MINUTES

MONTANA HOUSE OF REPRESENTATIVES
52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON HUMAN SERVICES & AGING

Call to Order: By Rep. Angela Russell, Chair, on February 1, 1991, at 3:00 p.m.

ROLL CALL

Members Present:

Angela Russell, Chair (D)
Tim Whalen, Vice-Chairman (D)
Arlene Becker (D)
William Boharski (R)
Jan Brown (D)
Brent Cromley (D)
Tim Dowell (D)
Patrick Galvin (D)
Stella Jean Hansen (D)
Royal Johnson (R)
Betty Lou Kasten (R)
Thomas Lee (R)
Charlotte Messmore (R)
Jim Rice (R)
Sheila Rice (D)
Wilbur Spring (R)
Carolyn Squires (D)
Jessica Stickney (D)
Bill Strizich (D)
Rolph Tunby (R)

Staff Present: David Niss, Legislative Council
Jeanne Krumm, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

EXECUTIVE ACTION ON HB 326

Motion: **REP. MESSMORE MOVED HB 326 DO PASS.**

Motion: **REP. WHALEN** moved to amend HB 326. **EXHIBIT 1**

Discussion:

David Niss stated that this amendment is to make the language consistent with the version of the Uniform Probate Code that has

been adopted in Montana which no longer uses the words "executor" or "administrator".

Vote: Motion carried unanimously.

Motion/Vote: **REP. MESSMORE MOVED HB 326 DO PASS AS AMENDED.** Motion carried unanimously.

EXECUTIVE ACTION ON HB 341

Motion: **REP. WHALEN MOVED HB 341 DO PASS.**

Motion: **REP. LEE** moved to amend HB 341. **EXHIBIT 2**

Discussion:

David Niss stated that the explanation given with the request for the amendment was that Title 37, Chapter 11 should not be construed to limit the practices by massage therapists to the extent they do massage. There may be some overlap between the practices of physical therapists (PTs) and the practices of massage therapists (MTs). This exception was necessary to be sure that to the extent of that overlap, the new language in the bill does not restrict the practices of MTs.

REP. J. RICE stated that a clarification is necessary. The bill should say "to the extent they practice massage", instead of "do massage".

REP. SQUIRES stated that when "practice" is used, it seems like the practice of something broader than the massage itself. We don't want them to practice massage, we want them to do massage.

Vote: Motion carried unanimously.

Motion: **REP. JOHNSON MOVED HB 341 DO PASS AS AMENDED.**

Discussion:

REP. J. RICE stated that there was a question raised that there may be a problem with the new federal laws in regards to the definition of prescription and patient counseling. **David Niss** stated that the problem that was raised was as to the language on page 5, line 5, for a prescription on a standing basis. There was somewhat of a dispute between the professions in that the PT's want to be able to have the prescription drugs on hand to apply. Pharmacists pointed out that federal law requires individual itemized information to go on each prescription and that could not be accomplished under the bill as proposed, as amounts of the drugs would be made in bulk, not for a specific patient.

Mona Jamison, Physical Therapist Association, stated that they haven't been shown any language by the pharmacists to cure this

perceived problem and neither has REP. BRADLEY.

Vote: Motion carried unanimously.

HEARING ON HB 389

Presentation and Opening Statement by Sponsor:

REP. BUDD R. GOULD, House District 61, Missoula, stated that the last Legislature passed the Americans With Disabilities Act in order to stay in step with the federal government. We need to change some language in the Montanan law. Because the Human Rights Commission is the Compliance Agency in Montana under section 504 of the Act, if there is a problem with a business or the University System, we can work out these problems on a one to one basis. If we have to deal with the Office of Civil Rights in Denver, Colorado, it is more difficult.

Proponents' Testimony:

Anne L. MacIntyre, Administrator, Human Rights Commission, submitted written testimony. **EXHIBIT 3.**

Opponents' Testimony: None

Questions From Committee Members: None

Closing by Sponsor: **REP. GOULD** closed on HB 389.

HEARING ON HB 246

Presentation and Opening Statement by Sponsor:

REP. THOMAS NELSON, House District 95, Billings, stated that this bill established a mechanism to study bills that mandate health benefits so that Montana Legislators can make informed decisions with what these bills really present. This bill establishes a standardized, unbiased informational gathering system so that you as Legislators can make these decisions. In the last few years insurance agents have been handing out rate increases ranging anywhere from 15% to 50%. These rate increases on premiums for health insurance don't occur annually, they occur semiannually. Today health care costs more than $541 billion annually, which is more than 11% of our Gross National Product. More than 31 million Americans lack health insurance. Older Americans live in fear that a prolonged illness or staying in a nursing home can take out their whole life savings. Based with this escalating crisis, states have been increasing to expand the availability in health care. Recent proposals have ranged from tax credits for small businesses offering health insurance. Close inspection of the health insurance market place reveals that the problem is too much government regulation, not too little. Regulation of health insurance by state governments is causing millions of Americans to be priced out of the market for health insurance. In some

cases the law requires insurers to offer the benefit as an option to which an additional premium may be charged. Over the last two decades there has been an explosion of such legislation at the state level. He submitted written testimony. **EXHIBIT 4 & 5**

Proponents' Testimony:

Greg Van Horsen, Health Insurance Agents of America, submitted amendments and written testimony for **Tom Hopgood. EXHIBIT 6**

Larry Akey, Montana Association of Life Underwriters, submitted written testimony. **EXHIBIT 7**

Riley Johnson, National Federation of Independent Business, submitted written testimony. **EXHIBIT 8**

Paulette Kohman, Montana Council for Maternal and Child Health, submitted written testimony. **EXHIBIT 9**

Steve Turkiewicz, Montana Auto Dealers Association (MADA), stated that since January 1989, claims have been increased by 104%. Increasing costs have become a pocket book issue for members of the Association. Since 1989, they have seen an increase in our premiums, and because of this, they have seen employees have increased costs and employers are reducing how much they kick in towards the employee. The employees are making pocket book decisions by dropping specific coverages or coming to us and saying we are willing to pay more in deductibles, they need something to reduce their cost. The implementation of the program established in HB 246 would give MADA the opportunity to evaluate the benefits and the cost of mandated benefits.

Joyce Brown, Department of Administration, submitted written testimony. **EXHIBIT 10**

James Tutwiler, Montana Chamber of Commerce (MCC), stated on behalf of more than 1,000 Montana businesses, many of whom offer insurance packages, that MCC rises in support of HB 246.

Steve Brown, Blue Cross & Blue Shield (BCBS), stated that BCBS supports HB 246.

David Evenson, Montana University System, supports HB 246.

Opponents' Testimony:

Dave Barnhill, Deputy Insurance Commissioner, Commissioners Insurance, stated that the court function of every state insurance department is to regulate insurers for solvency. In Montana there are over 1,500 insurance companies licensed to do business in the state, that is 100 more than are licensed in the State of New York. The New York insurance department had 725 employees, Montana has approximately 25 employees. New York regulates for solvency, Montana does too. This bill would change

the duties of the insurance department from being an entity that regulates insurers for solvency into making us perform economical and statistical analysis, which we do not have the expertise to do. We would have to hire, which would sap the resources of our department so that we could not effectively regulate for solvency. If the interest is in protecting the consumer, then you want to effectively regulate for solvency. As an alternative, the committee can pass this bill and give the department funding so that it can do its job. If you want to create a bureaucracy that is unnecessary, this bill proposes that.

Pat Melby, Rimrock Foundation, stated that many patients are the beneficiaries of mandated services, in terms of mandates for coverage for mental dependency and mental health coverage. This committee normally takes testimony from the public and weigh the pros and cons of whether or not a particular health care benefit should be mandated or not, then it makes the decision to recommend whether or not that should be enacted in the law. Delegating this function to an agency of the executive branch probably violates the Constitution of the State of Montana by breaching the separation of powers doctrine.

Mona Jamison, Rocky Mountain Treatment Center (RMTC), stated that there have been no entries of mandated benefits in alcoholism, chemical dependency, and out-patient mental illness since the law was first established in 1978. Something else is driving the rates up, it is not chemical dependency. RMTC stands in opposition, but could support this bill if the committee would have a committee bill saying we will do this. It is important that if we are to determine, the cost of mandated health insurance benefits, we need a comparison. The committee needs to see and we need to understand what the role is that mandated benefits are actually playing, in driving the health care costs up. This bill just doesn't do the job. Its slanted against mandated benefits. If the committee really wants the information, which would be valuable, saying what is driving health care costs up, lets get all of the health care companies and the health service corporations under the jurisdiction of the insurance department. The state is exempt from mandated benefits. Because they are self insured, they need not adopt any mandated benefits. If it is a matter of public policy the Health Advisory Council determines that if its good enough for everybody else, its good enough for state employees. They ought to provide those mandated benefits to their own employees. They are not under any mandate to provide those.

Mary McCue, Mental Health Counselors, stated that this is a group of about 70 licensed professional counselors, most of whom are in private practice. There are some constitutional problems with this bill, which have been explained. If you are considering passing this out of the committee, you definitely need to include the opponents of mandated health insurance. The only place that they are mentioned in this bill is in the start, but all of the

burden to come forward with this evidence is on the proponents of a mandate, that simply is not fair. It would be a very simple thing to require that both parties come forward with the information that is being required.

Mike Rupert, President, Chemical Dependency Programs of Montana, Executive Director of the Roy Anderson Care Center, Helena, stated that he opposes this bill because it seems to be an attempt to do away with mandated coverage. We've all had our insurance rates go up, but it hasn't been demonstrated what percentage of that increase, over the last five years or eight years, is attributable to mandated coverage. There is a savings based on some of these coverages. Chemically dependant people have a much higher rate of hospitalization and medical care costs that average non-chemically dependant people. The people that get sober, about 5 million people in the United States that call themselves recovering, don't insure those same expenses. There is an increase; they haven't demonstrated how much of an increase, but there is also a corresponding savings.

Larry Fasbender, stated that this particular piece of legislation is honorable, because it attempts to give the legislature as much information as it needs in order to make a decision that is good. But at the same time you have that ability right now, that is one of the reasons we have the Legislative Council. This piece of legislation is unnecessary.

Bonnie Tippy, Montana Chiropractic Association, stated that the bill assumes that these mandated benefits are automatically costing money. She doesn't agree with that. There have been comments that have made it sound like mandated benefits are the same thing over the freedom of choice law. There has been confusion, as the difference between mandated benefits and our freedom of choice law. It is important that that be known.

Questions From Committee Members:

REP. CROMLEY asked if a review of insurance companies is done by the Montana Commissioner of Insurance. **Larry Akey** stated that the life and health companies go through exactly the same kind of review as the properties and casualty companies. Like property and casualty companies, every health insurer must submit their policy forms to the Commissioner prior to use. Montana is a file and use state, which means once the forms are submitted, we can use them. That is the exact same thing that happens to property and casualty companies. The opponents suggested that there is only half a wheel, that is to indicate that they have failed to understand insurance regulatory law in the State of Montana.

REP. WHALEN asked why rate reviews are not on health insurance companies. **Tanya Ask** stated that all companies in the State of Montana are required to submit their forms for approval before they can use them. Property and casualty does submit its rates. There are some areas of the health insurance industry that also

like to submit their rates for review including Medicare supplements. In addition, all companies that are allowed to do business in the State of Montana have very strict financial oversight and all of their finances are audited by the state Insurance Department. They must submit a statement including their profits and losses.

REP. GALVIN asked if such a panel is established, what will be the extent of their authority. Will they be advisors only? **REP. NELSON** stated that they should be advisory only, it shouldn't be legislative in any way.

REP. MESSMORE asked for an explanation of page 3, subsection 3, where it says "the panel which reached its conclusion based on documentation and other information is presented to them and the panel shall report the results of its review to the legislature". **REP. NELSON** stated that upon recommendation of this panel, the legislature would report the results. The panel would provide unbiased information based upon the guidelines in the bill and they would either certify this as completed information or certify this as incomplete information.

REP. MESSMORE asked if this panel would offer to the legislature a do pass, or the completion of their finding. **REP. NELSON** said the completion of their finding.

REP. STICKNEY asked what would it take to enable the department to get data regarding the mandated benefits on our insurance policies causing premiums to rise so fast. **Mr. Barnhill** stated that the first thing that would need to be done is that health insurers would have to file their rates with the department, which they do not have to do under current law.

REP. STICKNEY asked if the department could do much without additional staff. **Mr. Barnhill** stated that they would have to have additional staff. Competition will keep disability insurance rates low. We don't review their rates. We only review their policies.

REP. HANSEN stated that since it is obvious from the hearing that to have a study would benefit the insurance providers, why can't they perform a study without the legislature and pay for it themselves. **Mr. Akey** stated that this bill isn't intended to benefit insurance providers. It is intended to benefit the insurance consumer. Providers really don't care what mandated benefits they pay, whatever you mandate, they will raise their rates so that consumers pay for them. Insurance companies don't pay claims, insurance consumers do. The whole purpose of this bill is to get away from having the insurance companies on one hand and the consumer, on the other stand up and throw figures at you, none of which you can rely on.

REP. HANSEN stated that the insurance companies can conduct the study the same way the legislature would. **Mr. Akey** stated that

if each of these benefits came before you with an impartial industry study committee representing that this was their documentation, would that be believable to you. **REP. HANSEN** stated that we do interim studies that come to this legislature and they are voted down, so yours may be the same no matter how you do it. So you might as well do it yourself.

REP. MESSMORE asked if this bill were to pass, it would be effective July 1, 1991, and in doing so would that grandfather all existing mandated benefits. **REP. NELSON** stated that mandated benefits are already effective and it would not have any effect on those.

