

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON PUBLIC HEALTH, WELFARE & SAFETY

Call to Order: By Chairman Dorothy Eck, on April 10, 1991, at
5:00 p.m.

ROLL CALL

Members Present:

Dorothy Eck, Chairman (D)
Eve Franklin, Vice Chairman (D)
James Burnett (R)
Thomas Hager (R)
Bob Pipinich (D)
David Rye (R)
Thomas Towe (D)

Members Excused:

Judy Jacobson (D)

Staff Present: Tom Gomez (Legislative Council)
Christine Mangiantini (Committee Secretary)

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

HEARING ON HOUSE BILL 994

Presentation and Opening Statement by Sponsor:

Representative Stella Jean Hansen opened by saying this bill licenses swimming pools. Municipal pools are inspected but are not licensed. This bill pertains to public bathing places. There have been problems with pools in hotels and motels. Diving accidents and deaths have resulted in combined legal settlements of approximately \$2 million. Two unresolved deaths and injury investigations are still pending. There is a standard penalty clause in the bill and a provision for court proceedings. The licensing fee was changed by the House of Representatives committee from \$75.00 to \$40.00. She said there were some technical amendments that were not added in the House.

Proponents' Testimony:

The first witness was Mitzi Schwab, representing the Food and Consumer Safety Bureau of the Department of Health and Environmental Sciences (DHES).

Ms. Schwab passed the committee Exhibit #1 which denoted technical amendments to the bill, copies of letters of support and a technical sheet on hot tub contamination. She said at this point in time swimming pools are inspected only on a voluntary basis by the local county health departments. Twenty counties do not inspect swimming pools or only perform inspections based upon complaints. Four of these counties include 25 percent of the population of the state. She said they have a quarter time employee that administers the program.

The second witness was Joe Russell, environmental health coordinator for the Flathead City/County Health Department. He said they support the revisions to the swimming pool and spa regulations. It will benefit the health department by providing civil penalties and authorization for injunctions of violations and will establish standards. License fees will be available to assist in offsetting the cost of administering the program at the state and local level. He said the program provides a basic public health service that must be available to all people who reside in his county and the visitors to the community. The cost of providing the services should not be entirely shouldered by the taxpayer but should be shared by the businesses providing the pool and spa facilities.

Opponents' Testimony:

None.

Questions From Committee Members:

Senator Towe asked Ms. Schwab about the current safety regulations.

Ms. Schwab said there were safety regulations. In the statutes there is a provision to allow DHES to adopt rules but they have no mechanism to enforce those rules. She said they would like to have an annual license to the pool and spa providers. Those associated with public accommodations will be required to pay a \$50.00 fee and those not associated with public accommodations will be levied a \$75.00 fee. These are based on the costs of doing inspections. She said there is a grandfather provision that states any pool installed after June 25, 1985 has to meet standard construction and operation regulations. She said she did not know if everyone was meeting those standards.

Senator Towe asked about construction of a pool after that date.

Ms. Schwab said they would take a look at it. She said they need to be careful about this but run a greater risk of not knowing what is out there. If someone has a diving board and the pool is not constructed properly, a resolution of the problem would be the removal of the diving board.

Ms. Schwab continued by saying they would not be putting the pools out of business but making them safer.

She said a number of businesses do not have chlorination systems for the pools. Under those circumstances serious infections can occur.

Chairman Eck asked Joe Russell if most local health departments have the capability of doing inspections and any follow-up activities that are deemed necessary.

Mr. Russell said he thinks they do. He said they have no revenue to accomplish the task now. Swimming pools are a major risk. As a health department they work toward health inspections. They also perform safety inspections. He said they believe in the program but are struggling to make ends meet. He said this bill would assist in that effort.

Senator Rye asked Ted Cylander from Yellowstone County Health Department, what difference the bill would make in that area.

Mr. Cylander said they cover both the city and the county and inspect all pools in that area. The fee and civil penalty clause would assist in their efforts. He said they operate a health department with three personnel. The fee structure may allow them to check the safety and condition of the pools more frequently. It would provide more protection for the public.

Senator Towe said the city swimming pools would not be required to obtain a license but would have to comply with the health and safety requirements. He asked if the civil penalty provisions cover the city pools.

Ms. Schwab said any pool that is not safe should be closed until the deficiencies are corrected.

Senator Towe asked for an explanation of the license fees.

Ms. Schwab said anyone that has a public accommodation license through DHES, like hotels, motels, bed and breakfast accommodations, boarding houses and retirement homes, pay a lower rate.

Closing by Sponsor:

Representative Hansen closed by saying there is a good case to license the pools. She said the State of Montana could be liable for some accidents and the state would be better to have some authority over the problems. She thanked the committee for a good hearing and asked for their consideration of the technical amendments.

EXECUTIVE ACTION ON HOUSE BILL 994

Motion:

Senator Towe moved adoption of the amendments denoted in Exhibit #1.

Discussion:

None.

Amendments, Discussion, and Votes:

There being no objections the motion carried.

Recommendation and Vote:

Senator Towe moved concurrence as amended. There being no objections the motion carried.

HEARING ON HOUSE BILL 693

Presentation and Opening Statement by Sponsor:

Representative Fred Thomas opened by saying there are 141,000 uninsured residents in Montana. This bill is part of the Governor's health care package. He passed the committee a copy of the "Health Care For Montanans" brochure which outlined Governor Stephens program (Exhibit #2). He said uninsured residents are a broad based group: low-income, self-employed and small business employees. There is an access problem to health care. Cost containment has gone through the roof and those that are uninsured have health problems that get worse and cost more. He said they studied cost shifting and worked with the Montana Hospital Association on data collection. He passed the committee Exhibit #3, a chart entitled, 'Health Insurance In Montana' and a statistical sheet entitled, 'Montana Hospital Data - 1989'. Cost shifting happens when a medical bill is not paid by someone who does not have insurance and the provider being the hospital or the doctor, must compensate for that bill in their rate base where it is charged off to someone else. The committee focused on trying to find the solution to getting people insured. The cost of health insurance was a problem and lowering the cost would help remove the barriers that cause uninsured. House Bill 693 tries to lower the cost of insurance available to the uninsured in Montana. It does exempt the uninsured from buying mandated health coverage. He said they surveyed programs in other states and tried to identify what would work in Montana. He said they worked with Blue Cross/Blue Shield on the cost of this program and passed the committee Exhibit #4. He reviewed the bill by saying section 1 included the definitions and section 2 denoted the exemptions and who is eligible to purchase the insurance.

Representative Thomas continued by saying section 3 defines the basic health care plan. He read from the bill. He said the terms and conditions would be established by an insurance company that would want to sell this plan in the Montana market. They would establish the deductibles, the copayments and all terms and conditions of the contracts. It will be marketed through the insurance companies that do business in Montana and would have to file the basic health care plan with the state auditor and have acceptance before it was marketed. He said they decided to exempt this basic health care plan from the Montana premium tax. Most health insurance does not pay the premium tax. It does apply to the uninsured people, the small businesses. He said they looked at how to provide an incentive to employers in Montana to insure their employees and their families. Section 6 is a tax credit on the first 10 employees of a business that has been in Montana for at least 12 months. If they qualify for the plan and pay 50 percent of the premium the maximum tax credit is \$25.00 on the first 10 employees. There is not carryforward. It only applies to the income tax liability of that employer. They can only receive this credit for three years. The fiscal note is about a \$400,000 impact that is built into the Governor's budget at this time. He passed the committee copies of Exhibit #5 which denoted proposed technical amendments. He passed the committee the other following exhibits during his presentation: Exhibit #6, 'Montana Hospital Data - 1989, Deductions From Revenue'; and Exhibit #7, 'Montana Hospital Data - 1989, Uncompensated Care and Other Discounts'.

