

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Bob Brown, Chairman, on Thursday,
March 2, 1989, at 8:00 a.m.

ROLL CALL

Members Present: Senator Brown, Senator Hager, Senator
Norman, Senator Eck, Senator Bishop, Senator Halligan,
Senator Walker, Senator Harp, Senator Gage, Senator
Severson, Senator Mazurek, Senator Crippen

Members Excused: None

Members Absent: None

Staff Present: Jill Rohyans, Committee Secretary
Jeff Martin, Legislative Council

Announcements/Discussion: None

HEARING ON HOUSE BILL 402

Presentation and Opening Statement by Sponsor:

Representative Jan Brown, District 46, sponsor, said the bill continues funding for the Montana Medical Genetics Program by increasing the fee on health insurers from thirty-five to forty-five cents. The bill's sunset provision is changed from June 30, 1989, to June 30, 1991. Representative Brown said the original plan had been to have the funding included in the executive budget. However, with the change in administration, it was not included. Therefore, it was decided to attempt to extend the funding and sunset provisions for another two years in hopes of establishing a permanent funding base at that time.

List of Testifying Proponents and What Group they Represent:

Chad Smith, Board of Trustees, Shodair Hospital
Dr. John Opitz, Chairman, Department of Medical
Genetics, Shodair Hospital
Joan FitzGerald, Genetic Counselor and Clinical
Coordinator, Shodair Department of Medical Genetics
Denise Gleason, parent

Dr. Jeff Strickler, Academy of Pediatrics
Jerry Loendorf, Montana Medical Association
Jim Ahrens, Montana Hospital Association
Jeanne Bennetts, Montana Nurses Association
Jill Rohyans, parent

List of Testifying Opponents and What Group They Represent:

Peter Pauly, Health Insurers Association of America
Larry Akey, Montana Association of Life Underwriters

Testimony:

Chad Smith, member of the Board of Trustees, Shodair Hospital, introduced Dr. John Opitz, Chairman, Department of Medical Genetics, Shodair Hospital, Helena.

Dr. John Opitz, Chairman, Department of Medical Genetics, Shodair Hospital, Helena, presented his testimony in support of the bill (Exhibits #1 and #2).

Joan FitzGerald, Genetic Counselor and Clinical Coordinator, Shodair Department of Medical Genetics, presented her testimony in support of the bill (Exhibit #3).

Denise Gleason, a parent who had worked with Shodair Genetics during her pregnancy, presented her testimony in support of the bill (Exhibit #4).

Dr. Jeffrey Strickler, Montana and American Academy of Pediatrics, presented a letter in support of the bill from Dr. William Peters (Exhibit #5). Dr. Strickler said the Shodair Genetics unit is an invaluable resource to the Montana medical community with fast and accurate diagnosis and support for the medical community and at-risk families. Without the services Shodair provides, people would have to travel to the large cities such as Salt Lake, Seattle, etc., which is a prohibitive expense for most and an inefficient and sometimes ineffective way to treat the potential problems involved.

Jerry Loendorf, Montana Medical Association, expressed enthusiastic support for the bill stating the good work the Shodair unit does for the parents, families, and medical community in Montana is extremely important. He stated the small cost of this bill bears no comparison to the tremendous amount of good it generates.

Jim Ahrens, President, Montana Hospital Association, said his organization supports the bill noting an ounce of prevention is worth a pound of cure. The services provided by the clinic at the first hint of trouble save a great deal of time and money at a later stage of development. He also commented on the human dimension of the care and support the clinic provides, the benefits of which are incalculable.

Jeanne Bennetts, Montana Nurses Association, said her organization applauds the work being done by the Genetics program and urged support for the bill.

