376	80,393	41,974	43,055	-	N.A.
1962	129,407	119,766	94,717	48,393	45,002	-	N.A.
1963	133,472	124,105	100,095	55,382	44,246	-	N.A.
1964	136,304	127,082	106,007	62,112	45,082	3,029	N.A.
1965	138,671	130,330	109,560	69,666	46,927	3,363	N.A.
1966	142,368	133,995	113,988	73,843	49,931	5,068	N.A.
1967	146,409	138,898	119,913	81,550	51,875	6,778	4,570
1968	151,947	143,825	126,233	87,841	55,636	7,836	8,858
1969	155,025	147,774	131,792	95,528	57,770	9,282	11,972
1970	158,847	151,440	138,658	103,544	58,089	10,968	12,284
1971	161,849	153,083	139,399	108,813	59,280	12,548	16,853
1972	164,098	154,607	140,873	113,837	61,548	14,538	16,853
1973	168,455	162,644	151,680	124,827	64,168	17,011	20,418
1974	173,140	166,434	158,170	131,458	65,282	17,799	27,855
1975	178,180	169,002	168,334	134,092	62,971	18,396	30,337
1976	176,858	167,701	163,342	138,657	62,250	17,779	41,703
1977	179,853	166,002	161,288	139,884	64,627	19,364	50,737
1978	186,230	174,724	166,840	142,686	68,307	19,100	58,793
1979	186,808	177,146	167,163	149,914	85,808	19,820	71,544
1980	189,000	178,223	169,529	155,288	85,400	21,093	80,147
1981	188,340	176,898	164,084	156,000	60,306	21,682	86,302†
1982:							
Under 65	175,384	168,895	160,917	159,857	N.A.	23,316	100,035†
65 and over	15,685	11,403	10,725	3,232	N.A.	-	-
Total	191,069	180,298	171,642	163,089	61,658	23,316	100,035†

N.A.—Not available.

*Included in "Short-term," with the possibility of some duplication of disability income coverage for these years.

†Estimate.

NOTE: Some data are revised from previous editions. For 1975 and later, data include the number of persons covered in Puerto Rico and other U.S. territories and possessions. The data refer to the net total of people protected, i.e., duplication among persons protected by more than one kind of insuring organization or more than one insurance company policy providing the same type of coverage has been eliminated.

SOURCES: Health Insurance Association of America, Blue Cross and Blue Shield Association and the U.S. Department of Health and Human Services.

TESTIMONY

Exhibit 11
1-13-85
HB 430
Joan Fitzgerald

My name is Joan FitzGerald. I am the genetic counselor and clinical coordinator for the Shodair Department of Medical Genetics. I would like to address the specifics of our genetics services to, hopefully, demonstrate 1) the need in the State filled by our presence 2) the impact of the service on the financial, temporal and psychologic cost of genetic conditions and 3) the value of a local, by that I mean, available in the State, genetics service. There are 4 clinical specialty services offered:

1. General clinical diagnosis and genetic counseling
2. Prenatal diagnosis and testing
3. Fetal pathology
4. Counseling after an environmental exposure during pregnancy.

Rather than waste time describing each service in detail, I would rather concentrate on 3 areas that function in every case and illustrate the benefits and cost saving aspects of a clinical genetics program.

ACCESS AND AVAILABILITY:

There is no question that easy access to a genetics service is foremost in reducing cost. For individuals needing a genetic service, travel out of state to large universities involves enormous expense in actual travel costs like gasoline, airline tickets, motel room, etc as well as requiring work absences, arrangements for daycare for other family members, and other loss of valuable time. Many individuals needing services will not travel great distances because of financial considerations and will not, therefore, receive the genetic information they need. Also, a number of families we serve depend on public assistance and will ask for State travel money to finance their trips out of State for required medical genetic care. Traditionally, cases seen in a large university setting are subjected to many "routine" tests and see numerous doctors due to the teaching requirement of university based programs. Many families will not seek services from these large institutions because of this "guinea pig" reputation.

We currently hold 29 clinics per year in 5 locations around the State: Missoula, Kalispell, Great Falls, Billings, and Miles City. The map shows the geographic distribution of clients we have seen for an initial visit. Each red pin represents 10 new cases for a total number of 2263 as of December, 1984. This does not account for additional family members seen or follow-up visits. The geographic distribution of our clinic sites and Helena's centralized location allows driving access from anywhere in the State. For those cases requiring immediate care, an instate long distance phone call puts any physician or agency immediately in touch for consultation. All cases can then be managed in the local community and local MD's know our personnel are available as needed.

Miscarried embryos and fetuses are easily transmitted by the established bus routes as are laboratory samples for chromosome analysis. Shipment of these specimens out of State would prevent or inhibit reliable diagnosis since travel time and shipping costs are greater. For example, a stillborn baby delivered in Kalispell on Monday reaches us Monday evening, the autopsy is performed Tuesday AM and the body can be returned by Tuesday PM allowing the family to have a burial service for their baby soon after the death. Again, families are reluctant to have the baby studied if there are long delays due to restricted access and availability.

