

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON HUMAN SERVICES & AGING

Call to Order: By Rep. Angela Russell, Chair on April 9, 1991,
at 3:15 p.m.

ROLL CALL

Members Present:

Angela Russell, Chair (D)
Arlene Becker (D)
Jan Brown (D)
Brent Cromley (D)
Tim Dowell (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)
Bill Strizich (D)
Rolph Tunby (R)

Members Excused: Reps. Tim Whalen, William Boharski, Patrick
Galvin, and Jessica Stickney

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

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

HEARING ON SJR 26

Presentation and Opening Statement by Sponsor:

SEN. JUDY JACOBSON, Senate District 36, Butte-Silver Bow, stated that there have been many bills that have gone through the committee on mandated health care benefits. We began mandated benefits in the State of Montana as health care prices rose. We need to sit down and look at mandated health care benefits and decide what a reasonable, basic health care package would be for

people of the State of Montana.

Proponents' Testimony:

Riley Johnson, National Federation of Independent Businesses, stated that this body could do nothing better in the form of an interim study than this particular resolution. We do not feel that there is any single item, including taxation, that is hitting the citizens of Montana harder than health "taxes" for mandated benefits.

Larry Akey, Montana Association of Life Underwriters (MALU), stated that MALU supports this resolution.

Jerome Loendorf, Montana Medical Association (MMA), stated MMA strongly supports this resolution. Every time a bill came in with mandated benefits we were torn whether we should support the bill or in doing so we would add to the 141,000 Montanans that don't have insurance because they cannot afford it.

Tanya Ask, Blue Cross & Blue Shield (BCBS), stated that BCBS rises in support of SJR 26. Anytime you use mandated benefits and add coverage on to a policy it is taking away a part of choice as to what consumers really do want covered. Any time you pass mandated benefit, that mandated benefit, whether or not it is well thought out, only applies to a limited group of individuals of this state. She submitted written testimony.

EXHIBIT 1

Christian Mackay, Montana State AFL-CIO, submitted written testimony on behalf of Tom Judge. EXHIBIT 2

Tom Hopgood, Health Insurance Association of America (HIAA), stated HIAA has opposed mandated benefits for quite awhile. This study of this problem is long overdue.

James Tutwiler, Montana Chamber of Commerce (MCC), stated that MCC recommends that SJR 26 be concurred in.

Jacqueline Terrell, American Insurance Association (AIA), stated that although AIA does not represent health insurers, we feel that this is a problem.

Opponents' Testimony: None

Questions From Committee Members:

REP. BECKER asked whether this resolution requires a study of all existing mandated benefits or only those passed this session.

SEN. JACOBSON stated that we want to take a look at all existing mandated benefits and all that have been past through this legislature.

REP. RUSSELL asked how many other studies we are looking at.

SEN. JACOBSON stated that she doesn't think there are very many.

Closing by Sponsor:

SEN JACOBSON stated it is important that we get a handle on what mandated benefits do, how much good they are and whether they are an undue burden. It is time we went back and looked at them all.

EXECUTIVE ACTION ON SJR 26

Motion/Vote: REP. KASTEN MOVED SJR 26 BE CONCURRED IN. Motion carried unanimously.

HEARING ON SB 452

Presentation and Opening Statement by Sponsor:

SEN. EDWARD KENNEDY, Senate District 3, Kalispell, stated that this bill is in regard to alcohol earmark tax revenue, generated from liquor, beer and wine sales, which can only be used in contracting treatment and prevention programs that are public or private. There are no restrictions on the use of General Fund, regarding the contract with private program. If the Department of Institutions, Alcohol and Drug Abuse Division were to use any of this appropriated earmarked revenue to purchase services, they can only contract with private not for profit organizations. Services provided would only be for the community based in-patient programs. All private for-profit programs provide the same quality services as those provided for by not for-profit, at approximately the same cost. The purpose of this bill would be to give DOI flexibility to contract with all the basic programs with treatment services whether they are for-profit, or not for-profit.

Proponents' Testimony:

Darryl L. Bruno, Administrator, Alcohol and Drug Abuse Division, Department of Institutions, submitted written testimony.
EXHIBIT 3

Opponents' Testimony:

REP. WILLIAM "RED" MENAHAN testified in opposition to SB 452, saying that the proliferation of private treatment programs threatened the existence of public programs at institutions like Galen.

Questions From Committee Members:

REP. MESSMORE asked if the for-profit institutions would be willing to accept the \$73 plus dollars. Mr. Bruno stated that he doesn't know if they are willing to accept the \$73. They were


interested in contracting with the state.

Closing by Sponsor:


SEN. KENNEDY stated that there is some money earmarked for a particular problem or purpose and we would like that money to be for the people that need it.