Chad Smith, member of the Board of Trustees, Shodair Hospital, said the overall cost of the Genetics program is \$762,000 a year, with \$303,000 a year coming from operating revenue and \$23,000 from grants and library service fees. The bill would cost approximately \$344,000 per year leaving a balance of \$91,000 per year which is paid by the Montana Children's Foundation. The funding in the bill is based on a 45 cent tax on 764,000 health insurance policies currently carried by Montanans. Mr. Smith said he was empowered to present the endorsement of the bill by Blue Cross Blue Shield of Montana who recognize the long range benefit of the program to the families of Montana as well the to the cost of early diagnosis and treatment versus treatment which must continue a lifetime. Genetics is a science which helps reduce health care costs by a long range plan to avoid catastrophic health problems as much as possible through early diagnosis and treatment. Under Montana law at present, insurance companies must provide immediate coverage for newborn infants. These can be very expensive with costs running easily in the \$500,000 range for one child born with problems.

Jill Rohyans, a parent of a child with disabilities, spoke in support of the bill, saying her family had used the services of the clinic with a brother, daughter and a grandson. She stressed the importance of pre-birth genetics counseling for some couples as well as the immediate intervention at birth with support and information that is so critical to new parents who are faced with a newborn with problems. Mrs. Rohyans felt the funding mechanism in the bill is entirely appropriate as the insurance companies only benefit from the reduction in cost of long term treatment that is reduced or eliminated by early treatment and intervention by the program.

Opponents:

Peter Pauly, representing the Health Insurance Association of America, presented his testimony in opposition to the bill (Exhibit #6).

Larry Akey, Montana Association of Life Underwriters, said he spoke as an opponent not to the program but only to the funding mechanism. He suggested the bill be amended by striking section 1 and 2 and renumbering the subsequent sections. He said this is a selective tax on policyholders of health insurance policies. He felt the appropriation is not insignificant and should be heard as an appropriations bill, hence the amendment.

Questions From Committee Members:

Senator Halligan inquired about infant mortality and the importance of educating obstetricians about the availability of early intervention and genetics services.

Dr. Strickler said there is Healthy Mothers Healthy Babies program in this state which is quite effective. He said teenage pregnancies and access to care are two of the biggest problems now existing in terms of prenatal and neonatal deaths. Some parts of those problems can be attacked, however, there are also societal and financial components that are hard to overcome.

Senator Crippen stated that insurance policies do not except genetic defects and with that as a given factor he asked Mr. Pauly if he didn't think the 45 cent fee is a cost related benefit to the insurance industry.

Mr. Pauly said the 45 cents is an added cost to the insurance company in addition to paying benefits in the case of a child born with birth defects.

Senator Crippen asked if there is information available regarding the amount that is spent in Montana in benefits to children born with genetic defects.

Mr. Pauly said he did not have it but would obtain those figures for Senator Crippen.

Senator Crippen asked why Blue Cross and Blue Shield are supporting the bill and further asked Steve Brown why he did not testify to that effect.

Steve Brown said they recognize the funding dilemma faced by the legislature and the value of the genetics program. He said all the employees of Blue Cross Blue Shield live in Montana and they recognize the value of the program to the citizens of this state. They would prefer to see the program funded from the general fund also, however, political and fiscal reality dictates this approach and they do not want to see the program endangered for lack of funding.

Representative Brown had to leave before the end of the hearing and was not able to close. The hearing was closed by Chairman Brown.

EXECUTIVE SESSION

DISPOSITION OF SENATE BILL 339

Discussion: See below

Amendments and Votes:

Senator Gage MOVED to amend the bill on page 17 as per the attached proposed amendment (Exhibit #7). The amendment clarifies the language regarding the penalty and interest being assessed on an amended return. If a lower amount of tax is to be paid according to the amended return, the penalty and interest will be assessed on the lower amount.

Senator Brown asked if this would have any effect on the fiscal note.

Senator Gage said he did not know for sure, but assumed it would be fairly minor if there was an effect.

The motion CARRIED unanimously.

Senator Mazurek questioned the language in section 3, page 8. He said in the existing 15-30-131 if someone has a business or farm or ranch in Montana and then sells it on installments and moves to Arizona, the income from the sale is considered Montana income. This is substantially changed in the new language.

Senator Gage said he had also questioned the changes in section 3. He felt it needed to be clarified and said he did not have a particular preference.

Senator Mazurek MOVED to strike section 3 in its entirety and conform the titles. The motion CARRIED unanimously.

