

MINUTES

MONTANA SENATE  
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON PUBLIC HEALTH, WELFARE AND SAFETY

Call to Order: By Senator Tom Hager, on April 5, 1989, at  
1:00 p.m., Room 410, State Capitol

ROLL CALL

Members Present: Senators Tom Hager, Chairman; Tom  
Rasmussen, Vice Chairman; Matt Himsl, Bill Norman,  
Harry H. McLane, Bob Pipinich

Members Excused: None

Members Absent: Senator J. D. Lynch

Staff Present: Tom Gomez, Legislative Council  
Dorothy Quinn, Committee Secretary

Announcements/Discussion: None

HEARING ON HOUSE JOINT RESOLUTION 33

Presentation and Opening Statement by Sponsor: Jessica  
Stickney, Representative from House District #26, Miles  
City, advised that HJR 33 and HJR 34 originated in the  
Human Services and Aging Committee. HJR 33 deals with  
the Montana situation. Feeling that the mandatory  
Medicare bill was not workable for Montana, that  
Committee wished to encourage the Mont-Share program  
which some doctors in Great Falls have started and  
which is beginning to spread throughout the state.  
This Resolution addresses that issue. It asked that  
all Montana physicians join the Mont-Share program and  
hopefully during the next two years there will be an  
increase in access to medical care by the elderly. The  
Mont-Share program is one in which the doctor agrees to  
accept the Medicare payment on the elderly who are  
under a certain income level. There have been almost  
1,000 elderly people processed into this plan,  
primarily from the Great Falls area. She stated the  
doctors appear willing to work on this; the Medical  
Association is supportive, and the purpose of the  
Resolution is to encourage that process.

List of Testifying Proponents and What Group they Represent:

Jerry Loendorf, Montana Medical Association

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Jerry Loendorf stated that the Montana Medical Association accepts the directive from the Legislature in regard to HJR 33. The Mont-Share program has been in effect in Great Falls for about five months on a pilot basis, and next week it will begin to be implemented throughout the state. Under Mont-Share, physicians will agree to accept assignments for all persons whose income level is one and one-half times that of the poverty level, which works out to \$11,000 for a couple and \$9,000 for a single person. He stated the Medical Association will do everything it can to encourage all physicians to participate in that program.

Questions From Committee Members: Senator Himsl asked if the needs test in this case is one and one-half times the poverty level. Jerry Loendorf stated that figure was correct, but there will not be a needs test as such; they will accept applications.

Senator Rasmussen asked what happened to the bill regarding mandatory assignment. Rep. Stickney advised it met its demise in the House committee, and that is one reason the Resolutions were presented. They felt that was not a workable program for Montana, and that the Mont-Share program should be tried.

Senator Himsl wondered if the \$9,000 and \$11,000 figures would mean net income. Jerry Loendorf replied that it would mean taxable income. Tom Gomez stated that the official poverty level does not include unearned income such as Social Security. He was unsure of how it was applied concerning the Mont-Share program.

Senator Pipinich and Senator McLane raised concerns about persons whose unearned income would amount to more than \$11,000.

Closing by Sponsor: Representative Stickney stated she feels the Committee is aware of the feeling on the part of groups representing the elderly that they look with disfavor on the means test. That is one reason why the program was set up as "painlessly" as possible. All that is required is that they apply. Upon acceptance, they receive a Gold Card. She believes it is a

workable plan, and will reach the elderly who really need the care. She does not believe there are any doctors who will not care for the elderly in need. She added that this Resolution encourages all doctors to participate.

DISPOSITION OF HOUSE JOINT RESOLUTION 33

Discussion: None

Amendments and Votes: None

Recommendation and Vote: None

HEARING ON HOUSE JOINT RESOLUTION 34

Presentation and Opening Statement by Sponsor: Jessica Stickney, Representative from House District #36, Miles City, stated that HJR 34 is an attempt to add emphasis to the need for our Congressmen to do something about the Medicare reimbursement rate for rural states such as Montana. She mentioned the recent publicity regarding Senators Baucus and Mitchell and others indicating that they are aware of this problem and the rural health needs and are going to be trying to do something that will help Montana. One of the primary problems in terms of physician care and hospital and nursing home care is the fact that the Medicaid payments are not on a par with other parts of the country. This Resolution addresses those problems and asks that our Congressional delegation work doubly hard to solve them.

List of Testifying Proponents and What Group they Represent:

Jerry Loendorf, Montana Medical Association

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Jerry Loendorf, Montana Medical Association, explained briefly how Medicare works. He illustrated on the blackboard showing the amounts of an actual medical bill (\$100.00), the amount approved for payment by Medicare (\$70.00), and then 80% of that amount (\$56.00) which is actually the amount paid by Medicare. Until 1984 the doctor had the option of accepting an

assignment which meant Medicare would pay him \$56.00 and he could bill the patient for the remaining \$14.00. Or he could chose not to accept assignment and bill for the full amount. If he did bill for the full amount, Medicare paid him nothing. They would send the \$56.00 to the patient. In 1984 Congress enacted a law which required doctors either to sign a contract with the Secretary of Health and Human Services or not to sign. If they did sign, they were then in the Program and agreed to accept assignment in all cases. If they elected not to get in the program, they could continue to bill for the full amount, but their fees were frozen at that level. The doctors who did get in the program felt they were deceived because Congress never let them raise the amount. If the service mentioned above now cost \$115.00, Medicare patients could still be charged only \$100.00 whether the doctor is in or out of the Program. That is one of the reasons many left the Program. He believed two important things contained in the Resolution is that since 1981 Congress has taken 25 billion from the Medicare program, and that the population of seniors has been increasing. If money is taken out of the Program, and the Program has more people in it, it follows that less per claim will be paid. The amount Congress is approving is going down and this is causing the stir in the area. Because of the price freeze physician's fees have not gone up for the Medicare population. Another significant thing in the Resolution is that everybody throughout the United States contributes an equal amount to the Medicare program, but citizens in the different states do not receive equal payment. He stated his Association would write to the Congressmen and he urged other people who are encouraging this Resolution to also write them.

