

MINUTES

MONTANA HOUSE OF REPRESENTATIVES  
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON HUMAN SERVICES AND AGING

Call to Order: By Stella Jean Hansen, on January 23, 1989,  
at 3:00 p.m.

ROLL CALL

Members Present: All, except

Members Excused: Rep. Gould

Members Absent: Absent

Staff Present: Mary McCue, Legislative Council

Announcements/Discussion: None

HEARING ON HB 225

Presentation and Opening Statement by Sponsor: Rep. Squires stated an act assuring dental patients freedom to choose a dentist when receiving dental benefits through health insurance or health maintenance plans was the subject of this bill. The Montana Dental Association is concerned that the growing number of health maintenance organizations throughout the nation threaten to alienate the patients' rights to choose the dental provider of their choice. It is important to point out that the freedom of choice legislation is not new to America. Several other states have enacted legislation that requires employers to offer employees freedom of choice dental insurance plans along with any closed panel dental coverage plans offered.

List of Testifying Proponents and What Group They Represent:

Joel Maes, Montana Dental Association  
Roger Tippy, Montana Dental Association  
Steve Brown, Blue Cross and Blue Shield of Montana

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Joel Maes, a proponent to this bill states that the freedom of choice legislation will allow insured individuals to continue established relationships with the doctor of their choice or to change to another without regard to changes in insurance companies, plans, or concepts. Freedom of choice stimulates competition and competition is the reason dental fees have not surged out of control in the past 20 years. Dental costs are easily predicted and catastrophic losses do not occur. Exhibit 1.

Roger Tippy supports this legislation and said that some of the legal aspects of this bill is the issue of the anti trust laws. Mr. Tippy also suggested that amendments to this legislation might be in order.

Steve Brown is neither a proponent nor an opponent to this legislation and had concerns about the bill. Mr. Brown suggested the bill does need some work from a subcommittee with amendments.

Questions From Committee Members: Rep. Simon asked Mr. Tippy to explain the belt and suspender concept or the insurance aspect and the professional conduct. In the tradition of the old freedom of choice statute, 33-22-111, initially no chiropractor, dentist, optometrist, etc. could be denied reimbursement if they were overlapping what an M.D. did. The dentist would accept this penalty on themselves for violating it, the dentists did not simply want the carrot and not accept the stick as well.

Closing By Sponsor: Rep. Squires closed on this bill.

## DISPOSITION OF HB 225

Motion: Rep. Good made a Motion to Move the bill.

Discussion: Rep. Squires then made a Motion to place this bill in a subcommittee. All voted in favor and the subcommittee was formed of Reps. Squires, Nelson and McCormick.

## HEARING ON HB 243

Presentation and Opening Statement by Sponsor: Rep. Rice stated that this bill was an act to provide supervised work programs and support services for persons with severe disabilities; to redefine terms and clarify provisions relating to sheltered workshops and work

activity centers. The bill is referred to as the support services bill. There are various services that are available to the severely disabled through the Department. Many of those people do reach a point in their rehabilitation where they become eligible for employment. At that time they qualify to come under the vocational rehabilitation extended employment program which as a program is used to place clients in employment. The program is funded by state dollars. After these persons are placed in employment the financial support is being withdrawn from them because the Department does not have statutory authority to continue support of these individuals.

List of Testifying Proponents and What Group They Represent:

Margaret Bullock, Montana Department of Social and Rehabilitation Services

Jim Smith, Montana Association of Rehabilitative Services and Montana Association of Rehabilitative Facilities

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Margaret Bullock supports this legislation and stated that the enabling federal legislation continues to change every two years, and typically the federal regulations that define program intent and implementation also are never passed until a year congress passes a law and this is what has happened to supported employment. The Department is asking for state authorizations.

Jim Smith supports this legislation and said that with this legislation the job will be easier, more efficient and simpler and will be able to provide more appropriate services to those who need them. In addition, this bill represents the evolution in terms of we as a society relate to persons with disabilities.