Proponents' Testimony:

The first witness was Julia Robinson, executive director of the Department of Social and Rehabilitation Services (SRS). She said in the House committee she reviewed the basic requirements of the plan which emphasized preventive services. There is a minimum benefit relating to psychological services and substance abuse services. She said Montana is not a healthy place for young children to live and they think it is important to provide those benefits. The costs of the tax credits are relevant because the Medicaid program is the fastest growing piece of the state budget. People stay on welfare in order to receive the Medicaid benefits. If they take jobs that do not have health insurance, they quit those jobs as soon as their children become ill and go back on welfare in order to receive health insurance. Most jobs in Montana are in the small business sector and most uninsured are working in the small business sector. Lack of health care keeps mothers on welfare, handicapped persons are kept out of jobs and we have not agreed how to provide health care benefits as a nation. She said people want this program and she asked the committee not to substantially amend the bill.

The second witness was J. Riley Johnson, representing the National Federation of Independent Businesses (NFIB). This organization represents over 6,000 small business persons, most of whom do not have health benefits.

Mr. Riley continued by saying small business is the victim of a three-tiered problem facing our nation. First, rising health care inflation is crushing the employees and hitting each business individually. The common element is cost, it is beyond sticker shock and called premium panic. Over 63 percent of NFIB's members offer some level of health insurance coverage or participate in health insurance coverage. Most would like to provide health insurance but cost factors are restricting the coverage. They cannot afford it. Society is picking up a large percentage of the unfunded liability. He said as the committee deliberates this bill they need to remember that what will motivate Montana's small businesses to offer health benefits will be cost, cost and cost only. One objection NFIB has with this bill is the provision that allows businesses to purchase the bare bones health care program only if they have not had health care coverage in the past 12 months. He said they see this as discriminatory and a disincentive.

The third witness was Jim Aherns, president of the Montana Hospital Association. He said they shift about \$25 million in costs per year that are uncompensated or charity care. It makes sense if more people are covered. It is not mandatory and does provide some incentive for businesses to offer insurance. He urged the committee's support.

The fourth witness was Larry Akey, representing the Montana Health Insurance Association of American and the Association of Life Underwriters. He said they support this measure as a first step. For example, the list of businesses that can purchase the policy has left out employees of small businesses when the employer cannot offer the health insurance.

The fifth witness was Chuck Butler, representing Blue Cross/Blue Shield. He said they support this bill and they served on the committee that created the legislation. He said the number one competitor to his company is no insurance at all. There has been discussion about Blue Cross/Blue Shield having such a large market share in Montana, but five years ago they had 40,000 more people covered than today. Many of those are uninsured today. They dropped their health insurance because they could not afford to pay it. He submitted Exhibit #8, written testimony from Alan F. Cain, president of Blue Cross/Blue Shield of Montana. He urged passage.

The sixth witness was James Tutweiler, representing the Montana Chamber of Commerce. He said this bill represents the trends across the country, it uses incentives instead of mandates. In today's marketplace it is obvious benefits are important to employees, in some cases as much as wages. This bill is aimed at small businesses. It is important for Montana. Small businesses constitute 82 percent of all businesses in this state--10 employees or less. One-third of Montana businesses have an annual gross sales of \$130,000 per year.

The seventh witness was Mr. Cain. He said low-income persons need mental health care. As a mental health professional it is a cornerstone to physical health. Research indicates that up to 80 percent of all physical disorders are caused by mental health problems, particularly stress. The return is \$2.00 to \$3.00 for every \$1.00 spent for physical, medical costs. We all have seen families destroyed by violence, alcoholism, mental illness and sexual abuse. We watch these traits passed on through each generation. This bill is a step in the right direction.

The eighth witness was Bob Blacko, executive director of the Northwest Counseling Centers in Billings and Bozeman. He said they support the bill and feel adequate mental health coverage is an important issue.

The ninth witness was Bob Frazier, project consultant for SRS and works at the University of Montana. He said he supported the bill.

The tenth witness was Dave Barnhill, representing the Montana Insurance Department. He said they support the bill but have not reviewed the amendments.

Also entered into the record was a letter from Mr. John Foster, executive secretary of the Montana Mental Health Counselors Association (Exhibit #9).

Opponents' Testimony:

None.

Questions From Committee Members:

Senator Towe asked Representative Thomas about the language on page 2, lines 19 and 20. He said there is a limitation on the eligibility of employers. He wanted to know about the intent.

Representative Thomas said the threshold is built in. He said if a business grew beyond 20 employees the business may not qualify for the basic plan. He said you would have to have 21 employees or less every year before you pay the premium.

Senator Towe asked for statistics or indications on whether businesses will cancel current insurance policies in order to sign on to this basic plan.

Representative Thomas said they discussed that issue many times. He said Colorado has been doing this and they have not found switch backs to be a problem. Typically people do not want to cut their benefits and if they do they will raise their deductible or raise their copayments. In this case there is a drastic difference. There are several mandates under current law for policies sold. This bill initiates few mandates. We do not believe that people will strip down to this basic policy.

Senator Towe asked if it was his intent that the credit be in addition to an employer deduction.

Representative Thomas said that was correct. He said they went out of their way to try and narrow the credit, it applies only to the first ten employees, then to a portion of the employees premium. The soft spot is the number of employees that you give the credit for. We thought 10 employees was a fair number. It is a major incentive, selling point, for this program.

Senator Pipinich said this bill has a \$411,000 fiscal impact. He asked if it was included in the Governor's plan, in the appropriations process.

Representative Thomas said it is not an appropriation because it is a reduction in income taxes collected. It is shown as a reduction.

Senator Towe asked if this was shown in HJR 24.

Representative Thomas said he could not answer that question. He said it was in the Governor's budget and is shown as an LFA reduction.

Senator Pipinich asked if it was in the Governor's budget.

Representative Thomas said it was included in the Governor's budget.

Chairman Eck said Senator Jacobson was in the Finance and Claims hearing presently, but did not agree with that statement.

Julia Robinson said she did not know the answer to that question (whether it was in HJR 24).

Representative Thomas said it was built into the LFA figures on every updated sheet as well as in the Governor's budget.

Chairman Eck referred to page 2, under the eligibility section, regarding health insurance by court order. She wanted to know if they are providing a higher standard of health insurance, could they switch to this basic plan.

Representative Thomas said that was not the intention. He suggested amending the language to provide clarification.

Chairman Eck asked Julia Robinson to address that issue.

Ms. Robinson said this was a new approach to saving Medicaid monies by requiring absent fathers' to provide health insurance coverage. Some do not have health insurance coverage so they thought they could include it in the court order, requiring them to buy a basic plan for the children if they were not already covered.

Ms. Robinson continued by saying if the current language is not clear, that it is for people who do not have insurance, they would not object to an amendment.

Chairman Eck said when the bill was discussed earlier it was her understanding that when an individual whose employer did not provide health insurance, even though it was a large company, would be able to purchase this basic insurance. She asked if this were still the case.

Mr. Chuck Butler responded by saying Blue Cross/Blue Shield current offers a program entitled, 'Essential Care', which as been on the market for about 1 year. Over 6,000 individuals have purchased this scaled down benefits package, similar to the program offered in HB 693. They offer a benefit program to people employed by businesses who do not offer health insurance. This benefit package would also be available to those individuals.

Chairman Eck said the mandated benefits they put into law apply to group policies that employers purchase, not to individual policies.

Mr. Butler said he was mistaken. He said on page 2, line 16, (a), he suggested adding the words 'or their employees', to satisfy the concern.

Representative Thomas said the Legislative Council could correct that language. He said they would have no objection to allowing the employees to purchase coverage if it was not provided by their employer.

Chairman Eck said that would still be for small companies, but what about the employee that works for a large company who does not get health insurance benefits.

Representative Thomas said he could not think of a large employer that wasn't providing health insurance.

Senator Franklin said K-Mart, Target.

Representative Thomas said you would probably not get the employees together at ShopCo to purchase a health plan.

Chairman Eck asked about an individual who worked there and asked if that individual could purchase the health coverage.

Representative Thomas said the individual could purchase the Essential Care plan from Blue Cross/Blue Shield.

Chairman Eck said under the Essential Care policy they already limit the benefits.

Senator Towe said if you allow individuals who are not otherwise covered by an employer to purchase this special coverage, are you going to encourage the employers to stop their existing health insurance and tell their employees to buy the cheaper coverage.

