

HOUSE BILL 741

Introduced by Harper, et al.

2/17	Introduced
2/18	Referred to Human Services & Aging
2/21	Fiscal Note Requested
2/27	Fiscal Note Received
3/03	Fiscal Note Printed
3/03	Hearing
3/15	Tabled in Committee

1 *House* BILL NO. *741* *Council*  
 2 INTRODUCED BY *Stacy Vincent* *Yellowtail*  
 3 *Dan Eck* *McNahan* *Swaby* *Whalen* *St. Paul*  
 4 A BILL FOR AN ACT ENTITLED: "THE MONTANA HOSPITAL COST  
 5 CONTAINMENT COMMISSION ACT; CREATING A MONTANA HOSPITAL COST  
 6 CONTAINMENT COMMISSION; EMPOWERING THE COMMISSION TO SET AND  
 7 REGULATE THE RATES OF MONTANA HOSPITALS AND TO REQUIRE  
 8 ANNUAL REPORTS FROM THOSE HOSPITALS; PROVIDING FOR THE  
 9 APPOINTMENT OF COMMISSION MEMBERS; EMPOWERING THE COMMISSION  
 10 TO FUND ALL OF ITS COSTS BY MAKING ASSESSMENTS AGAINST  
 11 HOSPITALS SUBJECT TO ITS JURISDICTION; AND PROVIDING AN  
 12 IMMEDIATE EFFECTIVE DATE."

#### STATEMENT OF INTENT

15 A statement of intent is required for this bill because  
 16 it delegates rulemaking authority to the Montana hospital  
 17 cost containment commission. In adopting rules of procedure,  
 18 the commission shall use, to the extent feasible, the  
 19 procedures of the department of health and environmental  
 20 sciences as a model. In adopting rules governing utilization  
 21 and quality assurance programs, the commission shall look to  
 22 the requirements of the federal medicaid and medicare  
 23 programs. The commission's rules must incorporate, to the  
 24 extent practical, the information already reported by  
 25 hospitals to regulatory agencies.

1  
 2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 3 NEW SECTION. **Section 1.** Short title. [This act] may  
 4 be cited as the "Montana Hospital Cost Containment  
 5 Commission Act".  
 6 NEW SECTION. **Section 2.** Purpose and policy. It is the  
 7 intent of the legislature to protect the public health and  
 8 promote the public welfare by establishing a hospital cost  
 9 containment commission to:  
 10 (1) limit the rate of increase in the cost of hospital  
 11 care from year to year;  
 12 (2) protect the quality and accessibility of hospital  
 13 care available to the people of Montana by assuring the  
 14 financial viability of efficient and effective hospitals  
 15 throughout the state;  
 16 (3) encourage hospitals to make the most efficient use  
 17 of the resources made available to them in providing quality  
 18 care to patients;  
 19 (4) assure equitable treatment of all payers of  
 20 hospital inpatient service costs, hospital employees, and  
 21 hospital patients; and  
 22 (5) seek to obtain from the secretary of the United  
 23 States department of health and human services waivers from  
 24 medicare and medicaid reimbursement methods established by  
 25 federal statutes and regulations.

1        **NEW SECTION. Section 3. Definitions.** In [this act],  
2        the following definitions apply:

3        (1) "Commission" means the Montana hospital cost  
4        containment commission established in [section 4].

5        (2) "Competitive medical plan" means a comprehensive  
6        medical plan as defined in section 1876(b) of Title XVIII of  
7        the Social Security Act.

8        (3) "Health care services" means goods or services  
9        provided to patients for diagnosis or treatment of sickness  
10       or injury.

11       (4) "Health maintenance organization" means a health  
12       maintenance organization as defined in 50-5-101.

13       (5) "Hospital" means any institution that provides  
14       medical or surgical care to sick or injured persons, except:

15       (a) institutions owned or operated by the federal  
16       government;

17       (b) institutions that provide medical and surgical  
18       care only as part of a specialized program for the long-term  
19       maintenance of the aged or persons suffering from  
20       irreversible infirmities, or both; or

21       (c) institutions that provide only psychiatric care.

22       (6) "Payment" means all value given or money payable  
23       to hospitals for health care services, including fees,  
24       charges, and cost reimbursements.

25       (7) "Peer group of hospitals" means the set of

1       hospitals that the commission has determined to be  
2       appropriate for purposes of cost comparison and that have  
3       similar characteristics, including but not limited to size,  
4       range of services provided, special services offered, and  
5       teaching programs and that serve similar geographical areas.

