MINUTES

MONTANA HOUSE OF REPRESENTATIVES
54th LEGISLATURE - REGULAR SESSION

SELECT COMMITTEE ON HEALTH CARE

Call to Order: By **CHAIRMAN SCOTT ORR**, on February 21, 1995, at 3:20 P.M.

ROLL CALL

Members Present:
Rep. Scott J. Orr, Chairman (R)
Rep. Carley Tuss, Vice Chairman (D)
Rep. Beverly Barnhart (D)
Rep. John Johnson (D)
Rep. Royal C. Johnson (R)
Rep. Betty Lou Kasten (R)
Rep. Thomas E. Nelson (R)
Rep. Bruce T. Simon (R)
Rep. Richard D. Simpkins (R)
Rep. Liz Smith (R)
Rep. Carolyn M. Squires (D)

Members Excused: None

Members Absent: None

Staff Present: David Niss, Legislative Council
Susan Fox, Legislative Council
Vivian Reeves, Committee Secretary

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

Committee Business Summary:
Hearing: HB 542, HB 560
Executive Action: None

{Tape: 1; Side A.}

HEARING ON HB 542

Opening Statement by Sponsor:

REP. BILL TASH, House District 34, Beaverhead County, stated that HB 542, "the Montana Public Health Improvement Act," is an important piece of health care reform. He discussed the effectiveness of public health programs.

Proponents' Testimony:

Ellen Leahy, Health Officer of Missoula County and Chair of the Montana Committee for Improving Public Health, stated that they are a locally home-grown entity and do not have a lobbyist. She talked about the Montana Public Health Improvement Act and provided the Committee with a brochure. **EXHIBIT 1** She spoke in support of HB 542 and provided written testimony. **EXHIBIT 2**

Mike Craig, Montana Health Care Authority (MHCA), stated that the general consensus of the Authority is that prevention is the ultimate cost containment strategy. Some features of HB 542 that the MHCA found appealing were the emphasis on community planning, the needs of the rural and urban poor, especially minorities, the coordination of activities between local and state agencies, and primarily the improvement of data collection and utilization. He urged the Committee's support for HB 542.

Joan Miles, Health Officer, Lewis and Clark County, spoke in support of HB 542 on behalf of the **Montana Public Health Association** which is a group of 180 public health professionals and their organizations in Montana. She indicated that HB 542 represents an important component of health care reform in Montana because it would lower the cost of health care. She described the effectiveness of public health care in Lewis and Clark County during fiscal year 1994. She stated that public health does work and indicated that it would save a lot of money. She urged the Committee's support for HB 542.

Charles Brooks, Yellowstone County Commissioners and the City/County Board of Health, Yellowstone County, spoke in support of HB 542.

Don Ferlicka, Montana licensed veterinarian, Chair of the Lewis and Clark City/County Board of Health, and a resident of Lewis and Clark County, spoke on behalf of the staff of the Lewis and Clark Health Department in support of HB 542 and urged the continued support of the state-of-the-art of public health infrastructure for all Montanans.

Steve Yeakel, Montana Council for Maternal and Child Health, stated that the Council's membership includes hospitals, physician's organizations and community groups from across Montana. The Council held 11 statewide forums, from November through December of 1994, in Montana's largest cities, and some smaller cities such as Dillon, Roundup and Hamilton. The Council found broad support for the Public Health Improvement Plan in HB 542. He stated that HB 542 is a grassroots approach which is focused at the core of efforts to reform the health care system available to Montanans. He urged the Committee's support of HB 542.

{Tape: 1; Side: B.}

Dennis Klukan, Flathead City-County Board of Health, also spoke on behalf of Jane Lopp, Chairman, Flathead City-County Health, in support of HB 542. Written testimonies were provided. **EXHIBITS 3 and 4**

Robert Robinson, Director, Montana Department of Health and Environmental Sciences, spoke in support of HB 542. Written testimony was provided. **EXHIBIT 5**

John Flink, Montana Hospital Association, strongly endorsed the concepts included in HB 542 and urged the Committee's support for HB 542.

Barbara Booher, Executive Director, Montana Nurses Association, spoke on their behalf and stated that their membership focuses on wellness and prevention as opposed to illness and cure. A feature of HB 542 that they especially like is the grassroots involvement which the Montana Nurses Association felt was an appropriate cost-cutting measure. She urged the passage of HB 542.

Claudia Clifford, State Auditor's Office and the Commissioner of Insurance Office, stated that HB 542 is one of the most effective cost-containment measures introduced this legislative session. She said, "Reduce the expenditures on the most expensive medical services and you'll reduce the cost of health insurance."

Ruth Haugland, Barrett Memorial Hospital and the Beaverhead County Health Department, Dillon, spoke in support of HB 542. Written testimony was provided. **EXHIBIT 6**

Bob Torres, National Association of Social Workers, strongly endorsed HB 542 as it is compatible with social work involved in the prevention and intervention of all health-related matters.

Glenda Oldenburg, a Fergus County Health Nurse, Lewistown, Montana, stated that there is a need for improved standards of health care to ensure the provision of uniform services throughout Montana. She urged the Committee's support of HB 542.

Lil Anderson, Executive Director, Yellowstone City-County Health Department, sent a letter in support of HB 542 to create the Montana Public Health Improvement Task Force. **EXHIBIT 7**

Montana's Committee for Improving Public Health, EXHIBIT 8

Opponents' Testimony: None

Questions From Committee Members and Responses:

REP. BRUCE SIMON indicated that line 19, page 3 should be deleted since the Montana Health Care Authority would be dissolved. He suggested restructuring the Montana public health improvement task force to include a member of the insurance industry.

REP. TASH stated that was a good point, but indicated that this list is a place to start.

REP. SIMON indicated that HB 542 calls for the appropriation of almost $110,000 for each of the two years, plus grants. He asked how much money would be directed toward grants and for the operation of the task force.

REP. TASH said that it would be about $140,000, $30,000 of which would be directed toward the grant program each fiscal year.

REP. SIMON indicated that HB 511 dissolves the Health Care Authority and establishes the Health Care Advisory Council. He said that HB 542 would "dove-tail" very nicely with HB 511 and inquired if the two entities in these bills could be blended into one. He asked how **REP. TASH** would feel about that.

REP. TASH answered that he would be very receptive to that idea. He indicated that he had visited with **REP. ROYAL JOHNSON** about incorporating these two bills. He stated that HB 542 dealt with some concepts of public health care functions which are not currently present in HB 511.

REP. SIMON said that he appreciated the emphasis HB 542 made on public health and that he wanted to know what **REP. TASH'S** philosophy was so that perhaps the Committee could work with both bills.

REP. TASH stated that it is imperative that this be done and incorporate the bills as much as possible. He indicated that HB 542 would be referred to the Appropriations Committee.

REP. CAROLYN SQUIRES stated a concern about line 23, page 3 in that people may perceive that some members would be working for the task force on county time, and she indicated that with this mixture of state and county employees, the non-county employees on the task force would not be compensated for their work.

REP. TASH agreed that this is a mixture of legislators, private sector, and administrative people. He perceived this to be structured the same as the interim committee.

REP. SQUIRES inquired if he were proposing that a representative of maternal and child health receive compensation on the task force, should they exclude their salary depending upon their place of employment? Otherwise, the public may perceive county employees serving on this task force to also be on the county payroll. She suggested setting up some mechanism at his discretion which would prevent that perception. **REP. TASH** acknowledged her suggestion.

