

SB 248 INTRODUCED BY MEYER, BROWN, J., COHEN
REQUIRE INSURERS TO OFFER COVERAGE OF ROUTINE
PHYSICAL EXAMS FOR GROUPS
BY REQUEST OF STATE AUDITOR

1/29 INTRODUCED
1/29 REFERRED TO PUBLIC HEALTH, WELFARE & SAFETY
2/09 HEARING
2/17 STATEMENT OF INTENT ADOPTED
2/17 COMMITTEE REPORT--BILL PASSED AS AMENDED
2/19 REREFERRED TO PUBLIC HEALTH, WELFARE & SAFETY
DIED IN COMMITTEE

1 *Senate* BILL NO. *248*
 2 INTRODUCED BY *Meyer J. Brown*
 3 BY REQUEST OF THE STATE AUDITOR

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING DISABILITY
 6 INSURERS, HEALTH SERVICE CORPORATIONS, HEALTH MAINTENANCE
 7 ORGANIZATIONS, AND FRATERNAL BENEFIT SOCIETIES THAT PROVIDE
 8 GROUP HEALTH INSURANCE TO MAKE COVERAGE OF PERIODIC PHYSICAL
 9 EXAMINATIONS AVAILABLE AT THE OPTION OF THE POLICYHOLDER;
 10 AND PROVIDING AN APPLICABILITY DATE AND AN IMMEDIATE
 11 EFFECTIVE DATE."

12
 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Short title. [Sections 1 through 6] may be
 15 cited as the "Health Examination Benefits Availability Act".

16 Section 2. Purpose. The purpose of [sections 1 through
 17 6] is to require insurers providing group health insurance
 18 on an expense-incurred, service, or prepaid basis to make
 19 coverage for periodic physical examinations available at the
 20 option of the policyholder to facilitate early detection or
 21 prevention of sickness and disease or both such detection
 22 and prevention.

23 Section 3. Definitions. As used in [sections 1 through
 24 6], the following definitions apply unless the context
 25 clearly indicates otherwise:

1 (1) "Child health supervision services" means
 2 physician-delivered or physician-supervised services for
 3 eligible dependents from birth through age 16, including
 4 medical history, physical examination, developmental
 5 assessment, anticipatory guidance, and appropriate
 6 immunizations and laboratory tests, in keeping with
 7 prevailing pediatric medical standards for the purposes of
 8 [sections 1 through 6].

9 (2) "Health care insurer" means an insurer providing
 10 disability insurance as defined in 33-1-207, a health
 11 service corporation as defined in 33-30-101, a health
 12 maintenance organization as defined in [LC 1134 or LC 409],
 13 a fraternal benefit society as defined in 33-7-102, or any
 14 other entity regulated by the insurance department that
 15 provides group health coverage.

16 (3) "Periodic physical examinations" means the routine
 17 tests and procedures used to detect abnormalities or
 18 malfunctions of bodily systems and parts according to
 19 accepted medical practice.

20 Section 4. Coverage for periodic physical
 21 examinations. (1) Each health care insurer that delivers,
 22 issues for delivery, renews, extends, or modifies group
 23 disability policies, contracts, or plans in this state
 24 providing hospital and medical coverage on an
 25 expense-incurred, service, or prepaid basis shall offer and

1 make available to the group applicant or policyholder
 2 coverage for child health supervision services and for
 3 periodic physical examinations on an annual basis for
 4 covered persons over age 16. The offer of coverage must be
 5 subject to the right of the group applicant or policyholder
 6 to reject the coverage or to select any alternative level of
 7 coverage offered by or negotiated with the health care
 8 insurer. The benefits are exempt from any dollar limits
 9 deductible provisions in the policy, but the exemptions must
 10 be explicitly provided for in the policy.

11 (2) A health care insurer shall make health insurance
 12 benefits for child health supervision services from and
 13 after the moment of birth and for periodic physical
 14 examinations available separately for dependent children
 15 over age 16 of covered persons.

16 (3) A health care insurer may limit minimum benefits
 17 to one visit, payable to one provider for all services
 18 provided at that visit.

19 (4) [Sections 1 through 6] do not apply to blanket,
 20 short-term travel, accident only, disability income, limited
 21 or specified disease, individual conversion policies or
 22 contracts, medicare supplement, or hospital indemnity
 23 policies.

24 Section 5. Additional premium. A health care insurer
 25 providing benefits for periodic physical examinations or

1 child health supervision services may charge an appropriate
 2 additional premium for those benefits. The premium must be
 3 reasonable in relation to the benefits provided.

4 Section 6. Rules. The commissioner may promulgate
 5 reasonable rules necessary for the enforcement and
 6 administration of [sections 1 through 6].

7 Section 7. Codification instruction. Sections 1
 8 through 6 are intended to be codified as an integral part of
 9 Title 33, and the provisions of Title 33 apply to sections 1
 10 through 6.

11 Section 8. Coordination instruction. If either [LC
 12 1134 or LC 409], including the definition of health
 13 maintenance organization, do not pass, any reference to [LC
 14 1134 or LC 409] is void.

15 Section 9. Severability. If a part of this act is
 16 invalid, all valid parts that are severable from the invalid
 17 part remain in effect. If a part of this act is invalid in
 18 one or more of its applications, the part remains in effect
 19 in all valid applications that are severable from the
 20 invalid applications.

21 Section 10. Applicability. This act applies to
 22 policies, contracts, or plans issued for delivery, renewed,
 23 extended, or modified after December 31, 1987.

