MINUTES OF THE MEETING
PUBLIC HEALTH, WELFARE & SAFETY COMMITTEE
MONTANA STATE SENATE

February 18, 1987

ACTION ON SENATE BILL NO. 246: Senator Jacobson moved that S.B. 246 do pass.
Sen. Williams: Will this bill make us another $200,000 short?
Sen. Himsl: This is not a totally perfect operation, but it doesn't put us in a penalty situation to have it, and it may if we don't. The budget cost is $125,000, and it is worth it if it saves us from some unnecessary projects.
Sen. Williams: Is the CON a cost-sharing expense with the Federal government?
Rose Skoog: There have been federal funds in the past in the program, but not now. The rest will be picked up by application fees.
Sen. Williams: Then the state share will not be picked up by application fees. Can there be a fiscal note before second reading?
Sen. Norman: I will authorize a fiscal note to be ready quickly.
Sen. Jacobson called for the question. S.B. 246 received a DO PASS with Senators Norman, Williams, and McLane voting no.

ACTION ON SENATE BILL NO. 305: Karen Renne explained the amendments to the bill (see attached committee report). Sen. Eck moved that the amendments and the Statement of Intent receive a DO PASS. The vote was a unanimous DO PASS. Sen. Eck moved that S.B. 305 DO PASS AS AMENDED. The bill received a Unanimous DO PASS AS AMENDED.

CONSIDERATION OF SENATE BILLS NOS. 349 AND 353: Sen. Pat Regan, District # 47, introduced S.B. 349 and asked that those testifying present the concept and the specifics of the bill.
Sen. Darryl Meyer, District # 17, introduced S.B. 353, stating that the purpose of the bill is to provide regulations for Health Maintenance Organizations, a new concept in health care, now starting up in Montana. Since the two bills are very similar, the committee elected to hear testimony on both bills together.

PROPONENTS: Kathy Irigoin, lawyer with the State Auditor's office, stated that the Auditor's office prefers their bill, # 353, and her testimony will explain some of the differences between the two bills. The existing Freedom of Choice Practices law prevents most types of HMO's from operating in Montana; only HMOs meeting Federal requirements can operate, since Federal law pre-empts state law. The state auditor's bill meaningfully addresses financial solvency of an HMO and consumer protection, such as the evidence that coverage contain a definition of key terms, a clear disclosure of benefits, and provisions for disenrolling members. The bill also states that consumers cannot pay more for HMO coverage than they would for normal insurance coverage. The State Auditor's bill also requires payment for drug and alcohol and mental health services, which S.B. 349 does not. On P. 22, Line 8, she recommended an amendment making mental health coverage a mandatory benefit, not a mandatory offer.

S.B. 349 does not include the authority to contract and does not

have as much authority to regulate or give rule-making authority to the Department of Health. S.B. 353 also can authorize the assessment of fees to cover expenses, which S.B. 349 does not do. S.B. gives thirty days to issue or deny a certificate of authority, which is too short a time period. S.B. 353 gives 180 days, plus a 30-day extension, which is too long a time period. Exhibit # 2.

Robert Phillips, Montana Medical Association, testified that the association has had substantial input into the drafting of the bills. They feel that if HMO's are coming, they must be regulated; and they now support the inclusion of mandated services for mental health, drug and alcohol abuse under the definition of "Basic Mental Health Care" because it affects all classes, ages and sexes of people. They do not support mandated coverage for maternity and well-child care because these do not affect everyone. They find S.B. 353 more regulatory and closer to the Model Act. S.B. 353 gives the Auditor's office 180 days to act on an HMO application and that, added to the Dept. of Health's 90 days, is too long for a smaller HMO trying to open. The regulatory scheme of S.B. 353 or S.B. 349 should apply to all HMO's, regardless of their sponsor. While HMO's are not the entire answer to health care costs, they are coming; and legislation needs to be enacted to ensure their regulation.

Steve Waldron, Montana Mental Health Centers, stated that he supports the HMO concept, but sees the need for mandated coverage for mental health, drug and alcohol abuse, which S.B. 349 offers, but which S.B. 353 does not.

Dr. Armand Altman, Consultant Psychiatrist from the state of New York, stated that he support S.B. 349 as it relates to mandatory benefits for mental health, drug and alcohol use. The National Association of Mental Health has discovered that in times of crisis, if people don't receive mental health help, they often end up abusing drugs or alcohol. Prevention comes through a mandatory requirement that those services be offered. It is a committment to serving citizens.