REP. TUNBY asked why the study required by the bill would add a burden on the agency. **Mr. Barnhill** stated that if you look at what this bill proposes, the members of that advisory committee would have to engage in statistical analysis and market research. We have in our department, accountants to review the financial stigments of insurers to see that they are solvent. We do not have statisticians or economists and that is exactly what this bill would require.

Mr. Barnhill stated that title 16 of the insurance code is entitled "Rates". This is the chapter that gives us authority to regulate the rates of insurance companies. It says "this chapter applies to all insurers and all kinds of insurance" says that nothing contained in this chapter applies to disability insurance Medicare supplement insurance subject to the provisions of chapter 22, part 9. We have great review of comprehensive health insurance policies. **Ms. Ask** said that is correct. Medicare supplement rates are subject to review. Our financial statements are audited all property casualties and life and health. Financial statements are submitted to the insurance department and are audited.

REP. RUSSELL stated that we are all concerned about insurance rates, and of course we are concerned about mandated coverage because we keep hearing that it is escalating the cost of insurance. **Ms. Jamison** stated that because of the fiscal impacts on the commissioners department and the fiscal note, it would probably be like an arrow to the heart. In terms of the interim committee, that might be a way of doing it in order to get the full scope and the full picture of what is actually impacting the cost. There is an express exclusion in the statute for health service corporations.

Closing by Sponsor:

REP. NELSON submitted written testimony. **EXHIBIT 11**

HEARING ON HB 376

Presentation and Opening Statement by Sponsor:

REP. CHARLOTTE MESSMORE, House District 38, Great Falls, stated that HB 376 is an act requiring the Department of Health and Environmental Sciences (DHES) to maintain and administer an immunization program to reduce the incidence of disease for the preventable diseases in Montana and providing requirements for the administration of the program. Most people know the importance of vaccine in general. In the history of this state, vaccine has prevented many diseases and the need for access of this type of vaccine and the response to disease outbreaks are just some things that vaccines have helped us with in the past. The immunization program in the State of Montana, while it belongs to the State of Montana is a federal vaccine program to the CDC. That body contracts through the federal government to the State of Montana, which contracts for purchases of vast quantities of vaccines that have the price individual. Traditionally states also supplement these funds and are able to purchase with state or local government funds at the federal rate. Montana, however, has never contributed state funds. She submitted amendments. **EXHIBIT 12**

Proponents' Testimony:

Paulette Kohman, Montana Council for Maternal and Child Health, submitted written testimony. **EXHIBIT 13 & 14**

Dr. Dennis McCarthy, Montana Chapter Academy of Pediatrics, submitted written testimony. **EXHIBIT 15**

Ellen Leahy, Health Officer, Missoula County, stated that at the local level, vaccine supply is administered. It is a very important process to immunize the children in our state. Missoula County is totally reliant upon the CDC supply for vaccine. Missoula County delivers 5,700 required vaccines per year. The part that the locals play in this is that the county pays for the staff, equipment and materials to bring about the administration. The county would not be able to pick up the difference, should their supply go below the current level. As it stands now, the county is not able to deliver the second dose of MMR. If we had to decrease a supply of vaccine, we would then have to ration. Rationing immunizations would not work because immunizations do not protect the individual, they protect the entire community.

Robert Johnson, Health Office, Lewis and Clark County, Montana Health Association, stated that this is a very positive bill. All people who work and receive services from public health certainly are in favor of this bill. It establishes the right for the state DHES to have an immunization program. This maintains the present routine in vaccinations and adds vaccinations that are of great benefits. This allows for DHES to borrow money from the General Fund to fund emergency situations. The bill appropriates Montana money to support immunizations. This is the first time that this move has been taken.

Jerome Leondorf, Montana Medical Association, stated that this is a bill that speaks for itself. Any time you prevent a contagious disease through something as simple as vaccines, and with as little cost as immunization, you have done a great benefit not only to health, but you have saved a lot of cost.

Jim Ahrens, Montana Hospital Association, stated when he first realized the state did not put any money into immunizations, he was shocked. Immunizations reach so many people. Its nice to be on the side of this legislation where you can prevent some of these diseases from happening. The concept is clearly needed there needs to be some state money in this.

Cherry Loney, Health Officer/Director of the City-County Health Department, Cascade, submitted written testimony. **EXHIBIT 16**

Shelley Addison, Junior League of Great Falls, submitted written testimony. **EXHIBIT 17**

Dan Dennehey, Health Officer, Butte-Silver Bow, stated that in 1988 there was a measle outbreak in Butte and those effected were high school kids. They were properly immunized from their physicians office and in some cases in our office. We believe that a second dose for MMR is very important. We do support the concept of this bill and the entire bill as a package.

Judy Garrity, Montana Childrens Alliance (MCA), stated that immunization issues have been seen by the MCA as a major factor in keeping Montana's children healthy.

Teresa Henry, Montana Nurses Association, stated she would reiterates the previous testimony. She tells her students and the poor families that the health department is the cheapest place to get their immunizations so they will get them taken care of.

Dick Paulson, Manager of Montana Immunization Program, submitted written testimony. **EXHIBIT 18**

REP. HANSEN supports HB 376.

Chuck Butler, Vice President, Blue Cross & Blue Shield (BCBS), stated that he has served on many committees on studies of health care. The issue of public policy and immunization is very important. BCBS has been involved in immunization in Montana for nearly ten years. BCBS has produced nearly .5 million cards for new mothers and newborn children through hospitals and nutritionists offices and family doctors.

Opponents' Testimony: None

Questions From Committee Members:

REP. BECKER asked if you can get immunization from both the

health department and the doctors office. **Ms. Kohman** stated that is correct. Private physicians purchase their vaccine on an individual dose basis from the same company that the federal government allows the state to purchase it from, but they get it at a much higher rate.

REP. BECKER asked what is the percentage of the health department costs versus all the children in Montana. **Ms. Kohman** stated that 70% of all children go to the health department for their vaccinations.

REP. BOHARSKI asked if this program will cover the entire state. **Mr. Paulson** stated that the DHES's role is to maintain immunization services at least at the level for which we have in the past. At the same time we also know that with the studies, there are some unmet needs. This will include some additional work identifying why people aren't being vaccinated on time. The purpose of the bill is to maintain the programs that the state has now, not to provide vaccine for the entire state.

REP. BOHARSKI asked if the figure in the appropriation is going to cover the costs of all of the vaccines together with the CDC records. **Ms. Kohman** stated that the federal government is providing all vaccines to the county health departments that the grant will pay for. The state is not providing any of that money. The appropriation isn't to pay state employees or county employees, it is simply to put bottles of vaccine on shelves. That money has all been either federal or county. If the bill does give $1 million for a biennium, that will enable us to vaccinate, according to my figures, we could compare close to letting the health department immunize all of the children. That would be a good benefit because one place would have all of the records and when there was an outbreak, they wouldn't have to go around and figure out who is immunized and who isn't. All of those people would be able to get it without being charged, so people would be more likely to go in and get it taken care of.

REP. BOHARSKI asked if the money that we get through the appropriation and that we will get through the CDC grant will be used to purchase all of the vaccine we need to immunize everyone in the state. **Ms. Kohman** said yes.

REP. BOHARSKI asked where is that money coming from currently. **Ms. Kohman** stated that it is currently coming from the pockets of parents who are paying for measle treatment for their children and parents who are paying double and triple the price for vaccine from their physician. It is paid for in deaths of children and in disabilities of infants who are born to mothers who have rubella.

REP. BOHARSKI asked if we have an immunization program currently. **Ms. Kohman** stated that we have a program because there are no immunized children who are not getting this. **Dale Taliafarro, Department of Health and Environmental Sciences**, stated that the

Appropriations Committee is looking at what percentage needed for outreach in the program and phasing it in over a six year period. As the years go on, the gap between the full amount needed and what we have has gradually widened.

REP. RUSSELL asked if the $200,000 is in the executive budget. **Ms. Kohman** stated that no money for immunization is in the executive budget. As I followed that process it seemed like the health department didn't request money because it was denied at the executive level.

REP. RUSSELL asked if Indian children are better immunized than the other children in Montana. **Mr. Paulman** stated that he thinks they are. The reason they are isn't because of the vaccine issue, as much as their funding which allows them to have community health nurses that physically go out and pull in children that have not been vaccinated.

Closing by Sponsor:

REP. MESSMORE closed on HB 376.

EXECUTIVE ACTION ON HB 376

Motion: **REP. HANSEN MOVED HB 376 DO PASS.**

Motion/Vote: **REP. STICKNEY** moved to amend HB 376. Motion carried unanimously.

Page 4, line 6.
Strike: the semicolon

Page 4, lines 7 through 11.
Strike: lines 7 through 11.

Page 4, line 12.
Strike: "(c)"

Motion/Vote: **REP. LEE MOVED HB 376 DO PASS AS AMENDED.** Motion carried unanimously. **HB 376 DO PASS AS AMENDED.**

HEARING ON HB 245

Presentation and Opening Statement by Sponsor:

REP. THOMAS NELSON, House District 95, Billings, stated that this is an act requiring health insurance mandates to apply, to acquire a welfare benefit plan under the federal Employer Retirement Income Security Act. If the legislature is mandating benefits for every health policy for those families in small employer groups that are covered by the mandates, it seems reasonable that we should
apply these mandates to everyone else. The problem is that self insured plans are exempt under ERISA from these mandates. The

cost savings is 20%-30% less. Every time the state mandates more benefits, more and more employers become self insured.

Proponents' Testimony:

Greg Van Horsen, Health Insurance Association of America, submitted written testimony on behalf of **Tom Hopgood, Health Insurance Association of America. EXHIBIT 19**

David Evenson, Montana University System, submitted written testimony. **EXHIBIT 20**

Chuck Butler, Vice President, Blue Cross & Blue Shield (BCBS), stated that BCBS employs nearly 640 people. We are not self insured, we underwrite our business for ourselves, our employees, and families. The cost of health insurance our employees and their families is nearly $400 per month. We no longer have a paid-in-full benefit for our employees. This bill is a public policy in terms of small businesses. When we mandate benefits, the people that we are effecting are the small business people and people who can't afford to self insure themselves.

Larry Akey, Montana Association of Life Underwriters, stated that not only are the wealthiest of corporations in this state moving to self insurance as mandates increase and as the cost of health insurance rises, but we are seeing more and more mid-sized firms starting to self insure as well. We are seeing mid-sized firms in high risk areas, like construction, trying to self insure on health care. They cannot afford the private market anymore. The health plan that is self insured doesn't face the same kind of regulation that disability companies face. They don't face the solvency review that we get from the commissioners office. They don't have to have the same kind of reserve requirement. They are not subject to the guarantee association which says that if a health insurer fails, the other companies that do business in the state pick up coverages for their insurers. All that we are asking with this bill is that you remove that incentive for those small and medium sized firms to try to duck out from underneath those mandates. If we impose any future mandates in this legislature, they can only be imposed if they apply equally to ERISA exempt, self insurance plans.

R. N. Traynham, Ph.D., Licensed Clinical Psychologist, submitted written testimony. **EXHIBIT 21**

Opponents' Testimony:

Pat Melby, Rimrock Foundation, stated that he wishes the legislature had the power to mandate benefits on ERISA plans, as well as they do on health service corporations and health insurers. There is a problem with self insurers are many of them are actuarial unsound. All a self insurer has to do is file a claim with the U.S. Department of Labor, because there is basically no regulation. A self insurance plan is safe from

regulation by the state by the terms of ERISA itself. ERISA specifically has a provision which preempts any state regulation. We cannot enact any legislation that regulates self insurance plans that are covered under ERISA. This bill says that you can't add a mandated service unless Congress, under ERISA, mandated that self insurers provide a service.

Mary McCue, Licensed Professional Counselors, stated that there is a provision in our Constitution that says that the subject of a bill has to be clearly expressed in the title. The purpose of this bill is not expressed in the title. It would appear at first glance that it is requiring mandates, but its not. This title should say "this is an act to prohibit any additional mandates from being put into place and being applied to private insurers", since we can't make them apply to ERISA plans.

Mona Jamison, Rocky Mountain Treatment Center, stated that ERISA says that if you qualify as a self insured company and are so certified by the U.S. Department of Labor, then state mandated benefits do not apply to you. Once the company got that certification or qualification, then it meant they jumped out of our codes and were free from all mandated benefits. This is how the process works. This is a freedom of choice provider, there are benefits that are mandated for mental health. They got the certification that they met the qualification under ERISA therefore, the mandated benefits were exempt. This bill does exactly the opposite of what it says. It hooks up to the tail of ERISA. Basically, ERISA doesn't set the mandated benefits, the benefits are set at the state level. If ERISA sets the benefit then it should apply to the state. It is affirmatively the desire on the part of the company or employer to determine if they want to be exempt under ERISA. If you are self insured then you can determine what benefits you will choose to provide for your employees. To say that you will only provide a benefit that ERISA provides, is to provide no benefit. This bill, if passed before any bill, if the legislature should decide to increase or expand mandated benefits, this could actually preempt the other legislative action dealing on this issue.

Dave Barnhill, Deputy Insurance Commissioner, Insurance Department, stated that this bill would involve the Insurance Department in the regulation of ERISA plans. ERISA used to be called a fringe benefit plan. If an employer wanted to insure loyal hard working employees, the employer would extend to employees coverage for health problems. These plans are a matter of negotiation between employers and employees, sometimes done through collective bargaining agreements. The extension of the benefits is conditional upon the economic vitality of the business, just as wages are. If the business fails, it is understood that the benefits of the plan also disappear, just as wages do. This is what Congress had in mind in passing ERISA. Congress declared that ERISA plans could be deemed to be insurance companies. They need not be actuarial sound for the reason that I mentioned, they are generally exempt from state

regulation. If this bill passed, the Insurance Department would have to enforce this bill against ERISA plans and we would be sued under declaratory action. There is a substantial chance that we would lose, for the area of ERISA law is very complex. The provisions of this bill would also extend to the political subdivisions of the State of Montana, and to the University System.

