

HOUSE BILL NO. 145

INTRODUCED BY COBB, BOHARSKI, SIMON, HANSEN, BOHLINGER,
SQUIRES, S. RICE, GRIMES, BERGMAN, DOWELL, STRIZICH,
T. NELSON, BARNHART, MOLNAR, SAYLES, SMITH

IN THE HOUSE

JANUARY 12, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON HUMAN SERVICES & AGING.
	FIRST READING.
FEBRUARY 8, 1993	ON MOTION, ADDITIONAL SPONSORS ADDED.
	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 9, 1993	PRINTING REPORT.
FEBRUARY 10, 1993	ON MOTION, CONSIDERATION PASSED FOR THE DAY.
FEBRUARY 11, 1993	ON MOTION, CONSIDERATION PASSED FOR THE DAY.
FEBRUARY 13, 1993	SECOND READING, DO PASS AS AMENDED.
	ON MOTION, REREFERRED TO COMMITTEE ON APPROPRIATIONS.
FEBRUARY 15, 1993	ENGROSSING REPORT.
MARCH 18, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 19, 1993	PRINTING REPORT.
MARCH 25, 1993	SECOND READING, DO PASS.
	THIRD READING, PASSED. AYES, 95; NOES, 4.
	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 26, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS.
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FIRST READING.

APRIL 14, 1993

COMMITTEE RECOMMEND BILL BE
CONCURRED IN AS AMENDED. REPORT
ADOPTED.

APRIL 15, 1993

SECOND READING, CONCURRED IN.

THIRD READING, CONCURRED IN.
AYES, 39; NOES, 10.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 16, 1993

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 19, 1993

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 145
2 INTRODUCED BY Cobb, John
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A HEALTH CARE
5 FUND; REQUIRING THAT PROCEEDS OF A TAX ON HOSPITALS BE
6 DEPOSITED IN THE FUND; DIRECTING THE DEPARTMENT OF SOCIAL
7 AND REHABILITATION SERVICES TO IMPLEMENT EXPANDED FUNDING
8 FOR MEDICAID REIMBURSEMENT FOR MEDICAL SERVICES TO CERTAIN
9 CHILDREN AND WOMEN, USING THE MONEY IN THE FUND; IMPOSING A
10 TAX ON HOSPITALS; AUTHORIZING THE DEPARTMENT OF REVENUE TO
11 COLLECT THE TAX; PROVIDING FOR THE ASSESSMENT, COLLECTION,
12 AND REFUND OF THE TAX; PROVIDING APPROPRIATIONS FOR
13 ADMINISTRATION OF THE TAX, FOR A HEALTH CARE COMMISSION, FOR
14 A FAMILY PRACTICE RESIDENCY PROGRAM, FOR CONVERSION TO A
15 CLEARINGHOUSE OR SINGLE-FORM HEALTH CARE BILLING SYSTEM, AND
16 FOR INCREASES IN MEDICAID FUNDING; AMENDING SECTION
17 53-6-131, MCA; AND PROVIDING EFFECTIVE DATES AND AN
18 APPLICABILITY DATE."

19
20 WHEREAS, the Legislature recognizes the importance of
21 access to health care services in all areas and to all
22 residents of the state; and

23 WHEREAS, lack of a source of funding is a primary
24 obstacle to providing health care coverage and access to
25 services; and

1 WHEREAS, health care coverage is currently unavailable
2 to certain children and pregnant women residing in the
3 state; and

4 WHEREAS, hospitals are among the most significant
5 providers of health care services in all areas of the state,
6 and a healthy hospital industry is essential to maintenance
7 of an adequate health care service delivery system in the
8 state; and

9 WHEREAS, there are over 50,000 Montana children who are
10 not covered by any health insurance program; and

11 WHEREAS, the revenue provided by the hospital tax would
12 allow Montana to expand its Medicaid coverage to include
13 children and pregnant women who currently have no health
14 insurance; and

15 WHEREAS, many hospitals in the state are quite
16 profitable and have substantial cash reserves, yet hospitals
17 presently are not subject to taxation in the state; and

18 WHEREAS, rural hospitals, located in counties of the
19 state with less than 2,500 urban residents, experience low
20 occupancy and therefore higher costs per patient day,
21 threatening the financial viability of rural hospitals; and

22 WHEREAS, a tax would have a disproportionately harsh
23 impact upon rural hospitals that are already financially
24 unstable.

25 THEREFORE, the Legislature believes that for these

reasons, it is appropriate to enact a hospital tax, exempting hospitals in the most rural counties from the tax.

STATEMENT OF INTENT

A statement of intent is required for this bill because 53-6-131 requires the department of social and rehabilitation services to adopt rules establishing fees for enrollment of families in an expanded medicaid program. The legislature intends that the fees set by the department be sliding monthly fees of at least \$10 per child, to a maximum of \$360 per family per year.

A statement of intent is also required because [section 17] grants the department of revenue authority to adopt rules necessary to implement and administer [sections 3 through 17]. It is the intent of the legislature that, in adopting rules, the department:

- (1) provide procedures for reporting revenue that is subject to payment of the tax imposed by [section 4];
- (2) establish requirements for the maintenance of records and other documents required to ensure proper payment of the tax;
- (3) provide a process for the estimation and collection of delinquent or unpaid taxes;
- (4) provide a process for the reconciliation of disputes relating to the payment of the tax; and

(5) provide other procedures for the efficient administration of the tax.

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

NEW SECTION. Section 1. Health care fund. There is a health care fund within the state special revenue fund. The purpose of the fund is to provide a continuing source of revenue for health care services and related activities for residents of Montana.

Section 2. Section 53-6-131, MCA, is amended to read:

"53-6-131. **Eligibility requirements.** (1) Medical assistance under the Montana medicaid program may, in the discretion of the department of social and rehabilitation services, be granted to a person who is determined by the department of ~~social and rehabilitation services~~ to be eligible as follows:

(a) The person receives or is considered to be receiving supplemental security income benefits under Title XVI of the federal Social Security Act (42 U.S.C. 1381, et seq.) or aid to families with dependent children under Title IV of the federal Social Security Act (42 U.S.C. 601, et seq.).

(b) The person would be eligible for assistance under a program described in subsection (1)(a) if he the person were to apply for such assistance.

1 (c) The person is in a medical facility that is a
2 medicaid provider and, but for residence in the facility, he
3 would be receiving assistance under one of the programs in
4 subsection (1)(a).

5 (d) The person is under 19 years of age and meets the
6 conditions of eligibility in the state plan for aid to
7 families with dependent children, other than with respect to
8 school attendance.

9 (e) The person is under 21 years of age and in foster
10 care under the supervision of the state or was in foster
11 care under the supervision of the state and has been adopted
12 as a hard-to-place child.

13 (f) The person meets the nonfinancial criteria of the
14 categories in subsections (1)(a) through (1)(e) and:

15 (i) the person's income does not exceed the medically
16 needy income level specified for federally aided categories
17 of assistance and his the person's resources are within the
18 resource standards of the federal supplemental security
19 income program; or

20 (ii) the person, while having income greater than the
21 medically needy income level specified for federally aided
22 categories of assistance, has an adjusted income level,
23 after incurring medical expenses, that does not exceed the
24 medically needy income level specified for federally aided
25 categories of assistance and his the person's resources are

1 within the resource standards of the federal supplemental
2 security income program.

3 (g) The person is a qualified pregnant woman ~~or--child~~
4 as defined in 42 U.S.C. 1396d(n).

5 (h) The person is a qualified child, as defined in 42
6 U.S.C. 1396d(n), and is under 18 years of age or is older
7 than 18 years of age if required by federal law. The
8 department may in its discretion expand the deductions
9 allowed from the income of the qualified child's family
10 beyond the deductions allowed for aid to families with
11 dependent children, as provided in 42 U.S.C. 1396a(r).

12 (2) The Montana medicaid program shall pay for the
13 premiums necessary for participation in the medicare program
14 and may, within the discretion of the department, pay all or
15 a portion of the medicare deductibles and coinsurance for a
16 medicare-eligible person or for a qualified disabled and
17 working individual, as defined in section 6408(d)(2) of the
18 federal Omnibus Budget Reconciliation Act of 1989, Public
19 Law 101-239, who:

20 (a) has income that does not exceed income standards as
21 may be required by the federal Social Security Act; and

22 (b) has resources that do not exceed standards the
23 department determines reasonable for purposes of the
24 program.

25 (3) The department may pay a medicaid-eligible person's

1 expenses for premiums, coinsurance, and similar costs for
2 health insurance or other available health coverage, as
3 provided in 42 U.S.C. 1396b(a)(1).

4 (4) The department, under the Montana medicaid program,
5 may provide, if a waiver is not available from the federal
6 government, medicaid and other assistance mandated by Title
7 XIX of the federal Social Security Act (42 U.S.C. 1396, et
8 seq.), as may be amended, and not specifically listed in
9 this part to categories of persons that may be designated by
10 the act for receipt of assistance.

11 (5) Notwithstanding any other provision of this
12 chapter, medical assistance must be provided to infants,
13 newborn through 1 year of age, and to pregnant women whose
14 family income does not exceed ~~133%~~ 150% of the federal
15 poverty threshold, as provided in 42 U.S.C.
16 1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(l)(2)(A)(i).