Joy McGrath, Mental Health association, supports the HMO concept if it offers total health services for the community. S.B. 349 clearly offers this coverage, and S.B. 353 can, if amended. Ex.# 3.

Bill McDonald, Group Health for WestMont, supports the HMO concept because health care costs are increasing too rapidly and growing numbers of people cannot afford haelth care costs. HMO's provide reasonable comprehensive heatlh coverage to a population.

In an HMO a delivery system is prepaid, people (consumers) are involved in the management of the program, and more reasonable costs will hopefully motivate the public to take more responsibility for health care and planning for an aging population. Neither physisian nor doctors have little financial incentive now to reduce costs. The organization supports S.B. 349 because of the mandated mental health benefits. They feel that the 180-day requirement is

too long; the additional 90 days makes 270 days, and that is too long for the industry. He stated that it is a waste of time for everyone listed in Sec. 53, P.8, to review provisions, and he suggested dropping parts A,B, & C of Sec. 10.

Judith Carlson, National Association of Social Workers, stated the the NASW supports S.B. 349 because of its support of mandated mental health services and because it regulates HMO's according to the existing insurance laws of this state. Exhibit #4.

Mike Murray, Chemical Dependency Program of Montana, supports S.B. 349 because of coverage of mental health services and chemical abuse coverage, or he recommends amending S.B. 353 to include mandated coverage of the mentioned services.

Ann Scott, Rocky Mountain Treatment Center, stated that mandated coverage of mental health and chemical dependency treatment is important. S.B. 353 has good provisions looking the management and stability of HMO's and it provides for coverage under the CON bill, but it is not clear if that covers both buildings and services. Both need to be covered under the CON bill.

Jack McMann, stated that HMO's are no panacea to reducing health care costs, and he questions if they would offer a savings in MT.

Holly Kaleczyc, Montana Psychological Association, supports S.B. 349 because it provides specific inclusion of mental health and drug coverage and creative, innovative opportunities for consumers in health care. She suggested that the bill needs to offer consumer choice in determining health care providers, that financial incentives to individuals agreeing to limit access to necessary health care need to be checked, that governing boards need to have consumer representation, and that it needs to provied consumers with "truth in packaging" provisions. Exhibit # 5.

Chuck Butler, Blue Cross and Blue Shield, endorsed the enabling legislation for HMO's, but stated that the magnitude of the legislation makes it difficult to testify to specifics. He stated that Blue Cross is already by the state Auditor's office and this bill puts Blue Cross under two sets of regulation. He stated that the auditor's office is concerned about the $100,000 start-up fee; but H.S. C. statutes require Blue Cross - Blue Shield to have a one-half million dollar reserve. Blue Cross also has a greater benefit than that mandated by the state for mental health, drug and alcohol care. Some families in Montana are now paying $3,600 a year for health care, and an HMO should contain these costs significantly.

Steve Brown, Lobbyist for Blue Cross - Blue Shield, testified on numerous technical issues in the two bills and a complete list of those technical recommendations is attached. Exhibit # 6.

DISCUSSION OF S.B. NOS. 349 AND 353: Sen. Rassmussen: If neither bill passed, could only the Blue Cross or federally qualified HMO's operate?
Kathy Irigoin: Yes, that it is true; and Blue Cross should not be exempted from this act, because the current laws are very sketchy, and this bill would give adequate guidance.
Sen. Rassmussen: Could other HMO's come in and meet state standards and not federal standards?
Kathy irigoin: The federal act may be repealed, and that would leave only one HMO to operate without this law.

Sen. Eck: How much more does this mandate services that insurance companies don't cover?
Kathy Irigoin: Page 2, Sec. 4-12, of S.B. 349 covers services not specifically required by insurance companies.
Chuck Butler: The bill makes it simpler to include the coverages listed.
Kathy Irigoin: There may be problems in the future with services to be offered.

Chairman Eck appointed a subcommittee of Senators Rassmussen, Jacobson, and Vaughn to meet with legislative researcher Karen Renne, secretary Ellen Nehring, sponsor Darryl Meyer, bill drafters and interested lobbyists to meet Wednesday at 7 P.M. to work on amendments to S.B. 353. S.B. 353 will be amended to include mandated mental health and drug coverage from S.B. 349, and S.B. 349 will be allowed to die in committee.