6       (8) "Prospective payment methodology" means the  
7       method, including exceptions and adjustments, by which rates  
8       to be paid for hospital services during a specified period  
9       are established prior to that period.

10       (9) "Purchaser" means an individual; trust or estate;  
11       partnership; corporation; association; federal, state, or  
12       local government unit; or any other entity responsible for  
13       full or partial payment for health care services rendered by  
14       a hospital.

15       (10) "Rates" means the price charged for the unit of  
16       health care services by a hospital.

17       **NEW SECTION. Section 4. Hospital cost containment**  
18       **commission.** (1) There is a Montana hospital cost containment  
19       commission.

20       (2) The commission shall administer a hospital  
21       reimbursement control system to regulate the rates and  
22       budgets of all hospitals throughout Montana in an effort to  
23       contain escalating hospital costs.

24       (3) The commission consists of seven members appointed  
25       by the governor with the consent of the senate.

(4) The commission is allocated to the department of health and environmental sciences for administrative purposes only as provided in 2-15-121, except the commission may hire its own personnel.

(5) Members shall serve staggered 4-year terms.

(6) A member may not be appointed to more than two consecutive terms.

**NEW SECTION. Section 5. Selection of chairman and vice chairman -- meetings -- compensation.** (1) The governor shall annually select a chairman. The chairman shall select a vice chairman.

(2) Meetings must be called by the chairman or by any four members.

(3) All meetings of the commission must be announced in advance and are open to the public except as otherwise provided by law.

(4) Four members constitute a quorum for conducting business. Action of the commission is effective only with the concurrence of at least four members.

(5) Members of the commission are entitled to receive compensation for their services and to receive reimbursement for all necessary and proper travel expenses, as provided for in 2-18-501 through 2-18-503, incurred in performance of their duties.

**NEW SECTION. Section 6. Appointment of executive**

**director -- other employees.** (1) The commission shall appoint an executive director and a deputy director as the commission's chief administrative officers to perform duties as prescribed by the commission.

(2) The executive director and deputy director serve at the pleasure of the commission.

(3) The commission shall employ sufficient additional staff to carry out the purposes of [this act].

(4) The commission may contract with anyone other than commission members for any services necessary to carry out its activities.

**NEW SECTION. Section 7. Review and establishment of hospital rates.** (1) The commission shall initiate reviews or investigations of hospital rates and establish and approve rates and budgets as may be necessary to assure that:

(a) the total costs of the hospital are reasonably related to its total services;

(b) the hospital's aggregate rates are reasonably related to its aggregate costs; and

(c) rates are set equitably among all purchasers of health care services without discrimination or preference, provided that medicare payments must not exceed amounts that, over a period of 36 consecutive months, would otherwise have been paid by medicare in the absence of a waiver. The 36-month period must begin with the first month

1 in which a waiver from medicare reimbursement methods was  
2 secured pursuant to [section 20].

3 (2) A hospital may not charge for services at rates  
4 higher than those established by the commission.

5 (3) A hospital may only make available a discount from  
6 rates ordered by the commission to any nongovernmental  
7 purchasers if the discount:

8 (a) is filed with the commission 60 days in advance of  
9 use;

10 (b) is available to all nongovernmental purchasers;  
11 and

12 (c) is based on services, reimbursement practices, or  
13 utilization control programs that provide an equivalent  
14 identifiable, measurable, and valuable economic benefit to  
15 the hospital.

16 (4) At the expiration of the 60-day period referred to  
17 in subsection (3)(a), the discount must be considered  
18 approved unless it has been affirmatively approved or  
19 disapproved by order of the commission. The approval or  
20 disapproval is the commission's final decision.

21 (5) The commission shall develop and apply a  
22 reasonable and relevant prospective payment methodology to  
23 establish and approve rates and to review and approve  
24 budgets for each hospital. The methodology must provide that  
25 hospitals treat payers, hospital employees, and patients

1 equitably. During the development of the methodology, the  
2 commission shall consult with local government officials  
3 concerning the impact the hospital reimbursement control  
4 system may have on public hospitals.

5 (6) Operation of the hospital reimbursement control  
6 system administered by the commission may not:

7 (a) result in changes in hospital practices that  
8 significantly reduce admissions of uninsured low-income,  
9 high-cost, or emergency patients; or

10 (b) permit hospitals to bill under part B of medicare  
11 for nonphysician services rendered to medicare inpatients.