REP. BEVERLY BARNHART inquired about administrative personnel. **REP. TASH** deferred to **Ms. Leahy. Ms. Leahy** discussed the itemized budget for the Task Force. **EXHIBIT 9**

(Tape: 2; Side: A.)

REP. BARNHART inquired if a report would be presented to the legislature which would require their approval. **Ms. Leahy** said that HB 542 does require such a report listing their recommendations.

REP. DICK SIMPKINS asked if this program would emphasize the idea of health care for all county citizens. **Ms. Leahy** said that the program would educate different age groups on preventative health care, especially young families and children. However, the program would not exclude any age group.

REP. SIMPKINS recommended that **REP. TASH** not merge HB 542 with **REP. R. JOHNSON'S** bill. He indicated that HB 542 is a grassroots plan which is designed to be workable on the grassroots level. **REP. SIMPKINS** stated that HB 542 tended to go back to the 1950s when health care involved the community and neighbors looked out for one another.

REP. TASH agreed with **REP. SIMPKINS.** He stated that health care needed to start on the grassroots level.

REP. SIMPKINS referred to line 9, page 3 of HB 542, and asked why it was defined that way instead of as a class of counties.

REP. TASH stated that the intention was to have a broad cross-section and especially to incorporate the local boards of health and health departments.

REP. SIMPKINS asked why not state "two class one counties?" **Ms. Leahy** said that she did not know what a "class one" county was.

REP. SIMPKINS indicated that the counties are rated according to population. **Ms. Leahy** indicated that counties of all sizes, in terms of population, were represented.

REP. SIMPKINS stated that he saw no "check valve," and that success is measured by how much more was accomplished than the year before. He asked what goals could be expected.

REP. TASH replied that it would be important to establish data. He indicated that "you have to know where you have been to determine where you are going."

REP. SIMPKINS said that he hoped that this program would be designed to provide services, not data. He indicated that a lot of data has already been collected.

REP. TASH said that when he referred to data, he meant how many people they have been effective with in terms of immunizations and preventative health care.

REP. SIMPKINS stated his concern is the de-emphasization of health in favor of environmental services. He asked if the two functions couldn't be separated.

Ms. Leahy indicated that it is probably different in each county. She stated that a priority-setting process and the environmental issues in terms of their being serviced was not a priority. She suggested that each county make that decision on their own. She stated, however, that 20% of the deaths in this country stem from environmental causes.

REP. SIMPKINS indicated that, therefore, 80% of the deaths in this country come from non-environmental situations.

REP. LIZ SMITH stated that she preferred that the Health Care Advisory Council not replace the Health Care Authority. She inquired if line 20, page 3 refers to the Department of Environmental Sciences. **REP. TASH** said that was correct.

REP. SMITH said she is interested in coordinating this task force with the Interagency Council which is composed of all of the department heads.

REP. TASH said that he believed the intention was to establish a task force which would carry on the accomplishments of the Health Care Authority, relying on their 18 months of work to offer some direction and the coordination of this task force.

REP. SMITH referred to line 20, page 3 "the director and one member of the staff of the department" and asked who that one member would be. **Ms. Leahy** said that she envisioned that the director of the department would choose that staff person.

REP. SMITH asked if there would be a possibility of having another member on this task force from the Interagency Council. **Ms. Leahy** indicated that they would be open to this idea.

REP. R. JOHNSON asked **Ms. Miles** if she was familiar with the Healthy Mothers Healthy Babies program? **Ms. Miles** indicated that her department dealt with high risk mothers in Lewis and Clark County.

REP. R. JOHNSON asked **Mr. Yeakel** if he was familiar with the Healthy Mothers Healthy Babies program throughout Montana. **REP. JOHNSON** stated that in 1993 the Healthy Mothers Healthy Babies program received a great deal of additional funding through the Appropriations Committee. He asked how well this money was spent and where this additional money was used.

Mr. Yeakel indicated that the money was used in a number of different programs and that he would be happy to go over the report with **REP. R. JOHNSON.** He indicated that he did not believe that this pertains specifically to the Healthy Mothers Healthy Babies program, but is probably making reference to the

MIAMI Project. He indicated that county health personnel could testify on how it is working in their area. He stated that there is everything from statistical data to case studies that would show how that money has impacted the county.

REP. R. JOHNSON stated that the budget lists a coordinator at a reasonably good salary, and he asked who would pick that coordinator. He indicated that he does not see that stated in HB 542.

Ms. Leahy said that she had envisioned that the State Health Department would serve as the chair of the task force and staff this project as the bill states. She indicated that they would go through the usual procedures to contract for the services.

REP. R. JOHNSON asked if the Department would do that. **Ms. Leahy** said that was correct.

REP. R. JOHNSON referred to line 6, page 5, and asked what the existing funding referred to. **Ms. Leahy** said that the local governments do have funds which are obtained through local property tax levies and are committed to certain activities. She indicated that those activities could change because a different set of priorities had been identified. Any additional funding or private funding might supplant what local appropriations currently have.

REP. R. JOHNSON inquired if she asked that the funds they're requesting not supplant the local funds.

Ms. Leahy said, "We're actually asking that any funds that could be identified in the future through private or public grants, appropriations or whatever, not supplant the local funding at this point."

REP. R. JOHNSON referred to page 5, lines 23 and 27, and asked where the monies would come from for the project grants. **Ms. Leahy** stated that out of the $200,000 budget submitted for the biennium, $60,000 of that ($30,000 in each year) would go toward grants. She said that it is in the current appropriations request. Once the process is established, some of the counties are able to continue with their own funds.

REP. R. JOHNSON referred to **Mr. Robinson's** written testimony, third paragraph stating "The resulting recommendations for services and appropriate financing of those services will provide a guide for county government" and asked where the "appropriate" funding is going to come from?

Mr. Robinson said that his comment referred to the fact that if a plan is developed as a result of all the work of the Advisory Council, then that plan would be a guideline for county health departments and for county commissioners to appropriately design a core public health program within their counties.

REP. R. JOHNSON asked if they would identify where the money would come from.

Mr. Robinson said the plan would allow them to prioritize where core public health functions fall within all of the responsibilities charged to county commissioners and city-county health departments.

REP. R. JOHNSON asked **Mr. Robinson** if there was enough extra money in the budget to take care of that if this bill doesn't pass.

Mr. Robinson said no. He indicated that they certainly do not have an extra $100,000 in their account.

REP. R. JOHNSON asked if this would require another person in the department paid for by HB 542, or would somebody already within the department act as coordinator.

Mr. Robinson stated that they would probably redirect the time of a current employee already in the department to help coordinate the program.

REP. BARNHART asked if some of these projects could be started now, if the funding were available.

REP. ROBINSON said that he did not think so. He indicated that the booklet and all of the figures were done voluntarily on behalf of all of the county-health departments to assess where they were in terms of effectiveness.

{Tape: 2; Side: B.}

Ms. Leahy said that she agreed with **Mr. Robinson.** She said that the program would first be tested in some counties before extending it to others.

REP. SMITH referred to page 5, lines 21 and 22, "Proposals may be submitted by counties or by individuals or community organizations" and meeting the requirements of subsection (2), and asked if there is eligibility criteria. **Mr. Robinson** replied yes.

REP. SMITH referred to **Ms. Leahy's** testimony and Exhibit 1. She asked if the regions in eastern Montana have a greater need for public health services than do the western regions.

Ms. Leahy indicated that the eastern Montana region probably has a greater need and the infrastructure in towns of eastern Montana is "extremely thin." She gave an example that there may be one public health nurse for a three-county region.

REP. SMITH asked who would request the grant money to develop a project and would they have the flexibility in the task force plan to adapt to the greater needs of their community.