EXPERTISE:

The personal qualifications of our staff are well recognized but I would like to address the need and value of genetic expertise for the people of Montana. The individual expertise of our staff provides current, up to date information about genetic and birth defect conditions, including data on new methods of prenatal diagnosis and testing, an awareness of national and international experts for excellent consultation, and familiarity of new treatment regimens. We recently saw a Billings family referred because of painful joints. The local physician had counseled the family that the condition was rare and diet modification would help the pain in the joints. The family was referred to us by a physical therapist and, through our experience and study of the condition, the family was found to be at

high risk of early coronary disease and we are now working with the local physician to help prevent early heart problems in this family. Each affected individual has a 50% chance of passing the condition on to their children, information which was not provided to them by the local doctor.

Because of specialized training, we are able to diagnose rare genetic conditions, identify high risk individuals or groups that may be unaware of their genetic risk, and provide accurate recurrence risk data as people make reproductive decisions. By providing this expertise, the local care providers are not required to spend valuable time educating themselves about hereditary and handicapping conditions.

When a family is seen, we can discuss all issues of genetic import, including the chances of affected children, the associated risks of pregnancy in affected individuals like required C-section delivery, questions of voluntary sterilization in retarded adults, and the benefits of early diagnosis for the prevention of future medical complications.

The importance of the counseling aspects cannot be underestimated or overlooked. Complicated medical diagnoses and explanations must be presented with a minimum of jargon in terms understandable by a lay person. Misinformation or data presented in a confusing manner may make a considerable difference in the way the actual risk is perceived. For example, a 10% risk means a 90% chance that a particular problem won't occur and both issues must be presented for total understanding. The psychological reaction to 1) a diagnosis of a handicapping condition and 2) that this condition may reoccur can be very intense and must be addressed by someone educated in the field. We can explore these reactions with people and often clarify those areas of confusion or misunderstanding during the genetic counseling process. Private physicians and other mental health professionals are not aware of the psychological effects of genetic risk and are unwilling and/or unprepared to deal with these issues. An hour spent with us exploring the ramifications of genetic information can prevent unneeded mental health consultation and the costs accompany-

ing those services. For those individuals needing additional input, we can refer for appropriate services.

Expertise in the area of teratology counseling has allowed the continuation of pregnancies that may have been terminated otherwise due to misinformation about the risk of drug or other environmental exposure. In cases of substantial risk, we are able to provide recommendations for prenatal monitoring during the pregnancy.

FOLLOW-UP:

The availability of follow-up is vital for effective genetic services. We evaluate the outcome of pregnancies monitored by prenatal diagnosis for accuracy of our predictive result, are available to examine all at risk newborns after delivery, and follow-up on subsequent deliveries of couples delivering stillborn infants with congenital abnormalities. If Montana families did not have this service available in the State, they would receive diagnosis, counseling, etc. in another State and would then be lost to follow-up. After an initial evaluation, many families have additional questions and concerns and contact us routinely for more information. Because of our permanent residence in the State, we can offer ongoing support for families in crisis after the death of a child, provide follow-up for critically ill newborns transported out of State and subsequently returned to their local community, provide consultation and counseling in cases of prenatal diagnosis where an abnormality is identified, continue to reassure expectant parents of the normality of their babies, and facilitate adjustment and acceptance of a genetic condition in an individual or family. We have extensive written information for lay and professional people and can involve our clients with local and national support and information organizations. Much genetic information is not heard by individuals in crisis and follow-up is vital to their understanding. Additionally, other family members, unaware of their risk, must be contacted and counseled. We also continue to follow undiagnosed cases as knowledge is gained in the field and to learn more about the effects of a particular condition.

An often overlooked aspect of follow-up has to do with the difficulties experienced by families attempting to secure medical and life insurance or employ-

ment. Individuals who are not familiar with genetic conditions may be hesitant to hire someone and we often write letters on behalf of our families to educate prospective employers or insurers. An adolescent girl in Billings was being forced to participate in PE in school and was flunking the course because she physically wasn't able to perform. She is now exempt from this requirement because her condition prevents her from meeting the requirements of the course.

In summary, we are able to provide exemplary genetic services for the people of Montana because the services are available and accessible to all of the Montana population, our program provides information not available through the local physician community, and, because of our residence within the State, we can routinely provide the quality follow-up required. The service prevents unnecessary travel for services, long delays in obtaining results, wasted time and finances on unproven treatments, and allows money spent for genetic health care to remain in Montana. I am hopeful the benefits of this program for the people of Montana will convince you to retain the established genetic services in this State.

Exhibit 11
1-13-85
HB 430
Joan Fitzgerald

**Shodair
Children's Hospital
Department of
Medical Genetics**



**1985 Services and
Visiting Genetics Clinics**

Shodair Children's Hospital
Box 5539, 840 Helena Ave.
Helena, MT 59604
Telephone (406) 442-1980

Exhibit 12

1-13-85

HB 430

Donald Espelin

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES



TED SCHWINDEN, GOVERNOR

COGSWELL BUILDING

STATE OF MONTANA

HELENA, MONTANA 59620

January, 1985

TO: The Honorable Cal Winslow
Chairman
Joint Appropriations Sub-
committee on Human Services
State Capitol

TESTIMONY ON HB 430

For the record, I am Dr. Donald E. Espelin on staff at the Department of Health and Environmental Sciences (DHES). I am Medical Director of the Montana Perinatal Program. I have practiced pediatrics in Helena since 1966 and have been at DHES since June, 1983.