12 (7) The commission may adopt experimental methods of  
13 rate determination and budget approval so long as these  
14 methods are in the public interest and consistent with the  
15 purposes of [this act].

16 (8) All rate and budget decisions of the commission  
17 must be made in accordance with a prospective methodology  
18 established by the commission.

19 (9) In establishing hospital rates, the commission  
20 shall establish reasonable rates that will permit a hospital  
21 to render effective and efficient service in the public  
22 interest.

23 (10) In approving hospital budgets, the commission  
24 shall approve reasonable budgets that will permit a hospital  
25 to render effective and efficient service in the public

1 interest.

2 (11) The commission may not make any change in the  
3 methodology used to establish and approve rates that has the  
4 effect of materially reducing payments to hospitals without  
5 providing 60-days' notice to hospitals and to the secretary  
6 of the United States department of health and human  
7 services.

8 (12) Nothing in [this act] precludes a health  
9 maintenance organization or a competitive medical plan from  
10 negotiating directly with hospitals with respect to the  
11 organization's payments for inpatient hospital services.

12 NEW SECTION. Section 8. Interim rates -- initial rate  
13 schedules. (1) The commission shall establish an initial  
14 schedule of rates for hospitals and peer groups of hospitals  
15 within 18 months of [the effective date of this act]. The  
16 initial schedule of rates established by the commission must  
17 be at a level sufficient to operate all services  
18 appropriately rendered by the hospital as of the [effective  
19 date of this act].

20 (2) Beginning on [the effective date of this act] and  
21 continuing until an initial schedule of rates has been  
22 established for hospitals and peer groups of hospitals, the  
23 commission may adopt for hospitals and peer groups of  
24 hospitals an interim rate or rates that enable the hospitals  
25 and peer groups of hospitals to render efficient service in

1 the public interest.

2 (3) The commission shall take into consideration the  
3 peer groups of hospitals in determining the reasonableness  
4 of a rate and the effectiveness and efficiency of a  
5 hospital's ability to render care. The resulting rate may be  
6 different for each hospital or peer group of hospitals, or  
7 the commission may, if it considers appropriate, set a  
8 single rate for all hospitals or for different peer groups  
9 of hospitals.

10 (4) After determining the initial schedule of rates  
11 for a hospital, the commission shall, at least annually,  
12 determine the need for adjusting the rates to account for  
13 any of the following factors:

14 (a) changes in the hospital's mix of patients with  
15 regard to case type or, if feasible, in the severity of  
16 illness or extent to which charges for its services are  
17 uncollectible;

18 (b) changes in the costs of goods and services  
19 purchased by the hospital; or

20 (c) changes in the goods and services used in  
21 providing diagnostic analysis and treatment that result from  
22 technological advances.

23 (5) Any rate schedule adjustment made to account for  
24 inflation in the cost of goods, services, and technology  
25 must conform to a formula established by the commission that

equitably reflects changes in the prices that all hospitals subject to [this act] shall pay. In devising this formula, the commission shall, wherever possible, use appropriate price-change, wage-change, and wage-level-rates-of-increase measures published by the bureau of labor statistics, United States department of labor.

(6) Before the commission may consider a capital expenditure in which a certificate of need is required in a rate schedule adjustment, the certificate of need must be approved.

(7) The commission shall require each hospital to submit its proposed budget for the prospective fiscal year for approval no later than 60 days before the beginning of that hospital's fiscal year. The commission shall adopt rules to implement its process of hospital budget review and approval. Proposed budgets must contain financial and utilization data, as required by the commission for the prospective fiscal year, prepared in a format prescribed by the commission.

**NEW SECTION. Section 9. Initial rate schedules. (1)**

The executive director of the commission shall propose for each hospital an initial schedule of rates for approval by the commission.

(2) Each schedule must go into effect 30 days after the date it is approved by the commission.

(3) After the issuance of an order establishing the initial rate schedule, the commission may adopt an order establishing a formula or other process to modify rates charged by hospitals.

(4) After the issuance of an order establishing an initial rate schedule for a hospital, the hospital may petition the commission for rates to cover new services, new technology, or approved capital construction expenditures in accordance with subsection (5). New services, new technology, or new construction subject to regulation that has not already been approved by the commission must be disregarded as justification for an increase in rates.

(5) After the issuance of an order establishing an initial rate schedule or of any order provided for in subsection (3) or (4), a hospital may not increase its rate schedule except in accordance with the following procedures:

(a) the hospital shall establish by a preponderance of the evidence that it is entitled to rates and revenues greater than those established by the commission order; and

(b) any request for a change in rate schedules must be filed with the commission in writing with supporting documentation.