Ms. Leahy said she envisioned that the State Health Department would do what they normally do with a request for proposals. Generally, the State Health Department would give a minimum or a maximum range, and state the intent of the program, and then the applicants would justify that need.

Ms. Leahy answered the second part of **REP. SMITH'S** question and said it is their intent to be flexible to adapt to each community's needs.

REP. SIMPKINS asked if the Committee could be provided a map of the health care regions in Montana. **Mr. Craig, Montana Health Care Authority,** provided **REP. SIMPKINS** with maps of the health care regions within Montana. The maps follow page 26 of "Statewide Universal Health Care Access Plans, Volume II."

REP. SIMPKINS said that he sees increased spending, but does not see any savings. He inquired if there would be a way to identify this plan and look back at it in five or ten years to realize the program's savings.

Mr. Robinson said that this plan would define what the needs are and show if those needs are addressed early on with prevention in those core functions, then significant dollars should be saved in direct service at a later date. He indicated that the MIAMI Project has seen a savings of approximately $500,000.

REP. TUSS asked if the regional approach could be used for the task force. **Ms. Leahy** stated that configuration would probably work. She indicated that the regions are population-based. The large health departments cover 70% of Montana's population.

REP. TUSS referred to the core functions listed on page 2 of the bill and indicated that there are no services listed which have not traditionally been a part of public health. **Mr. Robinson** said that is correct. These are the traditional core public health functions.

REP. TUSS asked if these traditional core public health functions were the parameters that were reviewed to establish the effectiveness ratings for the health departments. **Mr. Robinson** said that was correct.

REP. TUSS referred to section 5 and asked if the goal was to standardize from county to county, regardless of population base, and to establish success within those counties based on the county needs assessment.

Mr. Robinson said that is correct. Not only is the goal to standardize, but to focus the health department's activities on

those areas which are core functions. He indicated that the emphasis on public health in Montana has been neglected in Montana in favor of environmental protection functions.

REP. TUSS stated that she was aware of the aggressive and progressive implementation of the programs in Missoula County and in the Kalispell area. She indicated that she was equally aware of the "abysmal record" of her own county. She asked if this data would be used to rate the performance of county health departments and how the Department of Health and Environmental Sciences is going to ensure that "we have an aggressive, progressive county health department for all the people of Montana, not just for the people of Montana who happen to be led by creative, progressive people."

Mr. Robinson stated that the Cascade County health department has some of the same assessments as Flathead County, Missoula County, and Lewis and Clark County. He stated that rather than grading the health departments, the focus would be on the core functions and the implementation of the core functions.

REP. TUSS asked if the goal would be the preparation of a standard by which all efforts can be assessed.

Mr. Robinson said he didn't know if it would be a standard or a goal, but it would be the implementation of the core functions.

Closing by Sponsor:

REP. TASH stated that this kind of legislation does need some work and indicated that the people who brought this legislation forward would be more than willing to work with this Committee in the best interest of the bill. He stated he appreciated the Committee's questions and comments on funding and measuring the savings and success of the program.

REP. TASH said that the location of Montana's four largest hospitals could be considered rural by federal standards and this is one aspect that illustrates the need for a public health program to deal with the "Montana frontier." He stated that this program would encompass public health needs for the benefit of all Montanans.

HEARING ON HB 560

Opening Statement by Sponsor:

REP. BRUCE SIMON, HD 18, Billings, Montana, stated that HB 560 deals with the overall health care cost and changes the way people access health care at a lower cost. He indicated that the careful consumers of health care are currently not rewarded and HB 560 could change that through Medical Savings Accounts (MSA). An MSA could be established with contributions from an employer

or directly from an individual. He indicated that a variety of different entities could administer the account.

REP. SIMON indicated that the money which would go into the MSA is not taxed. Under this bill, up to $3,000 of pre-taxed income may be deposited. Money withdrawn from a MSA for medical expenses would be paid directly and the unspent money would stay in the account. He stated that up to $3,000 a year may be deposited in a MSA and can be used for direct health care expenses. If the member lets it accumulate, it may be used to purchase a long-term care policy or an annuity which could be used for long-term care. He stated that money from a Medical Savings Account can also be used to purchase health care insurance.

REP. SIMON stated that if the money was taken out of the MSA and was not used for health care purposes there are two consequences: 1) If money is withdrawn from the Medical Savings Account on the last day of the year, then taxes must be paid (this serves as an incentive to keep the money in the Medical Savings Account), and 2) to prevent people from taking money out of the account in the middle of the year, there is a 10% penalty for early withdrawal.

{Tape: 3; Side: A.}

REP. SIMON discussed Multiple Employer Welfare Arrangements (MEWAs) and the Employees Retirement Income Security Act (ERISA). A microchip card containing a individual's medical history could also include information about the Medical Savings Account. This may be a way to cut back on the amount of paperwork.

Proponents' Testimony:

Susan Good, Heal Montana, stated that House Joint Resolution 19, which was passed a couple of sessions ago by the Montana Legislature, urged the United States Congress to adopt Medical Savings Accounts on a national level. She indicated that this may happen during the current session of Congress. However, the Montana legislature has "already ignored the notion of MSAs." She said that MSAs are more effective than any alternative in reaching five important goals: 1) controlling health care costs, 2) maintaining the quality of health care, 3) getting more Americans covered by private health insurance, 4) making the market for medical care more competitive, and 5) reforming Medicare, Medicaid and other government health care programs.

She said when people purchase medical care with MSAs they will be spending their own money and would then be more careful consumers in the medical marketplace. She discussed the doctor/patient relationship and how MSAs would assist in encouraging greater communication between doctors and their patients. She said it would help maintain the quality of care. She referred to **REP. SIMON'S** statement about the lack of information most people have in terms of what medical procedures will cost them and then upon

receiving their bill, not being able to figure it out. She said certain elective procedures, such as cosmetic surgery or treatments for obesity and preventive care would be covered under MSAs. She mentioned that MSAs would provide health insurance coverage for people changing jobs or careers. She said that long-term care would also be made available under an MSA. She highlighted that this would create "real" insurance. Insurance for unforeseen, risky and costly medical episodes would be covered. She said that MSAs would be the private property of the people who own them and while MSAs would be optional, many people would choose to increase the deductible on their policies and put the premium savings into an MSA. She provided an example--for every dollar spent on health care, only five cents covers the actual expense, the rest goes to the insurance company, employer or the government.

Eugene Randash, NAPA Auto Parts, said he was supportive of HB 560 because from an employer's standpoint, he wondered why he should control or possess his employees' health insurance. He cited other programs that provide tax breaks for employees, but he believed this bill would empower the individual to make their own decisions and audit their own medical expenses. He said the other systems are cumbersome because they require the person to estimate what they're going to spend and if they don't spend it, they lose it, so it's wasteful. He liked the aspect of being able to build up a reserve fund. He said this company participated in a BCBS fee-for-service program, which wasn't being utilized so BCBS wanted them to join an HMO program. After three years their rates increased 75%. He said his employees usually didn't have the amount of the deductible in their pockets. He was paying his employees' premiums so he withheld enough money from their pay to put into special account for employees to cover their $250 deductible. This was an agreement with them to cover their deductible to help them manage their health care and decide the most economical course of action.

David Owen, Montana Chamber of Commerce, said his chairman of the board did some extensive research on health care and firmly came to the conclusion that what was missing in health care was the consumer being in charge of their own dollars. The MSA program will solve that. He described a Wall Street Journal article about a Jersey City situation that benefitted from a MSA approach to health care insurance. He stated that the Chamber's stand on health care comes from a market-based approach and he thinks the more people involved in the marketplace, the more it will do to keep costs down.

