

HOUSE BILL NO. 716

INTRODUCED BY J. BROWN, GRADY, MILES, RASMUSSEN,
BRADLEY, MAZUREK

IN THE HOUSE

FEBRUARY 11, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

FEBRUARY 23, 1987 COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

PRINTING REPORT.

MARCH 2, 1987 SECOND READING, DO PASS.

ON MOTION, TAKEN FROM ENGROSSING
AND REREFERRED TO COMMITTEE
ON APPROPRIATIONS.

MARCH 18, 1987 COMMITTEE RECOMMEND BILL
DO PASS. REPORT ADOPTED.

MARCH 19, 1987 PRINTING REPORT.

MARCH 20, 1987 SECOND READING, DO PASS.

MARCH 21, 1987 ENGROSSING REPORT.

THIRD READING, PASSED.
AYES, 72; NOES, 24.

TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 23, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

APRIL 6, 1987 COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

APRIL 8, 1987 SECOND READING, CONCURRED IN.

APRIL 9, 1987

THIRD READING, CONCURRED IN.
AYES, 42; NOES, 8.

RETURNED TO HOUSE.

IN THE HOUSE

APRIL 10, 1987

RECEIVED FROM SENATE.

SENT TO ENROLLING.

1 House BILL NO. 716
 2 INTRODUCED BY J. Brown Frank Milroy Rasmussen
 3 Yancy Maguire

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO FUND THE VOLUNTARY
 5 STATEWIDE GENETICS PROGRAM BY IMPOSING A FEE ON HEALTH
 6 INSURERS OF 40 CENTS FOR EACH MONTANA RESIDENT INSURED;
 7 APPROPRIATING MONEY FOR THE PROGRAM; AND PROVIDING AN
 8 EFFECTIVE DATE AND A TERMINATION DATE."
 9

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

11 Section 1. Genetics program fee. For each Montana
 12 resident insured under any individual or group disability or
 13 health insurance policy on February 1 of each year, the
 14 insurer or health service corporation issuing the policy,
 15 and the state group health plan provided for in Title 2,
 16 chapter 18, part 8, shall pay 40 cents to the commissioner.
 17 The fee must be paid on or before March 1 of each year and
 18 be deposited in the general fund. The purpose of the fee is
 19 to fund the voluntary statewide genetics program established
 20 in 50-19-211.

21 Section 2. Appropriation. There is appropriated from
 22 the general fund to the department of health and
 23 environmental sciences \$520,000 for the biennium ending June
 24 30, 1989, for the purpose of implementing and operating the
 25 voluntary statewide genetics program established in

1 50-19-211.

2 Section 3. Codification instruction. Section 1 is
 3 intended to be codified as an integral part of Title 33,
 4 chapter 2, and the provisions of Title 33, chapter 2, apply
 5 to section 1.

6 Section 4. Extension of authority. Any existing
 7 authority of the commissioner of insurance to make rules on
 8 the subject of the provisions of this act is extended to the
 9 provisions of this act.

10 Section 5. Effective date. This act is effective July
 11 1, 1987.

12 Section 6. Termination. This act terminates on June
 13 30, 1989.

-End-



STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB716, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to fund the voluntary statewide genetics program by imposing a fee on health insurers of 40 cents for each Montana resident insured; appropriating money for the program; and providing an effective date and a termination date.

ASSUMPTIONS:

1. It is estimated that the number of Montanans with health insurance was about 764,777 in FY86, as \$344,150 was collected assessing 45 cents per resident with health insurance.
2. It is assumed that the number of residents with health insurance will remain constant through FY89.
3. Although the State Auditor's Office would not require additional personnel or funding to administer the provisions of the proposed law, a minimum of 2 working weeks would be spent by a grade 13 (step 2) employee to monitor compliance with the provisions of the law.
4. The genetics program would be contracted to a non-state organization through the Department of Health and Environmental Sciences.
5. The number of persons covered by the state employee health plan (including retired employees) is projected to remain constant at the FY86 level of 26,232.

FISCAL IMPACT:

		<u>FY88 and FY89</u>	
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Expenditures:</u>			
Contracted Services	\$ 0	\$ 260,000	\$ 260,000
<u>Revenues:</u>			
General Fund	\$ 0	\$ 305,911	\$ 305,911
Net Impact to General Fund	\$ 0	\$ 45,911	\$ 45,911

Note: The Department of Administration will contribute \$10,493 per year for state workers, dependents, and retired employees covered under the state health insurance plan. Spending authority would be required from the group insurance account.

HB430 passed by the 1985 Legislative Session appropriated \$520,000 of general fund for a statewide genetics program. The cost to the general fund was offset by a \$.45 tax on each person insured by a health insurance policy. The tax expires June 30, 1987. Therefore, current law revenues and expenditures are zero. The June, 1986 Special Session reduced the genetics program appropriation to \$502,123.

David L. Hunter DATE 2/14/87
 DAVID L. HUNTER, BUDGET DIRECTOR
 Office of Budget and Program Planning

J. Brown DATE _____
 JAN BROWN, PRIMARY SPONSOR

Fiscal Note for HB716, as introduced.

HB 716

Fiscal Note Request, HB716, as introduced.

Form BD-15

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EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The proposed law could increase county expenditures in FY88 and FY89 in those counties where employee health insurance plans are self-funded. However, the increase would be less than that imposed by HB430 passed by the 1985 Legislature.

HB 716

APPROVED BY COMMITTEE
ON TAXATION

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A BILL FOR AN ACT ENTITLED: "AN ACT TO FUND THE VOLUNTARY STATEWIDE GENETICS PROGRAM BY IMPOSING A FEE ON HEALTH INSURERS OF ~~40~~ 35 CENTS FOR EACH MONTANA RESIDENT INSURED; EXEMPTING CERTAIN GROUP DISABILITY POLICYHOLDERS; APPROPRIATING MONEY FOR THE PROGRAM; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

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

Section 1. Genetics program fee. For EXCEPT AS PROVIDED IN [SECTION 2], FOR each Montana resident insured under any individual or group disability or health insurance policy on February 1 of each year, the insurer or health service corporation issuing the policy, and the state group health plan provided for in Title 2, chapter 18, part 8, shall pay ~~40~~ 35 cents to the commissioner. The fee must be paid on or before March 1 of each year and be deposited in the general fund. The purpose of the fee is to fund the voluntary statewide genetics program established in 50-19-211.

SECTION 2. GROUP DISABILITY POLICY EXEMPTION. THE FEE REQUIRED IN [SECTION 1] DOES NOT APPLY TO BLANKET GROUP

DISABILITY INSURANCE AS DEFINED IN TITLE 33, CHAPTER 22, PART 6, WHERE THE TOTAL PREMIUM CHARGED PER PERSON IS LESS THAN \$10 A YEAR. FOR THESE POLICIES, THE FEE IS TO BE ASSESSED ON THE BASIS OF THE NUMBER OF BLANKET GROUP POLICYHOLDERS IN MONTANA.

Section 3. Appropriation. There is appropriated from the general fund to the department of health and environmental sciences \$520,000 for the biennium ending June 30, 1989, for the purpose of implementing and operating the voluntary statewide genetics program established in 50-19-211.

Section 4. Codification instruction. Section 1 is intended to be codified as an integral part of Title 33, chapter 2, and the provisions of Title 33, chapter 2, apply to section 1.

Section 5. Extension of authority. Any existing authority of the commissioner of insurance to make rules on the subject of the provisions of this act is extended to the provisions of this act.

Section 6. Effective date. This act is effective July 1, 1987.

Section 7. Termination. This act terminates on June 30, 1989.

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