The meeting adjourned at 3:00 P.M.

Dorothy Eck

CHAIRMAN

ROLL CALL

Public Health, Welfare and Safety COMMITTEE

50th LEGISLATIVE SESSION -- 1987 Date 2-18-87

NAME	PRESENT	ABSENT	EXCUSED
Dorothy Eck	X		
Bill Norman	X		
Bob Williams	X		
Darryl Meyer	X		
Eleanor Vaughn	X		
Tom Rasmussen	X		
Judy Jacobson	X		
Harry H. "Doc" McLane	X		
Matt Himsl	X		
Tom Hager	X		

Each day attach to minutes.

DATE 2-18-87

COMMITTEE ON _____

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One: Support	Oppose
[illegible]		349 353	✓	
John W McMahon	MMA	349 353	✓	
Roland D Pratt	MT Optometric Assoc	353	✓	
Judith H Carlson	NASW	349	✓	
Holly Kaleczyc	MT Psychological Assoc	349	✓	
Bob Phillips	MMA	353	✓	
Steve Waldron	Mental Health Centers	349	X	
Steve Waldron	"	353		X
Armand Altman	Consultant - mental health	349	✓	
Kathy Irigoin	State Auditor	349	amend	
" "	" "	353	X	
Jay McGrath	Mental Health Assoc of MT	349	X	
"	"	353		X
Bill McDonald	Group Health of Great Falls	349	X	
		353		X
Ann H. Scott	Rocky Mountain Treatment Center	349 353	X	
Steve Brown	Blue Cross - Blue Shield	349	X	
Mona Jamison	MMTC		X	
Mike Murray	Chemical Dependency Program of Montana	349	X	
Chuck Butler	BC-BS	349	X	
Randy Cline	" "	349	X	

(Please leave prepared statement with Secretary)

SUMMARY COMMENTS
S.B. 353 - Regulation of HMOs
Senate Business and Industry Committee
February 18, 1987

Health maintenance organizations, or HMOs, are a relatively new concept in health care. Because such organizations emphasize prevention of illness and disease, HMOs are frequently promoted as an effective means of health care cost containment. The key difference between an HMO and a health insurance company is that an HMO actually provides health care services, through an assigned physician or provider, for a pre-paid fee, while insurance companies reimburse an individual for costs incurred to obtain medical care.

Montana now has two health maintenance organization operating in the state, and others have indicated their plans to begin similar operations here. The Commissioner of Insurance has requested this bill to ensure both that Montana consumers are protected from companies that may be financially unsound, and also that such organizations provide the number and kind of services that consumers should be able to expect under such a program. This bill will make sure that Montana consumers know the benefits, contractual obligations, and services which are provided.

In order to accomplish these needed protections, the Insurance Department undertook a six-month study to review HMO regulation in five states, including Washington, Idaho, North Dakota, Wisconsin and Utah. Because Montana is one of the last states to enact HMO legislation, this study provided Montana with the benefit of learning from problems experienced by other states. The Department's review found that HMO laws in other states addressed provisions which were not covered in the model act adopted by the National Association of Insurance Commissioner (NAIC). Information obtained from Wisconsin reflected revisions made to their laws following a task force study on HMOs. Information on insolvency laws was obtained from several states, including Idaho, where several HMOs had recently become insolvent. The information and suggested revisions obtained from this research survey were used to make sure that Senate Bill 353 addressed problems encountered by other states in their regulation of health maintenance organizations.

The model act regulating HMOs was adopted by the National Association of Insurance Commissioners (NAIC) in 1982. At that time there were few HMOs operating. Since then, these health organizations have become widespread. Experience has clearly pointed out the need for adequate regulation. The Commissioner's bill encompasses the recommendations from the NAIC model act, together with additional protections found to be necessary through recent experience by other states. This bill also reflects comments and suggestions requested from the Department of Health, which also has requirements that must be met by HMOs in this state.

SENATE HEALTH & WELFARE
EXHIBIT NO 1
DATE 2-18-87
BILL NO SB 349 & 353

In addition to the increased consumer protections included in this bill, Senate Bill 353 also differs from S.B. 349 in requiring a mandated offer of coverages of mental illness and chemical dependency (alcoholism and drug addiction). S.B. 349 requires mandated coverage of those disabilities.