17 (6) A person described in subsection (5) must be
18 provided continuous eligibility for medical assistance, as
19 authorized in 42 U.S.C. 1396a(e)(5) through a(e)(7).

20 (7) Notwithstanding any other provision of this
21 chapter, medical assistance must be provided to a child 1
22 year of age through the month of the child's sixth birthday,
23 whose family income does not exceed 133% of the federal
24 poverty threshold, as provided in 42 U.S.C.
25 1396a(a)(10)(A)(i)(VI).

1 (8) The department may require payment of a monthly
2 premium as a prerequisite for services offered under
3 subsection (1)(h) or (7). The premium must be established by
4 department rule and take into consideration the income of
5 the family to whom the payment is charged. Premium payments
6 collected by the department must be deposited in the health
7 care fund created by [section 1]."

8 **NEW SECTION. Section 3. Definitions.** As used in
9 [sections 3 through 17], unless the context requires
10 otherwise, the following definitions apply:

11 (1) "Calendar quarter" means the periods of 3
12 consecutive months ending September 30, December 31, March
13 31, and June 30 of each year.

14 (2) "Department" means the department of revenue
15 provided for in 2-15-1301.

16 (3) (a) "Hospital" or "facility" means a health care
17 facility, other than a medical assistance facility as
18 defined in 50-5-101, licensed by the department of health
19 and environmental sciences as a hospital with some or all
20 facility beds designated as general acute care hospital
21 beds.

22 (b) The term includes hospitals that are:

23 (i) operated as nonprofit or for-profit facilities;

24 (ii) freestanding or part of another health care
25 facility; or

1 (iii) publicly or privately operated.

2 (4) "Report" means the report of revenue required in
3 [section 6].

4 (5) (a) "Revenue" means all revenue from any payment
5 source, including but not limited to individuals, insurance
6 companies, medicare, medicaid, or other private or
7 governmental payers, for any health care services or items
8 provided within the state by a hospital. Except as provided
9 in subsection (5)(b), the term includes all revenue, whether
10 in the form of money, credits, or other valuable
11 consideration, without deduction for the cost of services or
12 items provided, interest, taxes, losses, or any other
13 expense.

14 (b) The term does not include cash discounts allowed
15 and taken on services or items provided, either in cash or
16 by credit; uncollectible accounts written off from time to
17 time; uncompensated or charity care; or the difference
18 between charges and reimbursement for medicare, medicaid,
19 other government payers, and insurers. The term also does
20 not include revenue accrued with respect to the provision of
21 services or items by a health care facility licensed by the
22 department of health and environmental sciences as a
23 long-term care facility that is associated in any manner
24 with a hospital.

25 (6) "Rural hospital" means a hospital located in a

1 county designated by the U.S. department of agriculture
2 under its rural-urban continuum codes for metro and nonmetro
3 counties as having less than 2,500 urban residents.

4 (7) "Tax" means the tax required to be paid by
5 hospitals under [section 4].

6 NEW SECTION. **Section 4. Hospital tax.** Subject to
7 [section 5(2)], a hospital shall pay to the department a tax
8 in an amount equal to 0.75% of the hospital's revenue as
9 provided in [section 6]. Proceeds from the tax must be
10 deposited in the health care fund created by [section 1].

11 NEW SECTION. **Section 5. waiver of federal**
12 **requirements.** (1) Within 30 days following [the effective
13 date of this section], the department of social and
14 rehabilitation services shall seek a waiver from the U.S.
15 secretary of health and human services, in accordance with
16 the Medicaid Voluntary Contribution and Provider-Specific
17 Tax Amendments of 1991, Public Law 102-234, and any
18 regulations or policies implementing those amendments, to
19 exempt rural hospitals from the tax imposed by [section 4].

20 (2) If the U.S. secretary of health and human services
21 notifies the state that the secretary has approved the
22 state's waiver request submitted pursuant to subsection (1),
23 then the terms "hospital" and "facility" as used in
24 [sections 3 through 17] do not include a rural hospital and
25 the department shall refund to rural hospitals taxes paid or

defer taxes accrued with respect to revenue accrued on or after the effective date of the waiver.

NEW SECTION. Section 6. Reporting and collection of tax. (1) A hospital shall report to the department, following the end of each calendar quarter, the amount of revenue received by the facility during the quarter. The report must be in the form prescribed by the department and is due on or before the last day of the month following the end of each calendar quarter. The report must be accompanied by a payment in an amount equal to the tax required to be paid under [section 4].

(2) The department of health and environmental sciences shall provide the department with a list of hospitals and at the end of each calendar quarter shall provide the department with any changes to the list.

NEW SECTION. Section 7. Audit -- records. (1) The department may audit the records and other documents of a hospital to ensure that the proper tax has been collected.

(2) The department may require the hospital to provide records and other documentation, including books, ledgers, and registers, necessary for the department to verify the proper amount of the tax paid.

(3) A hospital shall maintain and make available for inspection by the department sufficient records and other documentation to demonstrate the amount of revenue subject

to the tax. The hospital shall maintain records for a period of at least 5 years from the date the report is due.

NEW SECTION. Section 8. Periods of limitation. (1) Except as otherwise provided in this section, a deficiency may not be assessed or collected with respect to the calendar quarter for which a report is filed unless the notice of additional tax proposed to be assessed is mailed within 5 years from the date the report was filed. For the purposes of this section, a report filed before the last day prescribed for filing is considered filed on the last day. If, before the expiration of the period prescribed for assessment of the tax, the hospital consents in writing to an assessment after the 5-year period, the tax may be assessed at any time prior to the expiration of the period agreed upon.

(2) A refund or credit may not be paid or allowed with respect to the year for which a report is filed after 5 years from the last day prescribed for filing the report unless, before the expiration of the period, the hospital files a claim or the department has determined the existence of the overpayment and has approved the refund or credit. If the hospital has agreed in writing under subsection (1) to extend the time within which the department may propose an additional assessment, the period within which a claim for refund or credit is filed or a refund or credit allowed if a

1 claim is not filed is automatically extended.

2 NEW SECTION. Section 9. Penalty and interest for
3 delinquent taxes -- waiver. (1) If the tax for a hospital is
4 not paid on or before the date upon which the report is due
5 under [section 6(1)], a penalty of 10% of the amount of the
6 tax due must be assessed unless it is shown that the failure
7 was due to reasonable cause and not neglect.

8 (2) If the tax under [section 4] is not paid when due,
9 interest is added to the tax due at the rate of 1% a month
10 or any part of a month from the due date until paid.

11 NEW SECTION. Section 10. Estimated tax on failure to
12 file. (1) If a hospital fails to file the report as required
13 by [section 6], the department may make an estimate of the
14 tax due from the facility from any information in the
15 department's possession.

16 (2) For the purpose of ascertaining the correctness of
17 any report from which information has been obtained or for
18 the purpose of making an estimate of revenue received by a
19 hospital, the department may:

20 (a) examine or cause to have examined by a designated
21 agent or representative any books, papers, records, or
22 memoranda relevant to the information required to be
23 included in the report;

24 (b) require the attendance of any officer or employee
25 of the hospital with knowledge of the information required

1 to be included in the report; and

2 (c) take testimony and require production of any other
3 material for its information.

4 NEW SECTION. Section 11. Tax review procedure. Section
5 15-1-211 applies to the tax imposed by [section 4].

6 NEW SECTION. Section 12. Closing agreements. (1) The
7 director of the department or any person authorized in
8 writing by the director may enter into an agreement with a
9 hospital relating to the liability of the hospital with
10 respect to the tax imposed under [sections 3 through 17] for
11 any period.

12 (2) An agreement under this section is final and
13 conclusive, and except upon a showing of fraud, malfeasance,
14 or misrepresentation of a material fact:

15 (a) the agreement may not be reopened as to matters
16 agreed upon or be modified by any officer, employee, or
17 agent of this state; and

18 (b) in any suit, action, or proceeding concerning the
19 agreement or any determination, assessment, collection,
20 payment, abatement, refund, or credit made in accordance
21 with the agreement, the agreement may not be annulled,
22 modified, set aside, or disregarded.

23 NEW SECTION. Section 13. Credit for overpayment --
24 interest on overpayment. (1) If the department determines
25 that the amount of taxes, penalty, or interest due for any

quarter is less than the amount paid, the amount of the overpayment must be credited against any taxes, penalty, or interest then due from the hospital and the balance must be refunded to the hospital or its successor through reorganization, merger, or consolidation or to its shareholders upon dissolution.

(2) Except as provided in subsections (2)(a) and (2)(b), interest is allowed on overpayments at the same rate as is charged on delinquent taxes due from the due date of the report or from the date of overpayment, whichever date is later, to the date the department approves refunding or crediting of the overpayment. Interest does not accrue during any period during which the processing of a claim for refund is delayed more than 30 days by reason of failure of the hospital to furnish information requested by the department for the purpose of verifying the amount of the overpayment. Interest is not allowed if:

(a) the overpayment is refunded within 6 months from the date the report is due or from the date the return is filed, whichever is later; or

(b) the amount of interest is less than \$1.

(3) A payment not made incident to a discharge of actual tax liability or a payment reasonably assumed to be imposed pursuant to [sections 3 through 17] is not considered an overpayment with respect to which interest is

allowable.