Questions From Committee Members: Rep. Good asked Ms. Bullock about her statement concerning no new money to fund this program. Ms. Bullock said that the money would be diverted from other programs. The money as it is appropriated now is going exclusively to seven organizations that have national accreditation which is a criteria for receiving the money. Rep. Good then asked Ms. Bullock what percent of the people in sheltered workshops can go on to this program and she

said there were 65 people yearly who could qualify.

Rep. Stickney asked Ms. Bullock if the Department was willing to divert some of the money to clients of theirs who would want to do this program. Ms. Bullock said that it was.

Rep. Boharski asked if the \$280,000.00 that was now being used; does any none of that money qualify for federal matching funds and Ms. Bullock said that it was only a small part of the total budget but all of the \$280,000.00 had no matching dollars from the federal government. The Department has no federal funds available through the Vocational Rehabilitation system to pay for the support services after a person is competitively employed.

Rep. Good then asked Ms. Bullock if the support services were indefinite. Ms. Bullock said that they were.

Rep. Lee asked Ms. Bullock if the figure of \$50,000.00 was to be transferred from other funds and Ms. Bullock said that it would and it would also pay for the job coaching.

Rep. Simon then questioned Rep. Rice about rule making and a statement of intent and Rep. Rice said that one had not been prepared but one could be available.

Closing by the Sponsor: Rep. Rice closes on the bill.

#### DISPOSITION OF HB 243

Motion: Rep. Good made a Motion to DO NOT PASS.

Discussion: Rep. Boharski asked Rep. Good the reason for not to pass and Rep. Good stated that this bill would further serve to consolidate the rule making authority of SRS and the estimate of what this was going to cost and being able to divert funds is nothing more than a game.

Rep. Simon made a Substitute Motion to DO PASS AS AMENDED. and Mary McCue stated that on page 7, the language was buried in this section. Rule making does appear in only this section. An amendment of rule making already does appear.

Rep. Good stated her desire to reflect this as part of the record, she absolutely does support moving people out of the warehousing that sheltered workshops provide and more into the mainstream. While Rep. Good supports

that concept, her concern is that the Department seems to be hazy about the funding and the different number of job coaches being served on \$50,000.00. Rep. Good determines that this will not be feasible.

Rep. Hansen indicated that this bill was referring to the case management people who are out on contract to private corporations that provide the case management.

Rep. Strizich made a move to amend the bill on page 6, line 13, to strike "workshop" and insert "employment provider."

Rep. McCormick made a Motion to DO PASS AS AMENDED.

Amendments and Votes: A roll call vote was taken and all voted in favor with the exception of Rep. Good.

#### HEARING ON HB 252

Presentation and Opening Statement by Sponsor: Rep. Spring stated that this bill was an act designating the National Accreditation Commission for schools and colleges of acupuncture and oriental medicine as the entity authorized to approve schools of acupuncture.

List of Testifying Proponents and What Group They Represent:

Jerome Loendorf, American Medical Association

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Jerome Loendorf is a proponent of this bill and stated that the reason for this proposed change is to approve medical schools whereas the National Accreditation Commission referred to in the bill, approves schools of acupuncture and that actually the designation of the American Medical Association in the law was inadvertent.

Closing by Sponsor: Rep. Spring closes on the bill.

#### DISTRIBUTION OF HB 252

Motion: Rep. Knapp made a Motion to DO PASS.

Recommendation and Vote: A vote was taken and all voted in

favor.

EXECUTIVE ACTION

DISPOSITION OF HB 259

Motion: Rep. Strizich made a Motion to Table this bill.

Discussion: None

Recommendation and Vote: A vote was taken and all voted in favor of tabling the bill.

ADJOURNMENT

Adjournment At: 4:25 p.m.