Recommendation and Vote:

Senator Gage MOVED SB339 Do Pass As Amended. The motion CARRIED unanimously. (Action was again taken on SB 339 on 3/3/89 - see minutes for copy of standing committee report)

DISPOSITION OF SENATE BILL 411

Discussion: None

Amendments and Votes:

Senator Harp MOVED to amend the bill as per Exhibit #8. The motion CARRIED unanimously.

Recommendation and Vote:

Senator Harp MOVED SENATE BILL 411 Be Concurred In As Amended. The motion CARRIED on a roll call vote (Exhibit #9).

DISPOSITION OF HOUSE BILL 402

Discussion: None

Amendments and Votes: None

Recommendation and Vote:

Senator Crippen MOVED HB 402 Be Concurred In As Amended. The motion CARRIED unanimously.

DISPOSITION OF SENATE BILL 379

Discussion: None

Amendments and Votes: None

Recommendation and Vote:

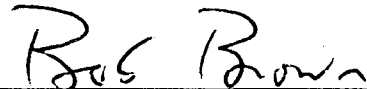
Senator Severson MOVED SB 379 DO PASS. The motion CARRIED
on a roll call vote (Exhibit #10).

Further Business of the Committee:

Senator Mazurek MOVED to introduce a committee bill dealing
with the prorated refund of property taxes for personal
property removed from the state. The motion CARRIED
with Senator Crippen voting no.

ADJOURNMENT

Adjournment At: 10:00 a.m.



SENATOR BOB BROWN, Chairman

BB/jdr

MIN302:jdr

ROLL CALL

TAXATION

COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date 3/2/89

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BROWN	X		
SENATOR BISHOP	X		
SENATOR CRIPPEN	X		
SENATOR ECK	X		
SENATOR GAGE	X		
SENATOR HAGER	X		
SENATOR HALLIGAN	X		
SENATOR HARP	X		
SENATOR MAZUREK	X		
SENATOR NORMAN	X		
SENATOR SEVERSON	X		
SENATOR WALKER	X		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

March 2, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration HB 402 (third reading copy -- blue), respectfully report that HB 402 be concurred in.

Sponsor: Brown, J. (Mazurek)

BE CONCURRED IN

Signed: Bob Brown
Bob Brown, Chairman

41.0
312159
12:00

SENATE STANDING COMMITTEE REPORT

March 2, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration SB 411 (first reading copy -- white), respectfully report that SB 411 be amended and as so amended do pass:

1. Page 2, line 2.

Following: "The"

Strike: "Except as provided in 61-8-718(3), the"

Insert: "The"

AND AS AMENDED DO PASS

Signed: _____

Bob Brown
Bob Brown, Chairman

SENATE STANDING COMMITTEE REPORT

March 2, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration SB 379 (first reading copy -- white), respectfully report that SB 379 do pass.

DO PASS

Signed: Bob Brown
Bob Brown, Chairman

71. C.
3/2/89
12:24 PM

HB 402: AN ACT TO CONTINUE FUNDING FOR THE STATEWIDE GENETICS PROGRAM

Testimony by Dr. John M. Opitz, M.D., M.D. (hc), D. Sci. (hc)
Chairman, Department of Medical Genetics
Clinical Professor of Pediatrics and Medicine
(Medical Genetics), University of Washington;
Adjunct Professor of Medical Genetics and
Pediatrics, University of Wisconsin-Madison; and
Adjunct Professor of Biology (Genetics), History,
Medicine (WAMI) and Veterinary Science, MSU.

Date: 2 March, 1989, Senate Taxation Committee

History: In 1985 the 49th legislature passed HB430 which established and funded 50-19-211 MCA - the voluntary genetics program (Montana Medical Genetics Program). This "program includes, but is not limited to, the following services:

- 1.) Follow-up 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."

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Thus, I need to stress that the Montana Medical Genetics Program is a service, not a research program. We are serious about the teaching provisions of the law so long as they don't interfere with our service obligations.