Don Allen, Montana Medical Benefit Plan, added a couple points to the aforementioned testimony and said it will help people get personally involved and is critical in bringing health care costs down. He said it takes advantage of a free enterprise system and gets patients involved in the cost containment picture. He said this bill addresses both of those issues.

Tanya Ask, Blue Cross/Blue Shield, stated that MSAs are an area of experimentation that Montana should consider, and is just one piece in the overall equation but there are other things that need to be done. The concept is one which can help some people, but is not going to help everybody. Those who can benefit from it, should be allowed to experiment with it. She had some questions and had spoken to the sponsor, in reference to page 2, Section 3, "ability to establish the account," under subsection (4), it says upon an agreement with employer and employee, that the employer could contribute either to the MSA or to an insurance program and they wondered about possibility of doing both. The reason is that MSAs are designed to go with a catastrophic health care plan, as **Susan Good** pointed out, people do desire protection for catastrophic events, even under the MSA concept. She said some may be able to pay for an office visit and get reimbursed from their MSA, but most could not pay a $10,000 or $50,000 hospital bill. She said it would be important to allow the either/or approach.

She referred to the amount of the contribution where it states that the first year the contribution is limited to $3,000. She wondered if that amount would be the maximum in subsequent years. On the withdrawal of funds, she wondered about the tax consequences, if used for other than medical care or medical expenses, what kind of threshold should be left in the MSA, so there is money to pay for out-of-pocket expenses when needed.

Mike Craig, Health Care Authority, pointed out that **Ms. Ask's** comments are comments he also intended to make. He also recognized that those features of the proposal need to be addressed. Throughout the state they've heard a tremendous amount of support for MSAs and also see it as just a piece of health care. They need to monitor the work of other states because it's an untested area, and he hoped that they could continue the effort. He appreciated the opportunity to share what they've learned, and recommended this bill be combined with the other two MSA bills, to arrive at one exemplary piece of legislation. He said they are supportive of HB 560, and look forward in 1997 to the evaluation of the program's success.

Larry Akey, Montana Association of Life Underwriters, stated their support of HB 560 and shared some concerns expressed by **Ms. Ask**, particularly being able to put benefits both into a insurance policy and a medical savings accounts. He didn't feel the employee should have to choose one or the other. He repeated a statement made earlier that they don't necessarily believe medical savings accounts are the "silver bullet" in the health care financing and delivery debate. He said they think if the tax incentives are limited only to the state level--which is really all the legislators have in their power to control--that may be slightly overstating what some of the benefits are in practice, what other proponents have said about the benefits of MSAs are there in theory. He thought they ought to give it a chance to work in Montana just like the purchasing pools or other programs

the committee has discussed. He urged a do pass on this bill and said it's by far one of the "cleanest" health care proposals the committee has before them and his organization endorses it.

Opponents' Testimony: None

Technical Information:

Bob Turner, Bureau Chief, Income Tax Division, wished to comment on the technical aspects of the bill. The effective date as it appears, October 1995, would only give three months for someone to pay into the MSA. If paid in prior to that, it would not be deducted on their tax return, so he suggested they make it effective December 31, 1994, which give them the entire year. On page 3, subsection (4), **Ms. Ask** brought up a question he was also concerned with, that of the maximum deduction every year being only $3,000, no matter what amount they put into the MSA. He said the way he read this section, that anyone with a personal exemption of less than $3,000 after one year, could put in any amount they wanted and have it excluded. He said that exemption to him means personal exemption amount. He thought they could remove subsection (4) and take care of the discrepancy in the bill in terms of loss deductions.

Tape 3 - Side B

He said this money would be invested like a mutual fund, and what happens if that account loses money. Does the taxpayer take a loss on that? He said he would assist in working out amendments for the bill to address these concerns.

CHAIRMAN SCOTT said they had a suggestion from **REP. JOHNSON** that since there are so many names on the bill, to take executive action on the floor. He said it would be prudent to wait until they've seen the fiscal note and then take action on it. He said the sponsor of the bill will be available for executive action discussion, so he asked that questions be directed to those who would not be present at that time.

Questions From Committee Members and Responses:

REP. TUSS said she has a "flexspend" account with her employer, a kind of mini-medical savings account. She has withdrawal limits already agreed upon and she knows what she can spend the money on. She asked **Mr. Turner** if there are restrictions such as this in HB 560, and did he think having such limits would make it easier for people to understand.

Mr. Turner said from an income tax point of view, it is better. He said he's always trying to "second guess" what tax lawyers are going to say about new programs like MSA, and it would be beneficial for the department to clarify how the bill would impact taxpayers. He said he also has a flexible spending account with a maximum $2,000 that can only be spent for medical expenses

not covered by insurance. If it's not spent for this purpose, it's gone.

REP. TUSS said that answered her question and she understood the "use it or lose it" provision. She asked **Mr. Turner** if there would be any benefit in capping the MSAs, because if they can put in as much as they want but can only deduct so much each year, how can that help pay for medical expenses that will be higher later in life, for which this money can be particularly useful.

Mr. Turner said he's concerned about the cap in terms of deductibility from income tax. He thought they needed to address the possibility of a loss in the MSA should the investment result in a loss and not a gain, and where it would be applied for tax purposes.

REP. SIMPKINS said, "Let's say we put in $3,000 which is tax-deductible." He said they passed a bill in a previous session allowing the deduction of all medical expenses. With this bill, they could deduct the $3,000 as well as medical expense paid for by MSA, and he asked, would that be, in essence, getting a double deduction?

Mr. Turner responded that wouldn't be correct and cited page 3, line 11, subsection (3), protection of powers act, where it specifies it cannot be used as an itemized deduction if used to pay for medical expenses.

REP. SIMPKINS said he wondered then why someone would want to put more into the account than they could deduct on their taxes. **Mr. Turner** said there wouldn't be any more benefit than the $3,000.

REP. SIMPKINS said that he assumed the fiscal note would be substantial, and asked if there was any way they could compute what the tax deductions would be. He thought it would help to have the insurance industry give them the cost for a health insurance policy with a $250 deductible and $5,000 deductible. **Mr. Turner** said they would have to determine how many people would buy those policies; that would be the big question. **REP. SIMPKINS** agreed they would probably be better off with a fixed dollar amount.

REP. TUSS asked **Ms. Good** to provide her with a copy of a summary for the Rand Study which **Ms. Good** said was completed over a 14-year period and completed in 1984. **REP. TUSS** asked if there were any other studies conducted by Rand or published subsequent to the 1984 Rand study. **Ms. Good** said she was sure there were, but the Montana Health Care Authority might have more information.

REP. LIZ SMITH asked **Mr. Turner** how he perceived the MSAs working under a managed care system. She reworded her question and asked if HMOs are introduced, could MSAs work within the HMO system. **Mr. Turner** asked **REP. SMITH** if she was asking if the employer also pays for a policy, if that could also be deducted? **REP.**

SMITH wondered how they could interrelate that way. **Mr. Turner** said the way he read the bill, the account holder would receive the deduction.

REP. SQUIRES said an MSA is an entirely different kind of savings account, so they don't connect with each other. "In my mind, you either do medical savings accounts to go to the goal of taking care of yourself or you have the provision of an HMO from your employer."

Mr. Akey stated that he understood that was correct. An MSA is a self-directed health maintenance organization.

REP. SQUIRES said they would start with $3,000 and pick up the HMO at some point, but keep them separate. She asked if it was correct that the tax breaks are limited to $3,000.