This bill will provide adequate and fair regulation of health maintenance organizations operating in this state. That regulation will assure consumer protection both in terms of assuring the sound financial condition of the company, and assuring that the services provided and the claims procedures are fair and in the best interests of Montana residents.

WRITTEN TESTIMONY OF STATE AUDITOR
SENATE BILL 353
February 18, 1987

I. Reason for Senate Bill 353

The State Auditor requested Senate Bill 353 because existing law (specifically 33-22-111, MCA--Montana's freedom of choice of practitioners law) precludes health maintenance organizations (HMOs) from operating in Montana unless they are federally qualified or operated by a health service corporation like Blue Cross/Blue Shield. A health service corporation may operate a HMO in Montana because a Montana Attorney General's opinion holds that health service corporations are not insurance companies and therefore are not subject to the Montana Insurance Code (37 Op. Att'y Gen. 151 (1978)). A federally qualified HMO may operate in Montana because the Federal HMO Act (42 U.S.C. 300e (Supp. V. 1975)) preempts state laws like Montana's freedom of choice of practitioner's law (42 U.S.C. 300e-10(a)(1)(A) through (C)). Because of Montana's freedom of choice of practitioners law, no other HMO may operate in Montana. Senate Bill 353, if passed, would permit any HMO that meets its requirements to operate in Montana.

II. Senate Bill 353 Includes Consumer Protections not Included in Senate Bill 349

Senate Bill 353 includes important consumer protections not included in Senate Bill 349. For example, Senate Bill 353 meaningfully addresses the financial solvency of an HMO. It requires a HMO to have a minimum capital of at least $200,000 (page 33, line 8); whereas, Senate Bill 349 requires a HMO to have a minimum capital of only $100,000 (page 21, line 4). The $200,000 minimum capital required by Senate Bill 353 reflects the $200,000 that the Montana Insurance Code requires disability insurance companies to maintain (33-2-109, MCA). The $200,000 minimum capital required by Senate Bill 353 also takes into consideration that Montana should not require a HMO to have a higher minimum capital requirement than it requires disability insurance companies to maintain.

In terms of consumer protections related to matters other than financial integrity of the HMO, Senate Bill 353 specifies that each evidence of coverage must contain definitions of key terms used in the evidence of coverage (page 20, line 23 through line 6, page 21); clear disclosure of each provision that limits benefits or access to services (page 21, lines 7 through 24); clear disclosure of certain benefits (page 21, line 25 through line 4, page 22); newborn infant coverage (page 22, lines 5 through 7; and page 23, line 20 through line 16, page 24); mandated offer for medical treatment of mental health, alcohol and drug treatment (page 22, lines 8 through

SENATE HEALTH & WELFARE
EXHIBIT NO 1
DATE 2-18-87
BILL NO S/B 349 & 353

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This bill will provide adequate and fair regulation of health maintenance organizations operating in this state. That regulation will assure consumer protection both in terms of assuring the sound financial condition of the company, and assuring that the services provided and the claims procedures are fair and in the best interests of Montana residents.

regulate quality of care in HMOs. For example, Senate Bill 349 does not authorize the department of health to implement or enforce the HMO Act (page 31, line 4 through line 24, page 32 of SB 349). In addition, Senate Bill 349 does not include authority for the director of health to contract; whereas, Senate Bill 27 does (page 52, lines 1 through 7 of SB 353).

Senate Bill 353 gives the department of health 90 days (with an optional extension of 30 days) to certify a HMO application to the insurance commissioner (page 13, line 14); whereas, Senate Bill 349 provides only 30 days (page 8, line 10). Senate Bill 353 clarifies that the HMO Act does not exempt HMO activities from applicable certificate of need requirements (page 18, lines 2 through 5; page 40, lines 1 through 4; and page 50, lines 21 through 24). Senate Bill 349 does not address certificates of need for HMOs.

Senate Bill 353 provides that examination expenses are statutorily appropriated to the department of health as provided in 17-7-502, MCA (page 41, line 25 through line 5, page 42). Senate Bill 353 provides the department of health rulemaking authority; whereas, Senate Bill 349 does not. Senate Bill 353 merely permits the director of health to attend and participate in an administrative hearing instituted by the insurance commissioner (page 46, lines 10 through 11); whereas, Senate Bill 349 requires attendance and participation by the director of health in administrative hearings of the insurance commissioner (page 30, lines 1 through 3). Senate Bill 353 authorizes the director of health to assess fees necessary and adequate to cover the expenses of his functions, other than examinations, and statutorily appropriates those fees as provided in 17-7-502, MCA (page 47, lines 20 through 24). Senate Bill 349 does not address fees to cover the expenses of the director of health's functions.