NEW SECTION. Section 14. Warrant for distraint. If the tax, penalty, or interest is not paid when due, the department may issue a warrant for distraint, as provided in Title 15, chapter 1, part 7.

NEW SECTION. Section 15. Disposition of tax proceeds. All proceeds from the collection of the tax imposed by [section 4], including penalties and interest on the tax, must be deposited in the health care fund created by [section 1].

NEW SECTION. Section 16. Relation to other taxes and fees. The tax imposed by [section 4] is in addition to any other tax or fee required by law to be paid by a hospital.

NEW SECTION. Section 17. Rulemaking authority. The department may adopt rules necessary to implement and administer [sections 3 through 17].

NEW SECTION. Section 18. Appropriations. (1) The following amounts are appropriated to the department of social and rehabilitation services for the purposes of administering the expansion of medicaid program eligibility, as provided in 53-6-131, during the period of July 1, 1993, through June 30, 1995:

Fiscal Year 1994

(July 1, 1993 -- June 30, 1994)

General fund

\$133,933

1	Federal funds	183,933
2	Total	\$317,866
3	<u>Fiscal Year 1995</u>	
4	(July 1, 1994 -- June 30, 1995)	
5	General fund	\$456,913
6	Federal funds	456,913
7	Total	\$913,826

(2) The following amounts are appropriated to the department of social and rehabilitation services to fund the expansion of medicaid program eligibility, as provided in 53-6-131, during the period of July 1, 1994, through June 30, 1995:

13	<u>Fiscal Year 1995</u>	
14	(July 1, 1994 -- June 30, 1995)	
15		<u>Medicaid</u>
16	General fund	\$2,914,456
17	Federal funds	6,965,077
18	Total	\$9,879,533

(3) The following amounts are appropriated to the department of social and rehabilitation services to fund increases in medicaid reimbursement for inpatient hospital services during the period of July 1, 1993, through June 30, 1995:

24	<u>Fiscal Year 1994</u>	
25	(July 1, 1993 -- June 30, 1994)	

1		<u>Medicaid</u>
2	General fund	\$ 974,655
3	Federal funds	3,448,147
4	Total	\$4,422,802

5	<u>Fiscal Year 1995</u>	
6	(July 1, 1994 -- June 30, 1995)	

7		<u>Medicaid</u>
8	General fund	\$1,577,015
9	Federal funds	4,260,497
10	Total	\$5,837,512

(4) The following amounts are appropriated to the department of social and rehabilitation services to make changes in the medicaid management information system necessary for administration of the hospital reimbursement system:

16	<u>Fiscal Year 1994</u>	
17	(July 1, 1993 -- June 30, 1994)	

18		<u>Medicaid</u>
19	General fund	\$175,000
20	Federal funds	525,000
21	Total	\$700,000

22	<u>Fiscal Year 1995</u>	
23	(July 1, 1994 -- June 30, 1995)	

24		<u>Medicaid</u>
25	General fund	\$ 0

1 Federal funds 0
2 Total \$ 0

3 (5) If __Bill No.__ [LC 128] is passed and approved
4 creating a health care commission and regional health
5 planning boards, then the following amounts are appropriated
6 to the commission for the purposes of the administration of
7 the commission and the provision of grants to regional
8 health planning boards during the period of July 1, 1993,
9 through June 30, 1995:

10 Fiscal Year 1994
11 (July 1, 1993 -- June 30, 1994)
12 General fund \$ 72,238
13 Federal funds 72,237
14 Total \$144,475

15 Fiscal Year 1995
16 (July 1, 1994 -- June 30, 1995)
17 General fund \$1,072,238
18 Federal funds 72,237
19 Total \$1,144,475

20 (6) The amount of \$9,555 is appropriated from the
21 general fund to the department of revenue for the period of
22 July 1, 1993, through June 30, 1995, to collect and
23 administer the tax provided in [sections 3 through 17].

24 (7) The amount of \$1,605,826 in fiscal year 1994 and
25 \$6,220,631 in fiscal year 1995 is appropriated from the

1 health care fund to the general fund as reimbursement to the
2 general fund for money appropriated for the purposes of
3 [this act].

4 (8) The amount of \$200,000 in fiscal year 1994 and
5 \$200,000 in fiscal year 1995 is appropriated to the
6 commissioner of higher education for the operation of a
7 family practice residency program.

8 (9) If __Bill No.__ [LC 128] is passed and approved
9 creating a health care commission and if the commission
10 determines to require the implementation of a single
11 clearinghouse or single-form health care claims billing
12 system, then the following amounts are appropriated to the
13 department of social and rehabilitation services to support
14 the change to that billing system during the period of July
15 1, 1993, through June 30, 1995:

16 Fiscal Year 1994
17 (July 1, 1993 -- June 30, 1994)
18 General fund \$ 50,000
19 Federal funds 150,000
20 Total \$200,000

21 Fiscal Year 1995
22 (July 1, 1994 -- June 30, 1995)
23 General fund \$ 0
24 Federal funds 0
25 Total \$ 0

NEW SECTION. Section 19. Codification instruction. (1)

[Section 1] is intended to be codified as an integral part of Title 17, chapter 2, and the provisions of Title 17, chapter 2, apply to [section 1].

(2) [Sections 3 through 17] are intended to be codified as an integral part of Title 15, and the provisions of Title 15 apply to [sections 3 through 17].

NEW SECTION. Section 20. Contingent voidness. (1) If

the federal government notifies the state that the hospital tax imposed by [section 4] fails to meet the requirements of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991 (the act), Public Law 102-234, and any regulations or policies promulgated under the act or that the federal government will reduce the total amount of funds expended as medical assistance under the medicaid state plan by the amount of revenue received by the state under the hospital tax, then [sections 1 through 19, 21, and 22] are void as of the date of notification.

(2) If [sections 1 through 19, 21, and 22] become void under subsection (1):

(a) the department of social and rehabilitation services shall reevaluate the need for rate increases funded under [section 18] and may reestablish reimbursement rates; and

(b) all taxes received or collected by the department

of revenue prior to the date upon which [sections 1 through 19, 21, and 22] became void must be deposited in the general fund and a hospital may not receive a refund of taxes received or collected by the department prior to the date upon which [sections 1 through 19, 21, and 22] became void.

NEW SECTION. Section 21. Severability. If a part of

[this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. Section 22. Effective dates --

applicability. (1) [Sections 1, 5, 17, 19 through 21, and this section] are effective on passage and approval.

(2) [Section 18] is effective July 1, 1993.

(3) [Sections 3, 4, and 6 through 16] are effective January 1, 1994, and apply to all revenue accrued on or after that date.

(4) [Section 2] is effective July 1, 1994.

(5) [Section 4] applies to revenue accrued on or after July 1, 1994.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0145, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: This bill would create a health care fund and hospital tax, using the revenue to expand Medicaid eligibility.

ASSUMPTIONS:

Hospital Tax Related:

1. There are 38 non-rural hospitals that would be subject to the proposed hospital tax.
2. A request to the federal government to allow the tax to be applied to only non-rural hospitals will be approved.
3. The taxable base for the affected hospitals totals \$701,647,800 in FY94 and \$761,288,000 in FY95, and is distributed evenly over calendar quarters within each year.
4. No premium (Section 2(8) (pg 7)) will be charged. Section 2(8) which allows the department to collect premiums has already been denied by officials at the Health Care Financing Administration (HCFA).
5. The hospital tax will be assessed on hospital revenue accrued on or after January 1, 1994.

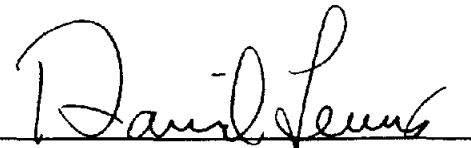
Increased Eligibility Related:

6. Total births covered up to 150% of poverty will be 3,571 (3,228+343), an increase of 343 from the current level which covers up to 133% of poverty.
7. The assumed cost per birth was the FY92 level of \$3,191/birth.
8. Expanding coverage for children of ages 12-18 below 100% of poverty will add 12,702 children at a cost of \$1,798 per child. (Based on 1990 census data and Medicaid paid claims history.)

Administration Related:

9. Changes in the Medicaid payment system (Montana Medicaid Information System) will be necessary to accommodate a new reimbursement methodology for Inpatient Hospital services and is estimated to cost \$700,000 in FY94 only.
10. Medicaid Administration includes 3 FTE at grade 15 and 1 FTE at a grade 9 all starting in FY95, MMIS and outreach, and support funds in 1994 and 1995, accompanying equipment at \$4,000 each.
11. Family Assistance administration includes 1 FTE at grade 15 starting in FY94 and an additional grade 14 starting in FY95 as well as program support and equipment at \$4,000.
12. Implementation of a single payor system (Section 18 (9)) is estimated to cost \$200,000 based on current programming costs.
13. LC 128 will be passed and approved.