Mr. Turner responded that rather than an HMO on the high end of the MSA, they are likely to have a traditional indemnity-style health insurance policy. It would not be a managed care policy, but a policy that simply says they will pay after their first $3,000 of expenses on a 80/20 co-payment policy. An HMO is an entirely different approach than an MSA.

REP. TUSS asked **Ms. Ask** about the $3,000 cap each year. She wanted to know what kind of income a family would have to have to put $3,000 away into the MSA and what kind of medical expenses would add up to $3,000. **Ms. Ask** replied that most people do not use $3,000 worth of health care in a given year. Most use a very small amount. In 1994, 65% of policy holders filed claims of $1,000 or less. She said many do not even submit a claim in any given year. Of those who had high claims, they had almost 500 cases where the cost was in excess of $80,000. With the average annual income in Montana at about $21,000, not many can save $3,000 per year. She reiterated that for those who can save that much money, it may be a good option.

REP. TUSS asked if it would advantageous for a person relying solely on insurance for health care, to purchase a plan with a $3,000 deductible. **Ms. Ask** said first, having the $3,000 deductible policy might not be what she wants, because she might have other medical expenses that might have used the MSA for expenses that a regular policy wouldn't cover, for instance, dental work. She said the MSA should be built up over a few years to cover catastrophic costs that may occur.

REP. SQUIRES asked what the average income for the state is. **Mr. Owen** responded that he thought it was about $18,000. **REP. SQUIRES** speculated if she put $3,000 into her MSA for one year, and didn't use it, but the next year accumulated some savings, could she use the MSA as a supplement to an insurance policy with a large deductible, if that next year she gets sick. She asked **Mr. Akey** when it would "kick in" to the Blue Cross policy. **Mr. Akey** said his understanding of the concept was if someone wanted to

put some money aside or the employer put it aside for the employee, the money belongs to the individual to spend on medical expenses not covered by an insurance policy they may have. This MSA can be used to pay the deductible as well as uncovered expenses.

REP. SQUIRES asked if she would still have coverage under the insurance policy even if she had an MSA, and the MSA would cover her co-payment costs. **Mr. Akey** said she could have a MSA and also an insurance policy with a low deductible. He stressed that the MSA is a way to put money aside on a tax-exempt basis for medical costs that are unforeseen and not covered by a health insurance policy.

REP. LIZ SMITH asked **Mr. Akey** if they should have to use insurance, for instance, for an 80/20 co-payment, would it be more appropriately used as a complement to the insurance, since the premiums would be less because they're taking responsibility for the first $3,000 expense. **Mr. Akey** said that was exactly right and eventually a person could get to the point where they've built up enough assets in an MSA, and if they happened to have $100,000 saved, they would no longer need an insurance policy. In the initial years, however, they would use the two together.

In theory, they would buy an insurance policy with a higher deductible, thereby getting lower premiums on a policy, knowing there was money in the MSA to cover the higher deductible.

REP. LIZ SMITH asked if an employer would have to deduct the MSA contribution from an employees wages in the beginning.

Mr. Akey replied that health insurance is a substitute for wages, and does not come out of wages; it is taking money that is in excess of salary as a benefit. One of benefits an employer could provide is putting money into an MSA. If an employer did that, they would be able to put the money into a savings account and accomplish the same thing. **REP. SMITH** asked if an employee would immediately have an MSA account with $3,000 on the first day of employment.

Mr. Akey suspected it would be treated differently, depending upon the employer. It could be treated like any other benefit, each pay period a portion of the $3,000 could be donated by employer to the MSA and they wouldn't be able to take advantage of the MSA on the first day of employment, but after the usual probationary period.

Mr. Owen described one city government that was funding a family health plan which cost them $4,800, with a $250 deductible. They found they could buy a $2,000 deductible plan for $2,800, took the $2,000 they were paying for the premium and put it into a savings account. They let the employees direct it and gave them

control over the additional funds to pay the deductible or whatever they needed.

Tape 4 - Side A

REP. LIZ SMITH asked if a low income family with no benefits would be able to develop a MSA. **David Owen** said about three-quarters of their members offer some health insurance benefits to their employees. A minimum wage earner would probably not have a MSA.

CHAIRMAN ORR suggested she redirect her question to **Ms. Good.**

Ms. Good referred to the bill, page 2, section 3, subsection (2), where it says they don't have to be an employee, an individual may also purchase an MSA. A person who is now buying health insurance, is paying for it with "after-tax dollars." She said MSAs are not just for the wealthy, because the person could pay as little as $100 per month into the account and it is, in fact, more economical because they would be able to place pre-tax dollars into the MSA.

REP. SQUIRES said that **Mr. Randash** provided $250 toward the deductible of his employees' insurance, and asked if this was the average kind of contribution that a small employer makes. **Mr. Owen** said he thought that would be more typical, and said that most employers try to provide some kind of insurance.

REP. SQUIRES mentioned an employer in Missoula who might be better able to help an employee put away $3,000 in an MSA. **Mr. Owen** said the $3,000 could be structured many different ways. He said from the standpoint of his members, the real advantage for them is being able to keep up with increasing insurance premiums and having the ability to restructure the package and add slowly to an account over time.

REP. SIMPKINS said "We're really getting wrapped around the axle." He said the way he understands it, the account goes up to $3,000. He gave an example of saving $100 per month to pay for braces for each of three children, and stressed that the key to this bill is that everyone has a different need. He said, "I don't care where you apply the medical savings account, the options are there for the individuals, the companies and everything. Right now they have no options." He said, when he was selling insurance, a family told him they wanted to buy dental insurance and he told them it wasn't cost effective. He said the MSA is for people who want to manage their own health care.

Closing by Sponsor:

REP. SIMON thanked the proponents who came to testify and thanked the opponents who didn't show up. He said it's not an insurance policy, it's something different. It's a savings account up to $3,000. He addressed **REP. TUSS'** concern about catastrophic events

being covered, and said that he envisioned the MSA making it possible for someone to purchase health insurance with a higher deductible, such as $2,500, thus making it more affordable. He said the vast majority of people covered by insurance never have claims that exceed $1,000 per year. He said, "We would become our own claims examiners, we'd pay our own bills out of our own account." It would save the insurance companies a good deal, so they would be willing to sell an insurance policy at considerably less money. He addressed **REP. SIMPKINS'** question about why someone would want to save more than $3,000. For someone who has sporadic employment, they could save when they have the income available to them.

ADJOURNMENT

Adjournment: 6:35 p.m.

REP. SCOTT ORR, Chairman

for VIVIAN REEVES, Secretary

SO/vr

HOUSE OF REPRESENTATIVES

Select Committee on Health Care

ROLL CALL DATE 2/21/95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Scott Orr, Chairman	✓		
Rep. Carley Tuss, Vice Chairman	✓		
Rep. Beverly Barnhart	✓		
Rep. John Johnson	✓		
Rep. Royal Johnson	✓		
Rep. Betty Lou Kasten	✓		
Rep. Tom Nelson	✓		
Rep. Bruce Simon	✓		
Rep. Dick Simpkins	✓		
Rep. Liz Smith	✓		
Rep. Carolyn Squires	✓		

EXHIBIT 1
DATE 2/21/95
HB 542

Support the

MONTANA PUBLIC HEALTH IMPROVEMENT ACT

WHAT

- An act to improve Montana's public health infrastructure -- to strengthen our capacity to protect Montanans against communicable and chronic diseases, injury, and environmental threats to health

WHY

- Public health focuses on *preventing* premature death and disease.