V. Senate Bill 353 Accommodates the Small Insurance Department Staff; Whereas, Senate Bill 349 Does Not

Senate Bill 353 requires an applicant for a HMO certificate of authority to provide information that will assist the small insurance department staff in corresponding with the applicant (page 6, lines 1 through 12). It also permits an HMO to file a list of providers executing a standard contract and a copy of the contract instead of copies of each executed contract to decrease the amount of paper the part-time staff person must spend to review contracts and to accommodate the shortness of storage space in the insurance department (page 7, lines 11 through 13). Senate Bill 353 gives the insurance department 180 days after receipt of the certified application for a HMO certificate of authority from the department of health to issue or deny a certificate of authority (page 14, lines 4 through 7); whereas, Senate Bill 349 gives the insurance department only 30 days (page 8, line 10). Under present insurance law, the insurance department is

under no time limitation to approve or deny an application for a certificate of authority.

In addition, Senate Bill 353 includes no "deemer clauses"; whereas, Senate Bill 349 does. For example, Senate Bill 349 provides that (1) if the commissioner does not disapprove an exercise of power by an HMO within 30 days after the HMO notification, exercise of the power is deemed approved (page 11, lines 17 through 19 of SB 249); and (2) if the commissioner does not approve a form within 30 days of the filing of the form, it is deemed approved (page 15, lines 19 through 20). The part-time staff person who reviews and approves forms may not always have time to review a form within 30 days of filing. For example, a form may be lost in the mail, or the part-time form reviewer may become ill within 30 days of filing. The "deemer clause" of Senate Bill 349 leaves unclear whether a form is deemed approved even if the insurance department has communicated problems with the form to the filer but has not specifically disapproved it. Therefore, a "deemer clause" does not serve the best interests of Montana insurance consumers.

VI. Technical Problems with Senate Bill 349

Senate Bill 349 does not amend 33-22-111, MCA, Montana's freedom of choice of practitioners law, which effectively precludes the operation of HMOs in Montana except those HMOs that are either federally qualified or operated by health service corporations. Senate Bill 349, therefore, discriminates against non-health service corporation HMOs and non-federally qualified HMOs. Senate Bill 349 does not enable the operation of all HMOs in Montana.

SENATE HEALTH & WELFARE
EXHIBIT NO. 2
DATE 2-18-87
BILL NO. SB 349 & 355

BLUE CROSS & BLUE SHIELD OF MONTANA

Monies recovered on Valid Complaints

1986	1985	1984	1983
918.00	1266.00	975.00	242.65
139.25	18.60	736.00	167.00
106.80	25.00	120.00	186.00
1466.90	359.50	173.00	9244.00
87.50	261.60	788.00	361.54
221.44	226.00	225.00	2730.00
722.18	32.00	51.00	443.00
151.24	800.00	32.00	4718.00
1487.50	25.00	111.00	479.00
2089.60	2251.00	256.00	281.00
1208.00	543.00	3467.00	268.00
4750.00	247.00		163.00
1456.50	6054.70		3769.00
159.60			106.25
162.37			1374.00
1088.64			3683.00
1088.92			280.00
2948.66			365.00
127.90			499.00
396.10			1712.00
34.50			107.00
2377.29			1091.00
795.00			2866.00
23,983.89			1627.00
			997.00
			2997.00
			646.00
			315.20
			376.00
			2718.00
			1537.00
			812.00
			3479.00
			1561.00
			192.00
			259.00
			826.00
			944.00
			405.00
			348.00
			55174.64

LEGISLATIVE PLATFORM
Mental Health Association of Montana
1986 and 1987

Adopted by Board of Directors [illegible]

The Mental Health Association of Montana is a statewide [illegible] organization working to bring about the prevention of mental illness, [illegible] of mental health and improved services for individuals who are mentally ill. We recognize the state of the economy is unpredictable, but as advocates for quality mental health care and the rights of those in need, the Association supports the following in 1986 and 1987:

FUNDING ISSUES

1. We support adequate funding [illegible] care at state [illegible] facilities.

2. In times of [illegible] we demand [illegible] rather than [illegible] [illegible] treatment with [illegible]

3. We encourage [illegible] the Mental [illegible] to insure [illegible] and timely [illegible] as state law.

4. It is essential that there be funding for all [illegible] emotionally disturbed children [illegible]

5. We support the [illegible] persons of all ages [illegible] homes.

6. We recommend that additional funding [illegible] Hospital, community mental health centers [illegible] requirements of law but provide additional [illegible] clients.