Questions From Committee Members: Senator Rasmussen asked if when assignment was accepted, the fee was also accepted and it could not be billed beyond that. Mr. Leondorf stated they could bill for the balance (the difference between the approved amount and the amount paid by Medicare).

To clarify, Tom Gomez stated that when Medicare assignment is accepted, it is on the basis that the \$56.00 figure is the full amount that the physician will receive, and he may not balance bill for any difference between that and the customary fee, the medicare approved rate for reimbursement (\$100.00) or the \$70.00, which is the reimbursable amount. The whole key of accepting Medicare assignment is that the provider may not balance bill. The difference of the \$14.00 is considered the co-payment, deductible or other

applicable payment that is due by the senior citizen to the physician.

Senator Hims1 stated that different states vary. Massachusetts has a law that says they must accept those payments. Rep. Stickney stated that Massachusetts is the only state at this point that had passed a mandatory assignment bill. It doesn't seem to be working well in Massachusetts and they are finding that new doctors are not coming to that state and some others are leaving, according to Rep. Stickney.

Closing by Sponsor: Representative Stickney stated that there are a lot of people over 65 who really could afford the full amount of a medical bill, but that automatically shifts the cost of care to those under 65. That is another reason why the Mont-Share program should be tried. She urged approval of HJR 34 and believes it expresses some very real needs.

#### DISPOSITION OF HOUSE JOINT RESOLUTION 34

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Senator McLane made a MOTION THAT HOUSE JOINT RESOLUTION 34 BE CONCURRED IN. Senators in favor, 6; opposed, 0. MOTION PASSED UNANIMOUSLY.

Senator McLane will carry HJR 34 to the floor of the Senate.

#### DISPOSITION OF HOUSE JOINT RESOLUTION 33

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Senator McLane made a MOTION THAT HOUSE JOINT RESOLUTION 33 BE CONCURRED IN. Senators in favor, 6; opposed, 0. MOTION PASSED UNANIMOUSLY.

Senator Hager will carry HJR 33 to the floor of the Senate.

ADJOURNMENT

Adjournment At: 1:45 p.m.

  
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SENATOR TOM HAGER, Chairman

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ROLL CALL

PUBLIC HEALTH

COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date 4/5/89

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| NAME               | PRESENT | ABSENT | EXCUSED |
|--------------------|---------|--------|---------|
| Sen. Tom Hager     | X       |        |         |
| Sen. Tom Rasmussen | X       |        |         |
| Sen. Lynch         |         |        |         |
| Sen. Himsl         | X       |        |         |
| Sen. Norman        | X       |        |         |
| Sen. McLane        | X       |        |         |
| Sen. Pibinich      | X       |        |         |
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Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

April 5, 1989

MR. PRESIDENT:

We, your committee on Public Health, Welfare, and Safety, having had under consideration HJR 33 (third reading copy -- blue), respectfully report that HJR 33 be concurred in.

Sponsor: Stickney (Hager)

BE CONCURRED IN

Signed: \_\_\_\_\_

*Tom Hager*  
Thomas O. Hager, Chairman

*J.C. 4/5/89  
2:8 p.m.*



SENATE STANDING COMMITTEE REPORT

April 5, 1989

MR. PRESIDENT:

We, your committee on Public Health, Welfare, and Safety, having had under consideration HJR 34 (third reading copy -- blue), respectfully report that HJR 34 be concurred in.

Sponsor: Stickney (McLane)

BE CONCURRED IN

Signed: \_\_\_\_\_

*Tom Hager*  
Thomas O. Hager, Chairman



ROLL CALL VOTE

SENATE COMMITTEE PUBLIC HEALTH

Date 4/5/89 Bill No. HJR 33 Time \_\_\_\_\_

| NAME               | YES | NO |
|--------------------|-----|----|
| Sen. Tom Hager     | X   |    |
| Sen. Tom Rasmussen | X   |    |
| Sen. Lynch         | -   |    |
| Sen. Matt Himsel   | X   |    |
| Sen. Bill Norman   | X   |    |
| Sen. Harry McLane  | X   |    |
| Sen. Bob Pipinich  | X   |    |
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D. Quinn  
Secretary

TOM HAGER  
Chairman

Motion: Sen. McLane moved that ~~the~~ HJR  
Be concurred in.

6 - 0

*Sen. Hager will carry*

ROLL CALL VOTE

SENATE COMMITTEE PUBLIC HEALTH

Date 4/5/89 Bill No. HJR #34 Time \_\_\_\_\_

| NAME               | YES | NO |
|--------------------|-----|----|
| Sen. Tom Hager     | X   |    |
| Sen. Tom Rasmussen | X   |    |
| Sen. Lynch         | -   |    |
| Sen. Matt Himsl    | X   |    |
| Sen. Bill Norman   | X   |    |
| Sen. Harry McLane  | X   |    |
| Sen. Bob Pipinich  | X   |    |
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D. Quinn  
Secretary

TOM HAGER  
Chairman

Motion: By Sen. McLane moved that  
HJR 34 be Concurred In.  
In favor - 6, opposed 0.

*Sen. McLane  
will carry*