In 1987, the 50th legislature re-appropriated funds for the program under HB716 with the same premium-tax funding mechanism by a 3:1 vote. We are most grateful to Blue Cross/Blue Shield for its support of HB402 on the basis of the need for and the merit of the Program.

Genetic Services have been provided in Montana since Dr. Pallister established a Genetics unit at Boulder in 1961 under the Department of Institutions; when Dr. Pallister retired from Boulder in 1976 the unit closed and the Board of Trustees of Shodair Children's Hospital asked him to establish a Genetics and Birth Defects unit at Shodair. This is the only Medical Genetics unit in Montana.

Need for the Program: Genetic services to ranchers through agricultural extension services of our land-grant college and genetic research in crops and livestock have received extensive legislative funding in Montana for several decades before it was realized that the people of Montana also have needs for genetic services.

In Montana, no less than in the rest of the nation,

- ° Some 15-20% of the people are in need of a genetic service, whether that is diagnosis, counseling, prenatal diagnosis, chromosome studies or fetal pathology; this means 120,000 to 160,000 persons in Montana, including 40,000 alone who are carriers of cystic fibrosis.

- ° Genetically-caused or -predisposed conditions are responsible for over 50% of all deaths;
- ° In 1985 the total Montana health care bill was 1.4 billion dollars. Very conservatively estimated, some 54% of that bill, or \$756 million in Montana, is spent on genetically-caused or -predisposed disorders. This amounts to \$945 - 1,000/person/year. Compared to that, 45 cents per health-insured person is a trivial sum.

Cost of the Program: No clinical genetics program anywhere pays for itself through fees and third party payments. That is because clinical genetics is an extremely labor-intensive activity with heavy emphasis on library and information services which generate virtually no income, and the need to see many patients and families unable to pay a part or any portion of their bill. We receive no support from the universities with whom we are affiliated, and no federal funds have been available to Montana directly since the early 1980's.

Progress Report: Since the formal inauguration of the Montana Medical Genetics Program on 7/1/85 we have:

- ° Seen 1161 patients at Shodair and on field clinics in Missoula, Kalispell, Great Falls, Billings, Sidney and Miles City. This number does not include hundreds of phone and mail consultations provided during that time;
- ° Performed 366 fetal genetic pathology studies;
- ° Performed (since 7/1/87) 3215 maternal serum alphafetoprotein determinations;

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- ° completed cytogenetic tests on 2290 specimens including blood lymphocytes, fibroblasts, amniocytes, bone marrows, etc;
- ° filled almost 14,000 library requests including computer searches, answers to questions, copies of articles, use of library site and materials, instructions in library resources, and interlibrary loans. About half of the requests were made by Shodair staff.

During this time we have received almost \$200,000 worth of free consultative services from the University of Wisconsin in fetal pathology, and are able to draw on a national and international network of hundreds of consultants who give free service and information on difficult diagnostic and management problems.

Also during that time, Shodair, in collaboration with Dr. Bill Peters of Bozeman, pioneered a chorionic villus sampling program as a most attractive and equally safe alternative to mid-trimester amniocentesis.

As the appended map shows, this is not just a Helena program, but truly a state-wide program with services provided in every county of Montana.

Alliances: Out of our work has come a very strong alliance between the program and the health care providers in Montana, and state, county, municipal, university and numerous voluntary agencies to provide the best possible medical genetic care program for the people of Montana in order to prevent and to alleviate the pain and suffering associated with birth defects and genetic disorders of humans.

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Program Support: The Montana Medical Genetics Program has or is anticipating support of:

- ° The Department of Health and Environmental Sciences;
- ° The Montana Chapters of:
 - The American College of Obstetrics and Gynecology;
 - The American Academy of Pediatrics;
 - The American Hospital Association;
 - The American Public Health Association;
 - The American Nurses Association.
- ° The Montana Perinatal Association
- ° Child and Family Services of Montana
- ° The March of Dimes - Birth Defects Foundation
- ° The Montana Center for Handicapped Children
- ° The Developmental Disabilities Council of Montana
- ° The Montana Children's Alliance
- ° The Maternal-Child Health Council
- ° The Montana Medical Association

and many other organizations and individuals who are writing and appearing in support of this legislation and Program.