- Population-based public health services are the *least expensive* health care costs per capita.

- A strong public health system *controls health care costs* through prevention before the fact instead of treatment afterwards. For example:
  - Every $1 spent on immunizations saves $10.
  - Montana community health programs have reduced the number of low-birthweight babies born to Montanans.
  - But, because we spend only one penny per dollar on public health, we end up paying 53 cents per dollar treating preventable diseases. (Source: U. S. Department of Health and Human Services)

- Erosion of financial support has led to erosion of services. A recent snapshot survey of Montana's core public health functions warns that they are, on average, half of what we need to adequately protect our people.

HOW

- Commission a governor-appointed volunteer task force to
  - Recommend public health standards;
  - Identify public health priorities in each community;
  - Draft a plan to progressively improve the public health system.

- Help local counties and regions assess the health status of their populations and mobilize to address local priorities.

WHO

- Proposed by Montana's Committee to Improve Public Health -- a statewide coalition of local public health professionals and constituents committed to improving the health of Montanans.

WHAT'S SO IMPORTANT ABOUT PUBLIC HEALTH?

It costs money when people get sick...
It costs less money to keep them well.

A healthy baby costs Montana's Medicaid **$1,780** on average in its first year. Women who had adequate prenatal care had 98% of the healthy babies in 1993.

The average unhealthy baby costs Medicaid **$34,260** in its first year. In 1993, mothers of 81 unhealthy babies had inadequate prenatal care.

It costs about **$90** per month for nicotine patches or gum and up to **$125** for a smoking cessation program.

Our average Medicaid cost is **$3,600** for one lung cancer hospitalization and **$2,300** to treat one heart attack.

With mammogram screening tests and a lumpectomy, a woman with breast cancer in Hamilton, Scobey or Ekalaka has a **95%** chance of living five years.

With a delayed diagnosis -- even after a full mastectomy and followup treatment -- she has a **17%** chance of living five years.

It can cost as little as **$9.00** per household per year for a local water quality protection district to protect drinking water supplies.

Cleaning perchloroethylene contamination in a Bozeman drinking water supply cost **$.5 million**; households still had to pay **$1,500** each to connect to a new supply.

(Sources: Montana Dept. of Health and Environmental Sciences and Montana Department of SRS)

Supporting the Public Health Improvement Act will ensure more success stories like those in the left-hand column.

The Public Health Improvement Act intends to:

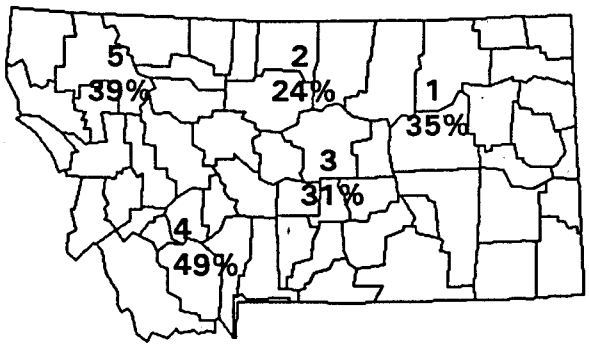
- **Set standards for the statewide public health system to make sure all Montanans have a reliable level of --**

  Protection from:
  - communicable disease
  - environmental health threats

  Access to:
  - preventive care
  - programs to encourage healthy choices
  - services promoting healthy babies and children

Despite proof of public health's effectiveness, a 1994 survey of local public health offices in 51 of 56 counties indicated 95% of Montanans live in areas where basic public health protection capacity, with full use of current resources, is rated at half adequate or less. **(Source: Montana Public Health Improvement Plan, Assessment of Adequacy of Local Core Public Health Functions)**

Average Adequacy of Services by Region:



Average Adequacy of Core Public Health Functions Statewide:

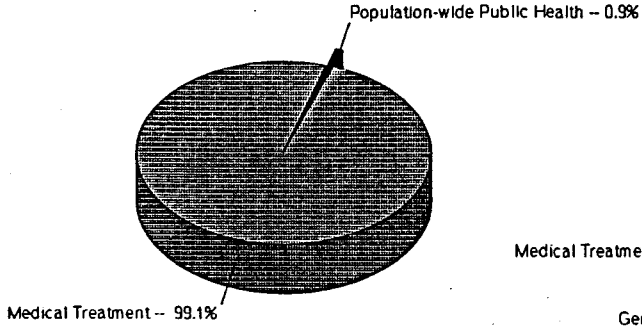
Core Function	Adequacy Rating Average Percent
Prevents Epidemics	65%
Protects Environment	48%
Responds to Disaster	75%
Provides Nursing Services	49%
Mobilizes Community	57%
Develops Health-Based Policy	57%
Promotes Healthy Behaviors	33%
Monitors Health Status	42%
Provides Services for Underserved	35%

The Public Health Improvement Act intends to:

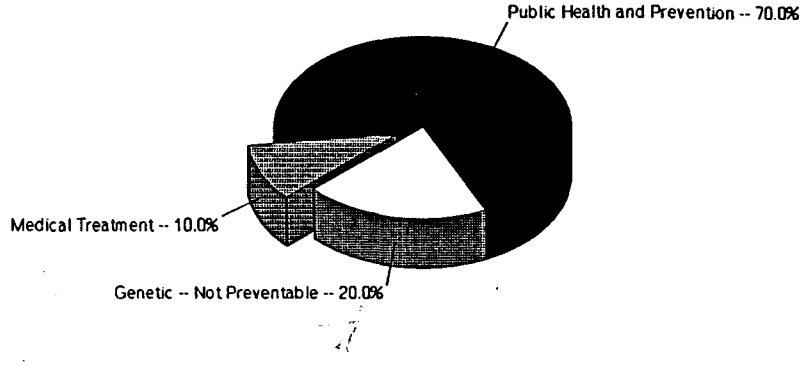
- **Control health care costs by preventing illness and injury in the first place. Public health --**
  - brings large returns for small investments:
    every dollar spent on prenatal care saves four dollars down the road

Should we support this investment strategy?

Proportion of health expenditures going to --



Proportion of early deaths that could be prevented by --



(Source: U.S. Department of Health and Human Services)

- **Help local communities determine their most important public health threats and how to address them. Local focus means --**
  - local health threats are recognized
  - the community spends its public health dollars on the problems that affect its citizens the most
  - federal dollars are spent effectively, on our top priority public health threats

The Public Health Improvement Act is proposed by your <u>local</u> public health officials: the health department, public health nurses and sanitarians in your community.

The Public Health Improvement Act would:

- **Establish a volunteer task force** appointed by the governor for 15 months. Representation on the task force would include public health officials, Indian Health Service, health care providers, citizens, and liaisons to the Senate, the House, and the Montana Department of Health and Environmental Sciences.

- **Charge the task force with:**
  - Recommending standards for essential public health functions
  - Reviewing public health laws and recommending revisions
  - Drafting a plan for gradually improving Montana's public health system

- **Help each region assess the health status of its residents and address its own public health priorities**

The Bottom Line:

- Cost of the Public Health Improvement Act: Just under $220,000 for the 1997 biennium -- less than three hundredths of one percent of the total general fund budget. Compare this cost to the $187 million Medicaid paid for primary care in FY '94.

- Cost of not strengthening public health: We will continue to spend at least 53 cents of every health care dollar treating preventable diseases. And we continue to leave the door open for a variety of environmental health threats.

- ***70% of premature deaths in the United States have their roots in behavioral and environmental conditions -- preventable conditions -- public health's back yard. Only 10% of premature deaths are related to health care access problems.*** (Source: U.S. Department of Health and Human Services.) Reforming the health care system without improving public health is futile. Trying to control health care costs without improving public health is futile.