I support the Montana clinical genetics program as proposed in this bill. Conventional wisdom holds that in many health problems medical care is preventative. In perinatal medicine a good genetics program is the cornerstone of the system. Dr. Opitz and I have worked together in the past and I have found him, his staff and laboratory to be tops in the field. Montanans deserve the high quality, accurate and timely care given by this organization. If good genetic counseling is not readily available, permanent reproductive damage may occur.

Early in my practice, a child was brought to me with multiple congenital deformities, mental retardation, congenital heart disease and abnormal eyes. I could not make the diagnosis and good timely genetic diagnosis was not available. While I was trying to arrange out-of-state consultation, the couple, fearing another deformed child if she were to become pregnant, had one of the partners surgically sterilized. Later, when genetic diagnosis became available locally, the child was diagnosed as having a syndrome caused by a viral infection in the mother and she would never ever again have the same type of baby. Not having timely diagnosis led to unnecessary sterilization in this family.

Cystic fibrosis is a terrible disease. We have worked at this disease for many years and have never cured one patient. They all die. They strangle on their own thick tenacious mucus. Most die before they are 20 years old. There are 34,000 carriers in the State of Montana. Soon we will be able to GENETICALLY identify these patients and, thereby, have the ability to prevent cystic fibrosis.

Testimony on HB 430 (cont'd.)

Page 2

Please support the genetics program. Shodair just cannot do it alone and we need it.

Sincerely,

A handwritten signature in cursive script, reading "Donald E. Espelin".

Donald E. Espelin, M.D., Medical Director
Montana Perinatal Program
Health Services and Medical
Facilities Division

DEE/rsb.

Exhibit 13
1-13-85
HB 430
Rick Bach

HB 430

Amendment # 3 - Proposed to read as follows:

"Section 2 is intended to be codified as an integral part of Title 33, chapter 2, part 7, and chapter 30, part 2, and the provisions of Title 33 apply to section 2."

Exhibit 14
1-13-85
HB 430
Chad Smith

(4) If the insurer is subject to delinquency proceedings, as defined in part 13 of this chapter, upon the order of a court of competent jurisdiction, the commissioner shall yield the assets and securities held on deposit to the receiver, conservator, rehabilitator, or liquidator of the insurer or to any other properly designated official or officials who succeed to the management and control of the insurer's assets.

(5) No release of deposited assets shall be made except upon application to and the written order of the commissioner. The commissioner shall have no personal liability for any release of any such deposit or part thereof so made by him in good faith.

History: En. Sec. 144, Ch. 286, L. 1959; R.C.M. 1947, 40-3213; amd. Sec. 141, Ch. 575, L. 1981.

Compiler's Comments	Cross-References
1981 Amendment: Substituted "part 13" for "part 9" in (4).	State subject to suit, Art. II, sec. 18, Mont. Const.; 2-9-102.
	Immunization and indemnification of public officers, 2-9-305.

Part 7

Reports, Fees, and Taxes

Part Cross-References
Report of surplus line agent, 33-2-310.

33-2-701. Annual statement — revocation for failure to file — penalty for perjury. (1) Each authorized insurer shall annually on or before March 1 file with the commissioner a full and true statement of its financial condition, transactions, and affairs as of the December 31 preceding. The statement shall be in such general form and context as is required or not disapproved by the commissioner, as is in current use for similar reports to states in general with respect to the type of insurer and kinds of insurance to be reported upon, and as supplemented for additional information required by the commissioner. The statement shall be verified by the oath of the insurer's president or vice-president and secretary or, if a reciprocal insurer, by the oath of the attorney-in-fact or its like officers if a corporation. The commissioner may, in his discretion, waive any such verification under oath.

(2) The statement of an alien insurer shall relate only to its transactions and affairs in the United States unless the commissioner requires otherwise. If the commissioner requires a statement as to an alien insurer's affairs throughout the world, the insurer shall file such statement with the commissioner as soon as reasonably possible. The statement shall be verified by the insurer's United States manager or other officer duly authorized.

(3) The commissioner may refuse to accept the fee for continuance of the insurer's certificate of authority, as provided in 33-2-117, or may in his discretion suspend or revoke the certificate of authority of any insurer failing to file its annual statement when due.

(4) Any director, officer or agent, or employee of any company who subscribes to, makes, or concurs in making or publishing any annual statement or any other statement required by law knowing the same to contain any material statement which is false shall be punished by a fine of not more than \$1,000.

(5) At time of filing, the insurer shall pay to the commissioner the fee for filing its statement as prescribed in 33-2-708.

History: En. Sec. 65, Ch. 286, L. 1959; amd. Sec. 1, Ch. 27, L. 1967; R.C.M. 1947, 40-2820.

Cross-References

Benevolent associations — additional Suspension or revocation of certificate of requirements, 33-6-304. authority, 33-2-118, 33-2-119.