Representative Thomas said that was possible under current law. An employer with nine employees stops carrying the group plan and tells the employees to purchase their own insurance. Right now an individual plan under Essential Care is available, similar to this policy. Mandatory benefits do not apply to this plan.

Chairman Eck asked what benefits did apply.

Mr. Butler said the \$57.00 per employee per month is the charge premium their underwriter estimated the basic benefit program recommended under HB 693 would cost for an individual.

Representative Thomas said the 'Security Plan' coverage is not a basic plan, but a full fledged health care plan. The 'Essential Care' is a bare bones plan.

Chairman Eck said it would not be necessary to write something into the bill if employees can already purchase their own insurance.

Senator Hager asked if this bill covered major medical.

Representative Thomas said major medical was an overused term. It can mean anything. In this policy, with all the terms and conditions it could include a \$50,000 annual cap on benefits paid out, or a lifetime cap of \$50,000. The product will be filed with the insurance commissioners. When the plan is offered for sale it could be broader or they could be narrower than that. In essence it is a basic health care plan and could be narrow. He said the market will iron out the specifics.

Senator Towe said a bare bones policy could include no physician costs, a maternity and newborn care for 31 days, well-child care for 2 years, alcoholism and mental illness for \$1,000 per year and hospital care of \$1.00 per day. That would qualify as a plan, with a \$5,000 deductible.

Representative Thomas said that could be done and probably even under current law. You could limit your lifetime payout to \$5,000. He said it does have to be approved by the Insurance Commissioner. Maternity care would include physician services as would newborn care.

Chairman Eck said she had told Senator Jacobson they would not take action until she could be present. She said there is a problem with the \$400,000. We have discussed a coordinating clause with this bill and SB 151, that provides some revenue. If we did that we would coordinate the tax credit section.

Chairman Eck said this is landmark legislation for Montana and she did not want to see it go down with a Governor's veto.

Senator Pipinich said Representative Thomas has assured the committee that the fiscal impact was included in the Governor's budget.

Chairman Eck said it might be in there, but there is still a disparity between revenue and expenditures.

Representative Thomas said they tried to calculate what this bill would save Montana. It has a potential of saving millions of dollars. We are spending around \$150 million for Medicaid each year. He said he realized the budget constraints. He said they did not feel they could substantially document the cost savings. Cost shifting will be reduced. It might not lower the budget or raise the ending fund balance.

Chairman Eck said that was true with a number of bills, like immunization. If you look at the surety of what it is going to save, increasing eligibility for Medicaid would have a larger impact. She felt that one way or another this bill should pass.

Closing by Sponsor:

Representative Thomas said stripping the tax credit out of the bill was a bad idea. Reducing the number of employees was another option. This is a good proposal and he encouraged the committee to adopt the technical amendments and pass the bill.

EXECUTIVE ACTION ON HOUSE BILL 977

Motion:

Senator Towe moved adoption of the amendment denoted in Exhibit #10.

Discussion:

Tom Gomez explained the amendment by saying these amendments were not requested by Representative Dorothy Bradley, even though her name appears in the Exhibit. It originated at the Department of Health and Environmental Sciences (DHES). Mr. Gomez referred to Exhibit #11 and said it was not requested by Representative Bradley. Exhibit #12 denoted the 'window of opportunity amendment'. Mr. Gomez continued by saying the effect of Exhibit #10, is to include a residential treatment facility as a health care facility for the purposes of Certificate of Need. Whenever the law talks about the Certificate of Need (CON) and licensure and review in terms of a health care facility, it will include a residential treatment facility.

Chairman Eck asked Mike Craig from DHES to explain the amendment.

Mr. Craig said Exhibit #10 was a clarification. It was a facility that would be reviewable under CON. It states the same language that 50-5-316 currently includes. He said they do not see it as a separate process.

Amendments, Discussion, and Votes:

There being no objections the motion carried.

Senator Towe moved adoption of the amendment denoted in Exhibit #12 with the following language so the amendment would read:

" Except as provided in subsection (2) a person who operates an existing facility that meets the definition of, and all statutory and regulatory requirements for, a residential treatment facility on or before August 1, 1991, may receive a license to operate the facility as a residential treatment facility and need not obtain a certificate of need as otherwise required under this section."

Chairman Eck asked if that language were too tight. She asked Dale Taliaferro from DHES to comment.

Mr. Taliaferro said that language was appropriate.

Senator Hager commented that the committee was creating the same situation that landed the parties in district court two years ago. He said they were creating a window of opportunity for Yellowstone Treatment Center and Shodair Hospital. He wanted to know who else could sue.

Senator Towe said he was told that no one else was out there who could sue. The problem two years ago was that the bill was clearly aimed at one institution and clearly aimed at preventing another to go into the business.

There being no objections the motion to adopt the amendment carried.

Chairman Eck asked Tom Gomez to explain the Statement of Intent denoted in Exhibit #13. Mr. Gomez said John Sullivan, the attorney for Shodair Hospital prepared the document. It is intended to strengthen the basis for the legislature to provide a grandfather or window of opportunity. The concept would be to state a rational basis for legal purposes. It would result in a facility to be allowed to operate as a residential treatment facility without having to complete the CON process.

Senator Towe said a statement of intent was a good idea but was not satisfied with Exhibit #13.

Chairman Eck said Representative Bradley had indicated she would favor the amendment.

Senator Towe moved adoption of an amendment which would be a statement of intent drafted by Tom Gomez based upon the concepts in Exhibit #13.

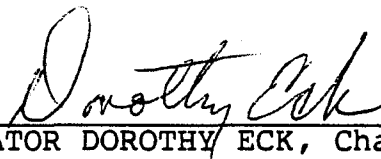
There being no objection the motion carried.

Recommendation and Vote:

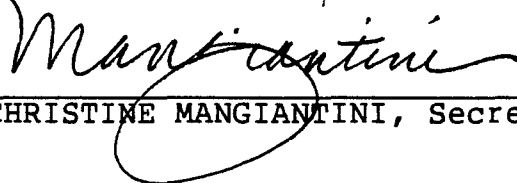
Senator Towe moved concurrence as amended. There being no objections the motion carried.

ADJOURNMENT

Adjournment At: 6:40 p.m.



SENATOR DOROTHY ECK, Chairman



CHRISTINE MANGIANTINI, Secretary

DE/cm

ROLL CALL

PUBLIC HEALTH, WELFARE COMMITTEE
AND SAFETY

Date 04/10/91

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BURNETT	X		
SENATOR FRANKLIN	X		
SENATOR HAGER	X		
SENATOR JACOBSON			X
SENATOR PIPINICH	X		
SENATOR RYE	X		
SENATOR TOWE	X		
SENATOR ECK	X		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

Page 1 of 2
April 11, 1991

MR. PRESIDENT:

We, your committee on Public Health, Welfare, and Safety having had under consideration House Bill No. 994 (third reading copy -- blue), respectfully report that House Bill No. 994 be amended and as so amended be concurred in:

1. Title, line 19.
Following: "SECTIONS"
Insert: "50-2-118."

2. Page 15, line 12.

Following: line 11

Insert: "Section 18. Section 50-2-118, MCA, is amended to read:

"50-2-118. Powers and duties of local health officers. (1) Local health officers or their authorized representatives shall:

(a) make inspections for sanitary conditions;
(b) as directed by the local board, issue written orders for the destruction and removal of filth which might cause disease;

(c) with written approval of the department, order buildings or facilities where people congregate closed during epidemics;

(d) on forms provided by the department, report communicable diseases to the department each week;

(e) before the first day of January, April, July, and October, give a report to the local board of sanitary conditions in the county, city, city-county, or district, together with a detailed account of his activities, on forms and containing information required by the department;

(f) before the 10th day after the report is given to the local board, send a copy of the report required by subsection (1)(e) of this section to the department;

(g) as prescribed by rules adopted by the department, establish and maintain quarantines;

(h) as prescribed by rules adopted by the department, supervise the disinfection of places at the expense of the local board when a period of quarantine ends;

(i) notify the department of his appointment and changes in membership of the local board;

(j) file a complaint with the appropriate court if this chapter or rules adopted by the local board or state department under this chapter are violated;

(k) validate state licenses issued by the department in accordance with chapters ~~50, 51, and 52~~ through 53 of this title.