(Continued)


DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 1/19/93
JOHN COBB, PRIMARY SPONSOR DATE

Fiscal Note for HB0145, as introduced

HB 145

FISCAL IMPACT:
Expenditures:

	<u>FY '94</u>			<u>FY '95</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Department of Revenue</u>						
Personal Services	\$ 3,296,520	\$ 3,303,113	\$ 6,593	\$ 3,305,267	\$ 3,306,605	\$ 1,338
Operating Expenses	<u>1,424,031</u>	<u>1,424,700</u>	<u>669</u>	<u>1,390,128</u>	<u>1,391,083</u>	<u>955</u>
Sub-Total	4,720,661	4,727,813	7,262	4,695,395	4,697,688	2,293
Funding: (Department of Revenue)						
General Fund	0	7,262	7,262	0	2,293	2,293
<u>Commissioner of Higher Education</u>						
Family Practice Residency Program	0	200,000	200,000	0	200,000	200,000
Funding: (CHE)						
General Fund	0	200,000	200,000	0	200,000	200,000
<u>Department of Social and Rehabilitation Services</u>						
150% Poverty for Pregnant Women	0	0	0	0	1,758,776	1,758,776
Expansion to Children under 18	0	0	0	0	8,120,758	8,120,758
Increased Hospital Reimbursement	0	4,422,802	4,422,802	0	5,837,512	5,837,512
Health Planning Board Grants	0	144,475	144,475	0	1,144,475	1,144,475
Medicaid Services Administration	5,876,611	6,046,611	170,000	5,996,016	6,220,762	224,746
Changes in MMIS Reimbursement Sys	0	700,000	700,000	0	0	0
Family Assistance Administration	3,580,723	3,728,589	147,866	3,571,482	4,260,561	689,079
Single Payor System	<u>0</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Sub-Total	9,457,334	15,242,477	5,785,143	9,567,498	27,342,844	17,775,346
Funding: (Department of Social and Rehabilitation Services)						
General Fund	3,223,387	4,629,213	1,405,826	3,237,277	9,257,999	6,020,622
Federal Funds	<u>6,233,947</u>	<u>10,613,264</u>	<u>4,379,317</u>	<u>6,330,221</u>	<u>18,084,945</u>	<u>11,754,724</u>
Total	9,457,334	15,242,477	5,785,143	9,567,498	27,342,844	17,775,346
<u>Revenues:</u>						
Revenues to Trust Fund (State Special)	0	2,631,179	2,631,179	0	5,709,660	5,709,660
Less Approp. from GF in HB145	<u>0</u>	<u>(1,605,826)</u>	<u>(1,605,826)</u>	<u>0</u>	<u>(6,220,622)</u>	<u>(6,220,622)</u>
Net to Trust Fund	0	1,025,353	1,025,353	0	(510,962)	(510,962)
<u>Net General Fund Cost:</u>			(\$7,262)	(\$2,293)		

Attached as page 4 of this note is a copy of a worksheet detailing the determination of revenues from the 0.75% hospital tax
(Continued)

HB 145

TECHNICAL NOTES:

1. The bill includes in the statement of intent and in Section 2 (8) reference to charging premiums to newly eligible children. The Health Care Financing Administration (HCFA) has informed SRS in writing that this will not be allowed. In conversations with the Health Care Financing Administration (HCFA), they have indicated that the definition of "rural hospitals" used in this bill may not be accepted. If this definition is indeed rejected, the tax base that this fiscal note is based upon, and therefore the revenues shown above, may be reduced substantially. We are waiting written confirmation of HCFA's ruling at this time.
2. Subsections (3) and (5) of Section 22 are inconsistent. If the sponsor's intent is that the tax is applicable to revenue accrued after January 1, 1994, then subsection (5) of Section 22 should be deleted.
3. Section 18, which appropriates the funds, may need clarification as follows:
Subsection (7) appropriates \$6,220,631 in FY95 from the health care fund to the general fund as reimbursement for money in this bill, but the other appropriations subsections total \$6,220,622 so the latter amount is shown in tables above.

Subsection (8) does not state this is a general fund appropriation, but the totals tie back to \$1,605,826 in FY94 and \$6,220,622 in FY95 if this is a general fund appropriation.

General fund is not appropriated to cover the \$9,555 costs of the Department of Revenue to collect and administer the tax.
4. In section 18, subsection 8, the family practice residency program funding is appropriated to the Commissioner of Higher Education, but Title 50, Chapter 5, part 6 provides for the state family practice residency program in the Department of Health and Environmental Sciences. A separate bill is being drafted to amend this part consistent with the Health Care for Montanans recommendations and coordination of this appropriation to be consistent with that legislation may be desirable.

HB 145

Revenue Calculations for HB-145
Cobb, 93 Reg Session

	<u>FY94</u>	<u>FY95</u>
Gross Receipts	701,647,800	761,288,000

	<u>CY94</u>	<u>CY95</u>
Jan - Mar	175,411,950	190,322,000
Apr - Jun	175,411,950	190,322,000
Jul - Sep	190,322,000	N/A
Oct - Dec	190,322,000	N/A

Taxable Gross Receipts

	<u>FY94</u>	<u>FY95</u>
Jul - Sep	0	190,322,000
Oct - Dec	0	190,322,000
Jan - Mar	175,411,950	190,322,000
Apr - Jun	175,411,950	190,322,000
Total	350,823,900	761,288,000

Tax

Jul - Sep	0	1,427,415
Oct - Dec	0	1,427,415
Jan - Mar	1,315,590	1,427,415
Apr - Jun	1,315,590	1,427,415
Total	2,631,179	5,709,660

2,631,000 5,710,000

HB145

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0145, second reading.

DESCRIPTION OF PROPOSED LEGISLATION:

Creating a Health Care Fund; expanding medicaid eligibility.

ASSUMPTIONS:

Increased Eligibility Related:

1. Pregnant women will be covered to 150% of poverty. Current level is 133% of poverty.
2. Total births covered to 150% of poverty will be 5,095, an increase of 740 from the current level of 4,355 which covers up to 133% of poverty. (These figures are from updated Medicaid data.)
3. The assumed cost per birth was the FY92 level of \$3,191 per birth. Total cost will be \$16,258,145 (5,095 * \$3,191).
4. The Omnibus Budget Reconciliation Act of 1989 (OBRA '89) required that by the year 2000, children ages 0-18, below 100% of poverty be eligible for Medicaid benefits. The state has chosen to phase in this requirement by increasing the age of children eligible for coverage by one year during each fiscal year. This is contained in the current level budget. This bill expands the eligibility immediately. Therefore, the increase is calculated by determining the additional eligibility cost above the current level budget. In January, 1994, children of ages 11-18, below 100% of poverty will be eligible for Medicaid benefits (current level contains eligibility for children ages 0-10). In FY95, children of ages 12-18 below 100% of poverty will be eligible for Medicaid benefits (current level contains eligibility for children ages 0-11). In FY94, the number of additional children eligible will be 8,907 at a cost of \$869 per child (total cost of \$7,740,183 = 8,907 * \$869). In FY95, the number of additional children eligible will be 7,844 at a cost of \$1,035 per child (total cost will be \$8,118,540 = 7,844 * \$1,035).

Administration Related:

5. Medicaid Administration includes 2 FTE at grade 15 and 1 FTE at a grade 9 all starting in January, 1994, MMIS and outreach, and support funds in 1994 and 1995, accompanying equipment at \$4,000 each.
6. Family Assistance administration includes 1 FTE at grade 15 starting in FY94 and an additional grade 14 starting in FY95 as well as program support and equipment at \$4,000. Also included are TEAMS programming costs totalling \$88,500 in FY94 only for processing premium payments (see technical note #1; not allowed per federal regulation). Costs totalling \$623,000 each year are included for outreach and assistance with eligibility determination in the counties.
7. Implementation of a single billing system is estimated to cost \$200,000 based on current MMIS programming costs for the Medicaid program.
8. The bill includes an appropriation of \$1,500,000 for Health Planning Board administration costs and grants. The department is assuming that \$500,000 of this will be used for administration costs. An issue in the bill is that \$250,000 of the \$1,500,000 is assumed to be from federal funds. However, due to the matching criteria, only \$72,238 is actually available from federal funds. This is the anticipated contract service costs for the Medicaid share of the Health Planning Board costs. This has been included as a technical note and used in this fiscal note for calculation of costs.