33-2-702 through 33-2-704 reserved.

33-2-705. Report on premiums and other consideration — tax.

(1) Each authorized insurer and each formerly authorized insurer with respect to premiums so received while an authorized insurer in this state shall file with the commissioner, on or before March 1 each year, a report (except as to wet marine and transportation insurance taxed under subsection (4) below) in form as prescribed by the commissioner showing total direct premium income, including policy, membership, and other fees, premiums paid by application of dividends, refunds, savings, savings coupons, and similar returns or credits to payment of premiums for new or additional or extended or renewed insurance, charges for payment of premium in installments, and all other consideration for insurance from all kinds and classes of insurance, whether designated as a premium or otherwise, received by it during the preceding calendar year on account of policies covering property, subjects, or risks located, resident, or to be performed in Montana, with proper proportionate allocation of premium as to such property, subjects, or risks in Montana insured under policies or contracts covering property, subjects, or risks located or resident in more than one state, after deducting from such total direct premium income applicable cancellations, returned premiums, the unabsorbed portion of any deposit premium, the amount of reduction in or refund of premiums allowed to industrial life policyholders for payment of premiums direct to an office of the insurer, all policy dividends, refunds, savings, savings coupons, and other similar returns paid or credited to policyholders with respect to such policies. As to title insurance, "premium" includes the total charge for such insurance. No deduction shall be made of the cash surrender values of policies. Considerations received on annuity contracts shall not be included in total direct premium income and shall not be subject to tax.

(2) Coincident with the filing of the tax report referred to in subsection (1) above, each such insurer shall pay to the commissioner a tax upon such net premiums. This tax may be computed in either of the following ways:

(a) (i). A domestic insurer may choose to compute its tax based on the percentage of its admitted assets invested in Montana securities according to the following schedule:

(A) 2 ¼ % of net premiums if the insurer has 0% of its admitted assets invested in Montana securities;

(B) 2 ¼ % of net premiums if the insurer has at least 25% of its admitted assets invested in Montana securities;

(C) 1 ¼ % of net premiums if the insurer has at least 50% of its admitted assets invested in Montana securities;

(D) 1 ¼ % of net premiums if the insurer has at least 75% of its admitted assets invested in Montana securities; and

(E) $\frac{3}{4}\%$ of net premiums if the insurer has 100% of its admitted assets invested in Montana securities.

(ii) "Admitted assets" are those assets allowed in 33-2-501.

(iii) An insurer choosing this method of computation must itemize its Montana securities on a detailed schedule attached to its annual tax report.

(b) (i) If the method provided for in subsection (2)(a) is not used, the insurer shall compute its tax at the rate of $2\frac{3}{4}\%$ of the net premiums.

(ii) An insurer choosing this method and having not less than 50% of its paid-in capital stock invested in Montana securities is allowed to deduct whatever tax it may have already paid to the state of Montana and its political subdivisions, during the same calendar year as to which premium tax is being paid, from the amount otherwise due under this section.

(3) For the purpose of subsection (2):

(a) "paid-in capital stock" as to a mutual or reciprocal insurer shall be deemed to be an amount equal to 10% of the insurer's assets; and

(b) "Montana securities" shall be deemed to include only general obligations of the state of Montana or of its political subdivisions, mortgage loans secured by a first lien upon real estate located in Montana, funds invested in certificates of deposit in a bank or building and loan association located in Montana and whose deposits are insured by an agency of the United States or an insurer approved by the department of commerce, and real estate located in Montana owned by the insurer, all if otherwise lawful investments of the insurer under this code.

(4) (a) On or before March 1 of each year each insurer shall file with the commissioner, on forms as prescribed and furnished or accepted by him, a report of its gross underwriting profit on wet marine and transportation insurance, authorized in 33-1-209, written in this state during the calendar year next preceding and shall at the same time pay to the commissioner a tax of $\frac{3}{4}$ of 1% of such gross underwriting profit.

(b) Such gross underwriting profit shall be ascertained by deducting from the net premiums (i.e., gross premiums less all return premiums and premiums for reinsurance) on such wet marine and transportation insurance contracts the net losses paid (i.e., gross losses paid less salvage and recoveries on reinsurance ceded) during such calendar year under such contracts. In the case of insurers issuing participating contracts, such gross underwriting profit shall not include for computation of the tax prescribed by this subsection (4) the amounts refunded, credited, or paid as participation dividends or savings by such insurers to the holders of such contracts.

(5) That portion of the tax paid hereunder by an insurer on account of premiums received for fire insurance shall be separately specified in the report as required by the commissioner, for apportionment as provided by law. Where insurance against fire is included with insurance of property against other perils at an undivided premium, the insurer shall make such reasonable allocation from such entire premium to the fire portion of the coverage as shall be stated in such report and as may be approved or accepted by the commissioner.

(6) With respect to authorized insurers the premium tax provided by this section shall be payment in full and in lieu of all other demands for any and all state, county, city, district, municipal, and school taxes, licenses, fees, and excises of whatever kind or character, excepting only those prescribed by this

code; taxes on real and tangible personal property located in this state, and taxes payable under 50-3-109.