The best, most cost-effective health care reform lies in improving public health for all Montanans.

* * *

PROPOSED BY MONTANA'S COMMITTEE TO IMPROVE PUBLIC HEALTH
A statewide coalition of public health professionals

ENDORSED BY:
Governor Marc Racicot
Montana Public Health Association
Local Health Officials Group
Montana Health Care Authority
Local Boards of Health
Montana Department of Health and Environmental Sciences

MISSOULA COUNTY
MISSOULA

MISSOULA CITY-COUNTY HEALTH DEPARTMENT
301 W ALDER ST
MISSOULA MT 59802-4123

(406) 523-4755

February 21, 1995

EXHIBIT 2
DATE 2-21-95
HB 542

Representative Scott Orr, Chairman
House Select Committee of Health Care
Montana House of Representatives

Dear Representative Orr:

I testify in SUPPORT of HB 542 the PUBLIC HEALTH IMPROVEMENT ACT for the following reasons:

1) ***Prevention:*** The Act aims to strengthen the most cost effective form of health care available -- prevention. Local public health efforts in communities across Montana have shown documented savings in health care costs by preventing health problems in the first place. This is especially effective given the fact that 50% of deaths are caused by preventable problems that cannot be cured by medical care but do consume the majority of our medical dollars. These include the problems caused by tobacco, poor diet, poor exercise, that cause costly heart disease and cancer.

2. ***Health Care Cost Savings:*** The Public Health Improvement Act was born out of the acknowledgement that we simply cannot fund everything -- even the most cost effective measures -- and that we must set priorities. The Act aims to identify these priorities and focus our lean resources on them.

3. ***Local Response:*** The Act was home grown, locally, in communities across the state and is aimed at involving these communities, large and small, on the task force. Note that a great deal of preparation, the cost and time for which was contributed by these communities, was completed before the proposal was brought to the Legislature.

4. ***Local protective factors not adequate:*** A local statewide survey showed that the core functions necessary to protect public health were *half or less than half adequate* across the state. The Act seeks to set standards and assist communities in enhancing certain protective functions. It is not designed to crush small public health agencies with requirements or disallow a local response shaped in local fashion.

We at the local level stand ready to continue our contribution of time and expertise to the Public Health Improvement Act if coordination and expense reimbursement can be funded. Thank you.

Sincerely,

Ellen Leahy
Health Officer

EXHIBIT 3
DATE Feb. 21, 1995
HB 542

Flathead City-County Health Department

723 5th Avenue East Kalispell, MT 59901

February 21, 1995

Scott Orr, Chairman
Select Committee on Health Care
State Capital Bldg.
Helena, Mt.

Dear Chairman Orr,

The Flathead City-County Board of Health fully supports the provisions of House Bill 542, the Montana Public Health Improvement Act.

In that Public Health functions are the most cost effective methods for protecting Montanans from disease and injury and that these functions are distinct from medical care and are a responsibility and duty of government, the Board unanimously recommends that the Act be passed and implemented as written.

In Flathead County, the health and lives of many of our children have been saved through the provision of immunizations. Our rate of immunized children has prevented two recent epidemics from effecting our children. Lower immunization levels and standards in adjacent states have allowed the spread of preventable disease. Although many opportunities existed for the transmission of these diseases to our children, our high level of immunization prevented the transmission in our county.

Additionally, the MIAMI Project in our county has saved untold thousands of dollars through the recognition of high risk pregnancies and the application of Public Health principles in healthy pregnancy, parenting and nutrition.

The application of scientific Public Health practices in Environmental Health Services have continued to ensure the quality of our waters and air and have prevented water, food and airborne diseases from harming our citizens.

House Bill 542 helps to ensure that the services of Public Health are available to all Montanans and that programs which prevent disease and support cost-effective Public Health programs are guaranteed.

Administration 758-5750 Fax: 758-5858 | Community Health Services 758-5741 | Environmental Health Services: 758-5760 Fax: 758-5859 | Family Planning Services: 758-5756 | Home Health Services: 758-5466 | WIC 758-5752

February 21, 1995

Should you have any question regarding Public Health Services or the Board's position on HB542, Dennis Klukan, the Flathead City-County health Officer will be available at the Committee meeting on February 21st or please feel free to contact the Flathead City-County Department of Health at your convenience.

Thank you for your consideration of this most important legislative action.

Very Respectfully,

Dennis J. Klukan, M.S.E.P.H., Secretary
Flathead City-County Board of Health

EXHIBIT 4
DATE Feb. 21, 1995
HB 542

Flathead City-County Health Department

723 5th Avenue East Kalispell, MT 59901

February 21, 1995

House Select Committee on Health Care
Montana House of Representatives
Helena, Montana

Dear Committee Members:

We applaud the Governor for recognizing the need for public policy that strengthens **local** efforts to deliver quality, cost effective public health services in Montana. These preventive health services are very important to our communities.

The Flathead City-County Board of Health supports the Montana Public Health Improvement Plan as a positive step in meeting public health needs with attention to cost savings.

HB 542, The Montana Public Health Improvement Plan, merits your support. Please contact me if you have questions. Thank you.

Sincerely,

Jane Lopp

Jane Lopp, Chair
Flathead City-County Health Board

DEPARTMENT OF
HEALTH AND ENVIRONMENTAL SCIENCES
DIRECTOR'S OFFICE

EXHIBIT 5
DATE Feb. 21, 1995
HB 542

COGSWELL BUILDING
1400 BROADWAY
PO BOX 200901

STATE OF MONTANA

(406) 444-2544 (OFFICE)
(406) 444-1804 (FAX)

HELENA, MONTANA 59620-0901

Comments on House Bill 542

for
House of Representatives Health Care Select Committee
February 21, 1995
by
Robert J. Robinson
Director, Montana Department of Health & Environmental Sciences

The Montana Public Health Improvement Act was developed through leadership of Montana's Local Health Departments with cooperation from the State Department. The Department supports this legislation and looks forward to carrying out the activities it authorizes.

This act will provide a community consensus process for defining our needs and priorities for Public Health in Montana. The process will be based on health data at the state and local level and will involve a cross section of providers and consumers of Public Health services.

There are many changes occurring in how health care is delivered and financed and it is important for Public Health to reassess it's role in the community and to include input from a range of interested and affected persons. The resulting recommendations for services and appropriate financing of those services will provide a guide for County Government, Local Public Health Officers, the State Legislature, and the State Department of Health in planning Public Health for the future.

Environmental & Personal Public Health activities prevent disease and disability and are thus the most cost effective and beneficial investments we can make in our future. It is essential that we assure the availability of these services and focus the limited resources on the real priorities for Montana.

EXHIBIT 6
DATE Feb. 21, 1995
HB 542

I am Ruth Haugland from Dillon, Montana, representing Barrett Memorial Hospital and the Beaverhead County Health Department. I am here to bring comment in favor of House Bill 542 from the one of the largest counties in the state - 5,500 square miles - with a population of under 9,000 people, an average of less than 2 persons per square mile. Because rural areas have unique problems in providing public health services, we are pleased to have taken part in the grass roots study and planning that went into the preparation HB 542.

Prevention of disease is a Health Care priority for our community, our physicians, our hospital, and our county government. Therefore it is important to us that rural counties have a voice in the setting of public health standards as the Bill provides through the Montana Public Health Improvement Task Force. **Public health nursing is of particular concern to us.**

The struggle in Beaverhead County to maintain at least one part time public health nursing position has a seventy year history. Today, Barrett Memorial Hospital matches the county dollars that support public health nursing. We consider the state Health Department our third partner in keeping public health nursing viable in our county.