Cost-Benefit Considerations: No price can be set on a human life. Our strong preference is to think of the benefits bestowed by the Program on Montana in terms of the conceptions, pregnancies and births of normal individuals that we have encouraged over the years through our activities. Nevertheless, benefit-to-cost ratio studies of genetic services have been

published, and show that clinical genetics is by far the most cost-effective form of preventive medicine. Some published ratios are: PKU detection and management 9:1; prenatal diagnosis in a muscular dystrophy prevention program 14:1 to 21:1; amniocentesis for women over 35 years 4.3:1. A prenatal diagnosis and counseling program concerning 8 potentially affected men (Fig.2) with mental retardation residing each for 20 years at Boulder was calculated at 333:1 (i.e., \$10,080,000 "benefit" versus \$30,233 cost-for-services).

These are abstract considerations. However, more concretely I should like to tell you about a 17-year-old boy from Kalispell with Wilson disease who was referred to us recently for genetic counseling. Wilson disease is a recessive disorder which is lethal without treatment. The boy was being treated with penicillamine pending a liver transplant at the Mayo Clinic. Before our evaluation his brother and 2 sisters had been considered normal. Indeed, his 21-year-old brother and 13-year-old sister had been evaluated clinically and by a lab test, and on the basis of the results their parents were told that these sibs were unaffected. After our evaluation it was found that the lab test was inadequate to rule out the diagnosis and we recommended additional tests which showed that both are affected with Wilson disease. Even though clinically asymptomatic, both are now being treated with penicillamine which may prevent deterioration and need for a liver transplant and will allow them to live a normal and productive life.

Quality Assurance: A critical peer-review of the Montana Medical Genetics Program was done shortly before Christmas, 1988, by Prof. John C. Carey of

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EXHIBIT

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3/12/89

HB 402

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the Division of Genetics, Department of Pediatrics, University of Utah,
Salt Lake City. This was a highly favorable review.

Pro-Life Assurance: Genetic services encourage conception and birth of
normal individuals and, in 96% of the time, reassure pregnant women after
amniocentesis that they are carrying a normal child, avoiding termination
if genetic services had not been available.

Finally, I must stress that this is primarily the Montana, not the
Shodair Medical Genetics Program, since the grant to provide services is
awarded competitively after submission of a grant application.

We should like to request your favorable consideration of HB402.

Respectfully submitted,

John M. Opitz, M.D.

Director, Montana Medical Genetics Program

Optiz honored for genetic work

Dr. John M. Opitz, chairman of the Department of Medical Genetics at Shodair Hospital, was recently selected to receive the "Pool of Bethesda Award" presented by Bethesda Lutheran Home of Watertown, Wisconsin.

Opitz received the award in recognition of his worldwide contributions of service and leadership in the field of mental retardation and medical genetics.

The award was established in 1979 on the 75th anniversary of Bethesda Lutheran Home and honors persons who have made outstanding contributions in the field of mental retardation. Bethesda serves 650 retarded children and adults and provides Christian care and training to help each resident move forward to a less restrictive setting.

*Opitz*

December 4, 1988

TESTIMONY

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 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 27 clinics per year in 6 locations around the state: Missoula, Kalispell, Great Falls, Billings, Miles City and Sidney. The map shows the geographic distribution of

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clients we have seen for an initial visit. Each blue pin represents 10 new cases and each red - 1 initial contact. This does not account for additional family members seen, or follow-up visits. The geographic distribution for our clinic sites and Helena's centralized location allows driving access from anywhere in the state. We have seen families, your voting constituents, from every county represented on this committee within the last 12 months.

If access and availability are considered, the fetal pathology service would not exist if genetic services were moved out of the state. This would mean that in 1988 numbers, 86 families would suffer the tragic loss of a desired child with no one available to answer their questions of "why". These same 86 families in addition to the other 300 currently served per year would be forced to seek answers from experts outside of the state who are already struggling from overburdened caseloads.