Dennis McCarthy, M.D., submitted written testimony. **EXHIBIT 22**

Questions From Committee Members:

REP. CROMLEY asked if this bill were passed, would there be anymore mandated insurance bills introduced. **Ms. Jamison** said that is correct.

Closing by Sponsor:

REP. NELSON stated that this bill points out that we need some limit on the mandates. It isn't fair to be mandating to small businesses for reasons that we discussed earlier.

EXECUTIVE ACTION ON HB 245

Motion/Vote: **REP. LEE MOVED HB 245 BE TABLED.** Motion carried 19-1 with **REP. BOHARSKI** voting no.

ADJOURNMENT

Adjournment: 7:00 p.m.

ANGELA RUSSELL, Chair

Jeanne Krumm, Secretary

AR/jck

HOUSE OF REPRESENTATIVES

HUMAN SERVICES AND AGING COMMITTEE

ROLL CALL **DATE** 2-1-91

NAME	PRESENT	ABSENT	EXCUSED
REP. ANGELA RUSSELL, CHAIR	✓		
REP. TIM WHALEN, VICE-CHAIR	✓		
REP. ARLENE BECKER	✓		
REP. WILLIAM BOHARSKI	✓		
REP. JAN BROWN	✓		
REP. BRENT CROMLEY	✓		
REP. TIM DOWELL			✓
REP. PATRICK GALVIN	✓		
REP. STELLA JEAN HANSEN	✓		
REP. ROYAL JOHNSON	✓		
REP. BETTY LOU KASTEN	✓		
REP. THOMAS LEE	✓		
REP. CHARLOTTE MESSMORE	✓		
REP. JIM RICE	✓		
REP. SHEILA RICE	✓		
REP. WILBUR SPRING	✓		
REP. CAROLYN SQUIRES	✓		
REP. JESSICA STICKNEY	✓		
REP. BILL STRIZICH	✓		
REP. ROLPH TUNBY	✓		

CS05HUMSER.MAN

9:10
2-4-91
TDB

HOUSE STANDING COMMITTEE REPORT

February 4, 1991

Mr. Speaker: We, the committee on Human Services and Aging report that House Bill 326 (first reading copy -- white) do pass as amended .

Signed: _____
Angela Russell, Chairman

And, that such amendments read:

1. Page 2, lines 8 and 9.
Strike: "executor, administrator"
Insert: "personal representative"

2. Page 2, line 18.
Strike: "executor, administrator"
Insert: "personal representative"

3. Page 4, line 14.
Strike: "record"
Insert: "book required to be kept by the clerk of the board of county commissioners by 10-2-504"

2-4-91
HB

HOUSE STANDING COMMITTEE REPORT

February 4, 1991

Mr. Speaker: We, the committee on Human Services and Aging report that House Bill 341 (first reading copy -- white) do pass as amended .

Signed: _____
Angela Russell, Chairman

And, that such amendments read:

1. Title, lines 15 and 16.
Strike: "REVISING EXAMINATION PROCEDURES;"

2. Page 6, line 6.
Following: "~~masseurs~~"
Insert: ", massage therapists, to the extent they do massage"

3. Page 6, line 7 through page 7 line 1.
Following: line 6
Strike: section 5 in its entirety
Renumber: subsequent section

2-4-91
HB

HOUSE STANDING COMMITTEE REPORT

February 4, 1991

Mr. Speaker: We, the committee on Human Services and Aging report that House Bill 376 (first reading copy -- white) do pass as amended .

Signed: _____
Angela Russell, Chairman

And, that such amendments read:

1. Page 4, line 6.
Strike: the semicolon

2. Page 4, lines 7 through 11.
Strike: lines 7 through 11

3. Page 4, line 12.
Strike: "(c)"

EXHIBIT 1
DATE 2-1-91
HB 326

Amendments to House Bill No. 326
First Reading Copy

For the Committee on Human Services and Aging

Prepared by David S. Niss
February 1, 1991

1. Page 2, lines 8 and 9.
Strike: "executor, administrator"
Insert: "personal representative"

2. Page 2, line 18.
Strike: "executor, administrator"
Insert: "personal representative"

3. Page 4, line 14.
Strike: "record"
Insert: "book required to be kept by the clerk of the board of county commissioners by 10-2-504"

EXHIBIT 2
DATE 2-1-91
HB 341

Amendments to House Bill No. 341
First Reading Copy

For the Committee on Human Services and Aging

Prepared by David S. Niss
February 1, 1991

1. Title, lines 15 and 16.
Strike: "REVISING EXAMINATION PROCEDURES;"

2. Page 6, line 6.
Following: "~~masseurs~~"
Insert: "massage therapists, to the extent they do message"

3. Page 6, line 7 through page 7 line 1.
Following: line 6
Strike: section 5 in its entirety
Renumber: subsequent sections

EXHIBIT 3
DATE 2-1-91
HB 389

Testimony of Anne L. MacIntyre
Administrator, Human Rights Commission
In support of House Bill 389
House Human Services and Aging Committee
February 1, 1991

The Human Rights Act was enacted in 1974 and was modelled after Title VII of the Civil Rights Act of 1964, as amended. In 1974, Title VII did not prohibit discrimination on the basis of handicap. In fact, the first major piece of federal legislation on the question of handicap discrimination, the Rehabilitation Act of 1973, had only just been enacted. The Rehabilitation Act, however, applied only to the federal government and contractors and grantees of the federal government. As a result, the Montana legislature in developing the Human Rights Act did not have any commonly accepted or developed definitions to look to in fashioning its prohibition against discrimination on the basis of handicap.

In the opinion of the Commission staff, the present statutory definitions are overbroad and inconsistent with federal law and should be amended to achieve consistency. Further, the statutes do not contain the specific statutory requirement of reasonable accommodation for handicaps contained in federal law. Although a reasonable accommodation requirement may be inferred from the present statutory language, the Commission believes a statutory clarification is appropriate.

The bill proposes to delete the statutory definitions of "mental handicap" and "physical handicap" in both chapters 2 and 3 of Title 49 and add definitions similar to the definitions contained in the Rehabilitation Act and the more recent federal enactments on handicap discrimination, the Fair Housing Amendments Act of 1988 and the Americans with Disabilities Act of 1990. Even though the Americans with Disabilities Act uses the term "disability" instead of "handicap", the other federal laws use the term "handicap", as the Montana law has done since 1974. Thus, we have not proposed to replace "handicap" with "disability."

The new definition of physical or mental handicap provides that a handicap is "a physical or mental impairment that substantially limits one or more of a person's major life activities, a record of such an impairment, or a condition regarded as such an impairment." The term major life activities is used in the federal law to denote functions such as caring for oneself, walking, seeing, hearing, speaking, and working. Under the portions of the definition referring to "a record of such an impairment" or "a condition regarded as an impairment," a cured cancer victim or an individual with a disfigurement or a person who is erroneously regarded as having a condition like epilepsy would also be protected by the statute.

EX 3
2-1-91
HB 389

Finally, the bill includes a requirement of reasonable accommodation within the definition to insure that when discrimination on the basis of handicap is prohibited, the failure to make reasonable accommodation constitutes a discriminatory practice. In the employment context, reasonable accommodation can include making existing facilities readily accessible, modifying work schedules, job restructuring, reassigning to vacant positions, and so on. I understand that some concern may exist because the reasonable accommodation language proposed in the bill does not contain the "undue hardship" exception language provided in Americans with Disabilities Act. The Commission did not include this language in its draft of this bill because we did not believe it was necessary. We would not object to the addition of a sentence at the end of the subsection on reasonable accommodation to state: "Any accommodation which would require an undue hardship or which would endanger the health or safety of any person is not a reasonable accommodation." This should adequately clarify the matter to insure that we are not attempting to go beyond the federal law.

DATE 2-1-91
246

AMERICAN LEGISLATIVE EXCHANGE COUNCIL

The State Factor

Volume 15, Number 6 December 1989

STATE MANDATED HEALTH BENEFITS: A BAD PRESCRIPTION

There is no doubt that health care costs have become intolerable, and that, due to ever increasing costs, access to quality health care has become increasingly restricted. Twenty years ago, health care was a $42 billion per year industry. Today, health care costs more than $541 billion annually, more than 11% of the gross national product. At the same time, more than 31 million Americans lack health insurance. Older Americans live in fear that a prolonged illness or stay in a nursing home can wipe out their entire life savings.

Faced with this escalating crisis, states have increasingly sought to expand the availability of health care. Recent proposals have ranged from tax credits for small businesses offering health insurance to such ill-conceived notions as Massachusetts Governor Michael Dukakis' universal insurance mandate.

Yet, close inspection of the health insurance marketplace reveals that the problem is too much government regulation, not too little. Regulation of health insurance by state governments is causing millions of Americans to be priced out of the market for health insurance.

STATE MANDATED HEALTH INSURANCE BENEFITS /1

Mandated health insurance benefit laws require that health insurance contracts cover specific diseases and disabilities and provide for specific health care services. The vast majority of mandated benefit laws require insurers to include coverage for the benefit as part of a standard insurance policy. In some cases, the law requires insurers to offer the benefit as an option for which an additional premium may be charged. Over the last two decades there has been an explosion of such legislation at the state level. In 1970, there were only 30 mandated health insurance benefit laws in the United States. Today, there are over 686 mandated benefits laws. /2

Mandated benefits cover diseases ranging from AIDS to alcoholism and drug abuse. They cover services ranging from acupuncture to in vitro fertilization. They cover everything from life-prolonging surgery to purely cosmetic devices -- from heart transplants in Georgia and liver transplants in Illinois to hairpieces in Minnesota. These laws reflect the fact that the provision of health insurance is

becoming increasingly political. Powerful special interest lobbies now represent nearly every major disease and disability, virtually every important group of health care providers, and almost every type of health care service provider. As a result, the health insurance marketplace is being shaped and molded by political pressures, rather than by competition and consumer choice in a free market.

Mandated benefits legislation invariably makes health insurance more expensive. Yet under federal law, companies with self-insured health care plans are exempted from these state regulations; and virtually all large companies and a large percentage of medium-size companies are now self-insured. Federal employees and people covered by Medicare also are exempt. In addition, it is common practice for state governments to exempt state employees and people covered by Medicaid from state regulations. As a result, the burden of mandated benefits regulations falls heavily on employees of small firms and on people who purchase individual and family policies. In general, these are people who have no economic or political power, and who are not represented by well-organized, special interest group lobbyists.

ATTEMPTS TO SHIFT THE COST TO THE PRIVATE SECTOR

An important principle of insurance is that the insured event must be a risky event -- one which has not already occurred. It is in this sense that pure insurance is like a gamble. If we knew in advance which specific policyholders will become ill, there would be no insurable (risky) event, and there would be no market for insurance against unexpected illness. Yet a number of states require insurers to insure people who are already known to have an illness that will incur future medical costs in excess of the insurance premiums they pay. The result is that all other policyholders must pay higher premiums to cover these costs.

Another important principle of insurance is that individuals must not be able to make claims as a result of their deliberate and intentional behavior. Thus, fire insurance reimburses for accidental fires, but not when policyholders burn down their own buildings. Life insurance reimburses for accidental death, but not for intentional suicide soon after the policy is issued. Yet a number of states require health insurance to cover treatment for alcoholism and drug abuse for policyholders who are already engaging in substance abuse at the time the policy is issued. /3 The result is that social drinkers, teetotalers and non-drug users must pay higher premiums to cover these costs.

Regulations such as these are partly the result of lobbying pressures from health care providers and from high-risk groups. But they also reflect a desire on the part of state legislators to force the private sector to pay for costs that would otherwise be paid for by government.

EXHIBIT 5
DATE 2-1-91
HB 246

AMENDMENTS TO HOUSE BILL 246

1) Section: 6
Page: 6
At: Line 22
Following: "Benefits for costs."
Add: The panel shall consist of one representative of the Disability Insurance industry, one representative of the health care provider community, and one member representing the general public.

2) Section: 8
Page: 7
At: Line 11
Following: (Section 3)
Insert: , hold one hearing open to the public and accept public comment for its review of mandated health insurance benefits

3) Section: 10
Page: 8
Line: 12
Strike: July 1, 1991
Insert: immediately upon passage and approval

TA/lj
T011R

EXHIBIT 6
DATE 2-1-91
HB 245 & 246

HOUSE HUMAN SERVICES COMMITTEE

FEBRUARY 1, 1991

* * * * * * * * * * * *

HOUSE BILL 245
HOUSE BILL 246

TESTIMONY IN FAVOR

HEALTH INSURANCE ASSOCIATION OF AMERICA

To: Chairman & Members of the Committee

From: Tom K. Hopgood

The HIAA is a trade organization composed of the majority of the commercial health insurance companies operating in the United States and moreover, in the State of Montana.

I am here this afternoon to commend Representative Nelson and the other sponsors of this bill for their courage and foresight in tackling this difficult issue. Let me emphasize that this is a tough issue. It is an unpleasant issue for you as legislators. I think I can speak not only for myself, but for the lobbyists involved in the issue on both sides, when I say it is a tough, unpleasant issue for us as well.

But that's part of the job. Sometimes you, as legislators, have to listen to some very difficult things. And sometimes we, as lobbyists, have some very difficult things to say. This is one of those times.

This bill is about the price of health insurance. There will be a number of people here today who will tell you all about the price of health insurance. I have a family of four. It cost me $322.30 per month to insure my family against the calamity of the cost of serious illness

or accident. I do not have the cadillac of health plans. I have the closest thing I can get to crisis avoiding, high deductible, low cost health insurance. I pay $322.30 per month. I pay $3,867.60 per year. In many ways I am fortunate. I am a lawyer with a busy practice in the capital city. I am not getting rich, but I make enough to keep the mortgage paid and food on the table. Although it's not cheap, I can afford the health insurance I have.