(2) With approval of the department, local health officers may forbid persons to assemble in a place if the assembly endangers public health.

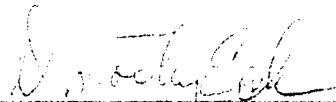
(3) A local health officer who is a physician may be placed in charge of a communicable disease hospital, but a local health officer who is a physician is not required to act as a physician to the indigent.

(4) A local health officer who is not a physician shall not act as a physician to anyone."

Remember, subsequent sections

3. Page 15, line 10
Following: "indigent"
Struck: "is"
Insert: "to"

Signed. _____



Dorothy Eck, Chairman

41-91
And. Coord.

SB 411 17:50
Sec. of Senate

SENATE STANDING COMMITTEE REPORT

Page 1 of 4
April 12, 1991

MR. PRESIDENT,

We, your committee on Public Health, Welfare, and Safety having had under consideration House Bill No. 277 (third reading copy - blue), respectfully report that House Bill No. 277 be amended and as so amended be concurred in:

1. Title, line 19.
Following: "50-5-101"
Insert: "50-5-101, 50-5-215,"

2. Page 1, line 13.
Following: line 12
Insert: " STATEMENT OF INTENT

It is the intent of the legislature, in enacting this bill to amend 50-5-215 to exempt persons who operate an existing facility that meets the definition of a residential treatment facility on or before August 1, 1991, from the certificate of need requirements contained in Title 50, chapter 5, part 2. The legislature finds this exemption appropriate for the following reasons:

(1) Two years ago, certain organizations that were prepared to open residential treatment facilities were prevented from operating these facilities, even though they had an application pending for licensure, because of restrictions contained in House Bill No. 304, which was enacted in 1989. The restrictions contained in House Bill No. 204 that prevented these organizations from operating residential treatment facilities have been eliminated under this bill. Thus, an exemption for these organizations is warranted in order to redress the situation created 2 years ago with enactment of House Bill No. 304 and to allow these organizations to operate existing facilities as residential treatment facilities.

(2) According to the department of family services in a report to the legislature, there is presently a need for at least 20 additional residential treatment facility beds in this state. In light of this present need, it is appropriate to allow an exemption so the organizations described in subsection (1) can implement their plans to operate residential treatment facilities without having to go through the expensive and time-consuming process of obtaining a certificate of need in order to provide services that are known to be needed now. Any possibility that this exemption may result in the creation of residential treatment facility beds in excess of the existing need is minimal in light of the realities of competition and the limited applicability of the exemption that allows only those facilities existing on or before August 1, 1991, to qualify for the exemption."

3. Page 19, line 16.

Following: line 15

Insert: "Section 2. Section 50-5-301, MCA, is amended to read:

"50-5-301. (Temporary) When certificate of need is required -- definitions. (1) Unless a person has submitted an application for and is the holder of a certificate of need granted by the department, he may not initiate any of the following:

(a) the incurring of an obligation by or on behalf of a health care facility for any capital expenditure, other than to acquire an existing health care facility or to replace major medical equipment with equipment performing substantially the same function and in the same manner, that exceeds the expenditure thresholds established in subsection (4). The costs of any studies, surveys, designs, plans, working drawings, specifications, and other activities (including staff effort, consulting, and other services) essential to the acquisition, improvement, expansion, or replacement of any plant or equipment with respect to which an expenditure is made must be included in determining if the expenditure exceeds the expenditure thresholds.

(b) a change in the bed capacity of a health care facility through an increase in the number of beds or a relocation of beds from one health care facility or site to another, unless:

(i) the number of beds involved is 10 or less or 10% or less of the licensed beds (if fractional, rounded down to the nearest whole number), whichever figure is smaller, in any 2-year period;

(ii) a letter of intent is submitted to the department; and

(iii) the department determines the proposal will not significantly increase the cost of care provided or exceed the bed need projected in the state health plan;

(c) the addition of a health service that is offered by or on behalf of a health care facility which was not offered by or on behalf of the facility within the 12-month period before the month in which the service would be offered and which will result in additional annual operation and amortization expenses of \$100,000 or more;

(d) the acquisition by any person of major medical equipment, provided such acquisition would have required a certificate of need pursuant to subsection (1)(a) or (1)(c) if it had been made by or on behalf of a health care facility.

(e) the incurring of an obligation for a capital expenditure by any person or persons to acquire 50% or more of an existing health care facility unless:

(i) the person submits the letter of intent required by 50-5-302(2); and

(ii) the department finds that the acquisition will not significantly increase the cost of care provided or increase bed capacity;

(f) the construction, development, or other establishment of a health care facility which is being replaced or which did not previously exist, by any person, including another type of health care facility;

(g) the expansion of the geographical service area of a home health agency;

(h) the use of hospital beds to provide services to patients or residents needing only skilled nursing care, intermediate nursing care, or intermediate developmental disability care, as those levels of care are defined in 50-1-101, et seq.

(i) the provision by a hospital of services for ambulatory surgical care, home health care, long-term care, inpatient mental health care, inpatient chemical dependency treatment, inpatient rehabilitation, or personal care.

(j) For purposes of subsection (1)(b), a change in bed capacity occurs on the date new or relocated beds are licensed pursuant to part 2 of this chapter and the date a final decision is made to grant a certificate of need for new or relocated beds, unless the certificate or bed expires pursuant to 50-1-101.

(k) For purposes of this part, the following definitions apply:

(a) "Health care facility" or "facility" means a nonfederal ambulatory surgical facility, home health agency, long-term care facility, medical assistance facility, mental health center with inpatient services, inpatient chemical dependency facility, rehabilitation facility with inpatient services, residential treatment facility, or personal care facility. The term does not include a hospital, except to the extent that a hospital is subject to certificate of need requirements pursuant to subsection (1)(i).

(b) (i) "Long-term care facility" means an entity which provides skilled nursing care, intermediate nursing care, or intermediate developmental disability care, as defined in 50-1-101, to a total of two or more persons.

(ii) The term does not include adult foster care, licensed under 50-5-303, community homes for the developmentally disabled, licensed under 53-20-305, community homes for persons with severe disabilities, licensed under 53-19-203, boarding or foster homes for children, licensed under 41-3-1141, hotels, motels, boardinghouses, roominghouses, or similar accommodations providing for transients, students, or persons not receiving institutional health care, or juvenile and adult correctional facilities operating under the authority of the Department of Institutions.

(c) "Obligation for capital expenditure" does not include the authorization of bond sales or the offering or sale of bonds pursuant to the state long-range building program under Title 17, Chapter 5, part 4, and Title 18, Chapter 2, part 1.

(d) "Personal care facility" means an entity which provides services and care which do not require nursing skills to more than four persons who are not related to the owner or administrator by blood or marriage and who need some assistance in performing the activities of everyday living. The term does not include those entities excluded from the definition of "long-term care facility" in subsection (3)(b).

(4) Expenditure thresholds for certificate of need review are established as follows:

(a) For acquisition of equipment and the construction of any building necessary to house the equipment, the expenditure threshold is \$750,000.

(b) For construction of health care facilities, the expenditure threshold is \$1,500,000."

Section 3. Section 50-5-116, MCA, is amended to read:

"50-5-116. Certificate of need for residential treatment facility. (1) Except as provided in subsection (2), a person may not operate a residential treatment facility unless he has obtained a certificate of need issued by the department as provided under this part.

(2) A person who operates an existing facility that meets the definition of, and all statutory and regulatory requirements for, a residential treatment facility on or before August 1, 1991, may receive a license to operate the facility as a residential treatment facility and need not obtain a certificate of need as otherwise required under this section."

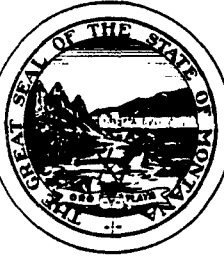
Renumber subsequent sections

Signed: _____

Dorothy Eck
Dorothy Eck, Chairman

Amd. Coord.