7. We encourage [illegible] that help the mentally ill.

JUDICIAL ISSUES

1. MENTAL COMMITMENT ACT. The MHAM supports the continuation [illegible] bodied in HB[illegible] (1985 legislative session) [illegible] treatment to mentally ill persons who are not committable under the commitment law but are in need of treatment and unable to make a rational decision to seek such, providing protections for the person's civil rights [illegible] are comparable to the current law.

2. WEEKLY MEDICATION REVIEW. The MHAM opposes changing the law [illegible] weekly review of medications. We feel a change to "at least monthly" [illegible] would weaken the medication review requirement and leave consumers of mental health services at risk. We would recommend instead that treatment teams do monthly reviews of medications along with their comprehensive review of treatment plans.

Support 34 amend 3 to include alcohol drug abuse

SENATE HEALTH & WELFARE
EXHIBIT NO. 3
DATE 2-18-87
BILL NO. SJR 33

3. DUTY TO WARN: We support the concept of limiting the liability of licensed and/or certified professional persons in a situation when a client has made a serious threat of physical violence on the condition that any proposed legislation contain appropriate and sufficient protection for the client and the licensed and/or certified professional person alike.

4. PSYCHOLOGIST DEFINITION: We support the substitution of the title "Psychological Associate" for use with employees in state institutions who are currently titled psychologists but are non-licensed.

5. CONSUMER MEMBERSHIP ON BOARDS: We are supportive of any legislation that gives mentally ill consumers and family members more direct and active voices on boards that deal with mental health issues and that receive significant amounts of public funds.

SERVICE ISSUES:

1. HEALTH MAINTENANCE ORGANIZATIONS: The MHAM supports the HMO concept providing that each HMO is:

   A. Integrated into the total health delivery system.
   B. Able and willing to serve the community as a whole.
   C. Open to and guided by the needs of the community of consumers and providers for a comprehensive mental health system.
   D. Able and willing to provide adequate mental health services to a broad spectrum of the community, where feasible by contract with a community mental health center or other comprehensive community mental health service provider.

2. MANDATED INSURANCE:

   A. We support increased benefit coverage in mandated insurance up to levels applicable to physical illness.
   B. We encourage elimination of the interdisciplinary team requirement for reimbursement by third parties.

CHILDREN AND YOUTH ISSUES:

We support adequate and appropriate treatment of all emotionally disturbed children and youth and are watching all related issues.

MISCELLANEOUS ISSUES:

1. SUPERINTENDENT OF MONTANA STATE HOSPITAL: We support deleting the statutory requirements for hiring of the superintendent at Montana State Hospital.

2. CERTIFICATE OF NEED: We support the enactment of workable certificate of need process, which is more responsive to mental health needs.

NASW National Association of Social Workers

MONTANA CHAPTER

TESTIMONY ON SB 349 AN ACT TO REGULATE HEALTH SERVICE ORGANIZATIONS

February 18, 1987
Senate Public Health Committee

My name is Judith H. Carlson representing the Montana Chapter, National Association of Social Workers. We strongly support SB 349. We suggest that the committee approve this bill because of the need to regulate the health maintenance organizations according to the existing insurance laws of this state. Our present law requires mental health coverage on a mandated basis. We support the inclusion of mandated mental health coverage by health maintenance organizations. SB 349 does just that.

We appreciate the fact that the State Auditor and Insurance Commissioner, Andrea Bennett, did include social workers and other mental health groups in her planning for HMO regulation. We are at a loss as to why she has not chosen to include mandated mental health coverage in her bill because we have made it clear from the beginning that this was a "must" for us.

Since you have two bills before you which deal with the same subject, we urge you to support SB 349 because of its mandated mental health coverage.

Thank you very much.

Judith H. Carlson

SENATE HEALTH & WELFARE
EXHIBIT 5
DATE 2-18-87
BILL NO 295 & 253

Madame Chairman. Members of the Committee.

My name is Holly Kaleczyc.

I am here today to represent the Montana Psychological Association in general support of SB 349, sponsored by Senator Regan and Senator Himsl.