(7) The commissioner may suspend or revoke the certificate of authority of any insurer which fails to pay its taxes as required under this section.

History: En. Sec. 66, Ch. 286, L. 1959; amd. Sec. 1, Ch. 160, L. 1961; amd. Sec. 1, Ch. 78, L. 1963; amd. Sec. 1, Ch. 26, L. 1965; amd. Sec. 1, Ch. 71, L. 1967; amd. Sec. 1, Ch. 358, L. 1969; amd. Sec. 1, Ch. 237, L. 1971; R.C.M. 1947, 40-2821(part); amd. Sec. 1, Ch. 664, L. 1979; amd. Sec. 7, Ch. 303, L. 1981; amd. Sec. 12, Ch. 467, L. 1981; amd. Sec. 1, Ch. 295, L. 1983; amd. Sec. 3, Ch. 518, L. 1983.

Compiler's Comments

1983 Amendments: Chapter 295, in middle of (3)(b), inserted "funds invested in certificates of deposit in a bank or building and loan association located in Montana and whose deposits are insured by an agency of the United States or an insurer approved by the department of commerce".

Chapter 518, in (4)(a), deleted "inland marine" after "wet marine" and after "33-1-209" deleted "and 33-1-221 through 33-1-229".

1981 Amendments: Chapter 303 substituted "the total charge" for "only the risk portion of the charge" in the third sentence from the end of (1).

Chapter 467, in (1), substituted reference to "subsection (4)" for "subsection (3)"; in (4)(a), inserted "inland marine," after "wet marine,"

and substituted "authorized in 33-1-209 and 33-1-221 through 33-1-229" for "as defined in 33-1-209".

Cross-References

Not subject to corporate license tax, 15-31-101.

Allocation of certain casualty insurance tax — Municipal Police Officers' Retirement System, 19-10-305.

Allocation of certain casualty insurance tax — firefighters' pension and compensation, 19-11-512, 19-12-301.

Revocation of certificate of authority, 33-2-118, 33-2-119.

Tax on surplus lines, 33-2-311.

Not applicable to health service corporations, 33-30-203.

Tax on fire insurance premiums — Fire Marshal Bureau, 50-3-109.

33-2-706. Report and tax of independently procured coverages.

(1) Every insured who in this state procures or causes to be procured or continues or renews insurance in an unauthorized foreign insurer or any self-insurer who in this state so procures or continues excess loss, catastrophe, or other insurance upon a subject of insurance resident, located, or to be performed within this state, other than insurance procured through a surplus line agent pursuant to The Surplus Line Insurance Law or exempted from such law under 33-2-317, shall, within 30 days after the date such insurance was so procured, continued, or renewed, file a written report of the same with the commissioner on forms designated by the commissioner and furnished to such an insured upon request. The report shall show the name and address of the insured or insureds, name and address of the insurer, the subject of the insurance, a general description of the coverage, the amount of premium currently charged therefor, and such additional pertinent information as is reasonably requested by the commissioner. If any such insurance covers also a subject of insurance resident, located, or to be performed outside this state, a proper pro rata portion of the entire premium payable for all such insurance shall be allocated as to the subjects of insurance resident, located, or to be performed in this state, for the purposes of this section.

(2) Any insurance in an unauthorized insurer procured through negotiations or an application in whole or in part occurring or made within or from within this state or for which premiums in whole or in part are remitted directly or indirectly from within this state shall be deemed to be insurance procured or continued or renewed in this state within the intent of subsection (1) above.

(3) For the general support of the government of this state there is levied upon the obligation, chose in action, or right represented by the premium charged or payable for such insurance a tax at the rate of 2 $\frac{3}{4}$ % of the gross amount of such premium. The insured shall withhold the amount of the tax from the amount of premium charged by and otherwise payable to the insurer for such insurance, and within 30 days after the insurance was so procured, continued, or renewed and coincidentally with the filing with the commissioner of the report provided for in subsection (1) above, the insured shall pay the amount of the tax to the state treasurer through the commissioner.

(4) If the insured fails to withhold from the premium the amount of tax herein levied, the insured shall be liable for the amount thereof and shall pay the same to the commissioner within the time stated in subsection (3) above.

(5) The tax imposed hereunder if delinquent shall bear interest at the rate of 6% per annum, compounded annually.

(6) The tax shall be collectable from the insured by civil action brought by the commissioner.

(7) This section does not abrogate or modify and shall not be construed or deemed to abrogate or modify any provision of 33-2-104 or 33-2-105 or any other provision of this code.

(8) This section does not apply as to life or disability insurances.

History: En. Sec. 202, Ch. 286, L. 1959; amd. Sec. 1, Ch. 147, L. 1977; R.C.M. 1947, 40-3427.

33-2-707. Preemption of taxing. The state of Montana hereby preempts the field of imposing excise, privilege, franchise, income, license, and similar taxes, licenses, and fees upon insurers and their general agents and agents as such and on the intangible property of insurers or such agents. No county, city, municipality, district, school district, or other political subdivision or agency in Montana shall levy upon insurers, or upon their general agents and agents as such, any such tax, license, or fee additional to such as are levied by the legislature of Montana in this code.