That's not true of everybody. In fact, I don't believe it true of most people. The average "Joe", the proverbial "little guy" we hear so much about, the single mother with a couple of kids who works in a retail business, the average main street businessman, all of them, if they have my insurer and my plan, have to pay $322.30 per month for basic health insurance. Can they afford it? Can someone who makes $20,000 per year and supports 2 kids afford to pay $3,867.60 per year (19% of their gross income) for health insurance?

The biggest health insurer in this state is not any one of my clients. The biggest health insurer in this state is not Blue Cross/Blue Shield. The biggest health insurer in this state (and nationwide) is no insurance.

I don't believe there's anyone who will advocate it is a "good thing" not to have health insurance. Certainly, the average Joe will tell you that it's a good idea. After all, he doesn't want his children to go without necessary medical services because he can't afford health insurance. Certainly, the providers of health care services will tell you that having health insurance is a "good thing" because that is who pays most of their bills; and certainly, insurance companies will tell you that health insurance is a "good thing". Just let it be known that you are in the market for health insurance and the agents, who are Mr. Akey's clients,

EXHIBIT 6
DATE 2-1-91
HB 245 & 246

will beat a path to your door to tell you what a good idea health insurance is.

But the alternative to paying the high cost of health insurance is to have no insurance--to go uncovered.

On behalf of the HIAA, I have been telling this legislative body for years that mandated health insurance benefits drive the price of insurance up and as the price of insurance goes up, people drop out of the market.

And I have been telling you every time a mandatory coverage bill comes up, that mandatory health insurance coverage is a part of the cause of the high cost of health insurance.

What is mandatory coverage? Mandatory health insurance coverage is a legislatively imposed portion of an insurance policy covering either a specific condition or disease or the services of a particular class of provider. In Montana, you will note that if you have a health insurance policy you are covered for the services of a nurse mid-wife, a nurse practitioner, a nurse anesthetist, a professional counselor, a psychologist, a social worker, a dentist, a denturist, and a chiropractor. You are covered for the services of all of these health care providers, whether you need or want them. Additionally, you pay extra for that coverage.

In Montana, if you have a health insurance policy, you are covered for the treatment of alcoholism, the treatment of drug abuse, the treatment of mental health disorders, home health care, care for newborn babies, mental and physical handicaps, and phenylketonuria. Also, by interpretation of the Human Rights Commission (which may or may not be correct), you are also covered for pregnancy. I am sure that each and every one of you, regardless of your gender or age, will rest easier knowing that if you have insurance in this state and you get pregnant it will be paid for by your

insurance policy. It is also mandatory that you have coverage for non-custodial children, that you have a conversion privilege and that coverage be continued for dependents and employees when membership in a group policy ceases. All of these things are included in your health insurance policy in Montana. Additionally, and here's the kicker, you pay for the coverage of these items in your insurance policy.

This session, we have seen bills proposed which seek to mandate coverage for the services provided by acupuncturist. We will see bills mandating coverage for mammograms and well-child care. We have seen a bill increasing the coverage for the treatment of mental illness, alcoholism, and drug abuse. We have seen a bill mandating coverage for adopted children. Everyone of the existing mandates has increased the price of health insurance and everyone of these mandates have driven people out of the insurance market. The mandate bills proposed in this legislative session will have the very same effect.

A 1988 study by the National Center for Policy Analysis concludes that nationwide there are roughly five to ten million people without health insurance as a direct result of mandatory health insurance coverage. In Montana, the number of people without health insurance is 134,000. Of this figure, between 16,000 and 28,000 have no health insurance as a direct result of mandates enacted by this legislature.

You will no doubt hear from a number of provider groups as to the importance of the services they render. I will say to you that I agree with them. I believe that alcoholics should be able to go to treatment; I believe that drug addicts should be able to have their dependency cured; I believe that pregnant women should have their babies delivered; I believe that children should have regular check-ups

EXHIBIT 6
DATE 2-1-91
HB 245 + 246

and immunizations; I believe that women should have mammograms; I believe a person should be able to be treated by a medical doctor, a licensed counselor, an acupuncturist, or even, if that person so chooses, by a witch doctor.

But I also believe a person who suffers multiple injuries in an automobile accident ought to be able to have his injuries treated. I believe that a person who has a heart attack ought to be able to go to a hospital; I believe that a child who breaks his leg on the playground ought to be able to have that injury treated in the emergency room and a cast put on that leg. I believe that when a child has leukemia, that child should have the best treatment available.

Mandated coverage, because it drives people out of the market precludes coverage for these later situations because the patient has no insurance.

House Bill 246

House Bill 246 attempts to meet this problem. It recognizes the number of mandate bills which come before the legislature and the conflicting evidence and facts which come before this body in connection with those bills.

It is often difficult to know which facts to believe and, even which facts are important. That is particularly true in the context of mandate legislation.

This bill would require that when a new mandated coverage is proposed before this legislative body that it be accompanied by documentation as to the effect of that legislation.

It would require that the effects be set forth in black and white. I direct your attention to section 4 of the bill which sets forth in detail the material which must be included within the documentation.

Additionally, the documentation would be reviewed by the mandated health insurance benefits review panel which would be attached for administrative purposes only, to the insurance commissioner's office. The review would be limited by Section 8 to a finding that the research in the report meets professional standard and that all relevant research has been included in the report. There would also be a certification that the conclusions and interpretations in the report are consistent with the documentation for other information presented.

The HIAA believes that due to the sensitivity of the mandate issues and the varying statistics, conclusions and interpretations presented before this legislative body as to the effect of mandated health coverage, that this bill would go a long way toward the enactment of legislation which is truly needed by the people of the State of Montana.

This or similar legislation has been enacted in several other states. I note that this bill is patterned after an Indiana statute.

We ask you for a do pass recommendation on this bill.

House Bill 245

I will not repeat the background material stated in connection with the prior bill.

I would have you note a very peculiar situation. That arises from the fact that self-insurers, that is, employers who act as their own health insurers under the Employment Retirement Income Security Act of 1974 are not subject to

EXHIBIT 6
DATE 2-1-91
HB 245 & 246

these mandatory coverages. These employers are generally the larger employers in the State of Montana and in fact, include the State of Montana. In other words, the mandates which this legislature has required commercial health insurance companies and Blue Cross/Blue Shield to provide do not have to be provided by the State to its own employees or to any other group which is self-insured. The same mandates which this legislative body requires everyone with a private or Blue Cross/Blue Shield policy to purchase and pay for are not required to be purchased and paid for by state employees or employees in any other self-insured group.

In order to stem the tide of new mandates further increasing the costs of health insurance, Representative Nelson has introduced this bill. Its concept is quite simple. Simply stated, unless the new mandates which this legislature seeks to enact would, under the federal law, apply to self-insured employee benefit plans, they do not apply to other health insurance.

This bill does not seek to impose mandatory benefits on employee welfare benefit plans. This bill does not seek to repeal existing mandates. The HIAA believes that this bill is a giant step toward controlling the cost of health insurance. We believe that it is a step forward for the insurance buying public and we believe that it will go a long way toward solving the problem or at least, eliminating the problem of the uninsured.

I would note that this type of legislation has been in several other states and the particular statute before you today is taken from the books of the State of Nebraska.

Ex. 6
2-1-91
HB 245 & 246

I would strongly urge you to give this bill a do pass recommendation.

Respectfully Submitted,

Tom K. Hopgood
Health Insurance Association
Of America

EXHIBIT 7
DATE 2-1-91
HB 246

FACTS ABOUT MANDATED HEALTH BENEFITS

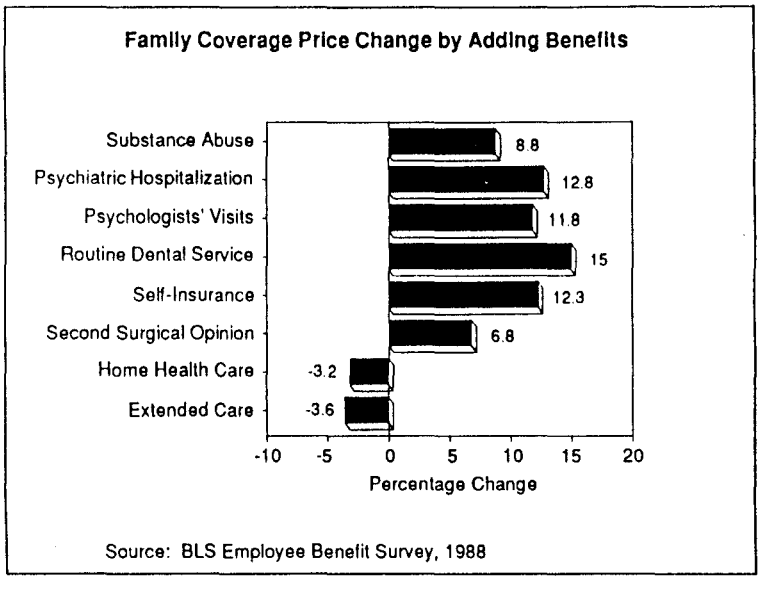
Presented by the Montana Association of Life Underwriters

- Montana ranks third in the region in the number of mandatory health coverages. Adoption of the mandatory benefit proposals before 1991 Legislature will move Montana to the top of the list. (See chart on back.)

North Dakota	24
Washington	21
MONTANA	**20**
Oregon	16
Colorado	13
Utah	13
South Dakota	12
Wyoming	8
Utah	7

Fifteen of the twenty mandates on the books in Montana today have been adopted since 1981. At least six **new** mandated benefits are before this Legislature.

- Mandated benefits drive up the cost of health insurance. The following graph shows the national average percent premium change for family coverage that results from adding each specific benefit.



For example, adding substance abuse coverage increased family premiums by 8.8% on average.

- More than 141,000 Montanans have no health insurance at all. An estimated 22,000 of these (and perhaps as many as 28,000) lack health insurance solely **because** of the benefits already mandated by state law. Adding new mandates will only drive the price up further, forcing even more people to lose their health insurance, and leading to a phenomenon called "adverse selection."

- Mandate evaluation laws like the one proposed in House Bill 246 work! Oregon adopted a mandate evaluation law in 1985; since then only three new mandates have been created. Washington adopted a mandate evaluation law in 1987; only four new mandates have since been adopted. Colorado added a mandate evaluation law in 1989.

	CO	ID	MT	ND	OR	SD	UT	WA	WY
All health professionals						80	85		71
Nurses	87			85				81	
Nurse midwives			87	85		80	79	81	
Nurse practitioners			87	85	80	80		81	
Nurse anesthetists			87	85		89			
Physical therapists									
Occupational therapists									
Speech/hearing therapists									
Professional counselors			85						
Psychologists	79		81	87	76	86	75		85
Psychiatric nurses	88			89					
Social workers			85	89	79	88	75		
Dentists			83						
Oral surgeons									
Optometrists					76		75		
Podiatrists							75	83	
Chiropractors			X	79			75	83	
Osteopaths									71
Naturopaths									
Acupuncture			**[91]**		89				
Alcoholism	76		79	75	75	79		74	
Drug abuse			81	75					
Mental health	76		81	75	73			83	
Mammograms	89		**[91]**	89		90		89	
Breast reconstruction								83	
Maternity	75		**[91]**	89	73				
Prescription drugs				79					
Orthotics and/or prosthetics									
Cleft palate	87	85							
Temporomandibular joint				89				89	
Diabetic education					87				
Second opinion									
Home health	84		81					83	
Hospice	84							83	
Long term care			**[91]**		87				
Invitro fertilization									
Ambulatory surgery									
Anti-abortion	85	85		79					
Public institutions		90	73					87	75
Ambulance for newborns									
Well child care			**[91]**				85		
Other health centers									
Dependent students				81					
Adopted children			**[91]**	87		83	85		89
Newborns	75	74	73	79	75	76	77	74	75
Mental/physical handicap		72	71	83			75	69	71
Non-custodial children			89	87	85		90		89
Conversion privilege			81	83	81	79	79	84	83
Continuation for dependents				87	81	80		80	
Continuation for employees	90	75	81	81	81			73	
Miscellaneous	1	1	2		1			3	
TOTAL MANDATES	13	7	20	24	16	12	13	21	8

8
DATE 2-1-91
HB 246

NFIB Montana

National Federation of
Independent Business

SUBMITTED TESTIMONY BY

NATIONAL FEDERATION OF INDEPENDENT BUSINESS

Before: Human Services Committee,
Montana House of Representatives
Rep. Angela Russell, Chairman

Subject: HB-246

Date: February 1, 1991

Presented by: J. Riley Johnson

Madame chairman and members of the committee, on behalf of more than 6,000 members of the National Federation of Independent Business (NFIB) in Montana I offer this testimony which outlines the views of our state's small employers regarding mandated health benefits and the need to control them.

A brief profile of the small business people who make up NFIB should help the committee understand the folks for whom I am talking here this afternoon. The typical NFIB/Montana member

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employes 3 to 5 people and in nearly all cases he or she "owns their own job"; i.e., these are the truly small, main-street businesses...Mom and Pop shops, if you will, of Montana.

NFIB is a very democratic organization. Just as your constituents cast ballots to elect you to public office, our members cast ballots to establish our policy positions. I am bound by these mandates from our members.

And, as far as HB-246 and the establishment of a mandated health benefits review commission is concerned, our members have spoken up loud and clear on the 1991 NFIB/Montana State Ballot.

When asked if legislation should be passed for a systematic review of the fiscal and social impact of state government-mandated health insurance benefits prior to adoption, our members voted 65 percent (65%) in favor of such a review, while 20 percent (20%) voted disapproval and 17 percent (17%) were undecided.