The Montana Psychological Association believes that HMOs provide new opportunities for the the delivery of cost-effective, innovative health care.

We support SB 349 because it clearly defines "Basic health care services" to include mental health services and services for alcohol or drug abuse as required services.

Mental health care is a critical part of health care and recent documented studies have shown that the use of medical services decreases when appropriate mental health services are provided.

Mental health treatment saves health dollars.

In fact, as many as 60% of total patient visits to physicians are due to emotional problems, not physical ailments.

The two bills before you, which authorize and regulate Health Maintenance Organizations are enormously complicated.

As you deliberate, we ask that you support HMO legislation that mandates mental health coverage.

We also suggest that you keep the following questions in mind:

1. Is the bill written for the benefit of consumers or for the benefit of someone else?

2. Does it prohibit discrimination and assure consumer choice of mental health providers and other specialists?

3. Does it allow financial incentives to individuals if they agree to limit access to necessary health care?

4. Who sits on the governing board? Just physicians? Is it multidisciplinary? Are consumers represented?

5. Does it provide consumers with "truth-in-packaging"---full, clear, easy to understand information on benefit levels, cost cutting strategies, limitations, and the utilization/quality mechanisms operating inn HMOs?

Thank you for your hard work and attention to this important legislation.

SENATE HEALTH & WELFARE
EXHIBIT NO. 6
DATE 2-18-87
BILL NO SB 349 & 253

Important Differences between SB 349 and SB 353

1. Basic Health Care Services

   Recommendation: amend SB 353 to include mental health services and services for alcohol and drug abuse

2. Provider (SB 353 lists specific occupational groups)

   Recommendation: SB 349 is broader and would prevent future bills to amend in other specific occupational groups

3. Application for certificate of authority

   Recommendation: SB 349 appears to cover more territory and allows more flexibility on the part of the commissioner, but SB 353 includes two items that tend to protect consumers: pp. 7-8, on certain provisions that will appear in enrollees' contracts and on marketing surveys. SB 353 also includes items that the Puget Sound HMO person felt were damaging, such as projected enrollments in the area and details on administrative services (pp. 9-10). SB 349 does contain a residual category on p. 6.

4. Modifications to plan

   Recommendation: SB 353 details types of modification that must be filed, but neither bill provides for a hearing on disapproval of modification

5. Certification by health department

   Recommendation: SB 353 gives DHES 90 days to determine whether an application should be approved, compared with 30 in SB 349. Steve Brown questioned whether DHES could make this determination at all.

6. Issuance of certificate of authority by commissioner

   Recommendation: SB 353 gives the commissioner another 90 days to issue a certificate, compared with 30 in SB 349; the total lapse is 270 days in SB 353, compared with 60 in SB 349.

   Both bills require a judgment of the applicant's character (p. 8 in SB 349), which was criticized by Steve Brown

SENATE HEALTH & WELFARE
EXHIBIT NO. 5
DATE 2-18-87
BILL NO. SB 349 & SB 353

7. Certificate of need requirement

Recommendation: SB 349 does not address Certificate of Need but SB 353 makes HMOs subject to any applicable CON requirements (p. 3, the CON bill specifically includes HMOs.

8. Enrollee participation in major policy decisions]

Recommendation: Both bills have the same provision, which Steve Brown found objectionable (see p. 12 in SB 349)

9. Evidence of coverage provisions

Recommendation: SB 353 includes a great many more provisions that must be included, though the general language in SB 349 could be interpreted as the same coverage (p. 13 in SB 349 vs. pp. 21-24 in SB 353)

10. Charges

Recommendations: SB 353 prohibits changes in charges to enrollees more than once a year unless "actuarily justified." This may or may not be additional consumer protection.

11. Annual statements

Recommendations: SB 353 requires an annual financial statement, whereas SB 349 merely requires a report. SB 353 requires a fee to accompany the statement and provides a penalty for failure to file.

12. Information to enrollees

Recommendation: Both bills require "prompt" notification to enrollees; Steve Brown suggested that a specific time frame should be included.

13. Complaint systems

Recommendation: Both bills require commissioner approval, as well as review, of a complaint system, but SB 349 also requires DHES consultation. SB 353 establishes some features of a complaint system, involving notification of enrollees and a time limit for response, that don't appear in SB 349.