Dir. of Health



STAN STEPHENS, GOVERNOR

COGSWELL BUILDING

STATE OF MONTANA

FAX # (406) 444-2606

HELENA, MONTANA 59620

TESTIMONY ON HOUSE BILL NO. 994 - DHES
PUBLIC SWIMMING POOL AND PUBLIC BATHING AREA LICENSURE

50-53, MCA gives joint authority to state and local health authorities who participate on a voluntary basis. Voluntary inspection programs are practiced in 46% or 26 counties with 20 counties which either inspect public pools on a complaint basis only or do not inspect pools at all, 4 of which serve 26.4% of Montana's population (1990 census). Current FCSB resources are 1 - .25 FTE to providing direct service and local program support. There may be as many as 1200 public swimming pools and public bathing areas (PSP/PBA) statewide of which ~600 are associated with public accommodations. There are no accurate listings for these facilities. PSP/PBA are major attractions for tourists and Montana citizens. Tourists want high quality facilities and without a uniform minimum inspection program there is no assurance this is provided.

Public health risks occur from either the design and construction (DC) of the facility or the operation and sanitary condition of the facility (especially water quality [WQ]). DC & WQ deficiencies result in injuries and death. 19 Public Pool deaths and at least 4 serious Public Pool injuries have been reported which have resulted in at least 2 lawsuits with a combined settlement of \$2,000,000 have been documented from 1978 - 1990. There are at least 2 unresolved death and injury investigations which may result in lawsuits.

Minimum program requirements would be set by statute. Facility licensure fees would be based upon estimated costs to provide a minimum inspection program to establishments. A base fee of \$75/facility with 85% (\$63.75) deposited in the local board inspection fund to support local inspection programs and 15% (\$11.25) deposited in a state special revenue account to be allocated to DHES for needed program development and support of local inspection programs. Facilities also licensed as Public Accommodations would be assessed a fee of \$50/facility with 85% (\$42.50) for local programs and 15% (\$7.50) for DHES program development and support. A late license renewal fee penalty of \$25/facility would be assessed.

HB994 provides a licensure program similar to 50-50, 50-51 and 50-52, MCA with amendment and new sections 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 14. Sections 15 and 16 include provision for civil penalties and the means for cost and expense recovery for either state or local programs. Section 17 provides accountability for fee monies paid to local governments through the local board inspection fund.

The licensure program would become effective with calendar year 1992 with late license fee assessment leniently applied. There is no current intent to alter construction/operation rules which would require further PSP/PBP "grandfathering". Definition of PSP/PBP facilities has been covered by Opinion No. 18 of Vol. 39 from the Montana Attorney General's Office.

DHES requests a "do pass" committee report. Thank you.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Mitzi A. Schwab".

Mitzi A. Schwab
Food and Consumer Safety Bureau
Telephone: 444-2408

Proposed Amendments to House Bill 994
Second Reading Copy
Montana Department of Health and Environmental Sciences

April 8, 1991

1. Title, line 19.
Following: "SECTIONS"
Insert: "50-2-118,"

2. Page 15.

Following: line 11

Insert: "**Section 18.** Section 50-2-118, MCA, is amended to read:
"50-2-118. Powers and duties of local health officers.

(1) Local health officers or their authorized representatives shall:

(a) make inspections for sanitary conditions;

(b) as directed by the local board, issue written orders for the destruction and removal of filth which might cause disease;

(c) with written approval of the department, order buildings or facilities where people congregate closed during epidemics;

(d) on forms provided by the department, report communicable diseases to the department each week;

(e) before the first day of January, April, July, and October, give a report to the local board of sanitary conditions in the county, city, city-county, or district, together with a detailed account of his activities, on forms and containing information required by the department;

(f) before the 10th day after the report is given to the local board, send a copy of the report required by subsection (1)(e) of this section to the department;

(g) as prescribed by rules adopted by the department, establish and maintain quarantines;

(h) as prescribed by rules adopted by the department, supervise the disinfection of places at the expense of the local board when a period of quarantine ends;

(i) notify the department of his appointment and changes in membership of the local board;

(j) file a complaint with the appropriate court if this chapter or rules adopted by the local board or state department under this chapter are violated;

(k) validate state licenses issued by the department in accordance with chapters 50, 51, ~~and 52,~~ and 53 of this title.

(2) With approval of the department, local health officers may forbid persons to assemble in a place if the assembly endangers public health.

(3) A local health officer who is a physician may be placed in charge of a communicable disease hospital, but a local health officer who is a physician is not required to act as a physician to the indigent.

(4) A local health officer who is not a physician shall not act as a physician to anyone."
Renumber: subsequent sections

3. Page 15, line 19.

Following: "7 through"

Strike: "18"

Insert: "19"

10 April, 1991

Dear Senator

On April 10, 1991 at 3:00 p.m. H.B. 994 will be heard in the Senate Public Health and Safety Committee. The Yellowstone City-County Health Department urges your support of H.B. 994.

Swimming pools are potential health and safety risks for the public. Without funds to promote continued inspections of public and semi-private facilities these swimming pools may not receive adequate attention by local health departments.

Sincerely,

Neal Kylander, R.S.
Program Manager
Yellowstone City-County Health Department



Flathead City-County Health Department

723 5th Ave. East • Kalispell, Montana 59901
Environmental Health Services 756-5632 • Community Health Services 756-5633

DATE: March 21, 1991

TO: Senator Dorothy Eck, Chairman
Senate Public Health, Welfare and Safety Committee

FROM: Flathead City-County Board of Health

The Flathead City-County Board of Health supports the revisions to the Swimming Pool and Spa regulations proposed as House Bill 994. The proposed legislation will benefit our health department in the following manner:

- 1) Civil penalties will be added to the laws along with authorization for injunctions to enjoin violations of the laws.
- 2) Establish minimum performance standards for the inspection program as it pertains to standardized inspection protocols.
- 3) Establish license fees to offset the cost of administering the program at the state and local level.

We believe that this program provides a basic public health service that must be available to all people who reside in this county as well as to the people who visit our community. We further believe that the costs of providing our services must not be shouldered entirely by the taxpayer, but should be borne by the businesses providing the pool and spa facility.

We urge your support of the legislation introduced as House Bill 994.

Respectfully submitted,

Jane Lopp, Chairperson
Flathead City-County Board of Health

COUNTY OF STILLWATER
STATE OF MONTANA

COLUMBUS, MONTANA

April 5, 1991

406-322-5237

Fax - 406-322-4698

Senator Jim Burnett
Capitol Station
Helena, MT 59620


Honorable Jim Burnett:

HB-994, licensing of swimming pools, is headed for the Senate Public Health Committee and I urge your support of this bill. The bill has passed the house already.

The licensing of swimming pools will not affect many places in Carbon and Stillwater County since most of them are owned by municipalities but those that are private and open to the public need to be overseen.

If you have any questions on the bill, Cal Campbell can be contacted at 444-2408.

Sincerely,


Rodney Fink R.S.
County Sanitarian

RF/vu

cc: Cal Campbell

LEGIONELLOSIS ASSOCIATED WITH HOT TUB?

On Thursday, March 7, 1991, the Preventive Health Services Bureau was notified of four cases of Pontiac fever among a group of tourists returning to Louisiana from a Montana ski resort. The four cases were characterized by a rapid onset of fever, headache, malaise, myalgia, and a non-productive cough. These symptoms developed in all of the subjects within a 24 hour period. All of the subjects reported using the same hot tub in one of the rental units at the resort during the previous week. Hot tub use was the only common exposure identified among the cases.

Health care providers in the areas were contacted in attempt to uncover additional cases. Also, the property manager of the site, upon request, provided a listing of all recent tenants of the units occupied by the affected parties. All attempts to find additional cases were unsuccessful.

Serologic tests on convalescent phase sera from the subjects showed antibody activity to Legionella pneumophila by EIA. Subsequent testing of these specimens at CDC using a fluorescent antibody technique revealed findings which were not inconsistent with the diagnosis of legionellosis or Pontiac fever.