David Lewis 2-11-93
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

John Cobb 2-12-93
JOHN COBB, PRIMARY SPONSOR DATE

Fiscal Note for HB0145, second reading

HB 145-#2

(continued)

FISCAL IMPACT:

<u>Expenditures:</u>	<u>FY '94</u>			<u>FY '95</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
150% Poverty for Pregnant Women	\$ 0	\$ 1,180,670	\$1,180,670	\$ 0	\$ 2,361,340	\$ 2,361,340
Expansion to Children under 18	0	3,870,091	3,870,091	0	8,120,758	8,120,758
Health Planning Board Grants	0	1,000,000	1,000,000	0	1,000,000	1,000,000
Health Planning Board - SRS	0	144,475	144,475	0	144,475	144,475
Health Planning Board - DHES	0	177,763	177,763	0	177,763	177,763
Medicaid Services Administration	5,876,611	6,088,708	212,097	5,996,016	6,184,210	188,194
Family Assistance Administration	3,580,723	4,328,590	747,867	3,571,482	4,260,561	689,079
Single Billing System	0	200,000	200,000	0	0	0
Total	\$9,457,334	\$16,990,297	\$7,532,963	\$9,567,498	\$22,249,107	\$12,681,609

Funding:

General Fund - SRS	\$3,223,387	\$ 6,289,317	\$3,065,930	\$3,237,277	\$ 7,840,370	\$ 4,603,093
General Fund - DHES	0	\$ 177,763	\$ 177,763	\$ 0	\$ 177,763	\$ 177,763
Federal Funds	<u>6,233,947</u>	<u>10,523,217</u>	<u>4,289,270</u>	<u>6,330,221</u>	<u>14,230,974</u>	<u>7,900,753</u>
Total Funds	\$9,457,334	\$16,990,297	\$7,532,963	\$9,567,498	\$22,249,107	\$12,681,609

Net Impact:

General Fund		\$3,243,693	\$4,780,856
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TECHNICAL NOTES:

1. The HCFA Regional Office in a letter dated 12/7/92 indicated that SRS may not charge a co-payment of any kind as a condition of Medicaid eligibility. (The exception to this is the Medically Needy program spend down.) Collections of premiums may cause federal disapproval of Montana's Medicaid State Plan.
2. HB145 (2nd reading) includes a requirement for SRS to apply for a waiver to rebate up to \$100 for recipients who do not use all the projected medicaid expenditures for the family. Costs of development, implementation and evaluation are not included in this fiscal note. SRS estimates that the administrative costs to implement the waiver will exceed any estimated savings. HCFA will not approve a waiver that is not cost effective. Rebates would be 100% general fund.
3. Health planning board grants are not eligible for federal Medicaid matching funds. A portion of administration costs related to Medicaid eligible persons would be eligible for a 50% federal fund match. This fiscal note estimates the portion of administrative costs due to Medicaid eligible persons will total \$144,475 per year, of which \$72,237 is general fund and \$72,238 is federal funds. This conflicts with the appropriation for Section 4, which includes \$250,000 in federal matching funds. SRS knows of no source of funding for the excess \$177,762 of federal authority specified for each FY94 and FY95.

HB 145-

APPROVED BY COMM. ON
HUMAN SERVICES AND AGING

HOUSE BILL NO. 145

INTRODUCED BY COBB, BOHARSKI, SIMON, HANSEN, BOHLINGER,
SQUIRES, S. RICE, GRIMES, BERGMAN, DOWELL, STRIZICH,
T. NELSON, BARNHART, MOLNAR, SAYLES, SMITH

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A HEALTH CARE
FUND; REQUIRING THAT PROCEEDS OF A TAX ON HOSPITALS BE
DEPOSITED IN THE FUND; DIRECTING THE DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES TO IMPLEMENT EXPANDED FUNDING
FOR MEDICAID REIMBURSEMENT FOR MEDICAL SERVICES TO CERTAIN
CHILDREN AND WOMEN, USING THE MONEY IN THE FUND; IMPOSING A
TAX ON HOSPITALS; AUTHORIZING THE DEPARTMENT OF REVENUE TO
COLLECT THE TAX; PROVIDING FOR THE ASSESSMENT, COLLECTION,
AND REFUND OF THE TAX; PROVIDING APPROPRIATIONS FOR
ADMINISTRATION OF THE TAX; FOR A HEALTH CARE COMMISSION; FOR
A FAMILY PRACTICE RESIDENCY PROGRAM; FOR CONVERSION TO A
CLEARINGHOUSE OR SINGLE FORM HEALTH CARE BILLING SYSTEM; AND
FOR INCREASES IN MEDICAID FUNDING; AMENDING SECTION
53-6-131, MCA; AND PROVIDING EFFECTIVE DATES AND AN
APPLICABILITY DATE RELATING TO HEALTH AND HEALTH SERVICES;
CREATING A HEALTH CARE FUND; DIRECTING THE DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES TO IMPLEMENT EXPANDED
FUNDING FOR MEDICAID REIMBURSEMENT FOR MEDICAL SERVICES TO
CERTAIN CHILDREN AND WOMEN, USING THE MONEY IN THE FUND;
DIRECTING THE DEPARTMENT OF SOCIAL AND REHABILITATION

SERVICES TO SEEK A FEDERAL WAIVER; PROVIDING AN
APPROPRIATION FOR A HEALTH CARE AUTHORITY; AMENDING SECTION
53-6-131, MCA; AND PROVIDING EFFECTIVE DATES."

WHEREAS, the legislature recognizes the importance of
access to health care services in all areas and to all
residents of the state; and

WHEREAS, lack of a source of funding is a primary
obstacle to providing health care coverage and access to
services; and

WHEREAS, health care coverage is currently unavailable
to certain children and pregnant women residing in the
state; and

WHEREAS, hospitals are among the most significant
providers of health care services in all areas of the state;
and a healthy hospital industry is essential to maintenance
of an adequate health care service delivery system in the
state; and

WHEREAS, there are over 50,000 Montana children who are
not covered by any health insurance program; and

WHEREAS, the revenue provided by the hospital tax would
allow Montana to expand its Medicaid coverage to include
children and pregnant women who currently have no health
insurance; and

WHEREAS, many hospitals in the state are quite

1 profitable-and-have-substantial-cash-reserves,-yet-hospitals
2 presently-are-not-subject-to-taxation-in-the-state,-and

3 WHEREAS,-rural-hospitals,-located--in--counties--of--the
4 state--with--less-than-2,500-urban-residents,-experience-low
5 occupancy--and--therefore--higher--costs--per--patient--day,
6 threatening-the-financial-viability-of-rural-hospitals,-and

7 WHEREAS,-a-tax-would--have--a--disproportionately--harsh
8 impact--upon--rural--hospitals--that-are-already-financially
9 unstable;

10 THEREFORE,-the--legislature--believes--that--for--these
11 reasons,-it--is--appropriate--to--enact--a--hospital--tax,
12 exempting-hospitals-in-the-most-rural-counties-from-the-tax;

13 STATEMENT-OF-INTENT

14 A--statement-of-intent-is-required-for-this-bill-because
15 59-6-131--requires--the--department--of--social--and
16 rehabilitation-services-to-adopt-rules-establishing-fees-for
17 enrollment--of-families-in-an-expanded-medicaid-program,-The
18 legislature-intends-that-the-fees-set-by-the--department--be
19 sliding-monthly-fees-of-at-least-\$10-per-child,-to-a-maximum
20 of-\$360-per-family-per-year;

21 A--statement-of-intent-is-also-required-because-{section
22 17}-grants-the-department--of--revenue--authority--to--adopt
23 rules--necessary--to--implement--and--administer-{sections-3
24 through-17},-it-is-the-intent-of-the--legislature--that,-in

1 adopting-rules,-the-department;

2 {1}--provide--procedures--for--reporting-revenue-that-is
3 subject-to-payment-of-the-tax-imposed-by-{section-4};

4 {2}--establish--requirements--for--the--maintenance--of
5 records--and--other--documents--required--to--ensure--proper
6 payment-of-the-tax;

7 {3}--provide-a-process-for-the-estimation-and-collection
8 of-delinquent-or-unpaid-taxes;

9 {4}--provide--a--process--for--the--reconciliation--of
10 disputes-relating-to-the-payment-of-the-tax,-and

11 {5}--provide--other--procedures--for--the--efficient
12 administration-of-the-tax;

13 WHEREAS, THE LEGISLATURE RECOGNIZES THE IMPORTANCE OF
14 ACCESS TO HEALTH CARE SERVICES IN ALL AREAS AND TO ALL
15 RESIDENTS OF THE STATE; AND

16 WHEREAS, LACK OF A SOURCE OF FUNDING IS A PRIMARY
17 OBSTACLE TO PROVIDING HEALTH CARE COVERAGE AND ACCESS TO
18 SERVICES; AND

19 WHEREAS, HEALTH CARE COVERAGE IS CURRENTLY UNAVAILABLE
20 TO CERTAIN CHILDREN AND PREGNANT WOMEN RESIDING IN THE
21 STATE; AND

22 WHEREAS, THERE ARE OVER 50,000 MONTANA CHILDREN WHO ARE
23 NOT COVERED BY ANY HEALTH INSURANCE PROGRAM.

24 STATEMENT OF INTENT

A STATEMENT OF INTENT IS REQUIRED FOR THIS BILL BECAUSE
 53-6-131 REQUIRES THE DEPARTMENT OF SOCIAL AND
 REHABILITATION SERVICES TO ADOPT RULES ESTABLISHING FEES FOR
 ENROLLMENT OF FAMILIES IN AN EXPANDED MEDICAID PROGRAM IF
 ALLOWED BY FEDERAL REGULATION. THE LEGISLATURE INTENDS THAT
 THE FEES SET BY THE DEPARTMENT BE SLIDING MONTHLY FEES OF AT
 LEAST \$10 PER CHILD, TO A MAXIMUM OF \$360 PER FAMILY PER
 YEAR.

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

(Refer to Introduced Bill)

Strike everything after the enacting clause and insert:

NEW SECTION. Section 1. Health care fund. There is a
 health care fund within the state special revenue fund. The
 purpose of the fund is to provide a continuing source of
 revenue for health care services and related activities for
 residents of Montana.

Section 2. Section 53-6-131, MCA, is amended to read:

"53-6-131. Eligibility requirements. (1) Medical
 assistance under the Montana medicaid program may, in the
 discretion of the department of social and rehabilitation
 services, be granted to a person who is determined by the
 department of--social--and--rehabilitation--services to be
 eligible as follows:

(a) The person receives or is considered to be

receiving supplemental security income benefits under Title
 XVI of the federal Social Security Act (42 U.S.C. 1381, et
 seq.) or aid to families with dependent children under Title
 IV of the federal Social Security Act (42 U.S.C. 601, et
 seq.).