SENATE HEALTH & WELFARE
EXHIBIT NO 6
DATE 2-18-83
BILL NO SB 349-353

14. Investments

Recommendation: SB 349 seems to allow more leeway in investments, though both bills refer to commissioner discretion.

15. Protection against insolvency

Recommendation: Except for the larger capital requirement in SB 353, bills appear to contain the same provisions. (See pp. 17-21 in SB 349 vs. pp. 29-33 in SB 353). Steve Brown said SB 349 was preferable but still too restrictive.

ROLL CALL VOTE

SENATE COMMITTEE Public Health, Welfare and Safety

Date 2-18-87 Bill No. 246 Time 1:18

NAME	YES	NO
Dorothy Eck	X	
Bill Norman		X
Bob Williams		X
Darryl Meyer	X	
Eleanor Vaughn	X	
Tom Rasmussen	X	
Judy Jacobson	X	
Harry H. "Doc" McLane		X
Matt Himsl	X	
Tom Hager	X	

Ellen Nehring
Secretary

Dorothy Eck
Chairman

Motion: To pass S.B. 246 unamended.

1987

STANDING COMMITTEE REPORT

SCRSB305

February 18, 19 67

MR. PRESIDENT

We, your committee on Public Health, Welfare, and Safety

having had under consideration Senate Bill No. 305

first white
_____ reading copy (_____)
color

ALLOW QUALIFIED DENTISTS TO PERFORM PHYSICAL EXAMS ON HOSPITAL ADMISSIONS

Respectfully report as follows: That Senate Bill No. 305

BE AMENDED AS FOLLOWS:

1. Title, line 5.
Following: "QUALIFIED"
Strike: "DENTIST"
Insert: "ORAL SURGEON"

2. Page 1, line 11.
Following: "(1)"
Insert: "For purposes of this section, "oral surgeon" means a dentist who has successfully completed a postgraduate program in oral surgery accredited by a nationally recognized accreditation body approved by the United States office of education.
(2)"
Following: "qualified"
Strike: "dentist"
Insert: "oral surgeon"
Renumber: subsequent subsection

3. Page 1, line 13.
Strike: "having only dental problems"
Following: "hospital"
Insert: "for oral or maxillofacial surgery"

~~DO PASS~~

~~DO NOT PASS~~

CONTINUED

Chairman.

February 18, 87
19

4. Page 1, line 14.
Following: "perform a"
Strike: "complete"

5. Page 1, line 18.
Following: "that"
Strike: "such privileges"
Insert: "any specific privilege, including taking a history or performing a physical examination,"

6. Page 1, line 19.
Following: "any"
Strike: "dentist"
Insert: "oral surgeon"

7. Page 1, following line 19.
Insert: "Section 2. Extension of authority. Any existing authority of the department of health and environmental sciences and the board of dentistry to make rules on the subject of the provisions of this act is extended to the provisions of this act."

Renumber: subsequent section

STATEMENT OF INTENT APPROVED AND ATTACHED

AND AS AMENDED, DO PASS

Senator Eck

February 18, 1987

MR. PRESIDENT:

WE, YOUR COMMITTEE ON PUBLIC HEALTH, WELFARE AND SAFETY HAVING HAD UNDER CONSIDERATION SENATE BILL NO. 305, ATTACH THE FOLLOWING STATEMENT OF INTENT:

STATEMENT OF INTENT
Senate Bill No. 305

This bill may require the department of health and environmental sciences to amend Rule 16.32.320, Administrative Rules of Montana, or to modify its interpretation of that rule, which incorporates by reference federal regulations governing hospital staffing (42 CFR 405 subpart J). If the federal regulations do not prohibit a hospital from authorizing an oral surgeon to take patient histories and perform physical examinations, no action by the department is contemplated. Because the federal regulations are ambiguous, the department may make appropriate changes in its rules if necessary to administer this act.

Should other dental specialties emerge, with in-hospital training equivalent to that of oral surgeons, the board of dentistry may recognize these specialists as qualified to take patient histories and perform physical examinations.

STANDING COMMITTEE REPORT

February 13 19 87

MR. PRESIDENT

We, your committee on SENATE PUBLIC HEALTH, WELFARE AND SAFETY

having had under consideration SENATE BILL No. 246

First reading copy (White color)

EXTEND AND REVISE THE CERTIFICATE OF NEED LAW

Respectfully report as follows: That SENATE BILL No. 246

DO PASS

~~DO NOT PASS~~

Dorothy Eck Chairman.