We are continuing to offer screening in early pregnancy to rule out a common birth defect, namely spina bifida and anencephaly. The condition results in multiple handicaps and an average of 10-12 surgeries by the age of 6 years. Through a blood test, affected fetuses can be identified so that delivery in a center capable of immediate neurosurgery can be arranged, thus, helping to minimize the subsequent physical handicaps aggravated by traditional delivery. Since the last legislative session, 3,215 pregnancies have been screened and current volume dictates an anticipated 2,000 in 1989. These specimens come from all areas of the state with follow-up provided by myself.

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FOLLOW-UP

The availability of follow-up is vital for effective genetic services. 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.

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.

Respectfully submitted,


Joan M. Fitzgerald, M.S.

Genetic Counselor

Denise Gleason
3/3/89 Pro HB 402

DATE 3/2/89

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Our tragic story began during my third pregnancy when an ultrasound showed the baby I carried was anencephalic, a condition where the brain and skull are not completely formed. I carried him six more weeks knowing that when his body left mine he would die.

During that time Joan Fitzgerald helped us understand anencephaly; that our baby was not "headless" as a physician had told us; and she shared pictures with us. That helped us plan our birth experience so as to fully participate in our son's brief life. Nine hours after Daniel's birth he died in my arms... Spending that time with him was so important to our grief process. If we had not met Joan and seen those pictures I'm not sure if we'd have had the courage to even look at our Son. We might have left Daniel alone to die and carried that guilt always.

I'm glad Shodair is in Helena as I called the Genetic Department frequently with questions before and after delivery. They had so much more knowledge of anencephaly than my physician. They also made calls to search out the possibility of live organ donation.

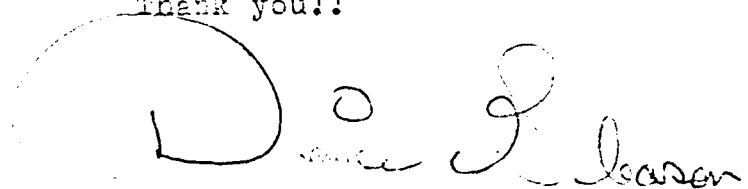
Joan came to the hospital after I delivered. I needed someone who could say, "Yes, he looks like others I've seen". She helped us look beyond Daniel's defect and cherish his other features.

Dr. Opitz picked up Daniel's body right after his death as we donated his pancreas for research. This needed to be done rather quickly so it was important that Shodair was close.

The support we received from them continued as we entered our next pregnancy and faced the odds of recurrence. My physician requested Joan's guidance in selection of pre-natal tests. Termination of my pregnancy was not an acceptable choice for us so we wanted to be prepared to cope with a possible defect or be reassured if none were present. We were then blessed with a healthy son!!

Shodair Genetics has really pulled us through. I would encourage this committee to vote in favor of House Bill 402.

Thank you!!



The
American
College of
Obstetricians and
Gynecologists

DISTRICT VIII

SENATE TAXATION

EXHIBIT NO. 5

Office of the Chairman DATE 3/2/89
Montana Section
William J. Peters, M.D.
1917 Baxter Drive
Bozeman, MT 59715
(406) 587-9202

BILL NO. HB 402

January 31, 1989

Jack Casey, Administrator
Shodair Hospital
Helena, Montana 59601

RE: House Bill 402

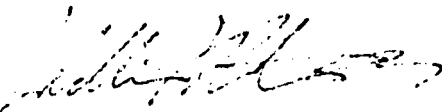
Dear Jack:

Once again, the Montana obstetricians and gynecologists request the support of House Bill 402 in order to continue the excellent genetic counseling and services uniquely made available for Montana. If the genetic expertise offered by the Shodair program was not available, Montana patients would be referred to tertiary centers outside the state at a prohibitive cost and logistical inconvenience, in fact, many Montanans would be excluded from any genetic services at all.

In order to maintain even adequate, if not quality, prenatal care in Montana, the genetic nucleus of the Shodair program is a necessity.