History: En. Sec. 66, Ch. 286, L. 1959; amd. Sec. 1, Ch. 160, L. 1961; amd. Sec. 1, Ch. 78, L. 1963; amd. Sec. 1, Ch. 26, L. 1965; amd. Sec. 1, Ch. 71, L. 1967; amd. Sec. 1, Ch. 358, L. 1969; amd. Sec. 1, Ch. 237, L. 1971; R.C.M. 1947, 40-2821(6).

Cross-References

No payment of corporate tax, 15-31-101.

33-2-708. Fees and licenses. (1) The commissioner shall collect in advance and the persons so served shall so pay to the commissioner the following fees and licenses:

(a) certificates of authority:

(i) for filing applications for original certificates of authority, articles of incorporation (except original articles of incorporation of domestic insurers as provided in subsection (b) below) and other charter documents, bylaws, financial statement, examination report, power of attorney to the commissioner, and all other documents and filings required in connection with such application and for issuance of an original certificate of authority, if issued:

(A) domestic insurers \$ 30.00

(B) foreign insurers 300.00

(ii) annual continuation of certificate of authority 300.00

(iii) reinstatement of certificate of authority 25.00

(b) articles of incorporation:	
(i) filing original articles of incorporation of domestic insurer, exclusive of fees required to be paid by the corporation to the secretary of state	20.00
(ii) filing amendment of articles of incorporation, domestic and foreign insurers, exclusive of fees required to be paid to the secretary of state by a domestic corporation	10.00
(c) filing bylaws or amendment thereto where required	5.00
(d) filing annual statement of insurer, other than as part of application for original certificate of authority	25.00
(e) resident agent's license:	
(i) application for original license, including issuance of license, if issued (life and/or disability)	10.00
(ii) application for original license, including issuance of license, if issued (other than life and/or disability)	10.00
(iii) appointment of agent, each insurer	10.00
(iv) annual renewal, each insurer	10.00
(v) temporary license	10.00
(vi) amendment of license (excluding additions thereto) or reissuance of master license	10.00
(f) nonresident agent's license:	
(i) application for original license, including issuance of license, if issued (life and/or disability)	100.00
(ii) application for original license, including issuance of license, if issued (other than life and/or disability)	100.00
(iii) appointment of agent, each insurer	10.00
(iv) annual renewal, each insurer	10.00
(v) amendment of license (excluding additions thereto) or reissuance of master license	10.00
(g) solicitor's license:	
(i) application for original license, including issuance of license, if issued	5.00
(ii) annual renewal of license	5.00
(h) examination for license as agent or solicitor, each examination	10.00
(i) surplus line agent's license:	
(i) application for original license and for issuance of license, if issued	25.00
(ii) annual renewal of license	25.00
(j) adjuster's license:	
(i) application for original license and for issuance of license, if issued	10.00
(ii) annual renewal of license	10.00
(k) insurance vending machine license, each machine, each year	10.00
(l) commissioner's certificate under seal (except when on certificates of authority or licenses)	3.00
(m) copies of documents on file in the commissioner's office, per page	.50
(n) policy forms:	
(i) filing each policy form	25.00

Part 3 — Operations

- 33-30-301. Forms — filing, approval, hearing on disapproval, appeal.
- 33-30-302. Allowed contracts.
- 33-30-303. Grievance procedure for members.
- 33-30-304. Nonliability for injuries caused by contractees.
- 33-30-305. Prohibited trade practices.
- 33-30-306. Discrimination between individuals — restrictions — ratesetting by commissioner prohibited.
- 33-30-307. Notice of rate increases — comment to commissioner.
- 33-30-308 through 33-30-310 reserved.
- 33-30-311. Enrollment representative.
- 33-30-312. Enrollment representative — filing with and approval by commissioner — license.
- 33-30-313. Licenses — refusal to issue — suspension — revocation — hearing.

Parts 4 through 9 reserved

Part 10 — Health Service Corporation Plans

- 33-30-1001. Newborn infants covered by insurance by health service corporation.
- 33-30-1002. Disability coverage of services received in state institutions — coverage of persons eligible for public medical assistance.
- 33-30-1003. Continuation of coverage for handicapped — individual contracts.
- 33-30-1004. Continuation of coverage for handicapped — group contracts.
- 33-30-1005. Right of rescission.
- 33-30-1006. Continuing group coverage after termination.
- 33-30-1007. Conversion on termination of eligibility.
- 33-30-1008. Preexisting conditions.
- 33-30-1009. Insured's family — conversion entitlement.
- 33-30-1010. Renumbered 33-30-1021 by Code Commissioner, 1983.
- 33-30-1011. Dentists performing services common to both medicine and dentistry.
- 33-30-1012 through 33-30-1020 reserved.
- 33-30-1021. Applicability.

Chapter Cross-References

Jurisdiction of providers of health care benefits, Title 33, ch. 1, part 11.

Part 1

General Provisions

33-30-101. Definitions. As used in this chapter, the following definitions apply:

(1) "Health service corporation" means a nonprofit corporation organized or operating for the purposes of establishing and operating a nonprofit plan or plans under which prepaid hospital care, medical-surgical care, and other health care and services, or reimbursement therefor, may be furnished to a member or beneficiary.