(b) The person would be eligible for assistance under a
 program described in subsection (1)(a) if he the person were
 to apply for such assistance.

(c) The person is in a medical facility that is a
 medicaid provider and, but for residence in the facility, he
 would be receiving assistance under one of the programs in
 subsection (1)(a).

(d) The person is under 19 years of age and meets the
 conditions of eligibility in the state plan for aid to
 families with dependent children, other than with respect to
 school attendance.

(e) The person is under 21 years of age and in foster
 care under the supervision of the state or was in foster
 care under the supervision of the state and has been adopted
 as a hard-to-place child.

(f) The person meets the nonfinancial criteria of the
 categories in subsections (1)(a) through (1)(e) and:

(i) the person's income does not exceed the medically
 needy income level specified for federally aided categories
 of assistance and his the person's resources are within the

1 resource standards of the federal supplemental security
2 income program; or

3 (ii) the person, while having income greater than the
4 medically needy income level specified for federally aided
5 categories of assistance, has an adjusted income level,
6 after incurring medical expenses, that does not exceed the
7 medically needy income level specified for federally aided
8 categories of assistance and his the person's resources are
9 within the resource standards of the federal supplemental
10 security income program.

11 (g) The person is a qualified pregnant woman or--child
12 as defined in 42 U.S.C. 1396d(n).

13 (h) The person is a qualified child, as defined in 42
14 U.S.C. 1396d(n), and is under 18 years of age or is older
15 than 18 years of age if required by federal law. The
16 department may in its discretion expand the deductions
17 allowed from the income of the qualified child's family
18 beyond the deductions allowed for aid to families with
19 dependent children, as provided in 42 U.S.C. 1396a(r).

20 (2) The Montana medicaid program shall pay for the
21 premiums necessary for participation in the medicare program
22 and may, within the discretion of the department, pay all or
23 a portion of the medicare deductibles and coinsurance for a
24 medicare-eligible person or for a qualified disabled and
25 working individual, as defined in section 6408(d)(2) of the

1 federal Omnibus Budget Reconciliation Act of 1989, Public
2 Law 101-239, who:

3 (a) has income that does not exceed income standards as
4 may be required by the federal Social Security Act; and

5 (b) has resources that do not exceed standards the
6 department determines reasonable for purposes of the
7 program.

8 (3) The department may pay a medicaid-eligible person's
9 expenses for premiums, coinsurance, and similar costs for
10 health insurance or other available health coverage, as
11 provided in 42 U.S.C. 1396b(a)(1).

12 (4) The department, under the Montana medicaid program,
13 may provide, if a waiver is not available from the federal
14 government, medicaid and other assistance mandated by Title
15 XIX of the federal Social Security Act (42 U.S.C. 1396, et
16 seq.), as may be amended, and not specifically listed in
17 this part to categories of persons that may be designated by
18 the act for receipt of assistance.

19 (5) Notwithstanding any other provision of this
20 chapter, medical assistance must be provided to infants,
21 newborn through 1 year of age, and to pregnant women whose
22 family income does not exceed ~~333%~~ 150% of the federal
23 poverty threshold, as provided in 42 U.S.C.
24 1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(1)(2)(A)(i).

25 (6) A person described in subsection (5) must be

provided continuous eligibility for medical assistance, as authorized in 42 U.S.C. 1396a(e)(5) through a(e)(7).

(7) Notwithstanding any other provision of this chapter, medical assistance must be provided to a child 1 year of age through the month of the child's sixth birthday, whose family income does not exceed 133% of the federal poverty threshold, as provided in 42 U.S.C. 1396a(a)(10)(A)(i)(VI).

(8) The department may require payment of a monthly premium as a prerequisite for services offered under subsection (1)(h) or (7). The premium must be established by department rule and take into consideration the income of the family to whom the payment is charged. Premium payments collected by the department must be deposited in the health care fund created by [section 1]."

NEW SECTION. Section 3. Federal waiver -- purpose. (1) The department of social and rehabilitation services shall request a waiver from the U.S. secretary of health and human services, pursuant to 42 U.S.C. 1396n(b), for the purpose of establishing a pilot program to encourage recipients of medicaid to reduce the cost and utilization of medical services under the Montana medicaid program.

(2) The program established under subsection (1) must provide a bonus payment of not more than \$100 to a recipient if the recipient's use of medical services, not including

preventative health services, during the fiscal year costs less than 50% of the average annual cost of medicaid per recipient, based on family size, as determined by the department.

NEW SECTION. Section 4. Appropriations. (1) If __ Bill No. __ [LC 144] is passed and approved creating a health care authority and regional health planning boards, then the following amounts are appropriated to the authority for the purposes of the administration of the authority and the provision of grants to regional health planning boards for wellness programs, preventive care, insurance payments, and coordination of health care services by the regional boards during the period of July 1, 1993, through June 30, 1995:

Fiscal Year 1994

(July 1, 1993 -- June 30, 1994)

General fund	\$1,250,000
Federal funds	250,000
Total	\$1,500,000

Fiscal Year 1995

(July 1, 1994 -- June 30, 1995)

General fund	\$1,250,000
Federal funds	250,000
Total	\$1,500,000

(2) If __ Bill No. __ [LC 144] is passed and approved creating a health care authority and if the authority

determines to require the implementation of a single clearinghouse or single-form health care claims billing system, then the following amounts are appropriated to the department of social and rehabilitation services to support the change to that billing system during the period of July 1, 1993, through June 30, 1995:

Fiscal Year 1994

(July 1, 1993 -- June 30, 1994)

General fund	\$ 50,000
Federal funds	150,000
Total	\$200,000

Fiscal Year 1995

(July 1, 1994 -- June 30, 1995)

General fund	\$ 0
Federal funds	0
Total	\$ 0

(3) If __Bill No.__ [LC 144] is passed and approved creating a health care authority, then the following amounts are appropriated to the authority for the purposes of a healthy start pilot program during the period of July 1, 1993, through June 30, 1995:

Fiscal Year 1994

(July 1, 1993 -- June 30, 1994)

General fund	\$300,000
Federal funds	0

Total	\$300,000
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Fiscal Year 1995

(July 1, 1994 -- June 30, 1995)

General fund	\$ 0
Federal funds	0
Total	\$ 0

NEW SECTION. Section 5. Codification instruction.

[Section 1] is intended to be codified as an integral part of Title 17, chapter 2, and the provisions of Title 17, chapter 2, apply to [section 1].

NEW SECTION. Section 6. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. Section 7. Effective dates. (1) [Sections 1, 3, 5, 6, and this section] are effective on passage and approval.

(2) [Section 4] is effective July 1, 1993.

(3) [Section 2] is effective January 1, 1994.

-End-

HOUSE BILL NO. 145

INTRODUCED BY COBB, BOHARSKI, SIMON, HANSEN, BOHLINGER,
 SQUIRES, S. RICE, GRIMES, BERGMAN, DOWELL, STRIZICH,
 T. NELSON, BARNHART, MOLNAR, SAYLES, SMITH

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A HEALTH CARE
 FUND; REQUIRING THAT PROCEEDS OF A TAX ON HOSPITALS BE
 DEPOSITED IN THE FUND; DIRECTING THE DEPARTMENT OF SOCIAL
 AND REHABILITATION SERVICES TO IMPLEMENT EXPANDED FUNDING
 FOR MEDICAID REIMBURSEMENT FOR MEDICAL SERVICES TO CERTAIN
 CHILDREN AND WOMEN, USING THE MONEY IN THE FUND; IMPOSING A
 TAX ON HOSPITALS; AUTHORIZING THE DEPARTMENT OF REVENUE TO
 COLLECT THE TAX; PROVIDING FOR THE ASSESSMENT, COLLECTION,
 AND REFUND OF THE TAX; PROVIDING APPROPRIATIONS FOR
 ADMINISTRATION OF THE TAX, FOR A HEALTH CARE COMMISSION, FOR
 A FAMILY PRACTICE RESIDENCY PROGRAM, FOR CONVERSION TO A
 CLEARINGHOUSE OR SINGLE FORM HEALTH CARE BILLING SYSTEM, AND
 FOR INCREASES IN MEDICAID FUNDING; AMENDING SECTION
 53-6-131, MCA; AND PROVIDING EFFECTIVE DATES AND AN
 APPLICABILITY DATE RELATING TO HEALTH AND HEALTH SERVICES;
 CREATING A HEALTH CARE FUND; DIRECTING THE DEPARTMENT OF
 SOCIAL AND REHABILITATION SERVICES TO IMPLEMENT EXPANDED
 FUNDING FOR MEDICAID REIMBURSEMENT FOR MEDICAL SERVICES TO
 CERTAIN CHILDREN AND WOMEN, USING THE MONEY IN THE FUND;
 DIRECTING THE DEPARTMENT OF SOCIAL AND REHABILITATION

SERVICES TO SEEK A FEDERAL WAIVER; PROVIDING AN
 APPROPRIATION FOR A HEALTH CARE AUTHORITY; PROVIDING AN
 APPROPRIATION FOR THE EXPANSION OF THE MIAMI PROJECT;
 PROVIDING A CONTINGENT APPROPRIATION TO PURCHASE HEALTH
 INSURANCE FOR LOW-INCOME WORKING FAMILIES IF FEDERAL WAIVERS
 ARE NOT RECEIVED; AMENDING SECTION 53-6-131, MCA; AND
 PROVIDING EFFECTIVE DATES."