As president of the Montana Coalition for Maternal and Child Health and chairman of the Montana Section of the American College of Obstetricians and Gynecologists, my feelings represent the expression and need of a number of Montana health care providers and patients.

Sincerely,



WILLIAM J. PETERS, M.D.

WJP/leh

cc: John Opitz, M.D.
Joan FitzGerald, Genetic Counselor

SENATE TAXATION

EXHIBIT NO. 6

DATE 3/2/89

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HOUSE BILL 402

FUNDING FOR GENETICS RESEARCH
SENATE TAXATION COMMITTEE

8:00 a.m. March 2, 1989

Mr. Chairman, Members of the Committee,

My name is Peter Pauly. My partner, Tom Hopgood, and I represent the Health Insurance Association of America.

You have heard a lot this afternoon about what the genetics research program is. The Association expresses no opinion about whether the program is worthwhile. Our only concern is with its funding.

If this program is so great and if it benefits all the people of this state, as its sponsors say it does, then this body can accept what its sponsors say -- our point is that it should be funded out of the general fund and not supported by the health insurance industry which gets no benefit from it.

The history of this funding source should be examined by this committee. In 1985, an appropriation for this program was sought from the general fund, but, it was 1985, and there was a budget crunch and there was no room in the general fund for it. So, the program was funded by imposing a tax on health insurance companies. They were required to pay 45¢ for every person in Montana with a health insurance policy. The money was earmarked for the genetics research program.

The funding mechanism was sold to the legislature, to Blue Cross and Blue Shield and to the commercial insurance companies on the basis it would sunset after two years. We were told this

source would terminate on June 30, 1987 and we wouldn't have to worry about it any more. We were told the genetics research people would find a new funding source.

Then came 1987. There was still a budget crunch and still no room in the general fund for the genetics research program. This head tax was continued another two years upon the express representation that the genetics research people would find a new funding source and that hopefully the head tax would disappear in 1989.

Well, it is now 1989, and there is still a budget crunch and there is still no room in the general fund for the genetics research project. And here we are again.

This bill continues to fund the program from the same source -- a head tax on insureds paid by the insurance companies.

Notwithstanding the repeated representations that this source of funding for the program was to be a temporary one, my client feels it is unfair to once again have the burden of this program laid on its shoulders.

Historically, the health insurance companies have paid approximately \$3.6 million per year to Montana by way of the 2 3/4% premium tax. The head tax for the support of the genetics research program adds approximately \$235,000 to the amounts the insurance companies already pay to the State of Montana every year.

What I would ask the committee to do is to listen to the proponents when they so strenuously argue this program is beneficial to the entire state. That being the case, the general fund

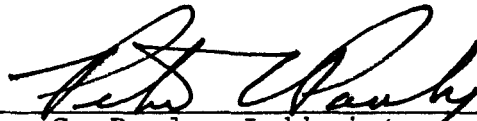
SENATE TAXATION

EXHIBIT NO. 6

DATE 3/2/89

BILL NO. HB 462

should pay for this program. It is grossly unfair for a particular group (the health insurance industry) to subsidize this program which does not benefit it.



Peter C. Pauly
Peter C. Pauly, Lobbyist
Representing the Health Insurance
Association of America

PAGE 17 LINE 25

~~STRIKE LINE 25 THROUGH LINE 3 PAGE 18~~

STRIKE LINE 25 THROUGH LINE 3 PAGE 18 IN THEIR ENTIRETY.

NOTE: (5) In the case of an amended return filed within the same calendar year as the original return, if the amount of tax required to be shown is less than the tax shown on the original return, subsection (1)(a), (1)(b), (2) or (3), as applicable, must be applied by substituting the lesser amount of tax. This does not apply to a reduction in tax resulting from the utilization of a net operating loss, ^{carry back} ~~carryback~~.