24 Section 11. Effective date. This act is effective on
 25 passage and approval.

-End-

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APPROVED BY COMMITTEE
ON APPROPRIATIONS

1 House BILL NO. 248
2 INTRODUCED BY Senon
3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO RECOVER THE COST TO
6 THE GENERAL FUND OF PROVIDING SERVICES TO CERTAIN PROGRAMS
7 THAT ARE NOT FUNDED THROUGH THE GENERAL FUND; AMENDING
8 SECTION 17-6-201, MCA; AND PROVIDING AN EFFECTIVE DATE."
9

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

11 Section 1. Section 17-6-201, MCA, is amended to read:

12 "17-6-201. Unified investment program -- general,
13 provisions. (1) The unified investment program directed by
14 Article VIII, section 13, of the 1972 Montana constitution
15 to be provided for public funds shall be administered by the
16 board of investments and the Montana economic development
17 board in accordance with Article VIII, section 13, of the
18 Montana constitution and the prudent expert principle which
19 requires any investment manager to:

20 (a) discharge his duties with the care, skill,
21 prudence, and diligence, under the circumstances then
22 prevailing, that a prudent person acting in a like capacity
23 with the same resources and familiar with like matters
24 exercises in the conduct of an enterprise of a like
25 character with like aims;

1 (b) diversify the holdings of each fund within the
2 unified investment program to minimize the risk of loss and
3 to maximize the rate of return, unless under the
4 circumstances it is clearly prudent not to do so; and

5 (c) discharge his duties solely in the interest of and
6 for the benefit of the funds forming the unified investment
7 program.

8 (2) Retirement funds may be invested in common stocks
9 of any corporation provided that no investment may be made
10 at any time which would cause the book value of such
11 investments in any retirement fund to exceed 50% of the book
12 value of such fund or would cause the stock of one
13 corporation to exceed 2% of the book value of such
14 retirement fund.

15 (3) Nothing contained in this section prevents the
16 investment in any business activity in Montana, including
17 activities that continue existing jobs or create new jobs in
18 Montana, if the investment meets the standard of care
19 required by this section. In discharging its duties, the
20 board of investments and the Montana economic development
21 board shall consider the preservation of purchasing power of
22 capital during periods of high monetary inflation.

23 (4) The board of investments has the sole authority to
24 invest state funds other than the Montana in-state
25 investment fund. No other agency may invest such state

1 funds. The board shall direct the investment of state funds
 2 in accordance with the laws and constitution of this state.
 3 The board has the power to veto any investments made under
 4 its general supervision.

5 (5) The board of investments shall:

6 (a) assist agencies with public money to determine if,
 7 when, and how much surplus cash is available for investment;

8 (b) determine the amount of surplus treasury cash to
 9 be invested;

10 (c) determine the type of investment to be made;

11 (d) prepare the claim to pay for the investment; and

12 (e) keep an account of the total of each investment
 13 fund and of all the investments belonging to such fund and a
 14 record of the participation of each treasury fund account
 15 therein.

16 (6) The board of investments may:

17 (a) execute deeds of conveyance transferring all real
 18 property obtained through foreclosure of any investments
 19 purchased under the provisions of 17-6-211 when full payment
 20 has been received therefor;

21 (b) direct the withdrawal of any funds deposited by or
 22 for the state treasurer pursuant to 17-6-101 and 17-6-105;

23 (c) direct the sale of any securities in the program
 24 at their full and true value when found necessary to raise
 25 money for payments due from the treasury funds for which the

1 securities have been purchased.

2 (7) The cost of administering and accounting for each
 3 investment fund shall be deducted from the income therefrom,
 4 except that such costs of the nonexpendable trust funds
 5 shall be paid from income otherwise receivable from the
 6 pooled investment fund, and the amounts required for this
 7 purpose shall be appropriated by the legislature from the
 8 respective investment funds.

9 (8) (a) The director of the department of
 10 administration annually may prepare a statewide cost
 11 allocation plan to distribute program costs incurred by
 12 state agencies that are funded through the general fund to
 13 the programs served by the agencies. Except as provided in
 14 subsection (8)(b), the cost to an agency of providing
 15 services to a program funded through an account in the state
 16 special revenue fund as defined in 17-2-102 must be deducted
 17 by the board of investments from the account's investment
 18 earnings according to the statewide cost allocation plan.
 19 Amounts deducted by the board must be credited to the
 20 general fund.

21 (b) No deduction for program costs as provided in
 22 subsection (8)(a) may be made if an account's cash on hand
 23 is pooled for investment in the treasury cash account
 24 defined in 17-6-202."

25 NEW SECTION. Section 2. Effective date. This act is

LC 0778/01

1 effective July 1, 1987.

-End-

APPROVED BY COMMITTEE
ON PUBLIC HEALTH, WELFARE
& SAFETY

1 STATEMENT OF INTENT

2 SENATE BILL 248

3 Senate Public Health, Welfare, and Safety Committee

4

5 A statement of intent is required for this bill because
6 section 6 authorizes the commissioner of insurance to
7 promulgate reasonable rules necessary to enforce and
8 administer the provisions of the bill. The legislature
9 intends that the rules the commissioner adopts to implement
10 this bill be designed principally to make coverage for
11 periodic physical examinations available to each Montana
12 insurance consumer at his option. The legislature further
13 intends that the commissioner adopt the rules in accordance
14 with 33-1-313 which grants the commissioner general
15 rulemaking authority and permits the commissioner to:

16 (1) make only reasonable rules that do not extend,
17 modify, or conflict with the laws of this state or with any
18 reasonable implication of the laws; and

19 (2) make or amend the rules only after a hearing for
20 which notice has been given as required by 33-1-703.

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