The subjects reported that the "chlorine basket" of the hot tub was empty at the time of their use, and that they were suspicious that the tub might be not be adequately chlorinated. Water samples were not available to test for adequate levels of disinfectant, or for heavy contamination with Legionella. The hot tub purportedly had been properly maintained and serviced under contract with a whirlpool/spa maintenance firm. Other possible sources of drift aerosols, such as decorative fountains, evaporative condensers, cooling towers or other heat exchangers were not identified in the area.

Currently, there is not evidence of a continuing problem at the exposure site. If this cluster of cases was caused by Legionella from the suspect hot tub, it is felt to have been an isolated incident, possible due to a maintenance breakdown, which has since been corrected. Additional cases are not expected.

While hot tubs are generally not recognized as a common source of Legionella, cases of non-pneumonic legionellosis (Pontiac fever) have been reported in association with the use of whirlpool spas where disinfection was not adequate. Inadequate disinfectant levels in hot tubs and whirlpool spas are most often associated with rash illnesses, commonly Pseudomonas folliculitis.

Routine maintenance and inspection of whirlpool spas (in particular, commercial spa facilities) is important. The following points should be considered:

- Chlorine is a better disinfecting agent against legionellae than bromine. A continuous in-line chlorinator should be considered in lieu of a system utilizing bromine.
- Disinfection systems should be of the in-line type, and in continuous operation in order to allow the system to adequately disinfect.
- Disinfectant levels should be checked frequently and recorded.



SENATE HEALTH & WELFARE

EXHIBIT NO. 2

DATE 4/10/91

4 BILL NO. 693

CONTENTS

- 2 Project Goals
- 2 Access To Health Care A Growing Problem
- 3 Outline of Governor Stephens' Proposal
- 4 Steps To Change
- 14 Working Committees
- 15 Related Legislation

HEALTH CARE FOR MONTANANS

■ GOVERNOR STAN STEPHENS

■ AGENCY SPONSORS:

Dept. of Health and Environmental Sciences, *Dennis Iverson, Director*
Dept. of Family Services, *Tom Olsen, Director*
Dept. of Social and Rehabilitation Services, *Julia E. Robinson, Director*
Dept. of Institutions, *Curt Chisholm, Director*
Governor's Office on Aging, *Hank Hudson, Aging Coordinator*

■ JULIA E. ROBINSON, CHAIRPERSON

INTRODUCTION

In the fall of 1990, Governor Stephens appointed a number of working committees to address the problem of access to health care for the uninsured. The committee recommendations were submitted to the Governor in December of 1990.

Upon review of the Final Report, Governor Stephens personally committed to working on successful implementation of the five steps outlined in this summary. Because changing health care is an ongoing process, the final action step is a commitment of executive branch staff and financial resources to continuing the search for solutions to problems in the health care arena.

Governor Stephens believes these steps provide positive, appropriate direction for Montana in addressing the complex issue of health care access. They are not a total solution; just a beginning. Also, we must acknowledge that some changes are not possible instate because of the federal design of the Medicaid and Medicare programs. Potential changes in these programs await Congressional action.

(All committee recommendations are contained in the working committees' Final Report on Health Care for Montanans.)

*Copies of the full report are available upon request from the Department of Social and Rehabilitation Services,
P.O. Box 4210,
Helena, MT 59604*

Health Insurance in Montana

Number of Persons Insured and Uninsured

SENATE HEALTH & WELFARE
EXHIBIT NO. 3
DATE 4/10
H. BILL NO. 613



- Total Population = 804,000
- Private insurance may be underestimated because Medicare enrollees may also have private insurance

Montana Hospital Data - 1989

Deductions from Revenue		
Medicare discounts		67,080,658
Medicaid discounts		13,078,292
Uncompensated Care (27,780,263)		20,228,253
Other discounts		<u>7,552,010</u>

TOTAL Deductions from Revenue \$107,939,213

Hospital Admissions		
Medicare		38,742
Medicaid		10,107
All Other		<u>51,771</u>
TOTAL		100,620

Outpatient/ER Visits		
Outpatient		465,221
Emergency		<u>230,279</u>
TOTAL VISITS		695,500

Deductions as a percent of Revenue		
Inpatient	78.5%	84,732,282
Outpatient	21.5%	<u>23,206,931</u>
TOTAL		\$107,939,213

Uncompensated care and other discounts		
Inpatient		21,807,794
Outpatient		<u>5,972,835</u>
TOTAL		\$27,780,263

Uncompensated care and other discounts		
Per non-medicare, non-medicare Admission		\$421.24
Per All Admissions		\$216.73
Per Outpatient/ER Visit		\$ 8.59

The hidden tax of cost-shifting, driven by the failure of Medicare and Medicaid to reimburse hospitals for the actual cost of providing services and the cost of uncompensated care, leads to higher care costs for consumers. That tax was \$842.10 per admission in 1989. The tax per non-medicare, non-medicare admission for uncompensated care was \$421.24.

**Blue Cross
Blue Shield**
of Montana



Helena Division
404 Fuller Avenue • P.O. Box 4309
Helena, Montana 59604
(406) 444-8200
Fax: (406) 442-6946

Great Falls Division
3360 Tenth Avenue South • P.O. Box 5004
Great Falls, Montana 59403
(406) 791-4000
Fax: (406) 727-9355

February 5, 1991

SENATE HEALTH WELFARE

EXHIBIT NO. 4

DATE 4/10/91

H BILL NO. 693

MEMO TO: Representative Fred Thomas

FROM: Tanya Ask, ^{TA} Professional and Provider Relations Representative

SUBJECT: Group Insurance Price Differentiability

You requested comparative information between the Governor's Basic Health Care Plan with an estimated price of approximately \$57 per employee per month and coverages currently in place for small Montana groups. The comparative information given assumes rating in the same age band as the \$57 estimated price. Three popular small group alternatives were compared:

<u>Coverage</u>	<u>Percentage Differential Per Employee Per Month</u>
Security Plus \$500 Ded/\$1,000 Co-ins	38%
Security Plus \$1,000 Ded/\$1,000 Co-ins	22%

TA/jb
M241B

cc: Chuck Butler
Garth Trusler

Copy for
Committee

Amendments to House Bill No. 693
Third Reading Copy

Requested by Rep. Thomas
For the Committee on Taxation

Prepared by Lee Heiman
April 8, 1991

SENATE HEALTH & WELFARE

EXHIBIT NO. 5

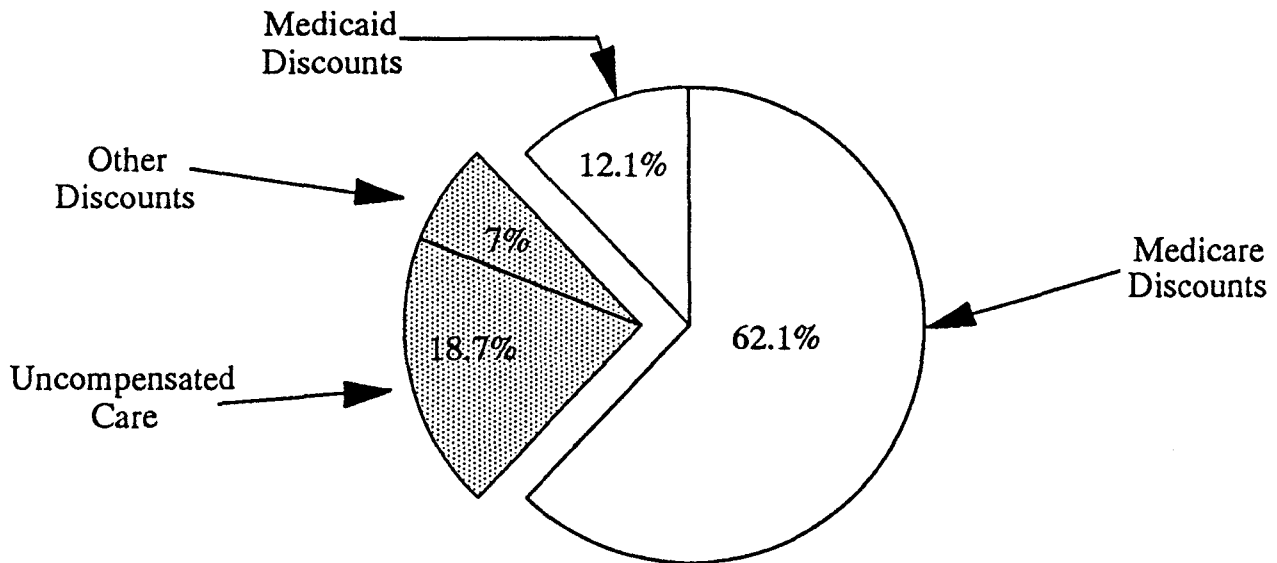
DATE 4/10

HOUSE NO. 693

1. Page 2, line 12.
Following: "33-30-1011,"
Strike: "and"
2. Page 2, line 13.
Following: "33-30-1013"
Insert: ", or by any other provision enacted after January 1,
1991, unless the provision specifically mandates coverage
for policies issued under [sections 1 through 5]"
3. Page 2, line 19.
Following: "(ii)"
Insert: "have been in business in the state for at least 12
months and"
4. Page 5, line 6.
Following: "insurance"
Insert: "issued under [sections 1 through 5] and"