(6) After receiving a request under subsection (5), the commission may hold a public hearing if it considers one necessary. Within 45 days after receipt of the request, the

1 commission shall publicly announce the time and location of  
2 the hearing if one is to be held. If the commission holds a  
3 hearing, it may hear testimony from witnesses and conduct  
4 the hearing without compliance with the formal rules of  
5 evidence.

6 (7) Regardless of whether the commission holds a  
7 public hearing on a request for a rate change, it shall  
8 receive evidence submitted by any interested party  
9 supporting or opposing the proposed change. The commission's  
10 review of the request for a rate change must be completed  
11 and an order must be promulgated within 120 days after the  
12 date the request was filed with the commission. The order  
13 shall specify the effective date of the change.

14 (8) At any time during the period between a hospital's  
15 filing of a request for a rate change and the commission's  
16 final decision on the request, the commission may extend  
17 provisional approval to any part of the requested change,  
18 but any provisional approval given is superseded by the  
19 commission's final decision on the request.

20 (9) The commission may open a hearing against a  
21 hospital at any time with regard to the reasonableness of  
22 the hospital's rates. Upon a finding by the commission that  
23 a hospital has charged unapproved, excessive, or  
24 unreasonable patient rates, the commission may prescribe  
25 refunds to purchasers or may prospectively reduce the

1 hospital's rates so as to distribute to the public a general  
2 refund equal to the aggregate total of the overcharge.

3 NEW SECTION. **Section 10. Uniform system of hospital**  
4 **financial reporting.** (1) After holding public hearings and  
5 consulting with appropriate advisory committees, the  
6 commission shall establish a uniform system of financial  
7 reporting and utilization reporting to be used by hospitals.  
8 The purpose of the system is to provide the information  
9 necessary for the commission to carry out its  
10 responsibilities under [this act]. When possible, the  
11 commission shall incorporate the use of reports that it has  
12 filed with federal, state, and local agencies in its system.  
13 All hospitals shall adopt the system for the fiscal year  
14 immediately following the year in which the commission  
15 establishes the system.

16 (2) The commission shall require each hospital to  
17 annually submit reports, within 120 days after the end of  
18 the hospital's fiscal year, presenting financial and  
19 utilization data for the preceding fiscal year, and prepared  
20 in a format prescribed by the commission and containing data  
21 as the commission may require.

22 (3) The commission may modify the financial and  
23 utilization reporting system based on differences in the  
24 scope, types of service, or financial structure among the  
25 various categories, sizes, or types of hospitals subject to

[this act].

**NEW SECTION. Section 11. Utilization and quality**

**assurance review.** (1) The commission shall adopt rules to assure that hospitals conduct appropriate programs of utilization and quality assurance review. The commission shall establish utilization and quality assurance program criteria that hospitals shall meet to assure the necessity of admissions, lengths of stay, ancillary services provided, and the quality of care rendered all patients.

(2) The utilization and quality assurance review programs provided for in subsection (1) must be coordinated, to the extent feasible, with functions of the utilization and quality control peer review organization with which the hospital contracts, pursuant to section 1886 of the Social Security Act, to review health care services provided to medicare beneficiaries.

(3) The commission shall adopt rules requiring hospitals to make data available to other properly constituted organizations performing utilization and quality assurance review functions for patients who are not medicare beneficiaries.

(4) Each hospital's financial reports must be certified by a certified public accountant independent of the hospital. The commission may require officials of the institution to attest that all reports have, to the best of

their knowledge and belief, been prepared truthfully and in accordance with the prescribed system of accounting.

(5) All reports required under this section are open to public inspection at the commission's office, and the commission shall provide copies of the reports to the public upon request, at the commission's actual cost. The commission shall ensure, using the least restrictive means practicable, that public access to these reports does not breach the confidentiality of privileged patient medical information, privileged information of any individual's work performance or earnings, or other information the disclosure of which would constitute an unwarranted invasion of an individual's personal privacy. The filed reports may not contain information that personally identifies a hospital patient.

(6) If further investigation is considered necessary or desirable to verify the accuracy of information of reports made by institutions under this section, the commission may examine any records and accounts as the commission may by rule provide. As part of the examination, the commission may order the hospital to conduct a full or partial independent audit of all records and accounts, to be paid for by the hospital.

