HOUSE BILL NO. 757

2/09	Introduced				
2/09	Referred to Human Serv	vices &	Aging		
3/06	Hearing				
	Died in Committee				

1			HOUSE BILL NO. 757
2	INTRODUCED	BY	Alcela fact kensen

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A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A HEALTH

CARE COST CONTAINMENT BOARD ALLOCATED TO THE DEPARTMENT OF

ADMINISTRATION; PROVIDING FOR FUNDING THROUGH AN

APPROPRIATION; AND PROVIDING AN EFFECTIVE DATE."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Health care cost containment board -
11 allocation -- composition -- quasi-judicial. (1) There is a

12 health care cost containment board.

- (2) The board is allocated to the department of administration for administrative purposes only as prescribed in 2-15-121, except that the board may hire its own staff, including an administrative officer to oversee its day-to-day operations.
- (3) The board consists of seven members, appointed by the governor for staggered 3-year terms. No member of the board may have any pecuniary or fiduciary interest in the management or policy of any hospital or long-term care facility.
 - (4) The board shall meet at least once every 2 months.
- 24 (5) The board is designated as a quasi-judicial board 25 for purposes of 2-15-124, and its members are entitled to

purposes. The purposes of the health care cost containment

board established in [section 1] are to:

compensation and travel expenses as provided in 2-15-124.

Section 2. Health care cost containment board --

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5 (1) limit the rate of increase in the cost of hospital 6 and long-term care from year to year; and

7 (2) protect the quality and accessibility of hospital
8 and long-term care available to the people of Montana by
9 assuring the financial viability of an efficient and
10 effective hospital and long-term care system in the state.

Section 3. Powers and duties of the health care cost

containment board. (1) The board shall initiate reviews or

investigations of hospital and long-term care facility rates

and shall establish and approve such rates as may be

necessary to assure health care purchasers that:

- 16 (a) the total costs of the hospital or long-term care
 17 facility are reasonably related to its total services:
- 18 (b) the aggregate rates of the hospital or long-term
 19 care facility are reasonably related to its aggregate costs;
 20 and
- 21 (c) rates are set equitably among all purchasers of 22 hospital or long-term care without discrimination or 23 preference.
- 24 (2) A hospital or long-term care facility may not 25 charge for services at rates other than those established by

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- 1 the board.
- 2 (3) The board shall establish an initial schedule of 3 rates for each hospital and long-term care facility within 4 18 months of [the effective date of this act].
- 5 (4) After establishing the initial schedule of rates 6 for a hospital or long-term care facility, the board shall 7 from time to time, but at least annually, determine the need 8 to adjust the rates to account for any of the following 9 factors:
- 10 (a) change in the type and severity of illness of the 11 patients admitted to the hospital or long-term care 12 facility;
- (b) change in the cost of goods and services purchased
 by the hospital; or
- 15 (c) change in the type of services provided by the 16 hospital or long-term care facility that results from 17 technological advances.
- 18 (5) Any rate schedule adjustment made to allow for 19 inflation in the cost of goods and services must conform to a formula established by the board that equitably reflects 20 changes in the prices that all hospitals and long-term care 21 22 facilities in the state must pay. In devising this formula, 23 the board, whenever possible, shall use appropriate 24 price-change and wage-change measures published by the 25 bureau of labor statistics in the U.S. department of labor.

- 1 (6) (a) Before it may establish rates under this
 2 section or approve any changes therein, the board shall
 3 publish a notice of the proposed rates or changes in one or
 4 more newspapers of general circulation in the area affected.
 5 This notice must announce a public hearing on the proposed
 6 rates or changes and must conform to the requirements of
 7 2-4-601.
 - (b) The board shall conduct the hearing under the Montana Administrative Procedure Act. The final decision of the board in any matter decided after a hearing under this section must conform to the requirements of a decision in a contested case under the Montana Administrative Procedure Act.
- 14 (7) Capital expenditures must be approved pursuant to 15 Title 50, chapter 5, part 3, before such expenditures may be 16 considered by the board in any rate schedule adjustment.
- Section 4. Appropriation. There is appropriated to the
 Health Care Cost Containment Board \$300,000 from the general
 fund for the biennium ending June 30, 1987, for purposes of
 carrying out its duties under this act.
- Section 5. Codification instruction. (1) Section 1 is intended to be codified as an integral part of Title 2, chapter 15, part 10, and the provisions of Title 2, chapter 15, apply to section 1.
- 25 (2) Sections 2 through 4 are intended to be codified

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- 1 as an integral part of Title 50, chapter 5, and the
- 2 provisions of Title 50, chapter 5, apply to sections 2
- 3 through 4.
- 4 Section 6. Effective date. This act is effective July
- 5 1, 1985.

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