Because of the encouragement of the Health Services Division staff in 1985 - a creative partnership between the county government and the hospital, Beaverhead County's health department is recognized as unique in the state and nationally. We believe

the study of the strengths and weaknesses for public health work in the communities, the assessment of needs, and the other items listed for the task force to be important because each community in Montana is unique and has very different needs and levels of ability to respond to those needs.

In Beaverhead County a contract with the hospital to provide public health nursing services opened the door for a number of innovative approaches :

Collaborative Practice brings doctors, nurses, and hospital administration to the table to search for better ways to deliver patient care. Preventing health problems continues to stand out among solutions. Regularly we draw the community into the decision making for health care. Again, prevention is repeatedly listed as a priority. Collaboration between the acute care providers, the county government, and public health staff brought about an innovative program to reduce cardiovasvular disease through preventive health care.

Prevention oriented programs result in a cost savings for health care to residents of Beaverhead County! Last spring the seventh annual Community Health Fair, coordinated by the county health nurse with the support of the hospital, gave away more than $100,000 in free preventive health care to 900 persons.

More than $300,000 was saved in hospital care for newborns

EXHIBIT 6
DATE 2-21-95
HB 542

when public health nurses worked with expectant mothers to prevent preterm births of a set of twins and a set of triplets.

Our immunization clinics and our women's health clinics save thousands of dollars for parents with the blessing of our physicians. OUr unusual school health program is reaching children in very touching ways. But we do need guidance and direction!!!!!! We don't want to waste our time, energy, and few dollars on unneeded projects. We need standards, guidelines, tools to assess needs, and leadership.

We in Beaverhead County believe the enactment of HB 542 will set the stage for collaboration between the counties and the state that will encourage creative and cost saving approaches to clearly defined needs in each of our states counties.

Please vote YES on House Bill 542.

EXHIBIT 7
DATE Feb. 21, 1995
HB 542

BUDGET

For the Period June 30, 1995 through September 30, 1996

CONTRACTED SERVICES

Coordinator Full-time x 15 months (2600 hours) @ $15.00/hr.	$39,000
Clerical Support Full-time x 15 months (2600 hours) @ $ 9.00/hr.	23,400
Research Consulting Services Capacity Standards Actuarial Study	25,000
Contractors Travel 2 people, 4 trips/month, averaging 400 miles ea. @$15.50 per diem, $31.25 lodging., $0.275/mi.	18,810
Subcontracts to Regions for Data Base Demos 5 projects @ $12,000 ea.	60,000
Subtotal	$166,210

OPERATIONS

Task Force Travel 15 people, 1 trip/mo., avg. 400 mi. ea., @$15,50 per diem, $31,25 lodging, $0.275/mile	35,270
Basic Phone	1,000
Long Distance Phone	2,500
Postage	7,500
Printing	5,000
Met Net (State Video Conference)	2,400
Subtotal	$ 53,670
TOTAL REQUEST	$219,880

EXHIBIT 8
DATE 2/22/95
HB 542

Yellowstone City-County
Health Department

FAX

Room 430

Date: 02/22/95

Number of pages including cover sheet: 1

To: Vivian Reeves

Phone:

Fax phone: 36-1-900-225-1600

CC:

From:
Lil Anderson, Executive Dir.
Yellowstone City-County Health

Phone: (406) 256-2757

Fax phone: (406) 256-2968

REMARKS: ☐ Urgent ☒ For your review ☐ Reply ASAP ☐ Please comment

The Yellowstone City-County Health Department supports HB542 - creating the Montana Public Health Improvement Task Force.

EXHIBIT 9
DATE Feb. 21, 1995
HB 542

Montana's Committee for Improving Public Health

Shelly Meyer
Public Health Nurse
Missoula

Linda Davis, R.N., Director
Lake County Health Department
Polson

Ruth Haugland, P.H.R.
Director of Human Resources
Barrett Memorial Hospital
Dillon

Dale Taliaferro, Ph.D.
Health Services Division
Administrator
Montana Department of Health &
Environmental Sciences

Sue Hansen, R.N., B.S.N.
Beaverhead County Health Dept.

Bob Moon, M.P.H., Program Manager
Chronic Disease & Health Promotion
Montana Departent of Health &
Environmental Sciences

Dennis Klukan, M.S.E.P.H.
Health Officer, Flathead County

Beth Metzger, President
Montana Public Health Association

Teresa Henry, A.P.R.N., M.S.
Assistant Professor, MSU
College of Nursing
President Elect, Montana
Nurses Association

Bob Robinson, Director
Montana Department of Health &
Environmental Sciences

Jackie Stonnell, R.N., M.P.H.
Health Officer, Gallatin County
Bozeman

Ellen Leahy, R.N., M.N.
Health Officer, Missoula County
Member, Region V Health Board

Mary Feuersinger, M.A, R.D.
American Dietetic Association
Child Nutrition Advisory Com.

Glenda Oldenberg, P.H.N.
Region III Vice-President
Montana Public Health Ass.

Lil Anderson, R.N., Director
Yellowstone County Health Dept.

Stephanie Nelson, RN, C, PNP, MS
Region IV Vice-President
Montana Public Health Assc.

Mary Beth Frideres, R.N., B.A.
Lewis & Clark Health Department

Joan Miles, Health Officer
Lewis & Clark Health Department

Dan Dennehy, Health Officer
Butte/Silverbow Health Dept.

Cherry Loney
Director/Health Officer
Cascade Health Department
Region II Vice-President
Montana Public Health Assc.

EXHIBIT 10
DATE Feb. 21, 1995
HB 542

Statewide Universal Health Care Access Plans

Volume II

Supporting Materials

Montana Health Care Authority
28 North Last Chance Gulch
P.O. Box 200901
Helena, Montana 59620-0901
(406) 443-3390
1-800-733-8208
fax (406) 443-3417

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Select Comm. Health Care COMMITTEE BILL NO. HB 560

DATE 2/21/95 SPONSOR(S) Rep. Simon

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Susan Good	Health MT	560		X
Dean Randash	NAPA	560		X
Don Allen	MMBB	560		✓
Joan Miles	L & C Health	542		✓
David Owen	MT Chamber	560		✓
LARRY AILEY	MT ASSOC OF LIFE UNDERWRITERS	560		✓
Jerry Lockhart	Mt. Bankers Assn	560		✓

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

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Select Comm. Health Care COMMITTEE BILL NO. HB 542

DATE 2/21/95 SPONSOR(S) Rep. Tash

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
DR DON FERLICKA 2730 WINSLOW HELENA	Jeans/Clark City County Board of Health	542		X
ELLEN LEAHY	MISSOULA HEALTH DEPT	542		X
Ruth Shamsland Dillon MT	Barrett Memorial Hospital and Beaverhead Co Health Dept	542		X
Glenda Oldenburg Lewistown, MT	Fergus Co. Nurses Office	542		X
4350 N Montana Ave Helena MT Elaine Gordegan	self	542		X
Dennis Kluka Kalispell, MT.	Flathead Co Health Dept	542		X
Barb [illegible]	[illegible]	[illegible]		X
John Flynk	MT. Hospital Assn	542		✓
Claudia Clifford	MT State Auditor's Office	542		✓
Maureen Kay Schwinden	WIFE			
Charles R Brooks	Yellowstone County			✓
Bob Torres	NASW	542		✓
Judith Gebhardt	Self			X

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