**NEW SECTION. Section 12. Data for budget and rates**

**review.** The commission shall obtain from hospitals and

1 compile all relevant financial and utilization data in order  
 2 to obtain statistical information necessary for a proper and  
 3 thorough review of rates and budgets. This compilation must,  
 4 at a minimum, include data of operating expenses,  
 5 uncompensated care expenses incurred in rendering services  
 6 to patients who cannot or do not pay, interest charges, and  
 7 depreciation expenses based on the expected useful life of  
 8 real property and capital equipment.

9 NEW SECTION. Section 13. Report filing deadlines --  
 10 penalties. The commission shall require the filing within  
 11 specified deadlines of all reports, statements, and  
 12 disclosures provided for in [this act] or in rules adopted  
 13 by the commission. The commission may also adopt rules  
 14 providing penalties for failure to file reports, statements,  
 15 and disclosures as required. The penalties may not be part  
 16 of a hospital's allowed costs in determining regulated rates  
 17 under [this act].

18 NEW SECTION. Section 14. Adoption of rules -- conduct  
 19 of hearings and investigations. (1) The commission shall  
 20 adopt rules necessary to carry out the powers conferred by  
 21 [this act].

22 (2) In addition, the commission may:

23 (a) hold public hearings, conduct investigations, and  
 24 require the filing of information relevant to matters  
 25 affecting the cost of services in hospitals regulated by the

1 commission under [this act];

2 (b) subpoena witnesses, papers, records, documents,  
 3 and all other data sources relevant to matters affecting the  
 4 cost of services in hospitals regulated by the commission  
 5 under [this act];

6 (c) administer oaths or affirmations in its hearings  
 7 or investigations;

8 (d) create committees from its membership and appoint  
 9 advisory committees consisting of individuals and  
 10 representatives of interested public and private  
 11 corporations, groups, and organizations;

12 (e) solicit, receive, and accept grants, payments, and  
 13 other funds and advances from any government body and enter  
 14 into agreements with respect to the grants, payments, funds,  
 15 and advances, including agreements that involve the  
 16 undertaking of studies, plans, demonstrations, or projects;  
 17 and

18 (f) exercise all other powers that are necessary to  
 19 carry out the purposes of [this act].

20 NEW SECTION. Section 15. Budget. (1) The commission's  
 21 budget must include all sums necessary to support the  
 22 activities of the commission, the executive director, and  
 23 the staff.

24 (2) The executive director shall annually prepare a  
 25 preliminary budget for the next fiscal year.

(3) The commission shall adopt a final budget at least 60 days before the beginning of the fiscal year after considering the preliminary budget prepared by the executive director and comments from the public.

(4) The commission shall hold a public hearing designed to elicit comments from all interested parties.

(5) The total of all costs and expenses of the commission must be funded by assessments against hospitals subject to its jurisdiction. The obligation for payment of this amount must be apportioned among individual institutions on a pro rata basis, using each hospital's gross revenue as reported under [this act].

(6) A hospital is not obliged to pay more than 1/10 of 1% of its gross revenue toward the funding of the commission.

(7) The assessment must be part of a hospital's allowed costs in determining regulated rates under [this act].

(8) The commission shall determine the assessments annually, at least 30 days prior to July 1, and shall assess each hospital for its pro rata share. Each hospital shall pay its assessment on a quarterly basis, with equal payments due on or before July 1, October 1, January 1, and April 1 of each fiscal year.

(9) Penalties for late payments, not to exceed 20% of

the obligation, may be assessed and collected by the commission, but the penalties may not be part of a hospital's allowed costs in determining regulated rates under [this act].

(10) All assessments authorized by this section must be paid into the state's general fund.

(11) The commission shall use the revenues provided for by this section to defray costs incurred by the commission pursuant to [this act], including salaries, administrative expenses, data system expenses, consulting fees, and any other reasonable costs incurred to administer [this act].

(12) Budgeted funds unexpended at the close of the fiscal year must be applied as an offset to the budget for the next fiscal year and do not revert to the general fund.

**NEW SECTION. Section 16. Commission proceedings.** (1) Proceedings before the commission must be governed by rules adopted by the commission.

(2) The commission may establish rules of evidence and procedure as it considers necessary.

(3) Any action of the commission is valid if it complies substantially with the requirements of [this act] and is not invalidated by late filings or any other technical deficiencies.

**NEW SECTION. Section 17. Commission decisions and orders.** (1) Every decision and order of the commission must

1 be made in writing and must be maintained in the  
2 commission's office.