WHEREAS, the legislature recognizes the importance of
 access to health care services in all areas and to all
 residents of the state; and

WHEREAS, lack of a source of funding is a primary
 obstacle to providing health care coverage and access to
 services; and

WHEREAS, health care coverage is currently unavailable
 to certain children and pregnant women residing in the
 state; and

WHEREAS, hospitals are among the most significant
 providers of health care services in all areas of the state,
 and a healthy hospital industry is essential to maintenance
 of an adequate health care service delivery system in the
 state; and

WHEREAS, there are over 50,000 Montana children who are
 not covered by any health insurance program; and

WHEREAS, the revenue provided by the hospital tax would

allow Montana to expand its Medicaid coverage to include children and pregnant women who currently have no health insurance; and

WHEREAS many hospitals in the state are quite profitable and have substantial cash reserves, yet hospitals presently are not subject to taxation in the state; and

WHEREAS rural hospitals located in counties of the state with less than 2,500 urban residents experience low occupancy and therefore higher costs per patient day, threatening the financial viability of rural hospitals; and

WHEREAS a tax would have a disproportionately harsh impact upon rural hospitals that are already financially unstable;

THEREFORE the legislature believes that for these reasons, it is appropriate to enact a hospital tax exempting hospitals in the most rural counties from the tax.

STATEMENT OF INTENT

A statement of intent is required for this bill because 53-6-131 requires the department of social and rehabilitation services to adopt rules establishing fees for enrollment of families in an expanded Medicaid program. The legislature intends that the fees set by the department be sliding monthly fees of at least \$10 per child, to a maximum of \$360 per family per year.

A statement of intent is also required because {section 17} grants the department of revenue authority to adopt rules necessary to implement and administer {sections 3 through 17}. It is the intent of the legislature that, in adopting rules, the department:

{1} provide procedures for reporting revenue that is subject to payment of the tax imposed by {section 4};

{2} establish requirements for the maintenance of records and other documents required to ensure proper payment of the tax;

{3} provide a process for the estimation and collection of delinquent or unpaid taxes;

{4} provide a process for the reconciliation of disputes relating to the payment of the tax; and

{5} provide other procedures for the efficient administration of the tax.

WHEREAS, THE LEGISLATURE RECOGNIZES THE IMPORTANCE OF ACCESS TO HEALTH CARE SERVICES IN ALL AREAS AND TO ALL RESIDENTS OF THE STATE; AND

WHEREAS, LACK OF A SOURCE OF FUNDING IS A PRIMARY OBSTACLE TO PROVIDING HEALTH CARE COVERAGE AND ACCESS TO SERVICES; AND

WHEREAS, HEALTH CARE COVERAGE IS CURRENTLY UNAVAILABLE TO CERTAIN CHILDREN AND PREGNANT WOMEN RESIDING IN THE STATE; AND

1 WHEREAS, THERE ARE OVER 50,000 MONTANA CHILDREN WHO ARE
 2 NOT COVERED BY ANY HEALTH INSURANCE PROGRAM.

3
 4 STATEMENT OF INTENT

5 A STATEMENT OF INTENT IS REQUIRED FOR THIS BILL BECAUSE
 6 53-6-131 REQUIRES THE DEPARTMENT OF SOCIAL AND
 7 REHABILITATION SERVICES TO ADOPT RULES ESTABLISHING FEES FOR
 8 ENROLLMENT OF FAMILIES IN AN EXPANDED MEDICAID PROGRAM IF
 9 ALLOWED BY FEDERAL REGULATION. THE LEGISLATURE INTENDS THAT
 10 THE FEES SET BY THE DEPARTMENT BE SLIDING MONTHLY FEES OF AT
 11 LEAST \$10 PER CHILD, TO A MAXIMUM OF \$360 PER FAMILY PER
 12 YEAR.

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

15 (Refer to Introduced Bill)

16 Strike everything after the enacting clause and insert:

17 NEW SECTION. Section 1. Health care fund. There is a
 18 health care fund within the state special revenue fund. The
 19 purpose of the fund is to provide a continuing source of
 20 revenue for health care services and related activities for
 21 residents of Montana.

22 Section 2. Section 53-6-131, MCA, is amended to read:

23 "53-6-131. Eligibility requirements. (1) Medical
 24 assistance under the Montana medicaid program may, in the
 25 discretion of the department of social and rehabilitation

1 services, be granted to a person who is determined by the
 2 department of--social--and--rehabilitation--services to be
 3 eligible as follows:

4 (a) The person receives or is considered to be
 5 receiving supplemental security income benefits under Title
 6 XVI of the federal Social Security Act (42 U.S.C. 1381, et
 7 seq.) or aid to families with dependent children under Title
 8 IV of the federal Social Security Act (42 U.S.C. 601, et
 9 seq.).

10 (b) The person would be eligible for assistance under a
 11 program described in subsection (1)(a) if he the person were
 12 to apply for such assistance.

13 (c) The person is in a medical facility that is a
 14 medicaid provider and, but for residence in the facility, he
 15 would be receiving assistance under one of the programs in
 16 subsection (1)(a).

17 (d) The person is under 19 years of age and meets the
 18 conditions of eligibility in the state plan for aid to
 19 families with dependent children, other than with respect to
 20 school attendance.

21 (e) The person is under 21 years of age and in foster
 22 care under the supervision of the state or was in foster
 23 care under the supervision of the state and has been adopted
 24 as a hard-to-place child.

25 (f) The person meets the nonfinancial criteria of the

categories in subsections (1)(a) through (1)(e) and:

(i) the person's income does not exceed the medically needy income level specified for federally aided categories of assistance and ~~his~~ the person's resources are within the resource standards of the federal supplemental security income program; or

(ii) the person, while having income greater than the medically needy income level specified for federally aided categories of assistance, has an adjusted income level, after incurring medical expenses, that does not exceed the medically needy income level specified for federally aided categories of assistance and ~~his~~ the person's resources are within the resource standards of the federal supplemental security income program.

(g) The person is a qualified pregnant woman ~~or child~~ as defined in 42 U.S.C. 1396d(n).

(h) The person is a qualified child, as defined in 42 U.S.C. 1396d(n), and is under 18 years of age or is older than 18 years of age if required by federal law. The department may in its discretion expand the deductions allowed from the income of the qualified child's family beyond the deductions allowed for aid to families with dependent children, as provided in 42 U.S.C. 1396a(r).

(2) The Montana medicaid program shall pay for the premiums necessary for participation in the medicare program

and may, within the discretion of the department, pay all or a portion of the medicare deductibles and coinsurance for a medicare-eligible person or for a qualified disabled and working individual, as defined in section 6408(d)(2) of the federal Omnibus Budget Reconciliation Act of 1989, Public Law 101-239, who:

(a) has income that does not exceed income standards as may be required by the federal Social Security Act; and

(b) has resources that do not exceed standards the department determines reasonable for purposes of the program.

(3) The department may pay a medicaid-eligible person's expenses for premiums, coinsurance, and similar costs for health insurance or other available health coverage, as provided in 42 U.S.C. 1396b(a)(1).

(4) The department, under the Montana medicaid program, may provide, if a waiver is not available from the federal government, medicaid and other assistance mandated by Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended, and not specifically listed in this part to categories of persons that may be designated by the act for receipt of assistance.

(5) Notwithstanding any other provision of this chapter, medical assistance must be provided to infants, newborn through 1 year of age, and to pregnant women whose

family income does not exceed ~~133%~~ 150% of the federal poverty threshold, as provided in 42 U.S.C. 1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(1)(2)(A)(i).

(6) A person described in subsection (5) must be provided continuous eligibility for medical assistance, as authorized in 42 U.S.C. 1396a(e)(5) through a(e)(7).

(7) Notwithstanding any other provision of this chapter, medical assistance must be provided to a child 1 year of age through the month of the child's sixth birthday, whose family income does not exceed 133% of the federal poverty threshold, as provided in 42 U.S.C. 1396a(a)(10)(A)(i)(VI).

(8) The department may require payment of a monthly premium as a prerequisite for services offered under subsection (1)(h) or (7). The premium must be established by department rule and take into consideration the income of the family to whom the payment is charged. Premium payments collected by the department must be deposited in the health care fund created by [section 1]."

NEW SECTION. Section 3. Federal waiver -- purpose. (1) The department of social and rehabilitation services shall request a waiver from the U.S. secretary of health and human services, pursuant to 42 U.S.C. 1396n(b), for the purpose of establishing a pilot program to encourage recipients of medicaid to reduce the cost and utilization of medical

services under the Montana medicaid program.

(2) The program established under subsection (1) must provide a bonus payment of not more than \$100 to a recipient if the recipient's use of medical services, not including preventative health services, during the fiscal year costs less than 50% of the average annual cost of medicaid per recipient, based on family size, as determined by the department.