ADJOURNMENT

Adjournment: 3:45 p.m.



ANGELA RUSSELL, Chair



Jeanne Krumm, Secretary

AR/jck

HOUSE OF REPRESENTATIVES

HUMAN SERVICES AND AGING COMMITTEE

ROLL CALL

DATE 4-9-91

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	✓		

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HOUSE STANDING COMMITTEE REPORT

April 9, 1991

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Mr. Speaker: We, the committee on Human Services and Aging report that Senate Joint Resolution 26 (third reading copy -- blue) be concurred in.

Signed: *Angela Russell*
Angela Russell, Chairman

Carried by: Rep. Fred Thomas

Self-Insured Groups Not
Impacted by Mandated Benefits

Tanya Ask
Blue Cross + Blue
Shield of Montana

Missoula

St. Patrick Hospital
Washington Corporation
City of Missoula
Missoula County
Zip Beverage
Missoula Electric

Butte

Western Energy
Twin Bridges School
Dillon School District
St. James Hospital
Montana Resources
Madison County
Butte/Silver Bow
AASCO Foundry

Great Falls

Deaconess Medical Center
Columbus Hospital
Lewistown Hospital
MAIDS
Hill County
Blaine County
Choteau Schools
Sun River Schools
Pacific Hide and Fur
Great Falls Gas Co.
D.A. Davidson
Havre Clinic

Miles City

Colstrip Schools
First Security Bank Miles
Custer County
Glendive Memorial Hospital
Francis Mahon Hospital
Plevna Schools
Bainville School
Rosebud County
Rosebud County Hospital
Glasgow School District
Wolf Point School District
Plentywood School District

Bozeman

Bozeman Deaconess Hospital
Gallatin County
Sweetgrass County
Belgrade Schools
Bozeman Schools

Billings

Conlins Furniture
Molerway Freight Lines
Beal Mfg.
MAIDS
IBEW Electricians Trust
Montana Contractors, Statewide
Henry's Safety Supply
Bighorn County
Musselshell County
Melstone Schools
Roundup Schools
Columbus Schools
Bob's Supermarkets
St. John's Nursing Home
Cenex Refinery
City of Billings
Billings School District
Montana BancSystems
Rocky Mountain BancSystems
Roscoe Steel
Coke West
Deaconess Medical Center
Billings Clinic
Waggoners Trucking

Helena

State of Montana
Montana Power Company
Lewis and Clark County
Broadwater County
Jefferson County
IBM
Helena School District
Townsend School District
Clancy School District

Kalispell

Kalispell Regional Hospital
Semitool, Inc.
St. John's Lutheran Hospital
Flathead County
Pacific Power
N.W. Telephone
Columbia Falls Schools
Libby School District
Noxon Schools
Sanders County
Lincoln County High School
Salish and Kootenia College
Outlaw Inn
Arlee School
Charlo School
Timber Trust Oregon

EX-100-1
DATE 4-9-91
LSR 26



EXHIBIT 2
DATE 4-9-91
SSJ 26

DONALD R. JUDGE
EXECUTIVE SECRETARY

110 WEST 13TH STREET
P.O. BOX 1176
HELENA, MONTANA 59624

(406) 442-1708

TESTIMONY OF DON JUDGE ON SENATE JOINT RESOLUTION 26 BEFORE THE
HOUSE HUMAN SERVICES COMMITTEE, APRIL 9, 1991

Madam Chair, members of the Committee, for the record, my name is Don Judge representing the Montana State AFL-CIO, and we are very supportive of Senate Joint Resolution 26.

The National AFL-CIO, as well as the Montana State AFL-CIO and local, state and national labor organizations across the country, have been leading the fight for improved health insurance for years. We look at this resolution as a helpful step on the apparently long road to improving access to health care for all Montanans and all Americans.

The AFL-CIO and its member organizations over the years have spent literally millions of dollars and thousands upon thousands of hours working to improve access to health care, to improve public awareness of the critical nature of the issue, and to support others who are involved in the issue.

We're very supportive of the idea of a legislative study of mandated health insurance benefits in Montana. If such a study is undertaken, we will be happy to provide input based on the concerns of the members of our organization, as well as information pulled from the AFL-CIO's extensive research resources on the issue of health insurance.

We hope that an interim study of such a critical issue raises public, governmental and corporate awareness of the importance of good health insurance, and provides a springboard for action in the next legislative session. We look forward to working with the Legislature on the issue, and we urge you to give Senate Joint Resolution 26 a "do pass" recommendation.

Thank you for this opportunity to express our views.

