

SENATE BILL 350

Introduced by Hager, et al.

2/06	Introduced
2/06	Referred to Public Health, Welfare & Safety
2/07	Fiscal Note Requested
2/13	Fiscal Note Received
2/14	Fiscal Note Printed
3/06	Hearing
	Died in Committee

1 *State* BILL NO. *350*
 2 INTRODUCED BY *Hager Speech Farnell HARP*
 3 *Hampton*

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE
 5 LAWS PERTAINING TO HEALTH SERVICE CORPORATIONS; IMPOSING A
 6 PREMIUM TAX ON HEALTH SERVICE CORPORATIONS; IMPOSING AN
 7 ADDITIONAL FEE; REGULATING THE INVESTMENTS OF HEALTH SERVICE
 8 CORPORATIONS; STANDARDIZING ANNUAL FINANCIAL STATEMENTS BY
 9 REGULATING THE RESERVES OF HEALTH SERVICE CORPORATIONS;
 10 RESTRICTING EXCLUSIVE AGENCY CONTRACTS FOR THE MANAGEMENT OF
 11 HEALTH SERVICE CORPORATIONS; PROVIDING FOR FREEDOM OF CHOICE
 12 IN THE SELECTION OF PRACTITIONERS UNDER HEALTH SERVICE
 13 CORPORATION POLICIES; AMENDING SECTIONS 33-30-102,
 14 33-30-107, 33-30-203, AND 33-30-204, MCA; AND PROVIDING
 15 EFFECTIVE DATES AND A RETROACTIVE APPLICABILITY DATE."
 16
 17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

18 **Section 1.** Section 33-30-102, MCA, is amended to read:
 19 "33-30-102. Application of this chapter --
 20 construction of other related laws. (1) All health service
 21 corporations heretofore or hereafter organized are subject
 22 to the provisions of this chapter. In addition to the
 23 provisions contained in this chapter, other chapters and
 24 provisions of this title apply to health service
 25 corporations as follows: 33-2-501, 33-2-502, 33-2-705,

1 33-3-308, 33-3-309, 33-17-212 through 33-17-214, chapter 2,
 2 part 8, and chapters 1, 15, 18, 19, and 22--except
 3 33-22-111.

4 (2) A law of this state other than the provisions of
 5 this chapter applicable to health service corporations shall
 6 be construed in accordance with the fundamental nature of a
 7 health service corporation, and in the event of a conflict
 8 between that law and the provisions of this chapter, the
 9 latter shall prevail."

10 **Section 2.** Section 33-30-107, MCA, is amended to read:

11 "33-30-107. Annual statement. Every health service
 12 corporation shall file an annual statement on a--form
 13 containing---substantially--the--same--information--as--that
 14 contained-in form No. 13 N.A.I.C. with the commissioner of
 15 insurance."

16 **Section 3.** Section 33-30-203, MCA, is amended to read:

17 "33-30-203. Premium tax exemption. A health service
 18 corporation is exempt-from-all-premium-taxes subject to the
 19 premium tax under 33-2-705."

20 **Section 4.** Section 33-30-204, MCA, is amended to read:

21 "33-30-204. Fees. (1) Every health service corporation
 22 subject to the provisions of this chapter shall pay the
 23 following fees to the commissioner for enforcement of the
 24 provisions of this chapter:

25 (a) enrollment representative's license:

1 (i) application for original license and issuance of
 2 license \$15
 3 (ii) annual renewal \$15
 4 (iii) examination for license, for each examination ...
 5 \$15
 6 (b) filing any other statement or report \$1
 7 (c) for a certified copy of any document or other
 8 paper filed in the office of the commissioner, per page
 9 \$50
 10 (d) for the certificate and for affixing the seal
 11 thereto \$10
 12 (e) filing of a membership contract \$25
 13 (f) filing of a membership contract package \$100
 14 (g) filing annual report, other than as part of
 15 application for original license \$25
 16 (h) issuance of health service corporation license ...
 17 \$300
 18 (i) annual continuation of health service corporation
 19 license \$300
 20 (j) filing a rider, endorsement, amendment, insert
 21 page, schedule of rates, or clarification of risk \$10
 22 (2) The commissioner shall promptly deposit with the
 23 state treasurer, to the credit of the insurance regulatory
 24 trust account provided for in 17-2-121, all fees and
 25 license fees received by him under this section."

1 **NEW SECTION. Section 5. Extension of authority.** Any
 2 existing authority to make rules on the subject of the
 3 provisions of [this act] is extended to the provisions of
 4 [this act].

5 **NEW SECTION. Section 6. Retroactive applicability.**
 6 [Sections 1 and 3] apply retroactively, within the meaning
 7 of 1-2-109, to direct premium income, as described in
 8 33-2-705, received by a health service corporation after
 9 December 31, 1987.

10 **NEW SECTION. Section 7. Effective dates.** (1) Except
 11 as provided in subsection (2), [sections 1 through 4 and
 12 this section] are effective on passage and approval.

13 (2) The provisions in Title 33, part 2, chapter 8,
 14 relating to the regulation of investments by a health
 15 service corporation, are effective after December 31, 1993.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB350, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act generally revising the laws pertaining to health service corporations; imposing a premium tax on health service corporation; imposing an additional fee; regulating the investments of health service corporations; standardizing annual financial statements by regulating the reserves of health service corporations; restricting exclusive agency contacts for the management of health service corporations; providing for freedom of choice in the selection of practitioners under health service corporation policies; amending Sections 33-30-102, 33-30-107, 33-30-203, and 33-30-204, MCA; and providing effective dates and a retroactive applicability date.

ASSUMPTIONS:

1. Blue Cross premiums for calendar year 1987 were \$138,775,000. Increase of 3.2% for 1988 and 10% for 1989, 1990 and 1991 are anticipated.
2. Western Vision premiums for calendar year 1987 were \$5,619,000. An increase of 5% is anticipated for 1988, 1989, 1990 and 1991.
3. Premium tax of 2.75% will be applied to health service corporations.

FISCAL IMPACT:

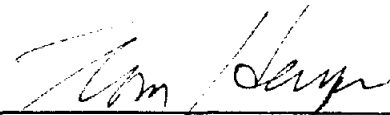
	Current	FY90 Proposed	Difference	Current	FY91 Proposed	Difference
Revenues:	Law	Law		Law	Law	
Premium Tax	\$ -0-	\$4,506,000	\$4,506,000	\$ -0-	\$4,948,000	\$4,948,000



DATE

2/11/89

RAY SHACKLEFORD, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING



DATE

2-13-89

TOM HAGER, PRIMARY SPONSOR

Fiscal Note for SB350, as introduced**SB 350**