STATE OF MONTANA
ATTORNEY GENERAL
MARC RACICOT

JUSTICE BUILDING, 215 N. SANDERS, HELENA, MONTANA 59620
TELEPHONE (406) 444-2026

SENATE TAXATION

EXHIBIT NO. 8

DATE 3/2/89

BILL NO. SB 411

March 1, 1989

Senator John Harp
Capitol Station
Helena MT 59620

Re: Senate Bill 411

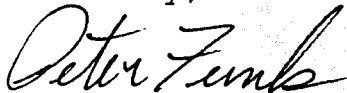
Dear Senator Harp:

I am writing as a follow-up to our brief conversation today regarding the language contained on line 2 of page 2 of Senate Bill 411.

In the Department's opinion, that language "except as provided in 61-8-718(3)," should be removed from the bill. Several early drafts of this legislation included the creation of a new subsection to 61-8-718 which would have been the "61-8-718(3)" referred to in the bill. While that subsection was dropped from the introduced bill, the reference to it was inadvertently included.

I apologize for any inconvenience this error may have caused. Do not hesitate to get in touch if you have any remaining questions or concerns on this matter.

Sincerely,



PETER FUNK
Assistant Attorney General

ROLL CALL VOTE

SENATE TAXATION

EXHIBIT NO. 9

DATE 3/2/89

BILL NO. SB 411

SENATE COMMITTEE TAXATION

Date 3/2/89 SB Bill No. 411 Time _____

NAME	YES	NO
SENATOR BROWN	X	
SENATOR BISHOP		X
SENATOR CRIPPEN		X
SENATOR ECK	X	
SENATOR GAGE	X	
SENATOR HAGER	X	
SENATOR HALLIGAN		X
SENATOR HARP	X	
SENATOR MAZUREK	X	
SENATOR NORMAN	X	
SENATOR SEVERSON		X
SENATOR WALKER	X	

Jill Robinson
Secretary

SENATOR BOB BROWN
Chairman

Motion: by Senator Harp that SB411 do
Pass As Amended

ROLL CALL VOTE

SENATE TAXATION

EXHIBIT NO. 10

DATE 3/2/89

BILL NO. SB 339

SENATE COMMITTEE TAXATION

Date 3/2/89 Senate Bill No. 379 Time _____

NAME	YES	NO
SENATOR BROWN	X	
SENATOR BISHOP		X
SENATOR CRIPPEN	X	
SENATOR ECK		X
SENATOR GAGE	X	
SENATOR HAGER	X	
SENATOR HALLIGAN		X
SENATOR HARP	X	
SENATOR MAZUREK		X
SENATOR NORMAN		X
SENATOR SEVERSON	X	
SENATOR WALKER	X	

Gill Robinson
Secretary

SENATOR BOB BROWN
Chairman

Motion: by Senator Robinson that SB 379
Do Pass

DATE 2 March 1989Senate COMMITTEE ON Taxation

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppo
John M. Opitz	Montana Medical Genetics Program	402	✓	
J. H. STRICKLER MD	Academy of Pediatrics	402	✓	
S. LEWIN		402	✓	
Jeanne Bennett RN	Montana Nurses' Assoc	402	✓	
Jack Case	Shodair	402	✓	
Katherine Babry	Montana Medical Genetics Program	402	✓	
Jerome Zentgraf	Mt Medical Assoc	402	✓	
James J. Larson	Shodair	402	✓	
Carlee Buckley	Shodair	402	✓	
Marilyn Neulay	Shodair	402	✓	
Sam Holt	Shodair	402	✓	
James W. Borchardt	State Auditor	402		
George Turman	Shodair	402	✓	
Willie Spive	Shodair	402	✓	
Bob Little	"	"	✓	
LARRY AKEY	MT ASSOC OF LIFE UNDERWRITERS	402		✓
Peter C. Pauly	Health Ins. Assoc. of Amer.	402		✓
JAMES F. REYNOLDS	Chairman, Prof. Advisory Committee MARCH OF DIMES	402	✓	
KAREN A. DYER	SHODAIR CYTOGENETICS	402	✓	
Karen Sanders MD.	Montana Council for Maternal and Child Health	402	✓	
Steve Brown	Blue Cross / Blue Shield	402	✓	
Betty J. Babcock	Shodair Board Member	402	✓	
Sherry Casey	Shodair	402	✓	
Jim Sharr	MT Hospital Association	402	✓	