NFIB would make only one change in HB-246. We would ask that you make this law affective upon passage. This would cut through the volume of mandated health bills coming before you this session and force them into review. Then, in an organized fashion with some semblance of quality, need and benefit, these mandated benefits could be brought back in 1993 and dealt with by the next session. Today, you are being asked to vote on all kinds of good and just causes for better health in Montana...but before you leave these halls in April you will have increased the price of health insurance to the average family in Montana by 40 percent or 50 percent or more.

EXHIBIT 8
DATE 2-1-91
HB 246

Is cost a real factor in health insurance coverages offered by small business?

Over 62 percent (62%) of NFIB members in Montana today offer some form of health insurance or contributions to health insurance plans. When asked why those which did not offer such health benefits, 92 percent (92%) told us it was too costly.

Too costly? You bet! I am a small business person myself, as many of you here today are. And as of January 1, 1991 I am paying more for my health insurance each month than I pay for the mortgage on my home. For myself, my wife and one daughter I pay $425 monthly or $5,100 annually for $500 deductible and a 70/30 co-payment. As of February 1, 1991 I am cutting back to a pure major medical plan because of cost.

I am not so naive to believe that mandated benefits are the sole cause of escalating health insurance premiums. But it certainly is one BIG factor and a factor that will be growing by leaps and bounds from the looks at the proposed mandated benefit bills before this legislature.

Small business recognizes the need to address the health-care crisis in Montana. Small business is willing to do its share by working on such ideas as "bare-bones health plans". But small business folks all across our state are saying...enough...enough...enough!

A mandated benefit review commission would give us ALL a time to pause, reflect on the consequences and to then move forward on the most needed...the most beneficial...and the best quality benefits to help our people.

The small business community asks you to give careful and considered thought to HB-246 and recommend a "do pass" to your colleagues in the House of Representatives.

-30-

that fund raising is vital to free elections. They suggest that fund raising is a strong indicator of a candidate's ability to represent a constituency.

In addition, opponents believe that it is only through open spending limits that candidates are able to communicate information about their individual abilities — or lack of abilities — to the voters. These opponents say that placing limits on this communication process would result in a poorly informed electorate.

HEALTH INSURANCE

Universal Health Insurance

5. Should legislation be enacted to create a universal, state-government administered health insurance program that would be available to all Montanans?

☐ Yes ☐ No ☐ Undecided

[1]24.5 [2]63.1 [3]12.4 [15]

Background: As the cost of health insurance rises and greater numbers of people are left without coverage, legislators have begun to consider the establishment of a universal health insurance program that would be similar to the Canadian Health Care Plan.

Proponents of the proposal argue that a universal health insurance program would ensure that all Montanans would have adequate access to health care, and that business owners would no longer have to deal with unpredictable health insurance premiums or to face possible mandated health insurance plans.

Opponents argue that such a system of "socialized medicine" would lead to an expensive, bureaucratic state program, such as that for workers' compensation insurance. They contend that a universal health program would need to be financed by ever-increasing taxation, would lead to health-care rationing and shortages, and would be a disincentive to developing medical technologies. Opponents also believe that enactment of a universal health-care program would merely shift the cost of health insurance from premiums to new taxes.

Mandated Benefits Review

6. Should legislation be enacted to provide for a systematic review of the fiscal and social impact of state government-mandated health insurance benefits prior to their adoption?

☐ Yes ☐ No ☐ Undecided

[1]64.5 [2]19.6 [3]15.6 [16]

Background: For many years, Montana lawmakers have enacted laws in order to provide for mandated benefits in health insurance plans, which require health insurance carriers to include certain health services in all medical policies. Examples of these types of mandated benefits include coverage of specific illnesses, such as drug or alcohol dependency or mental and stress disorders. Other mandates require policies to cover specified health-care providers, such as chiropractors and psychologists.

Proponents of the proposed review believe that mandated benefits are helping to drive up the costs of health insurance and are contributing to the growing number of Montanans who are not covered by any health insurance program. They also say that such mandates are depriving employees and employers of the right to determine what constitutes the most appropriate health insurance package for them. These proponents argue that a pre-adoption review could focus on vital fiscal considerations, including the mandate's impact on insurance costs and the use of particular medical services.

Opponents of the review proposal believe that a good selection of these kinds of mandated benefits would save money for employers in the long run. In their view, the broadest possible insurance coverage (both in terms of benefits and health-care provider services) results in early intervention with respect to health-care problems and reduces subsequent insurance claims.

"Bare-Bones" Health Plans

7. Should Montana allow insurance carriers to offer a "bare-bones" health insurance package that is stripped of all state-mandated coverages?

☐ Yes ☐ No ☐ Undecided

[1]64.8 [2]18.7 [3]16.5 [17]

Background: Some legislators who are looking for ways to resolve the health-care cost crisis are examining the idea of "bare-bones" health insurance policies. Seven states have passed similar legislation that allows such health plans in the past year. Such minimal health insurance plans do not contain costly state-mandated coverages.

Proponents of the proposal say that mandates constitute a major portion of the health-care costs to insurance providers. They suggest that it is the high cost of health insurance that prohibits many individuals and employers from purchasing such coverage. These proponents believe that a bare-bones policy would cut health insurance costs drastically and thereby allow for coverage of a greater number of people.

Opponents argue that this proposal is a ploy by employers and insurance companies in order to allow them to not provide adequate health insurance coverage to individuals. These opponents contend that without broad coverages, individuals would ignore some medical disorders until they become major problems, thus resulting in poorer overall health care and ultimately costing more money. Opponents also argue that lower-income people would be the most hurt by bare-bones health polices because they would have to pay more of their gross income for health-care coverage than middle- and upper-income people.

EXHIBIT 8
DATE 2-1-91
HB 246

LABOR

Deficit Surcharge

8. Should the legislature continue paying for the unfunded liability in the workers' compensation insurance system with the 28 cents per $100 of gross payroll surcharge on employers?

☐ Yes ☐ No ☐ Undecided

[1]20.2 [2]65.3 [3]14.5 [18]

8a. If you answered "no" to the above question, please indicate your priorities for alternative financing of the unfunded liability in the workers' compensation insurance system. (Select your top three choices.)

1. 44.9 Income tax surcharge
2. 77.7 Employees contribute to surcharge
3. 37.6 Appropriate general fund monies
4. 8.2 Raise WC rates
5. 28.5 Graduate surcharge (not flat rate) [19-21]

Background: The state does not have enough money in its coffers to pay for all of the past workers' compensation (WC) claims as they come due over the next 30 years. This deficit is referred to as the "unfunded liability," which now amounts to over $330 million in today's dollars. The legislature has made numerous attempts to solve the unfunded liability problem, including a special session in May of this year.

To date, the only adopted solution has been a 28 cents per $100 of gross payroll surcharge that has been placed on all employers, even employers that do not use the state's WC insurance fund. This surcharge, coupled with borrowing from the ongoing WC funds, is expected to pay off this deficit in 20 to 30 years. Most legislators who are supportive of small-business want to change this surcharge system in 1991, saying that it is too costly and also unfair.

Proponents of the surcharge [illegible]

EXHIBIT 4
DATE 2-1-91
HB 246

Montana Council for Maternal and Child Health

The Voice of the Next Generation
in Montana's State Capitol

2030 11th Ave., Suite 10 Helena, MT 59601 (406) 443-1674

TESTIMONY FOR THE HOUSE HUMAN SERVICES AND AGING COMMITTEE
Friday, February 1, 1991
In Re: HB 246, Suggesting Amendment
Review of Health Insurance Mandates

The Montana Council for Maternal and Child Health, a non-profit public health policy research, education, and advocacy organization, supports the concept of an orderly review of proposals for mandatory health insurance coverage.

HB 246 addresses this issue with language similar to that adopted by other states such as Washington and Pennsylvania. These states may be able to provide a history showing the effectiveness of the legislation in crafting a unified and intelligent set of basic insurance mandates. The Council is concerned, however, with the procedure proposed for the review.

It appears that a "panel" of 3 reviewers will be appointed for a term of years, but will be actually reviewing mandate proposals only as they are received by the Insurance Commissioner. The bill contains no assurance that these part-time appointees will be free of bias as employees, agents, or representatives of either the insurance industry or an interested sponsor or opponent of mandate legislation.

In addition, this bill proposes that a panel of three experienced health policy researchers review each mandate proposal, but the only function of the panel is to analyze whether the proposal itself meets clearly defined, and rather burdensome, structural and sufficiency requirements. The panel is prohibited from contributing its own research or commenting on the merits or desirability of the proposed legislation. It appears to the Council that this procedure is designed more to exclude mandates on technical grounds than to provide any meaningful input on their merits to the legislature which must rule on them.

The Montana Council for Maternal and Child Health would support HB 246 if it is amended to make this important review of insurance mandate proposals a duty of the Insurance Commissioner, with permanent, non-political staff support, and provides for the Insurance Commissioner to take a substantive position on establishing a useful set of mandates for Montana's health insurance consumers.

The Council suggests that the legislature consider enacting a broader substantive process under which the state can come up with a sound policy on insurance mandates. Perhaps the Insurance Commissioner could conduct a series of public hearings on mandates and present its findings to the next legislature. Perhaps it could be authorized to develop a mandate package for Montana by administrative rulemaking. Any such process should make the independent expertise of the

Insurance Commissioner available both to the public and to the legislature in assessing the merits of each proposal.

In Washington, the independent State Health Coordinating Council, a public policy and planning body, is charged with reviewing all proposals, and submits its recommendations on the merits of each proposal to the legislature. The Washington version of HB 246 contains no provisions for a review of the technical quality of the proponent's research, but simply dictates the contents, which are similar to those of HB 246.

In Pennsylvania, the independent Health Care Cost Containment Council is charged with the review. This body not only receives the opinion of a panel of researchers on the technical content of proponents' reports, but also obtains the opinions of the state secretary of health and the state insurance commissioner, and makes a recommendation on the merits of each proposal to all interested parties including members of the legislative and executive branch.

Respectfully Submitted,

Paulette Kohman

Paulette Kohman
Executive Director

EXHIBIT 10
DATE 2-1-91
HB 246

DEPARTMENT OF ADMINISTRATION
STATE PERSONNEL DIVISION

STAN STEPHENS, GOVERNOR
ROOM 130, MITCHELL BUILDING
STATE OF MONTANA
(406) 444-3871
HELENA, MONTANA 59620

Testimony on HB246
Before the House Human Services Committee
by the Department of Administration
February 1, 1991

Madam Chairman, Members of the Committee, I am Joyce Brown, Chief of the State Employee Benefits Bureau, with the State Personnel Division, Department of Administration.

I am here to conditionally supporting HB246. Although, the State employee health plan is exempt from the insurance codes, health insurance mandates none-the-less impact us.

1. The State plan has always attempted to voluntarily comply with such mandates since they represent legislative guidance on health plan minimums.

2. They create tremendous pressure from providers who unknowingly or, perhaps in some cases, knowingly advise patients that costs of mandated benefits will be reimbursed.

I say I conditionally support the bill, because **my first preference is no more mandates.** As indicated in previous testimony to this Committee, Montana's largest employer, State Government, is not able to fund cost increases for existing benefits. Over the next biennium we expect to have to cut $9,000,000 worth of benefits or collect another $9,000,000 in premiums from our employees to pay for current benefits. If $600,000 of new benefits are mandated, we will have $9,600,000 worth of current benefits to cut or $9,600,000 in costs to pass on to our employees to pay for.

However, if the Legislature feels it has a responsibility to Montana Citizens to require health plans to contain a minimum level of benefits, I can understand that. **If more mandates are coming, I applaud this bill as a step in the right direction.**

Something as critical and complex as health care mandates cannot be adequately addressed in a four month session along with scores of other issues. They should also not be addressed based only on input from health care providers, who have a money-making interest, and insurance co.s who have only an indirect interest. The people most directly and critically affected (employers and their employees) who receive and pay for these benefits are only now beginning to come forward based on the realization that benefit mandates are mandates for onerous cuts elsewhere including wages. That is why you are seeing labor leaders testify.

EXHIBIT 10
DATE 2-1-91
HB 246

My problem with the bill is that it doesn't go far enough.

BEFORE ANY NEW BENEFITS ARE MANDATED, DECISION MAKERS NEED TO ADDRESS THE FOLLOWING QUESTIONS:

1. ARE THE PROPOSED BENEFITS MORE CRITICAL THAN THE CURRENT ONES HEALTH PLANS WILL HAVE TO CUT TO MAKE ROOM FOR THEM?

2. ARE ALL THE MANDATES IN COMBINATION AFFORDABLE BY MONTANA EMPLOYERS AND THEIR EMPLOYEES?

3. WILL THE COST OF PROVIDING ALL THE MANDATES, CAUSE EMPLOYERS TO DROP HEALTH INSURANCE BENEFITS ALTOGETHER? WILL HIGH COSTS FOR DEPENDENT COVERAGE CAUSE EMPLOYEES TO STOP COVERING THEIR DEPENDENTS? WILL RETIREES ON FIXED INCOMES WHO OFTEN MUST PICK UP THE ENTIRE PREMIUM BE FORCED OFF HEALTH PLANS?.

4. IF THE NUMBER OF UNINSURED CONTINUE TO GROW AND COSTS ARE SHIFTED TO PROPORTIONALLY SMALLER AND SMALLER NUMBERS OF INSUREDS

HB246 needs to be expanded to allow the review panel to reevaluate current mandates. It needs to be made effective immediately before any more mandates are enacted.

EXHIBIT 11
DATE 2-1-91
HB 246

FREEDOM OF CHOICE IN HEALTH INSURANCE

John C. Goodman
National Center for Policy Analysis

and

Gerald L. Musgrave
Economics America, Inc.

