

HOUSE BILL NO. 636  
INTRODUCED BY PAVLOVICH  
BY REQUEST OF THE DEPARTMENT OF INSTITUTIONS

IN THE HOUSE

FEBRUARY 10, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
FEBRUARY 11, 1989	FIRST READING.
FEBRUARY 15, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 16, 1989	POSTED ON CONSENT CALENDAR.  PRINTING REPORT.
FEBRUARY 18, 1989	CONSENT CALENDAR, QUESTIONS AND ANSWERS.  THIRD READING, PASSED. AYES, 96; NOES, 0.  TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 28, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS.  FIRST READING.
MARCH 10, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 11, 1989	SECOND READING, CONCURRED IN.
MARCH 14, 1989	THIRD READING, CONCURRED IN. AYES, 49; NOES, 0.  RETURNED TO HOUSE.

MARCH 15, 1989

IN THE HOUSE

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 636  
2 INTRODUCED BY Carlson  
3 BY REQUEST OF THE DEPARTMENT OF INSTITUTIONS  
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5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE LAWS  
6 RELATING TO PER DIEM AND ANCILLARY CHARGES FOR THE CARE OF  
7 RESIDENTS AT STATE INSTITUTIONS; AMENDING SECTIONS 53-1-401,  
8 53-1-402, AND 53-1-407, MCA; AND PROVIDING AN EFFECTIVE  
9 DATE."  
10

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

12 **Section 1.** Section 53-1-401, MCA, is amended to read:

13 "53-1-401. Definitions. As used in this part, unless  
14 the context requires otherwise, the following definitions  
15 apply:

16 (1) "Ancillary charge" means the expense of providing  
17 identifiable, direct, resident service-expenses-as-budgeted,  
18 services, including but not limited to:

19 (a) operating--room--anesthesia, physicians' services;

20 (b) x-ray, and laboratory, services;

21 (c) dental services;

22 (d) blood-bank, oxygen-therapy, speech pathology and  
23 audiology services;

24 (e) occupational and physical therapy;

25 (f) medical supply, supplies;

1 (g) drug, prescribed drugs; and

2 (h) specialized medical equipment expenses.

3 (2) "Care" means the care, treatment, support,  
4 maintenance, and other services rendered by the department  
5 to a resident.

6 (3) "Department" means the department of institutions  
7 provided for in Title 2, chapter 15, part 23.

8 (4) "Financially responsible person" means a spouse of  
9 a resident, the natural or adoptive parents of a resident  
10 under 18 years of age, or a guardian or conservator to the  
11 extent of the guardian's or conservator's responsibility for  
12 the financial affairs of the person who is a resident under  
13 applicable Montana law establishing the duties and  
14 limitations of guardianships or conservatorships.

15 (5) "Full-time equivalent resident load" means the  
16 total daily resident count for the fiscal year divided by  
17 the number of days in the year.

18 (6) "Long-term resident" means a resident in an  
19 institution listed in 53-1-402 for a continuous period in  
20 excess of 120 days. No absence of a resident from the  
21 institution due to a temporary or trial visit may be counted  
22 as interrupting the accrual of the 120 days required to  
23 attain the status of a long-term resident.

24 (7) "Per diem" means the gross daily budgeted cost of  
25 operating an institution as-budgeted, or an individual unit

of an institution (including certain contracted medical services, depreciation, and associated department costs but excluding the cost of educational programs, federal grants, ancillary charges, and costs not directly identified with patient care) divided by the full-time equivalent resident load.

(8) "Resident" means any person who is receiving care from or who is a resident of an institution listed in 53-1-402.

(9) "Third-party resource" means but is not limited to applicable medicare, medicaid, and personal health care benefits."

**Section 2.** Section 53-1-402, MCA, is amended to read:

"53-1-402. Residents subject to per diem and ancillary charges. The department shall assess and collect and-process per diem and ancillary payments charges for the care of residents in the following institutions:

- (1) Montana state hospital;
- (2) Montana developmental center;
- (3) Montana veterans' home;
- (4) Montana center for the aged;
- (5) Eastmont human services center."

**Section 3.** Section 53-1-407, MCA, is amended to read:

"53-1-407. Appeal of determination of ability to pay. If a resident or financially responsible person disagrees

with the final determination of the department as to his ability to pay any part of the per diem or ancillary charge, an appeal may be filed within 30 days of the date of the department's determination in any court of record in Montana having jurisdiction of the resident or financially responsible person liable for payment."

NEW SECTION. **Section 4.** Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

NEW SECTION. **Section 5.** Effective date. [This act] is effective July 1, 1989.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB636, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

A bill for an act entitled: "An act to revise the laws relating to per diem and ancillary charges for the care of residents at state institutions; amending Sections 53-1-401, 53-1-402, and 53-1-407, MCA; and providing an effective date."

ASSUMPTIONS:

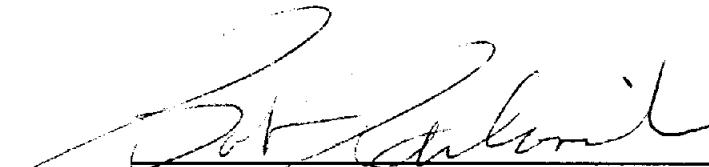
1. The impact of this bill is to generally revise for clarity and intent, the provisions for defining per diem and ancillary and to clearly address the Department of Institutions authority regarding assessing and collecting charges for patient care.
2. This bill is a "housekeeping" matter to clarify existing problems that have been raised in the past with insurance carriers and legislative audits relative to the various terms that the Department assesses costs for and bills private parties.

FISCAL IMPACT: None.



DATE 2/16/89

RAY SHACKLEFORD, BUDGET DIRECTOR  
OFFICE OF BUDGET AND PROGRAM PLANNING



DATE 2/17/89

ROBERT J. PAVLOVICH, PRIMARY SPONSOR

Fiscal Note for HB636, as introduced

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 4 maintenance, and other services rendered by the department  
 5 to a resident.  
 6 (3) "Department" means the department of institutions  
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 9 a resident, the natural or adoptive parents of a resident  
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 12 the financial affairs of the person who is a resident under  
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 15 (5) "Full-time equivalent resident load" means the  
 16 total daily resident count for the fiscal year divided by  
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 18 (6) "Long-term resident" means a resident in an  
 19 institution listed in 53-1-402 for a continuous period in  
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 9 53-1-402.

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 11 applicable medicare, medicaid, and personal health care  
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13 **Section 2.** Section 53-1-402, MCA, is amended to read:

14 "53-1-402. Residents subject to per diem and ancillary  
 15 charges. The department shall assess and collect and-process  
 16 per diem and ancillary payments charges for the care of  
 17 residents in the following institutions:

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