(2) "Health services" means the health care and services provided by hospitals or other health care institutions, organizations, associations, or groups and by doctors of medicine, osteopathy, dentistry, chiropractic, optometry, and podiatry; nursing services; licensed social worker or psychologist; medical appliances, equipment, and supplies; drugs, medicines, ambulance services, and other therapeutic services and supplies.

(b) an amount equal to 1 month's average income from dues or fees paid to the corporation by its members or beneficiaries, based on an average of the preceding 12 months, whichever is less.

(3) If the reserves are not equal to the average in subsection (2)(b), they must have been increased during the preceding 12 months by an amount equal to 1% of the gross dues or fee income during that period.

(4) The determination of minimum reserves is subject, as to amounts payable to participating providers of the health services, to any right of the corporation to prorate the amounts under the terms of its health service contracts with providers.

(5) The commissioner may decrease or suspend the requirements of this section if he finds that the action is in the best interest of the members of the corporation.

History: En. 40-5905 by Sec. 5, Ch. 319, L. 1975; R.C.M. 1947, 40-5905.

33-30-202. Annual report. All corporations subject to the provisions of this chapter shall make and file annually with the commissioner, on or before March 1 of each year, a report under oath setting forth:

- (1) the name of the corporation;
- (2) the address of its registered office in this state and the name of its registered agent at that address;
- (3) the names and addresses of its directors and officers;
- (4) a brief statement of the character of the affairs which the corporation is actually conducting;
- (5) the amount of all dues or fees collected from members in the last fiscal year, the amounts actually paid during that year for health services for the members or beneficiaries, and the amounts placed in reserves;
- (6) a balance sheet and statement of income and expenditures for the most recent fiscal year of the corporation, prepared and verified by two officers of the corporation and certified by a certified public accountant;
- (7) a statement of any other facts or information concerning the financial affairs of the health service corporation which may be reasonably required by the commissioner.

History: En. 40-5911 by Sec. 11, Ch. 319, L. 1975; R.C.M. 1947, 40-5911.

Cross-References

Registered agents — nonprofit corporations,
35-2-302.

33-30-203. Premium tax exemption. A health service corporation is exempt from all premium taxes.

History: En. 40-5915 by Sec. 15, Ch. 319, L. 1975; R.C.M. 1947, 40-5915.

Cross-References

Premium taxes, 33-2-705.

33-30-204. Fees. (1) Every health service corporation subject to the provisions of this chapter shall pay the following fees to the commissioner for enforcement of the provisions of this chapter:

- (a) enrollment representative's license:

- (i) application for original license including examination and issuance of license \$10
- (ii) annual renewal \$ 5
- (b) filing any other statement or report \$ 1
- (c) for a certified copy of any document or other paper filed in the office of the commissioner, per page \$.50
- (d) for the certificate and for affixing the seal thereto \$ 1
- (e) filing of a membership contract \$10
- (f) filing of a membership contract package \$25
- (g) filing annual report, a fee of 50 cents for each individual or family unit the corporation covered at the close of the year to which the annual report is applicable, except that the minimum fee payable upon filing of an annual report is \$100.

(2) The commissioner shall promptly deposit with the state treasurer to the credit of the general fund all fees and license fees received by him under this section.

History: En. 40-5917 by Sec. 17, Ch. 319, L. 1975; R.C.M. 1947, 40-5917; amd. Sec. 1, Ch. 452, L. 1981.

Compiler's Comments

1981 Amendment: Increased the filing fee in subsection (1)(g) from 20 cents to 50 cents.

Part 3

Operations

33-30-301. Forms — filing, approval, hearing on disapproval, appeal. (1) A copy of all forms of the membership contract or any type of endorsement or rider shall be filed with the commissioner at least 30 days before that form is first used. When a form does not comply with the requirements of this chapter, the commissioner shall notify the corporation in writing of that failure and include the reasons for his opinion. Unless the corporation requests a hearing within 10 days, notice by the commissioner disallows use of this form by the corporation. If the corporation challenges the commissioner's disallowance of a form it shall request a hearing on that issue. The commissioner shall schedule a hearing as soon as practicable but not less than 15 days from the date of the request. If the commissioner finds, after the hearing, that the form is not in compliance with this chapter, he may disapprove the form and issue a final order to that effect. Notice of disapproval, including the grounds for disapproval, shall be presented to the corporation not less than 30 days after the hearing. The final order is effective 30 days after the hearing.

(2) A corporation whose forms have been ordered discontinued by the commissioner may appeal, within 15 days after an order, to a district court of the state. The court, upon filing of the proper petition, shall cause the forms and orders of the commissioner to be brought before it, and upon hearing of the case, the court shall either affirm or reverse and vacate the order of the commissioner.

Exhibit 16
1-13-85
HB 430
John Vandenaere

Mr. Chairman, members of the committee, my name is JOHN VANDENACK
I live in HELENA, and am appearing before this committee today on behalf
of the Montana Right to Life Association.