NCPA Policy Report No. 134

November, 1988

Appendix pp. A-1 to A12

The National Center for Policy Analysis

7701 N. Stemmons, Suite 800

Dallas, Texas 75247

(214) 951-0306

EXHIBIT 12
DATE 2-1-91
HB 376

Amendments to House Bill No. 376
First Reading Copy

Requested by Rep. Char Messmore
For the Committee on Human Services and Aging

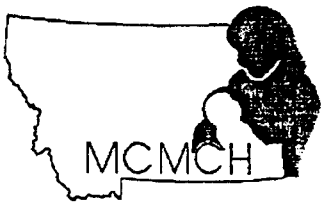
Prepared by David S. Niss
January 30, 1991

1. Page 4, line 6.
Strike: the semicolon

2. Page 4, lines 7 through 11.
Strike: lines 7 through 11

3. Page 4, line 12.
Strike: "(c)"

EXHIBIT 10
DATE 2-1-91
HB 376



Montana Council for Maternal and Child Health

The Voice of the Next Generation
in Montana's State Capitol

2030 11th Ave., Suite 10 Helena, MT 59601 (406) 443-1674

TESTIMONY FOR THE HOUSE HUMAN SERVICES AND AGING COMMITTEE
Friday, February 1, 1991
In Support of HB 376
State Immunization Program

The Montana Council for Maternal and Child Health. a non-profit public policy research,education, and advocacy organization, supports HB 376, establishing a policy of appropriating sufficient state general funds to the DHES Immunization Program to insure that no child goes without essential immunizations required by state law.

Montana currently receives grant funds from the federal Center for Disease Control, which it uses to purchase vaccine through a discounted federal contract with vaccine suppliers. This vaccine is then provided to Montana residents through local health departments and other participating clinics, at no cost, regardless of the patient's ability to pay. Voluntary donations for administration costs are permitted, but no one may be denied vaccine for failure to pay. In contrast, private physicians purchase their vaccine supplies directly from the manufacturer, at a cost up to twice that of the federal contract, and charge patients for both the vaccine and administration costs.

The cost of vaccine has risen sharply in the past five years, and new medical standards have increased the number of recommended doses of some vaccines. At the same time, the federal grant for 1991 currently stands at less than the state received in 1990. Most other states contribute state funds to purchase additional vaccine, at the discounted federal contract rate. A chart showing the contributions of other states in our region is attached. Many also purchase discounted vaccine for free administration by private physicians.

Montana cannot maintain an adequate supply of vaccine at public clinics using its federal grant funds alone. It has sufficient supplies of DTP, Oral Polio, and toddler Hib vaccine to meet the demand established in calendar year 1989, but has had to limit vaccine supply to local clinics to 1989 levels, despite increasing demand for vaccine. It cannot supply a second dose of MMR to meet the current medical standards, nor can it supply sufficient Hib vaccine for infants. These patients are simply turned away. Demand is currently limited by the fact that most public clinics are only open for a few hours each week.

Montana's rural nature makes travel for immunization difficult. County health departments report that many physicians refer patients to the county because they have no insurance for vaccine at the doctor's office. At the same time, many public clinics must refer vaccine clients to private physicians for infant Hib and the second dose of MMR.

This fractured distribution system has clearly hampered immunization compliance. Annual retrospective studies by DHES of Montana's entering school children show that many of Montana's preschool children are not fully immunized, and most are far behind schedule. For example, only 73% get their first DTP and Oral Polio immunizations before 3 months of age, less than 48% have 3 DTP and 2 Polio by 7 months, and only 35% have received their first MMR at 15 months. At age 2, only 41% have completed their full schedule of 4 DTP, 3 polio and 1 MMR.

Children in Montana cannot enter school without the full series, but these delays in immunization mean that the average age of completion of the "two-year-old" series is 34 months, almost a full year behind schedule. These very vulnerable under-immunized children are left susceptible to diseases that, despite effective vaccines, still kill millions of children worldwide each year.

Montana needs additional vaccine in two critical areas:

1) The routine immunization needs of Montana's children cannot be maintained with the current federal grant. And no additional vaccine can be provided to help Montana's young children catch up on their vaccine schedules without additional funding.

2) A second dose of MMR, which is now universally recognized as essential to prevent measles outbreaks, cannot be administered to more than a handful of Montanans without a substantial investment of funds for both vaccine and administration.

The Montana Council for Maternal and Child Health joins with the other individuals and organizations testifying before you today, in the strong belief that it is time for Montana to demonstrate its commitment to the next generation, by providing vaccine for every child, without artificial limitations on access. HB 376 contains a strong policy statement that no child should be denied immunization due to lack of state funding for vaccine. And it backs up that policy with an appropriation of funds to address the specific needs mentioned above.

Your action on this bill could make Montana's Next Generation the first to grow up free of the "childhood" diseases that decimated our ancestors, both child and adult. I urge you to return HB 376 to the floor with a "do pass" recommendation.

Respectfully Submitted,

Paulette Kohman
Executive Director

EXHIBIT 14
DATE 2-1-91
HB 376

STATE	CDC GRANT AWARDED	PERCENT OF FUNDS ALLOCATED	ANNUAL LIVE BIRTHS	% LIVE BIRTHS	STATE VACCINE FUNDS	STATE OTHER FUNDS	STATE TOTAL FUNDS
	5,071,400 6,569,670						
Colorado	1,538,675	23.45	58,054	42.15	350,000	30,000	380,000
Montana	910,191	13.87	14,146	10.27	0	31,570	31,570
North Dakota	843,533	12.86	11,500	8.35	230,000	0	230,000
South Dakota	910,331	13.87	11,253	8.17	80,000	73,131	153,131
Utah	1,622,703	24.73	34,142	24.79	709,900	0	709,900
Wyoming	735,688	11.21	8,633	6.27	163,845	12,000	175,845
TOTALS	6,561,121	100.00	137,728	100.00	1,533,745	146,701	1,680,446

1988(?) figures: Chart Supplied by US DHHS, Division of Preventive Health Services

EXHIBIT 15
DATE 2-1-91
HB 376

I have introduced myself previously this afternoon, but for those who may not have been present my name is Dennis McCarthy. I am a pediatrician who has practiced in Butte for the past 18 years. As a member of the Montana Chapter of the American Academy of Pediatrics, I am here to lend support to H.B. 376.

The biphasic appropriation request of this bill will first maintain the status quo in our states immunization clinics. As a physician who has provided care for children in this state, who have had severe complications from the diseases these vaccines are meant to prevent, I can only strongly reiterate the need for the passage of this bill. Parenthetically, a positive note is that through the efforts parallel to ours in other states, nationwide there has been a dramatic decrease in the incidence of these diseases to the point that some medical students are now graduating without ever having seen a case of rubella mumps, and especially polio which has alsmost been eliminated.

But we cannot let this success lull us into complacency, as all these diseases are still endemic in the country and can resurface at anytime, as has measles, and hence the second part of this request. Since 1986 this country began to experience a resurgence of measles, a not so innocuous disease which has a mortality rate of 1 in 3000 cases and produces brain damage secondary to encephalitis in 1 in 1000 cases. In 1988 Montana experienced outbreaks of measles in both Kalispell and Butte. Our experience was similar to that of the epidemics in the U.S. in that more than half of the cases occured in previously immunized children greater than 10 years of age. As a result the American Academy of Pediatrics has recommended a booster measles vaccine at junior high or middle school entry.

The only shortsight of this bill is the lack of designated funds for the new HIB vaccine, which I can discuss if there are questions later.

Ex 15
2-1-91
HB 376

The benefit cost ratio for polio vaccine is 10:1 and measle vaccine is 15:1. Having been at the bedside of children dying from measles and meningitis, I cannot emphasize enough the need for funding as outlined in this bill for preventable diseases.

Thank you for your time.

Dennis J. McCarthy, M.D.
630 W. Mercury
Butte, Montana 59701
Phone: (406) 723-4337

EXHIBIT 16
DATE 2-1-91
HB 376

TESTIMONY ON HB 376

MY NAME IS CHERRY LONEY. I AM AN R.N. WITH A MASTER'S DEGREE IN ADMINISTRATION, AND AM THE HEALTH OFFICER/DIRECTOR OF THE CITY-COUNTY HEALTH DEPARTMENT IN CASCADE COUNTY. I HAVE BEEN WITH THE HEALTH DEPARTMENT FOR 17 YEARS.

IT IS WITH PLEASURE THAT WE SUPPORT HB 376 AMENDED TO DELETE SECTION 5, SUBSECTIONS a AND b ON PAGE 4, AS REQUESTED BY REPRESENTATIVE MESSMORE.

WE SUPPORT THE CONCEPT OF THIS BILL IN THAT IT IS CRUCIAL THAT:

1. VACCINE BE AVAILABLE TO ALL CHILDREN REGARDLESS OF THEIR ABILITY TO PAY; AND,
2. THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES MAINTAIN AND ADMINISTER A STATEWIDE IMMUNIZATION PROGRAM.

PRESENTLY, THE STATE DEPARTMENT OF HEALTH RELIES EXCLUSIVELY ON FEDERAL DOLLARS TO PURCHASE VACCINE FOR CHILDHOOD ILLNESSES. THE MONEY THEY WILL RECEIVE THIS YEAR FELL SHORT OF WHAT THEY REQUESTED AND WHAT THEY EXPECTED TO GET. CONSEQUENTLY, LOCAL HEALTH DEPARTMENTS WILL SOON BE PUT ON NOTICE THAT, EVEN THOUGH THE DEMAND FOR SHOTS THROUGH OUR CLINICS MAY INCREASE THIS YEAR, WE MAY NOT ORDER MORE VACCINE THAN WE GOT LAST YEAR. THIS CONCERNS ME IN THAT THE NUMBER OF SHOTS, USING STATE-SUPPLIED VACCINE, GIVEN TO CHILDREN THROUGH THE HEALTH DEPARTMENT IN GREAT FALLS HAS INCREASED BY 67% OVER THE PAST 5 YEARS. SHOULD THIS TREND CONTINUE, WE VERY LIKELY WILL NOT HAVE ADEQUATE VACCINE TO MEET THE DEMAND WITHOUT SOME MONETARY ASSISTANCE FROM THE STATE GENERAL FUND.

IN ADDITION, MANY PEOPLE OBTAIN IMMUNIZATIONS IN PUBLIC HEALTH CLINICS BECAUSE THEY CANNOT AFFORD TO PAY FOR THEM THROUGH A PRIVATE PHYSICIAN'S OFFICE. IN FACT, MANY GREAT FALLS PHYSICIANS REFER THEIR PATIENTS TO US FOR SHOTS FOR THIS REASON. AN INSUFFICIENT VACCINE SUPPLY THROUGH PUBLIC HEALTH DEPARTMENTS, THEN, WILL LIKELY MEAN THAT SOME CHILDREN WILL NOT GET IMMUNIZED. THIS POSES A SERIOUS PUBLIC HEALTH PROBLEM. NOT ONLY ARE THESE VACCINE-PREVENTABLE CHILDHOOD DISEASES HIGHLY CONTAGIOUS, BUT THEY CAN ALSO RESULT IN SERIOUS COMPLICATIONS FROM WHICH CHILDREN CAN BE PERMANENTLY IMPAIRED OR EVEN DIE.

TO FURTHER EMPHASIZE THE NEED FOR STATE DOLLARS TO SUPPORT OUR IMMUNIZATION PRO-

GRAM. THE ADVISORY COMMITTEE ON IMMUNIZATION PRACTICES FOR THE CENTERS FOR DISEASE CONTROL ACTUALLY RECOMMENDS A 6 MONTH STOCKPILE OF VACCINE TO ADEQUATELY MANAGE AN IMMUNIZATION PROGRAM. PRESENT FEDERAL FUNDS DO NOT ALLOW FOR THIS. SHOULD AN OUTBREAK OCCUR, VACCINE ON HAND WOULD NEED TO BE CHANNELED TO CURB THE OUTBREAK. THIS WOULD SERIOUSLY CRIPPLE OUR ABILITY TO CARRY ON WITH NORMAL IMMUNIZATION CLINICS. STATE SUPPORT WOULD ENABLE US TO MAINTAIN THIS RECOMMENDED STOCKPILE.

ASSURANCE OF AN ADEQUATE VACCINE SUPPLY IS VITAL TO THE EFFECTIVENESS AND ENFORCEMENT OF OUR SCHOOL IMMUNIZATION LAW. MONTANA REQUIRES IMMUNIZATIONS FOR BOTH SCHOOL AND DAYCARE ATTENDANCE. WE MUST ASSURE WE HAVE ADEQUATE VACCINE ACCESSIBLE TO ALL CHILDREN REGARDLESS OF THEIR ABILITY TO PAY SO THAT THEY CAN COMPLY WITH THIS LAW.

A FINAL POINT ON STATE SUPPORT TOWARD THE PURCHASE OF VACCINE IS THAT IT IS MY UNDERSTANDING MONTANA IS ONE OF TWO STATES IN THE ENTIRE COUNTRY THAT DOES NOT CONTRIBUTE TO THE PURCHASE OF VACCINE AND IS, IN FACT, THE ONLY STATE IN THE ROCKY MOUNTAIN REGION.

IN ADDITION TO FUNDING, THIS BILL ALSO ADDRESSES MAINTAINING THE DEPARTMENT OF HEALTH'S IMMUNIZATION PROGRAM. WE ALSO SUPPORT THIS PROGRAM IN THAT THEY ARE IMPORTANT FOR ASSISTANCE WITH OUTBREAK CONTROL, FOR PROVIDING AND IMPLEMENTING IMMUNIZATION STANDARDS IN THE STATE OF MONTANA, FOR ASSESSING STATEWIDE IMMUNIZATION LEVELS, AND FACILITATING THE DEVELOPMENT AND EXECUTION OF PROGRAMS, AS NECESSARY. AMONG OTHER THINGS, THE ASSISTANCE WE GOT FROM THIS PROGRAM IN OUR 1987 MEASLES OUTBREAK WAS INVALUABLE TO US AND TO THE RESIDENTS OF CASCADE COUNTY.