DEPARTMENT OF INSTITUTIONS

STAN STEPHENS, GOVERNOR

1539 11TH AVENUE

STATE OF MONTANA

(406) 444-3930

HELENA, MONTANA 59620-1301

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DATE 4-9-91
SB 452

TESTIMONY SB 452

4/9/91

DARRYL L. BRUNO, ADMINISTRATOR ALCOHOL AND DRUG ABUSE DIVISION
DEPARTMENT OF INSTITUTION

As we are well aware , alcohol and other drug abuse is a problem which effects nearly every citizen of Montana. The department of Institutions Alcohol and Drug Abuse Division (ADAD) is the recognized single state authority for chemical dependency treatment , rehabilitation and prevention services in Montana. As the single state authority we have a responsibility to ensure that residents of Montana receive the most appropriate, effective and cost efficient treatment possible.

Legislative duties that the Department has responsibility for include approving and evaluating treatment facilities and distributing state and Federal funds to state approved treatment providers. At the present time there are 34 state approved treatment providers of which only 12 are approved to provide Inpatient services either in a hospital or free standing environment. Of the 12 state approved programs two are operated by the state on the Galen campus and the other 10 are located in various communities across Montana. Of the 10 community based inpatient programs the Department can contract with 5 of the programs only with Alcohol Earmarked Tax Revenue.

Alcohol earmarked revenue is revenue generated by taxation on alcoholic beverages. This account generates about 3.5 million per year of which the legislature appropriates funds (2.3 million in FY 91) for treatment programs in state institutions and the operation of the alcohol and drug abuse Division . The balance is then distributed to counties for approved programs on an 85/15 (85% population 15% land area) formula. Most of this funding is contracted by the counties to approved programs for outpatient services however some is used for detoxification and inpatient services. Alcohol earmarked revenue is the primary source of revenue for treatment services in the state of Montana. General fund appropriated for inpatient and out patient treatment has been very limited in Montana.

The present statue is limiting as 53-24-108 prohibits the use of earmarked revenue by private for profit programs. The alcohol and drug abuse Division proposes that the law be changed to allow the department to contract earmarked revenue appropriated by the legislature for community programs to private for profits along with not for profit programs.

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4-9-91
SB 452

With this modification we can ensure the most appropriate and cost efficient services as possible. This change would allow us the flexibility for the department to contract appropriated earmarked revenue for inpatient services with 5 excellent programs that we presently can not contract with earmarked revenue. These programs are WILDERNESS I MARION MT. AND WILDERNESS II WILSALL , GLACIER VIEW HOSPITAL IN KALISPELL, ROCKY MOUNTAIN TREATMENT CENTER IN GREAT FALLS AND RED CANYON RANCH IN GRASS RANGE. WILDERNESS I AND II targeting adolescents and young adult males and RED CANYON RANCH targeting adolescents and young adult females are very unique programs .

The reason for the current law was the concern back in the 1970s that private for profits were much more expensive then non profit programs . This has not been true in Montana as the per day charge for all inpatient programs is much the same. Cost per day has not been all important however as the department only contracts with inpatient programs who will except a reduced negotiated rate . The department has had success contracting with northern montana in Havre , Rimrock Foundation in Billings and Francis Mahon Deaconess Hospital in Glasgow for inpatient services at a reduced rate (\$73.60 in fy91) We would like the same flexibility to contract with private for profits chemical dependency programs with earmarked revenue appropriated by the legislature as all state agencies have with appropriations of general fund. The Department of Family Services for example contracts with both Wilderness Treatment Centers for Inpatient Services with their General Fund Chemical Dependency Appropriation and with Francis Mahon Deaconess hospital for services at Pine Hills School from the Earmarked appropriation.

This bill was introduced at the request of the Department initially because of the recommended Galen closure and while not critical at the present time, it will be if the state shifts more of its Chemical Dependency treatment responsibilities to community based programs. However at present we would like to ensure that any adolescent or young adult receiving services paid for from any state revenue receive them in the most appropriate program.

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Human Services & Aging COMMITTEE BILL NO. SB 26
 DATE 4-9-91 SPONSOR(S) Sen. Judy Jacobson

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Tanya Ask	Blue Cross & Blue Shield	SB 26		✓
John T. Handley	MT. Med. Assn.			✓
CHRISTIAN MACKAY on behalf of Don Judge	MT ST AFL-CIO			X
Mary McCue	MMHCA			✓
LARRY AKEI	MT ASSOC OF LIFE UNDERWRITER	SB 26		✓
Riley Johnson	NFIB			✓
JAMES TURNER	MT Chamber			✓
Charles R. Brooks	MT Rpt. / Assoc			✓
Magueline N. Jerrill	Am. Ins. Assoc.			✓

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. SB 452
 DATE 4-9-91 SPONSOR(S) sen. Kennedy

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
<i>Donald Byrd</i>	<i>Institution</i>			<i>X</i>

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