Montana Hospital Data - 1989

Deductions From Revenue



Medicare Discounts	67,080,658
Medicaid Discounts	13,078,292
Uncompensated Care	20,228,253
Other Discounts	<u>7,552,010</u>
Total Deductions From Revenue	\$107,939,213

SENATE HEALTH & WELFARE

EXHIBIT NO. 7

DATE 4/10/91

H BILL NO. 693

Montana Hospital Data - 1989

Uncompensated Care and Other Discounts

Per Admission (Non-Medicare; Non-Medicaid)	\$421.24
Per All Admissions	216.73
Per Outpatient/ER Visit	8.59

Hidden Tax of Cost-Shifting

SENATE HEALTH & WELFARE

HOUSE BILL 693

TESTIMONY BY

ALAN F. CAIN

PRESIDENT AND CEO

BLUE CROSS AND BLUE SHIELD OF MONTANA

EXHIBIT NO. 8

DATE 4/10/91

H BILL NO 693

APRIL 10, 1991

My name is Alan F. Cain, President and Chief Executive Officer of Blue Cross and Blue Shield of Montana. I was a member of the Governor's Committee which recommended House Bill 693 and am sorry I could not be present in person for this hearing. We are pleased to appear this morning in enthusiastic support of House Bill 693.

Blue Cross and Blue Shield of Montana currently provides health care coverage or administrative services for over 207,000 Montanans. In 1986 that figure was 40,000 greater. As we have observed the marketplace in Montana in recent years, we have been alarmed by the number of people who are dropping their health care coverage. We keep track of groups and individuals leaving us to determine the reasons why, and are increasingly finding they are not securing coverage with any other carrier. Rather, they are electing to drop company-sponsored plans, and the overwhelming reason given for the cessation of these plans is that the employer can no longer afford the cost.

Rapidly increasing health care costs and utilization of services have forced the price of the benefit plans we sell up dramatically in recent years. In some years, the cost has risen at an average rate of 35 percent with some groups receiving rate increases far in excess of that figure. To highlight what I mean by rising costs of care, the average charge per day in a Montana hospital to Blue Cross and Blue Shield of Montana in 1986 was \$500. Today it is over \$900 and we project the charges to go over \$1,000 by the end of

Ex. 8
4/10/91
HB 693

this year. At the same time, the average charge per admission was about \$2,300 in 1986, and by the end of this year it will be over \$5,000.

The escalation of health insurance premiums has produced a situation where recent studies indicate that 141,000 Montanans are not covered by health insurance and are not eligible for Medicare, Medicaid, or some other program of health care coverage. We believe that a large segment of these people are employed by small employers who can no longer afford to contribute to their employees' health care coverage, or are not inclined to retain their employer-sponsored plans because of the difficulty they face in responding to large increases in costs almost every year. Our major competition is no insurance.

It is our belief that many of these employers would offer coverage to their employees if policies were offered in a price range which the employer could afford. We have demonstrated this in the individual market by the tremendous acceptance by the public of our Essential Care product. In January 1990 we commenced offering this limited benefit policy to individuals. It was designed to sell for \$150 per month for a family. To date, we have enrolled 6,000 people in this program with more people joining each month. Although the benefits are limited, those purchasing the product seem pleased that they are now able to afford some very basic form of health insurance. While these types of products require patients to pay for many of the routine items of medical services, covered persons are protected from catastrophic losses when they require extended hospitalization or other forms of expensive treatment.

Ex. 8
4/10/91
HB 693

House Bill 693 offers significant incentives for insurers to deliver the same type of benefit plans in the small group market. It should be emphasized that the overwhelming majority of Montana employers are in the small group or under 25 workers range. The limited benefits required by the bill and the limited exposure to mandated benefits, as well as the tax incentive for employers, all would contribute to increasing the number of Montanans who are covered by private health insurance programs.

We believe that adoption of this legislation would be a significant move forward to addressing the problems of the uninsured. Many other states have already enacted such legislation, and we believe House Bill 693 is one of the best of the legislative proposals we have reviewed.

In closing, we would like to compliment Governor Stephens for convening the Committee whose deliberations produced House Bill 693. I would also like to compliment Representative Thomas, who is not only the chief sponsor of the bill before you, but also chaired the Governor's committee. We sincerely support a due pass recommendation for House Bill 693.

CB/sm

D101A

4/6

MONTANA MENTAL HEALTH COUNSELORS ASSOCIATION

OFFICE OF THE EXECUTIVE SECRETARY
PO Box 581
Lewistown, Montana 59457



April 8, 1991

SENATE PUBLIC HEALTH COMMITTEE
c/o Senator Dorothy Eck, Chair
Capitol Station (Room 410)
HELENA, MONTANA 59620

SENATE HEALTH & WELFARE

EXHIBIT NO. 9

DATE 4/10/91

BILL NO. 693

RE: HB 693

Dear Senator Eck and Members of the Committee,

The 270 LPC's that make up the MONTANA MENTAL HEALTH COUNSELORS ASSOCIATION supports HB 693, the Low Cost, Limited Benefit Health Insurance Bill, as amended, and only as amended, by the House of Representatives.

The original version of HB 693 contained only \$1,000 of "lifetime" mental health and chemical dependency treatment benefits. In House Taxation committee, HB 693 was amended to have \$1,000 of "ANNUAL" MH and CD benefits! HB 693 passed the House floor, as amended, by a 85-14 vote.

WE ARE OPPOSED to HB 693 IF the \$1,000 of "annual" mental health and chemical dependency benefits are reduced in any way.

Sincerely,

JOHN R. FOSTER, LPC-NCC-CCMHC
Executive Secretary

cc: Mary Kelly McCue

PS: HB 693 is billed by the administration as a "NO FRILLS" Health Insurance bill. Mental health and Chemical Dependency are not "frills."

An Affiliate of:
American Mental Health Counselors Association
American Association for Counseling and Development
Montana Association for Counseling and Development

Proposed DHES amendment to House Bill 977 - Rep. Dorothy Bradley

AMENDMENT NUMBER 1.

SENATE HEALTH & WELFARE

EXHIBIT NO. 10

DATE 4/10/91

Page 19, line 16, add the following section:

H BILL NO. 977

Section 2. Section 50-5-301(3)(a), MCA, is amended to read:
50-5-301(3)(a) "Health care facility" or "facility" means a nonfederal ambulatory surgical facility, home health agency, long-term care facility, medical assistance facility, mental health center with inpatient services, inpatient chemical dependency facility, rehabilitation facility with inpatient services, residential treatment facility, or personal care facility. The term does not include a hospital, except to the extent that a hospital is subject to certificate of need requirements pursuant to subsection (1)(i).

Renumber subsequent sections.

Proposed DHES amendment to House Bill ~~977~~ ⁹⁷⁷ Rep. Dorothy Bradley

AMENDMENT NUMBER 2.

EXHIBIT NO. 11
DATE 4/10/91
BILL NO. 977

Page 23, line 9, insert into the existing Section 3:

NEW SECTION. Section 3. Repealer. Sections 50-5-316 and 50-5-317, MCA, ~~is~~ are repealed.