BEFORE I CONCLUDE, I WANT TO BRIEFLY SUMMARIZE WHY THE DELETION OF SECTION 5, SUBSECTIONS a AND b, IS IMPORTANT. THESE TWO PROVISIONS WOULD ALLOW FOR USE OF FEDERAL MATERNAL CHILD HEALTH BLOCK GRANT MONIES TO PURCHASE VACCINE. THIS MONEY IS PRESENTLY USED FOR A VARIETY OF CRITICAL MATERNAL CHILD HEALTH SERVICES AROUND THE STATE. SOME EXAMPLES ARE: (1) STAFFING LOCAL PUBLIC HEALTH IMMUNIZATION CLINICS WITH NURSES, SUPPORT STAFF, MEDICAL COVERAGE, AND SUPPLIES; (2) STAFFING WELL CHILD CLINICS WITH NURSES, SUPPORT STAFF, AND PATIENT EDUCATION MATERIALS; (3) PAYING FOR PREVENTIVE DENTAL CARE FOR LOW INCOME CHILDREN WHO ARE ABOVE INCOME FOR PUBLIC ASSISTANCE, BUT DO

NOT HAVE THE RESOURCES TO PAY FOR DENTAL CARE (WORKING POOR); (4) PAYING FOR MEDICAL CARE/PRESCRIPTIONS FOR CHILDREN WHO ARE INELIGIBLE FOR PUBLIC ASSISTANCE; AND (5) SUPPLEMENTING THE EXISTING LOW BIRTH WEIGHT PREVENTION PROJECTS WITH A NURSE COORDINATOR, SUPPORT STAFF, AND PATIENT EDUCATION. THESE SERVICES AND MORE MEET VERY CRITICAL PUBLIC HEALTH NEEDS OF OUR CITIZENRY.

ADEQUATE FUNDING OF VACCINE FOR CHILDHOOD DISEASES IS EXTREMELY IMPORTANT. IT IS EQUALLY CRITICAL, HOWEVER, NOT TO USE MCH BLOCK GRANT MONIES FOR THIS PURPOSE AND THEREBY REDUCE OTHER VITAL MATERNAL CHILD PUBLIC HEALTH SERVICES. DELETION OF SECTION 5, SUBSECTIONS a AND b, WOULD GIVE US REASSURANCE THAT WE ARE NOT NEGATIVELY IMPACTING OUR ABILITY TO PROVIDE SOME OTHER NEEDED PUBLIC HEALTH SERVICES IN ORDER TO PURCHASE VACCINE. VACCINE FUNDING APPEARS TO BE ADEQUATELY ADDRESSED IN SECTION 5, SUBSECTION c, AND SECTION 6.

I URGE YOU TO GIVE HB 376, WITH THE AMENDMENT REQUESTED BY REPRESENTATIVE MESSMORE, A "PASS" RECOMMENDATION.

YOUR CONSIDERATION OF THIS REQUEST IS DEEPLY APPRECIATED. THANK YOU.

DATE 2-1-91
HB 376

Junior League
of Great Falls, Inc.

P.O. Box 2072 Great Falls, Montana 59403
(406) 761-8030

DEAR HUMAN SERVICES COMMITTEE MEMBERS:

MY NAME IS SHELLEY ADDISION. I AM HERE TO TESTIFY IN FAVOR OF HOUSE BILL 376 ON BEHALF OF THE JUNIOR LEAGUE OF GREAT FALLS. THE ASSOCIATION OF JUNIOR LEAGUES INTERNATIONAL IS AN INTERNATIONAL ORGANIZATION OF WOMEN COMMITTED TO PROMOTING VOLUNTARISM AND TO IMPROVING THE COMMUNITY THROUGH EFFECTIVE ACTION AND LEADERSHIP OF TRAINED VOLUNTEERS. ITS PURPOSE IS EXCLUSIVELY EDUCATIONAL AND CHARITABLE. THE CURRENT MEMBERSHIP OF JUNIOR LEAGUES INTERNATIONAL IS 277, AND THE JUNIOR LEAGUE OF GREAT FALLS HAS 294 MEMBERS.

OUR ORGANIZATION HIGHLY ENDORSES HOUSE BILL 376, WHICH ASSURES THAT NO CHILD IS DENIED IMMUNIZATION DUE TO LACK OF PARENTAL FUNDS AND BY PROVIDING AN ADEQUATE SUPPLY OF VACCINE TO PUBLIC HEALTH CENTERS, APPROPRIATING FUNDS, AND PROVIDING AN EFFECTIVE DATE. I WOULD LIKE TO SHARE FEW FACTS ON IMMUNIZATION FROM THE AMERICAN ACADEMY OF PEDIATRICS.

** NEARLY 95% OF AMERICA'S FOUR MILLION SCHOOL-AGED CHILDREN ARE IMMUNIZED BY THE TIME THEY ENTER SCHOOL. HOWEVER, APPROXIMATELY ONE-FOURTH OF ALL AMERICAN PRE-SCHOOLERS ARE NOT FULLY IMMUNIZED, WHEN PROTECTION IS MOST CRUCIAL. THE INCREASING NUMBER OF CHILDREN IN DAY CARE MAKES STATE IMMUNIZATION REQUIREMENTS FOR YOUNGER CHILDREN INCREASINGLY IMPORTANT.

** IN 1982 THE COST TO FULLY IMMUNIZE A CHILD ACCORDING TO THE A.A.P. AND CENTER FOR DISEASE CONTROL (CDC) IN A PUBLIC HEALTH CLINIC WAS $6.69. IN 1990 IT WAS $91.20.

** IN 1989 THERE WERE 17,850 REPORTED CASES OF MEASLES NATION-WIDE. THERE WERE 41 MEASLE-ASSOCIATED DEATHS IN 1989, OF WHICH 31 WERE CHILDREN. TWENTY-NINE OF THE 31 CHILDREN NEVER RECEIVED VACCINATIONS. BY THE FIRST EIGHT MONTHS OF 1990, REPORTED MEASLE CASES INCREASED 71% FROM A YEAR AGO.

AJLI HAS INITIATED ITS OWN CAMPAIGN AGAINST VACCINE-PREVENTABLE DISEASES. AN EYE-CATCHING INFORMATION PIECE GEARED TO PARENTS EXPLAINING "WHY, WHEN AND WHERE" HAS BEEN DEVELOPED FOR LOCAL DISTRIBUTION. IN ADDITION, THE JUNIOR LEAGUE OF GREAT FALLS WILL BE ASSISTING THE CASCADE COUNTY HEALTH DEPARTMENT IN TAKING A CITY-WIDE PRE-SCHOOL SURVEY OF CURRENT IMMUNIZATION LEVELS.

PLEASE ENDORSE HOUSE BILL 376, AND GIVE OUR CHILDREN AND CHILDREN'S CHILDREN A HEALTHY CHANCE AT THE FUTURE. IF OUR STATE DOESN'T HAVE FUNDING AND RESOURCES TO STOP COSTLY PREVENTABLE CHILDHOOD DISEASES NOW, WHERE WILL THEY BE FOUND IN THE FUTURE?

THANK YOU.

JUNIOR LEAGUE OF GREAT FALLS

Shelley Fadlon

EXHIBIT 10
DATE 2-1-91
HB 376

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

STAN STEPHENS, GOVERNOR

COGSWELL BUILDING

STATE OF MONTANA

FAX # (406) 444-2606

HELENA, MONTANA 59620

2/1/91

Montana Immunization Program
Preventive Health Services Bureau

TESTIMONY FOR HOUSE BILL 376

Madame Chair and Committee Members, I am Dick Paulsen, Manager of the Montana Immunization Program.

The Department supports the concept presented in this bill which is to assure the immunization of all Montana children. We believe that immunization services must be available to every child regardless of their ability to pay. High immunization levels in school children must be maintained. However, we know that there are still many children and adults who are at risk to disease who should be vaccinated using the recommended immunization schedules.

The concept of this bill is also consistent the Immunization Program focus which includes: distributing vaccine to 83 public clinics; enforcing the Montana School Immunization Law; monitoring immunization levels in all populations, including preschool and "high risk" adult groups (ie. health care workers); and educating the public.

Use of the American Academy of Pediatrics (AAP) and the Immunization Practices Advisory Committee (ACIP) recommendations:

The Department also supports a standard immunization practice reference, especially those of the ACIP and AAP. This includes use of only vaccine products which are licensed by the FDA and determines immunization schedules for each vaccine type. Ideally, the Department would like these two references be used as the primary resource for immunization information and schedules in all settings in Montana. Both public and private. The program also supplies copies, and current updates, of the ACIP to all public clinics.

Ex. 10

2-1-91

HB 376

WHAT DANGERS CAN RESULT FROM THESE DISEASES IN YOUR UNPROTECTED CHILDREN?

DIPHTHERIA

Attacks throat and nasal passages
Interferes with breathing
Produces a poison which damages heart, kidneys and nerves
1 our of 10 cases are fatal

TETANUS (commonly called "lockjaw")

Caused by contaminated dirt getting into wounds
Causes painful muscular contractions
1 out of 2 people with tetanus will die from it

PERTUSSIS (commonly called whooping cough)

Causes coughing spasms and gasping for breath
Most cases occur in infants and young children
Can cause serious complications of the lungs
Can cause convulsions severe brain damage and death

POLIO

Attacks the nervous system
Causes paralysis in legs or other areas of the body
1 out of 10 cases result in death

MEASLES

Causes ear infection or pneumonia in 1 out of 10 cases
May cause encephalitis (inflammation of the brain) leading to convulsions, deafness or mental retardation
Can cause death

RUBELLA

A mild disease in children
When contracted in the first 3 months of pregnancy, can cause miscarriage, still-birth and multiple birth defects

Hib (Haemophilus influenzae type b)

Causes severe disease in children
Causes ear infections, pneumonia and other infections throughout the body
Causes meningitis (inflammation of the spinal cord and brain covering
1 out of 20 cases in children result in death
1 out of 4 children will have permanent brain damage

MUMPS

Causes inflammation of salivary glands in the cheeks
Causes meningitis (inflammation of the spinal cord and brain covering
Can cause deafness
1 out of 4 cases in adolescent or adult men causes painful swelling of the testicles which may lead to sterility.

DP/vdt-3xt

EXHIBIT 14
DATE 2-1-91
SB 245 + 246

HOUSE HUMAN SERVICES COMMITTEE

FEBRUARY 1, 1991

* * * * * * * * * * * *

HOUSE BILL 245
HOUSE BILL 246

TESTIMONY IN FAVOR

HEALTH INSURANCE ASSOCIATION OF AMERICA

To: Chairman & Members of the Committee

From: Tom K. Hopgood

The HIAA is a trade organization composed of the majority of the commercial health insurance companies operating in the United States and moreover, in the State of Montana.

I am here this afternoon to commend Representative Nelson and the other sponsors of this bill for their courage and foresight in tackling this difficult issue. Let me emphasize that this is a tough issue. It is an unpleasant issue for you as legislators. I think I can speak not only for myself, but for the lobbyists involved in the issue on both sides, when I say it is a tough, unpleasant issue for us as well.

But that's part of the job. Sometimes you, as legislators, have to listen to some very difficult things. And sometimes we, as lobbyists, have some very difficult things to say. This is one of those times.

This bill is about the price of health insurance. There will be a number of people here today who will tell you all about the price of health insurance. I have a family of four. It cost me $322.30 per month to insure my family against the calamity of the cost of serious illness

or accident. I do not have the cadillac of health plans. I have the closest thing I can get to crisis avoiding, high deductible, low cost health insurance. I pay $322.30 per month. I pay $3,867.60 per year. In many ways I am fortunate. I am a lawyer with a busy practice in the capital city. I am not getting rich, but I make enough to keep the mortgage paid and food on the table. Although it's not cheap, I can afford the health insurance I have.

That's not true of everybody. In fact, I don't believe it true of most people. The average "Joe", the proverbial "little guy" we hear so much about, the single mother with a couple of kids who works in a retail business, the average main street businessman, all of them, if they have my insurer and my plan, have to pay $322.30 per month for basic health insurance. Can they afford it? Can someone who makes $20,000 per year and supports 2 kids afford to pay $3,867.60 per year (19% of their gross income) for health insurance?

The biggest health insurer in this state is not any one of my clients. The biggest health insurer in this state is not Blue Cross/Blue Shield. The biggest health insurer in this state (and nationwide) is no insurance.

I don't believe there's anyone who will advocate it is a "good thing" not to have health insurance. Certainly, the average Joe will tell you that it's a good idea. After all, he doesn't want his children to go without necessary medical services because he can't afford health insurance. Certainly, the providers of health care services will tell you that having health insurance is a "good thing" because that is who pays most of their bills; and certainly, insurance companies will tell you that health insurance is a "good thing". Just let it be known that you are in the market for health insurance and the agents, who are Mr. Akey's clients,

EXHIBIT 19
DATE 2-1-91
HB 245 & 246

will beat a path to your door to tell you what a good idea health insurance is.

But the alternative to paying the high cost of health insurance is to have no insurance--to go uncovered.

On behalf of the HIAA, I have been telling this legislative body for years that mandated health insurance benefits drive the price of insurance up and as the price of insurance goes up, people drop out of the market.

And I have been telling you every time a mandatory coverage bill comes up, that mandatory health insurance coverage is a part of the cause of the high cost of health insurance.