I appreciate this opportunity to appear in opposition to House Bill 430. The
Montana Right to Life Association believes this bill should be killed.

Despite its title, House Bill 430 is an abortion bill. It would again put
the State of Montana into the abortion promotion business.

The effect of this bill, if passed, will be to establish a state-funded
program administered by the Montana Department of Health and Environmental
Sciences. Sec. (1)(3) of the bill calls "for the management of genetic conditions
and metabolic disorders." Sec. (4)(c) sets up "the means, methods and facilities
available to diagnose, counsel, and treat genetic conditions and metabolic
disorders."

The effect of the bill can be clearly seen. By setting up such a program,
the state will be funding a procedure called amniocentesis. This medical
procedure consists of taking an amount of amniotic fluid from a pregnant woman
and testing it to determine if the unborn child has Down's syndrome. The
Surgeon General of the United States, Dr. C. Everett Koop, has called amniocentesis
"a search and destroy mission."

If the amniocentesis test shows the presence of Down's syndrome in the child,
you can imagine the pressure brought to bear on the mother to kill the baby
through abortion.

The discoverer of the genetic basis of Down's syndrome, Dr. Jerome Lejeune,
foresaw the possible abuse of his discovery a number of years ago. In an
address to the American Society of Human Genetics, Dr. Lejeune expressed horror
at the idea that amniocentesis would be used to detect the defective gene, which
would be followed by abortion of those unborn persons found to have it.

The test itself has a small but significant danger to both the mother and the child. The time factor also comes into the picture, since by the time an amniocentesis test can be completed, the pregnancy can be several months advanced.

This bill would place the responsibility for this program over to the Montana Department of Health and Environmental Sciences to administer. Given the current miserable track record of this agency in regard to abortion, such as the situation with the family planning program in Billings, they should not be given any more blank checks. Under this bill, the genetic testing very likely would be accomplished through the existing family planning programs now in place. Rather than setting up another state run program which will lead to more abortions, we believe the legislature should be putting some restrictions on the department.

Montana Right to Life believes that genetic testing and counselling should take place before a woman becomes pregnant. We strongly disagree with the use of amniocentesis testing leading to abortion of Down's syndrome babies. This test is available to women in Montana, however, the state has no business in funding such a procedure with tax dollars.

The bill asks for \$520,000 to set up the program. Given the current budget problems in Montana and need for additional funding in other programs, we suggest the \$520,000 be put into existing programs for the developmentally disabled.

We ask that the bill be killed.

Thank you for your attention and consideration.

VISITORS' REGISTER

Human Services Sub COMMITTEE

BILL NO. _____

DATE 2-13-85

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Jennifer Lacey	Missoula, MT	X	
Scott Bakulul	Bozeman, mt	X	
Jim Sandquist	"	X	
Scott Wheat	"	X	
Paul Bach	Helena	X	
Rena Whalen	Billings	X	
Jude Houchier	Helena	X	
Jean Mathers	Butte	X	
Barbara Stegner	Helena	X	
Vicky Greaney	Helena	X	
Patti Barnes	Helena	X	
Sandra Phillips	Helena	X	
Linda Eblum	Helena	X	
Ann Duvich	H	X	
Melvia Sprague	3303 EASTLAKE - Butte	X	
Bailey Melneux	Helena	X	
Jackie Perrod	Helena	X	
July F. Olson	Helena	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

Human Services Sub COMMITTEEBILL NO. HB 430DATE 2/13/85SPONSOR Rep Bradley

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Rick Bach	HELENA, MT	✓	
JOHN VANOSNARE	HELENA, MT		✓
John M. Spitz	Helena	✓	
Donald E. Eichel	Helena	✓	
Virginia L. Thompson	"	✓	
William E. Plam	"	✓	
William N. Jordan	Great Falls		✓
Art Danich	HELENA	✓	
Jim Reynolds	HELENA	✓	
Linda Ekblom	Helena	✓	
James Phillips	Helena	✓	
Kathi Bonnes	Helena	✓	
Jim Pat Keckley	Helena	✓	
Chad Smith	Helena	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

Human Services Sub COMMITTEE

BILL NO. _____

DATE 2-13-85

SPONSOR _____

NAME (please print)	RESIDENCE	COILITION	SUPPORT	OPPOSE
STEVE DAVIS	DISABILITIES		X	
Virginia Sutich	Sandcoulee, mt.		X	
Edward Robbins	Simms mt		X	
Boyd Peterson	Bozeman mt		X	
Norma Skuval	Helena mt		X	
Jane Kalmes	Missoula, MT		X	
Jenny Holmer	Missoula, MT		X	
Stan McEntire	Hamilton, mt		X	
Julaine S. Monson	Missoula, MT		X	
David S. Kelly	Missoula, MT		X	
Martha Lange	Missoula, MT		X	
Bob Frazier	Bozeman		X	
Mike Bullock	Helena, Mont		X	
Ann C. Deegan	Bigfork, Mont		X	
Kathleen Perry	Bozeman, MT		X	
Jane Spring	Missoula, MT		X	
Gudry Robinson	Billings		/	
Jeff Whigby			X	
Pat Row	Billings		X	

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