3 (2) Every decision and order, as well as the complete  
4 record for each matter pending before the commission, must  
5 be made available for public inspection in accordance with  
6 the provisions of Montana law, except that the commission  
7 shall maintain the confidentiality of:

8 (a) records and data, the disclosure of which would  
9 constitute an unwarranted invasion of a person's privacy  
10 with respect to his work performance or his level of  
11 earnings; and

12 (b) the commission's own records and data that relate  
13 materially to its participation in a judicial proceeding.

14 NEW SECTION. Section 18. Appeals from commission  
15 final decisions. (1) A person aggrieved by a final decision  
16 of the commission may appeal from this decision as provided  
17 by law.

18 (2) The commission is a necessary party to any appeal  
19 at all levels of the appeal, whether administrative or  
20 judicial.

21 (3) The commission may appeal any administrative or  
22 judicial decision affecting any of its final decisions or  
23 rules.

24 (4) Any aggrieved party or interested person may  
25 intervene or participate in an appeal, at any level, upon

1 grant or leave by the appropriate agency or court.

2 NEW SECTION. Section 19. Annual report of the  
3 commission. (1) Within 60 days of the close of each fiscal  
4 year, the commission shall prepare and transmit to the  
5 governor a report of its operations and activities for that  
6 fiscal year.

7 (2) The report, which must be made public, must  
8 include summaries of all reports made to it by hospitals,  
9 together with facts, suggestions, and policy recommendations  
10 that the commission considers appropriate.

11 (3) The commission shall annually also make public  
12 reports of information that, in the judgment of the  
13 commission, will facilitate informed choices by purchasers  
14 of hospital care.

15 NEW SECTION. Section 20. Negotiations to obtain  
16 medicare and medicaid reimbursement waivers. (1) On behalf  
17 of the state, the commission shall enter into negotiations  
18 with the secretary of the United States department of health  
19 and human services to obtain waivers from medicare and  
20 medicaid reimbursement methods established by federal  
21 statutes and regulations.

22 (2) The commission shall seek from the secretary of  
23 the United States department of health and human services  
24 whatever action is necessary to allow medicare and medicaid  
25 payments by federal and state agencies to be made in

1 accordance with rates approved by the commission.

2 (3) The failure of the commission to obtain waivers  
3 from the secretary of the United States department of health  
4 and human services may not diminish the powers conferred on  
5 the commission by [this act] as such powers pertain to other  
6 than medicare and medicaid reimbursement methods.

7 NEW SECTION. Section 21. Initial appointments. The  
8 terms of the initial appointees are as follows:

9 (1) two must be appointed for a term of 4 years;

10 (2) two must be appointed for a term of 3 years;

11 (3) two must be appointed for a term of 2 years; and

12 (4) one must be appointed for a term of 1 year.

13 NEW SECTION. Section 22. Severability. If a part of  
14 [this act] is invalid, all valid parts that are severable  
15 from the invalid part remain in effect. If a part of [this  
16 act] is invalid in one or more of its applications, the part  
17 remains in effect in all valid applications that are  
18 severable from the invalid applications.

19 NEW SECTION. Section 23. Effective date. [This act]  
20 is effective on passage and approval.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB741, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

A bill for an Act entitled: "The Montana Hospital Cost Containment Commission Act; creating a Montana Hospital Cost Containment Commission; empowering the commission to set and regulate the rates of Montana hospitals and to require annual reports from those hospitals; providing for the appointment of commission members; empowering the commission to fund all of its costs by making assessments against hospitals subject to its jurisdiction; and providing an immediate effective date."

ASSUMPTIONS:

1. No system currently exists for this function in state government.
2. All hospitals' rate structures will be reviewed and updated annually.
3. All functions (programming, data entry) will occur within DHES.
4. Quarterly meetings of commission.

FISCAL IMPACT:

	Current Law	FY90 Proposed Law	Difference	Current Law	FY91 Proposed Law	Difference
<u>Revenue: (Fees)</u>	\$ -0-	\$298,235	\$298,235	\$ -0-	\$266,415	\$266,415
<u>Expenditures:</u>	\$ -0-	\$298,235	\$298,235	\$ -0-	\$266,415	\$266,415
<u>Net Effect:</u>	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-


DATE 2/27/89

RAY SHACKLEFORD, BUDGET DIRECTOR  
OFFICE OF BUDGET AND PROGRAM PLANNING

HAL HARPER, PRIMARY SPONSOR

DATE 3/01/89

Fiscal Note for HB741, as introduced

**HB 741**