(This section would be renumbered to section 4 if the first DHES recommendation is adopted.)

NEW SECTION. Section 3. Section 50-5-316, MCA, is amended to read:

"50-5-316. Certificate of need for residential treatment facility.

(1) A person may not operate a residential treatment facility unless he has obtained a certificate of need issued by the department as provided under this part.

(2) A person who operates an existing facility that meets the definition of a residential treatment facility on August 1, 1991, may receive a license to operate the facility as a residential treatment facility and need not obtain a certificate of need as otherwise required under this section.

Renumber bill sections 3 and 4 as bill sections 4 and 5, respectively.

SENATE HEALTH & WELFARE

EXHIBIT NO. 12

DATE 4/10/91

HEBIL NO. 977

STATEMENT OF LEGISLATIVE INTENT
FOR "WINDOW OF OPPORTUNITY" AMENDMENT
TO H.B. 977

SENATE HEALTH & WELFARE
EXHIBIT NO. 13
DATE 4/10
BILL NO. 977

An amendment has been proposed to H.B. 977 which would allow an exemption from the certificate of need requirement for existing facilities that meet the definition of a residential treatment facility on August 1, 1991. A copy of the amendment is attached to this statement of intent.

It is customary to allow for an exemption from certificate of need requirements for existing facilities. When residential treatment services were first authorized for Medicaid reimbursement, Yellowstone Treatment Center was grandfathered from the certificate of need requirement by the terms of H.B. 304, which was enacted during the 1989 legislative session.

At the time H.B. 304 was enacted there was one other facility, Shodair Children's Hospital, which was prepared to open a 14-bed residential treatment facility, and which had pending an application for licensure by the Department of Family Services. Because of restrictions placed in H.B. 304, Shodair was prevented from opening this facility. The restrictions which prevented Shodair from operating a residential treatment facility are being removed by H.B. 977.

According to the Department of Family Services, there is presently a need for at least 20 additional beds to provide residential treatment services. In light of this present need, it is appropriate to allow a window of opportunity during which entities such as Shodair can be allowed to implement their plans to provide residential treatment facilities without having to go through the expensive and time-consuming process of obtaining a certificate of need

Ex. 13
4/10/91
HB 977

for services that are known to be needed now. Any possible risk that the "window of opportunity" may result in the creation of residential treatment beds in excess of the existing need is minimal in light of the realities of competition and the short time frame allowed for the window of opportunity.

Ex. 13
4/10/91
HB 977

NEW SECTION. Section 3. Section 50-5-316, MCA, is amended to read:

"50-5-316. Certificate of need for residential treatment facility. (1) Except as provided in subsection (2), a person may not operate a residential treatment facility unless he has obtained a certificate of need issued by the department as provided under this part.

(2) A person who operates an existing facility that meets the definition of a residential treatment facility on August 1, 1991, may receive a license to operate the facility as a residential treatment facility and need not obtain a certificate of need as otherwise required under this section.

Renumber bill sections 3 and 4 as bill sections 4 and 5, respectively.

ROLL CALL VOTE

SENATE COMMITTEE PUBLIC HEALTH, WELFARE & SAFETY

Date 04/10/91 H Bill No. 994 Time 5:10 p.m.

NAME	YES	NO
SENATOR BURNETT	X	
SENATOR FRANKLIN	X	
SENATOR HAGER	X	
SENATOR JACOBSON	X	
SENATOR PIPINICH	X	
SENATOR RYE	X	
SENATOR TOWE	X	
SENATOR ECK	X	

Secretary

Chairman

Motion: Senator Towe moved adoption of the amendments denoted in
Exhibit #1. There being no objections the motion carried.

ROLL CALL VOTE

SENATE COMMITTEE PUBLIC HEALTH, WELFARE & SAFETY

Date 04/10/91 H Bill No. 994 Time 5:15 p.m.

NAME	YES	NO
SENATOR BURNETT	X	
SENATOR FRANKLIN	X	
SENATOR HAGER	X	
SENATOR JACOBSON	X	
SENATOR PIPINICH	X	
SENATOR RYE	X	
SENATOR TOWE	X	
SENATOR ECK	X	

Secretary

Chairman

Motion: Senator Towe moved concurrence as amended. There being
no objections the motion carried.

ROLL CALL VOTE

SENATE COMMITTEE PUBLIC HEALTH, WELFARE & SAFETY

Date 04/10/91 H Bill No. 977 Time 6:21 p.m.

NAME	YES	NO
SENATOR BURNETT	X	
SENATOR FRANKLIN	X	
SENATOR HAGER	X	
SENATOR JACOBSON	X	
SENATOR PIPINICH	X	
SENATOR RYE	X	
SENATOR TOWE	X	
SENATOR ECK	X	

Secretary

Chairman

Motion: Senator Towe moved adoption of the amendment denoted in
in Exhibit #10. There being no objections the motion carried.

ROLL CALL VOTE

SENATE COMMITTEE PUBLIC HEALTH, WELFARE & SAFETY

Date 04/10/91 H Bill No. 977 Time 6:25 p.m.

NAME	YES	NO
SENATOR BURNETT	X	
SENATOR FRANKLIN	X	
SENATOR HAGER	X	
SENATOR JACOBSON	X	
SENATOR PIPINICH	X	
SENATOR RYE	X	
SENATOR TOWE	X	
SENATOR ECK	X	

THERE BEING NO OBJECTIONS THE MOTION CARRIED.

Secretary

Chairman

Motion: Senator Towe moved adoption of the amendment denoted in E-12
with the following language added: "Except as provided in subsection (2)
a person who operates an existing facility that meets the definition of
and all statutory and regulatory requirements for, a residential treat-
ment facility on or before August 1, 1991, may receive a license to operat
the facility as a residential treatment facility and need not obtain a
certificate of need as otherwise required under this section."

ROLL CALL VOTE

SENATE COMMITTEE PUBLIC HEALTH, WELFARE & SAFETY

Date 04/10/91 H Bill No. 977 Time 6:35 p.m.

NAME	YES	NO
SENATOR BURNETT	X	
SENATOR FRANKLIN	X	
SENATOR HAGER	X	
SENATOR JACOBSON	X	
SENATOR PIPINICH	X	
SENATOR RYE	X	
SENATOR TOWE	X	
SENATOR ECK	X	

Secretary

Chairman

Motion: Senator Towe moved adoption of a statement of intent.

There being no objection the motion carried.

ROLL CALL VOTE

SENATE COMMITTEE PUBLIC HEALTH, WELFARE & SAFETY

Date 04/10/91

H Bill No. 977

Time 6:40 p.m.

NAME	YES	NO
SENATOR BURNETT	X	
SENATOR FRANKLIN	X	
SENATOR HAGER	X	
SENATOR JACOBSON	X	
SENATOR PIPINICH	X	
SENATOR RYE	X	
SENATOR TOWE	X	
SENATOR ECK	X	

Secretary

Chairman

Motion: Senator Towe moved concurrence as amended. There being
no objections the motion carried.

DATE 4-10-91

COMMITTEE ON Senate Public Health

HB 994, Hansen HB 693, Thomas



VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Dr. J. Helm	MMHCA	HB693	✓ as amended	
Paul Zuker	MMHCA	HB693	✓ as amended	
Mary McAue	MMHCA	HB693	✓ as amended	
Mitzi Schuyab	DHES	HB994	✓	
Joe Russell	FLATHEAD, C-C HEALTH DEPT	HB 994	✓	
JAMES Tutwiler	MT Chamber Commerce	693	✓	
Yance Dave, Barnhill	Insurance dept	HB693	✓	
Paulette Kohman	MT Council for Mat & Child Health	HB693	✓	
Diana SANDS	MT. Women's Lobby	HB693	✓	
Bob Fraiser	Gov's Health Care Committee	HB693	✓	
LARRY AKEY	MT ASSOC OF LIFE UNDERWRITERS	HB693	✓	
Riley Johnson	NFIB	693	✓	
Rose Hughes	MMCA	693	✓	

(Please leave prepared statement with Secretary)