  
REP. STELLA JEAN HANSEN, Chairman

SJH/ajs

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DAILY ROLL CALL

HUMAN SERVICES AND AGING COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date 1-23-89

NAME	PRESENT	ABSENT	EXCUSED
Stella Jean Hansen	✓		
Bill Strizich	✓		
Robert Blotkamp	✓		
Jan Brown	✓		
Lloyd McCormick	✓		
Angela Russell	✓		
Carolyn Squires	✓		
Jessica Stickney	✓		
Timothy Whalen	✓		
William Boharski			
Susan Good	✓		
Budd Gould			✓
Roger Knapp	✓		
Thomas Lee	✓		
Thomas Nelson	✓		
Bruce Simon	✓		

STANDING COMMITTEE REPORT

January 23, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Human Services and Aging report that HOUSE BILL 243 (first reading copy -- white) do pass as amended .

Signed: \_\_\_\_\_  
Stella Jean Hansen, Chairman

And, that such amendment read:

1. Page 6, line 13.

Strike: "workshop"

Insert: "employment provider"



STANDING COMMITTEE REPORT

January 23, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Human Services and Aging  
report that HOUSE BILL 252 (first reading copy -- white) do  
pass.

Signed: \_\_\_\_\_  
Stella Juan Hansen, Chairman

STANDING COMMITTEE REPORT

January 23, 1969

Page 1 of 1

Mr. Speaker: We, the committee on Human Services and Aging,  
with a quorum present and voting, report that HOUSE BILL 259  
(first reading copy -- white) BE TABLED.

Signed: \_\_\_\_\_  
Stella Jean Hansen, Chairman

Madam chairman, members of the committee: I am Dr. Joel Maes representing the Montana Dental Association. I'm speaking in favor of HB 225.

The emergence of Health Maintenance Organization, Capitation Program and Preferred Provider Organization has produced the need for the legislation introduced by Rep. Squires. These programs frequently require the insured individual to use specific health care providers if they wish to receive benefits. A common element is some restriction on the patient's choice of provider.

The proposed legislation would:

1. Ensure the right of the individual to select the dentist of his/her choice.
2. Allow any qualified dentist the right to participate on any closed or limited panel of dental providers.
3. Allow the Board of Dentistry to further define unprofessional conduct to include participation by a dentist in a plan which denies such freedom of choice.
4. Will require an employer to provide equal coverage for employees who choose a freedom of choice plan.

The American Dental Association and the Montana Dental Association endorse the concept that the patients' selection of the provider of his/her choice is a right, not a privilege to be extended or withheld at the discretion of the carrier or employer. To date, over 15 states have enacted laws to protect the rights of patients to receive care from the doctor of their choice.

EXHIBIT 1  
DATE 1-23-89  
HB 225

Frequently, opponents of freedom of choice legislation make the argument that this legislation undercuts cost containment efforts and interferes with development of new payment and delivery mechanism.

In reality, over the past 20 years the cost of dental care has risen less than the rate of inflation for all services and only slightly more than the overall Consumer Price Index. Increases in the cost of dental care <sup>have</sup> ~~has~~ remained well below increases for medical and hospital care. Additionally, freedom of choice laws that regulate insurers and dental plan organizations do not preclude contractual obligations to pay providers at discounted rates. They do assure that covered individuals are treated the same regardless of which doctor renders their care.

Simply stated, freedom of choice legislation will allow insured individuals to continue established relationships with the doctor of their choice or to change to another without regard to changes in insurance companies, plans, or concepts.

Freedom of choice stimulates competition . . . and ladies and gentlemen, competition is the reason dental fees have not surged out of control in the past 20 years. Dental costs are easily predicted and catastrophic losses do not occur.

Consumer choice has been the time honored method of producing the highest quality services at the lowest cost. In fact, quality of care is the critical issue we face in this discussion. My personal experience as a member of a closed

panel in the state of Minnesota suggests that a diminished quality of care rather than an enhancement is the likely result.

We believe that enactment of this legislation is in the best interest of the people of Montana. We encourage your support.

## HUMAN SERVICES AND AGING COMMITTEE

DATE 1/23/89

SPONSOR Rep. Squires

Comment

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

# VISITORS' REGISTER

HUMAN SERVICES AND AGING COMMITTEE

BILL NO. HB 243

DATE 1/23/89

SPONSOR      Rep. Rice

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## HUMAN SERVICES AND AGING COMMITTEE

DATE 1/23/89

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.