What is mandatory coverage? Mandatory health insurance coverage is a legislatively imposed portion of an insurance policy covering either a specific condition or disease or the services of a particular class of provider. In Montana, you will note that if you have a health insurance policy you are covered for the services of a nurse mid-wife, a nurse practitioner, a nurse anesthetist, a professional counselor, a psychologist, a social worker, a dentist, a denturist, and a chiropractor. You are covered for the services of all of these health care providers, whether you need or want them. Additionally, you pay extra for that coverage.

In Montana, if you have a health insurance policy, you are covered for the treatment of alcoholism, the treatment of drug abuse, the treatment of mental health disorders, home health care, care for newborn babies, mental and physical handicaps, and phenylketonuria. Also, by interpretation of the Human Rights Commission (which may or may not be correct), you are also covered for pregnancy. I am sure that each and every one of you, regardless of your gender or age, will rest easier knowing that if you have insurance in this state and you get pregnant it will be paid for by your

insurance policy. It is also mandatory that you have coverage for non-custodial children, that you have a conversion privilege and that coverage be continued for dependents and employees when membership in a group policy ceases. All of these things are included in your health insurance policy in Montana. Additionally, and here's the kicker, you pay for the coverage of these items in your insurance policy.

This session, we have seen bills proposed which seek to mandate coverage for the services provided by acupuncturist. We will see bills mandating coverage for mammograms and well-child care. We have seen a bill increasing the coverage for the treatment of mental illness, alcoholism, and drug abuse. We have seen a bill mandating coverage for adopted children. Everyone of the existing mandates has increased the price of health insurance and everyone of these mandates have driven people out of the insurance market. The mandate bills proposed in this legislative session will have the very same effect.

A 1988 study by the National Center for Policy Analysis concludes that nationwide there are roughly five to ten million people without health insurance as a direct result of mandatory health insurance coverage. In Montana, the number of people without health insurance is 134,000. Of this figure, between 16,000 and 28,000 have no health insurance as a direct result of mandates enacted by this legislature.

You will no doubt hear from a number of provider groups as to the importance of the services they render. I will say to you that I agree with them. I believe that alcoholics should be able to go to treatment; I believe that drug addicts should be able to have their dependency cured; I believe that pregnant women should have their babies delivered; I believe that children should have regular check-ups

and immunizations; I believe that women should have mammograms; I believe a person should be able to be treated by a medical doctor, a licensed counselor, an acupuncturist, or even, if that person so chooses, by a witch doctor.

But I also believe a person who suffers multiple injuries in an automobile accident ought to be able to have his injuries treated. I believe that a person who has a heart attack ought to be able to go to a hospital; I believe that a child who breaks his leg on the playground ought to be able to have that injury treated in the emergency room and a cast put on that leg. I believe that when a child has leukemia, that child should have the best treatment available.

Mandated coverage, because it drives people out of the market precludes coverage for these later situations because the patient has no insurance.

House Bill 246

House Bill 246 attempts to meet this problem. It recognizes the number of mandate bills which come before the legislature and the conflicting evidence and facts which come before this body in connection with those bills.

It is often difficult to know which facts to believe and, even which facts are important. That is particularly true in the context of mandate legislation.

This bill would require that when a new mandated coverage is proposed before this legislative body that it be accompanied by documentation as to the effect of that legislation.

It would require that the effects be set forth in black and white. I direct your attention to section 4 of the bill which sets forth in detail the material which must be included within the documentation.

Additionally, the documentation would be reviewed by the mandated health insurance benefits review panel which would be attached for administrative purposes only, to the insurance commissioner's office. The review would be limited by Section 8 to a finding that the research in the report meets professional standard and that all relevant research has been included in the report. There would also be a certification that the conclusions and interpretations in the report are consistent with the documentation for other information presented.

The HIAA believes that due to the sensitivity of the mandate issues and the varying statistics, conclusions and interpretations presented before this legislative body as to the effect of mandated health coverage, that this bill would go a long way toward the enactment of legislation which is truly needed by the people of the State of Montana.

This or similar legislation has been enacted in several other states. I note that this bill is patterned after an Indiana statute.

We ask you for a do pass recommendation on this bill.

House Bill 245

I will not repeat the background material stated in connection with the prior bill.

I would have you note a very peculiar situation. That arises from the fact that self-insurers, that is, employers who act as their own health insurers under the Employment Retirement Income Security Act of 1974 are not subject to

these mandatory coverages. These employers are generally the larger employers in the State of Montana and in fact, include the State of Montana. In other words, the mandates which this legislature has required commercial health insurance companies and Blue Cross/Blue Shield to provide do not have to be provided by the State to its own employees or to any other group which is self-insured. The same mandates which this legislative body requires everyone with a private or Blue Cross/Blue Shield policy to purchase and pay for are not required to be purchased and paid for by state employees or employees in any other self-insured group.

In order to stem the tide of new mandates further increasing the costs of health insurance, Representative Nelson has introduced this bill. Its concept is quite simple. Simply stated, unless the new mandates which this legislature seeks to enact would, under the federal law, apply to self-insured employee benefit plans, they do not apply to other health insurance.

This bill does not seek to impose mandatory benefits on employee welfare benefit plans. This bill does not seek to repeal existing mandates. The HIAA believes that this bill is a giant step toward controlling the cost of health insurance. We believe that it is a step forward for the insurance buying public and we believe that it will go a long way toward solving the problem or at least, eliminating the problem of the uninsured.

I would note that this type of legislation has been in several other states and the particular statute before you today is taken from the books of the State of Nebraska.

Ex. 19

2-1-91

HB 245 & 246

I would strongly urge you to give this bill a do pass recommendation.

Respectfully Submitted,

Tom K. Hopgood
Health Insurance Association
Of America

EXHIBIT 20
DATE 2-1-91
HB 245

MONTANA UNIVERSITY SYSTEM

Health Benefit Plan

Plan Dollars

	1988	1989	1990*	% Change
harges	8,386,788	10,497,325	12,817,345	23.6%
eductions:				
Deductibles	888,133	951,121	1,238,179	
Coinsurance	766,642	909,498	1,159,829	
oordination of Benefits	1,011,912	1,921,333	2,108,362	
otal Paid Claims	5,737,748	6,741,305	8,319,322	23.4%

Utilization:

	1988	1989	1990*	% Change
Members covered	5120	5125	5550	8.2%
Hospital admits	826	869	874	2.9%
Length of stay (days)	5.3	5.5	6.0	6%
Total claimants	6,922	7,285	7,846	6.5%
Total hospital charges	3,044,318	4,031,785	4,820,416	29%
Average charge/admit	3,685	4,639	5,843	26%

Selected Categories

	1988	1989	1990*	% Change
Outpatient surgery	565	665	1,129	41.4%
Charges	177,000	218,510	366,515	67%
Physicians office visits	22,670	27,073	30,385	15.8%
Charges	666,308	824,773	981,829	21.4%
Psychiatric visits	4,661	6,061	6,894	21.6%
Charges	267,448	353,771	414,185	24.4%

*Vo-tech system added in 1990

SELECTED HOSPITALS IN MONTANA - 10 Largest by Charges to University System Plan
FY 88 89 & 90 & on Inpatient Charges

20
2-1-91
2 45

MONTANA UNIVERSITY SYSTEM
Large Claim Summary
FY 1989

Charges Under $5,000		$5,000 To $10,000		$10,000 To $20,000		Charges Over $20,000		TOTAL	
Claimants	% of Total	Claimants	% of Total	Claimants	% of Total	Claimants	% of Total	Claimants	% of Total
6,816	93%	278	4%	116	2%	82	1%	7,292	100%
Charges	% of Total	Charges	% of Total	Charges	% of Total	Charges	% of Total	Charges	% of Total
4,375,006	40%	1,940,602	19%	2,575,427	14%	3,103,822	28%	10,994,917	100%

Note: There are approximately 12,000 covered lives on the University System plan. The break out is as follows:

4,400	Employees
950	Retirees
100	COBRA
6,550	Dependents (spouses & children)
12,000	TOTAL

Therefore only 64% of the covered members submitted claims.

The converse statement is: Approximately 36% of the covered members did not have an accident or illness serious enough to justify the submission of a claim.

EXHIBIT 21
DATE 2-1-91
HB 245

RICHARD N. TRAYNHAM, PH.D.
LICENSED CLINICAL PSYCHOLOGIST
BOZEMAN, MONTANA 59715-6106 U.S.A. (406) 586-7776

CLINICAL OFFICE
111 SOUTH TRACY AVENUE

ADMINISTRATIVE OFFICE
205 WEST GRAF STREET

31 January 1991

Angela Russell
Chairman
House Human Services and Aging Committee
Capital, Room 317
444-4105

RE: HB245 (T. Nelson), to require health insurance mandates to apply to ERISA employee benefit plans

Dear Ms. Russell:

I would like to actively support the above House Bill concerning the coverage of ERISA by our state-mandated insurance provisions.

I feel our legislature and people have worked hard to make our state standards provide a minimum level of coverage of insurance benefits which act to improve the quality of life of our citizens. Inclusive in these actions has been a strong focus on covering citizens with emotional and chemical dependency problems.

However, my experience as a private practitioner and former chairperson of the Insurance Committee of the Montana Psychological Association, is that a majority of ERISA plans being offered in our state do not cover emotional and chemical dependency services and refuse to provide the coverage allowed to other citizens covered by group health legislation in our state. They consistently use the excuse that they are not subject to our laws due to being an ERISA.

This has developed into a major "loop hole" in our quest to provide adequate coverage of health coverage in our state. I feel the current Bill would begin to close this gap and make these plans, which many citizens feel are the same as other health insurance policies offered by other companies, consistent with the coverage felt by our legislature to apply to the majority of our state.

Sincerely,

R. (Dick) N. Traynham, Ph.D.
Clinical Psychologist
205 West Graf Street
Bozeman, MT 59715-6106

RNT/wp5

EXHIBIT 24
DATE 2-1-91
HB 245

My name is Dennis McCarthy. I am a pediatrician, who has practiced in Butte for the past 18 years. As a member of the Montana Chapter of the American Academy of Pediatrics, I am here to speak against H.B. 245.

As our organization is supporting a bill to be introduced later this session to mandate insurance coverage for well child care, this bill would nullify our efforts. I grant that mandates can be onerous, adding cost to insurance policies, but each must be taken on its merits, and the group we represent does'nt vote, but kids count and it would be unfortunate if their needs were preempted by this bill. I would hope you will vote no for H.B. 245.

Thank you for your time.

Dennis J. McCarthy, M.D.
630 W. Mercury
Butte, Montana 59701
Phone: (406) 723-4337

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Human Services & Aging COMMITTEE BILL NO. HB 389

DATE 2-1-91 SPONSOR(S) Rep. Budd Gould

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
R Budd Gould	Self	✓	
Anne MacDuffie	Human Rights Commission	—	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Human Services & Aging COMMITTEE BILL NO. HB 746

DATE 2-1-91 SPONSOR(S) Rep. Thomas Nelson

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Gregory Van Horssen	HIAA	✓	
JAMES TUTWILER	MT CHAMBER	✓	
RILEY JOHNSON	NFIB	X	
Pat Melby	Rimrock Foundation		✓
CHUCK BUTLER	BCBSMT	✓	
Mona Jamison	RMTC		✓
LARRY AKEY	MT ASSOC OF LIFE UNDERWRITERS	X	
TOM NELSON	HD 95	X	
Steve Brown	Blue Cross - BlueShield	X	
Dave Barnhill	Insurance dept		X
Paulette Kohman	MT Council Mat + Child Hlth	if amended	
Jaye Brown	Dept of Administration	✓	
Ann Bellwood	RMTC		✓

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HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Human Services & Aging COMMITTEE BILL NO. HB 246

DATE 2-1-91 SPONSOR(S) Rep. Thomas Nelson

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Steve Turkiewicz	Mt Auto Dealers Assn	X	

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HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Human Services & Aging COMMITTEE BILL NO. HB 376

DATE 2-1-91 SPONSOR(S) Rep. Charlotte Messmore

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Robert R Johnson	L & C Pub. Health	✓	
Ellen Leahy	Missoula Public Health	✓	
Cherry Londy	Cascade City Hlth Dept	✓	
Dennis McCarthy MD	MCHC & AAP	✓	
Paulette Koheman	MT Council Mat & Child Health		
Jean T Dowdal	MT. Retired Pers	✓	
Teresa K. Henry	MNA	✓	
Dan Donnelly	Butte-Silver Bow Health Dept	✓	
Tom Downs	MT Hospital Association	✓	
Judy Garrity	MT Children's Alliance	✓	

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HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Human Services & Aging COMMITTEE BILL NO. HB 245

DATE 2-1-91 SPONSOR(S) Rep. Thomas Nelson

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Gregory Van Horssen	HIAA	✓	
Riley Johnson	NFIB	✓	
Pat Melby	Rimrock Foundation		✓
CHUCK Butler	BCBS MT	✓	
BILL EVANS	NASW		✓
Myra Janssen	KMTC		✓
Don Nelson	HD 95	✓	
LARRY AKEY	MT ASSOC OF LIFE UNDERWRITERS	X	
DENNIS MCCARTHY	MCHC		✓
Steve Brown	Blue Cross-Blue Shield	X	
MT Chiropractic Assn (Bonnie Tippy)			✓
MT State Pharmaceutical Assn (Bonnie Tippy)			✓
Dave Barnhill	Insurance dept.		✓
Paulette Kohman	MT Council Mental Health		✓

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Human Services & Aging COMMITTEE BILL NO. HB 245

DATE 2-1-91 SPONSOR(S) Rep. Thomas Nelson

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Klaus Hartman	MEA		X
Ann Ballwood	RMTC		X
Steve Turkiewicz	Mt. Auto Dealers Assn	X	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.