NEW SECTION. Section 4. Appropriations. (1) If ~~SENATE~~ Bill No. ~~----fbc--144+~~ 285 is passed and approved creating a health care authority and regional health planning boards, then the following amounts are appropriated FROM THE HEALTH CARE FUND to the authority for the purposes of the administration of the authority and the provision of grants to regional health planning boards for wellness programs, preventive care, insurance payments, and coordination of health care services by the regional boards during the period of July 1, 1993, through June 30, 1995:

Fiscal Year 1994

(July 1, 1993 -- June 30, 1994)

General <u>STATE SPECIAL REVENUE</u> fund	\$1,250,000
Federal funds	250,000
Total	\$1,500,000

Fiscal Year 1995

(July 1, 1994 -- June 30, 1995)

1 General STATE SPECIAL REVENUE fund \$1,250,000
 2 Federal funds 250,000
 3 Total \$1,500,000

4 (2) If -- SENATE Bill No.---{be-144} 285 is passed and
 5 approved creating a health care authority and if the
 6 authority determines to require the implementation of a
 7 single clearinghouse or single-form health care claims
 8 billing system, then the following amounts are appropriated
 9 to the department of social and rehabilitation services to
 10 support the change to that billing system during the period
 11 of July 1, 1993, through June 30, 1995:

12 Fiscal Year 1994

13 (July 1, 1993 -- June 30, 1994)

14 General STATE SPECIAL REVENUE fund \$ 50,000
 15 Federal funds 150,000
 16 Total \$200,000

17 Fiscal Year 1995

18 (July 1, 1994 -- June 30, 1995)

19 General STATE SPECIAL REVENUE fund \$ 0
 20 Federal funds 0
 21 Total \$ 0

22 (3) If -- SENATE Bill No.---{be-144} 285 is passed and
 23 approved creating a health care authority, then the
 24 following amounts are appropriated to the authority for the
 25 purposes of a healthy start pilot program during the period

1 of July 1, 1993, through June 30, 1995:

2 Fiscal Year 1994

3 (July 1, 1993 -- June 30, 1994)

4 General STATE SPECIAL REVENUE fund \$300,000
 5 Federal funds 0
 6 Total \$300,000

7 Fiscal Year 1995

8 (July 1, 1994 -- June 30, 1995)

9 General STATE SPECIAL REVENUE fund \$ 0
 10 Federal funds 0
 11 Total \$ 0

12 ~~{4}--IF-SENATE-BILL-NO---285--IS--PASSED--AND--APPROVED,~~
 13 ~~THERE--IS--APPROPRIATED--FROM--THE--GENERAL--FUND--TO--THE~~
 14 ~~DEPARTMENT-OF-HEALTH-AND-ENVIRONMENTAL-SCIENCES-\$264,590--TO~~
 15 ~~BE-USED-TO-EXPAND-THE-SERVICES-PROVIDED-BY-THE-MIAMI-PROJECT~~
 16 ~~ESTABLISHED-IN-50-19-311.~~

17 NEW SECTION. SECTION 5. CONTINGENT PROVISIONS --
 18 APPROPRIATIONS. (1) IF THE DEPARTMENT OF SOCIAL AND
 19 REHABILITATION SERVICES DOES NOT RECEIVE A WAIVER BY JANUARY
 20 1, 1994, ALLOWING A SLIDING SCALE FEE AND A WAIVER UNDER
 21 [SECTION 3] AND IF THE GROWTH OF PRIMARY CARE FOR MEDICAID
 22 EXCEEDS 15% FOR THE PERIOD FROM JANUARY 1, 1993, THROUGH
 23 DECEMBER 31, 1993, THEN [SECTION 2], AMENDING 53-6-131, IS
 24 VOID. ALL STATE SPECIAL REVENUE FUNDS THAT WOULD HAVE BEEN
 25 SPENT UNDER [SECTION 2] ARE APPROPRIATED TO THE HEALTH CARE

AUTHORITY TO BE USED TO PURCHASE HEALTH INSURANCE FOR
LOW-INCOME WORKING FAMILIES. THE HEALTH CARE AUTHORITY SHALL
DEVELOP A SLIDING SCALE OF INCOME FOR PARTICIPATING
FAMILIES.

(2) SUBJECT TO THE AVAILABILITY OF STATE SPECIAL
REVENUE FUNDS, THERE IS APPROPRIATED TO THE HEALTH CARE
AUTHORITY FOR THE PURPOSES OF SUBSECTION (1), THE FOLLOWING
AMOUNTS:

FISCAL YEAR 1994

STATE SPECIAL REVENUE FUND	\$2,000,000
FEDERAL FUNDS	6,000,000
TOTAL	\$8,000,000

FISCAL YEAR 1995

STATE SPECIAL REVENUE FUND	\$3,500,000
FEDERAL FUNDS	10,500,000
TOTAL	\$14,000,000

NEW SECTION. Section 6. Codification instruction.
[Section 1] is intended to be codified as an integral part
of Title 17, chapter 2, and the provisions of Title 17,
chapter 2, apply to [section 1].

NEW SECTION. Section 7. Severability. If a part of
[this act] is invalid, all valid parts that are severable
from the invalid part remain in effect. If a part of [this
act] is invalid in one or more of its applications, the part
remains in effect in all valid applications that are

severable from the invalid applications.

NEW SECTION. Section 8. Effective dates. (1) [Sections
1, 3, 5, 6, 7, and this section] are effective on passage
and approval.

(2) [Section 4] is effective July 1, 1993.

(3) ~~[Section 2]~~ is [SECTIONS 2 AND 5] ARE effective
January 1, 1994.

-End-

HOUSE BILL NO. 145

INTRODUCED BY COBB, BOHARSKI, SIMON, HANSEN, BOHLINGER,
SQUIRES, S. RICE, GRIMES, BERGMAN, DOWELL, STRIZICH,
T. NELSON, BARNHART, MOLNAR, SAYLES, SMITH

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A HEALTH CARE
FUND; REQUIRING THAT PROCEEDS OF A TAX ON HOSPITALS BE
DEPOSITED IN THE FUND; DIRECTING THE DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES TO IMPLEMENT EXPANDED FUNDING
FOR MEDICAID REIMBURSEMENT FOR MEDICAL SERVICES TO CERTAIN
CHILDREN AND WOMEN, USING THE MONEY IN THE FUND; IMPOSING A
TAX ON HOSPITALS; AUTHORIZING THE DEPARTMENT OF REVENUE TO
COLLECT THE TAX; PROVIDING FOR THE ASSESSMENT, COLLECTION,
AND REFUND OF THE TAX; PROVIDING APPROPRIATIONS FOR
ADMINISTRATION OF THE TAX; FOR A HEALTH CARE COMMISSION; FOR
A FAMILY PRACTICE RESIDENCY PROGRAM; FOR CONVERSION TO A
CLEARINGHOUSE OR SINGLE FORM HEALTH CARE BILLING SYSTEM; AND
FOR INCREASES IN MEDICAID FUNDING; AMENDING SECTION
53-6-131, MCA; AND PROVIDING EFFECTIVE DATES AND AN
APPLICABILITY DATE RELATING TO HEALTH AND HEALTH SERVICES;
CREATING A HEALTH CARE FUND; DIRECTING THE DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES TO IMPLEMENT EXPANDED
FUNDING FOR MEDICAID REIMBURSEMENT FOR MEDICAL SERVICES TO
CERTAIN CHILDREN AND WOMEN, USING THE MONEY IN THE FUND;
DIRECTING THE DEPARTMENT OF SOCIAL AND REHABILITATION

SERVICES TO SEEK A FEDERAL WAIVER; PROVIDING AN
APPROPRIATION FOR A HEALTH CARE AUTHORITY; PROVIDING AN
APPROPRIATION FOR THE EXPANSION OF THE MIAMI PROJECT;
AMENDING SECTION 53-6-131, MCA; AND PROVIDING EFFECTIVE
DATES."

WHEREAS, the legislature recognizes the importance of
access to health care services in all areas and to all
residents of the state; and

WHEREAS, lack of a source of funding is a primary
obstacle to providing health care coverage and access to
services; and

WHEREAS, health care coverage is currently unavailable
to certain children and pregnant women residing in the
state; and

WHEREAS, hospitals are among the most significant
providers of health care services in all areas of the state,
and a healthy hospital industry is essential to maintenance
of an adequate health care service delivery system in the
state; and

WHEREAS, there are over 50,000 Montana children who are
not covered by any health insurance program; and

WHEREAS, the revenue provided by the hospital tax would
allow Montana to expand its Medicaid coverage to include
children and pregnant women who currently have no health



1 insurance; and

2 WHEREAS, many hospitals in the state are quite
3 profitable and have substantial cash reserves, yet hospitals
4 presently are not subject to taxation in the state; and

5 WHEREAS, rural hospitals, located in counties of the
6 state with less than 2,500 urban residents, experience low
7 occupancy and therefore higher costs per patient day,
8 threatening the financial viability of rural hospitals; and

9 WHEREAS, a tax would have a disproportionately harsh
10 impact upon rural hospitals that are already financially
11 unstable;

12 THEREFORE, the legislature believes that for these
13 reasons, it is appropriate to enact a hospital tax,
14 exempting hospitals in the most rural counties from the tax.

15 -----
16 STATEMENT OF INTENT

17 A statement of intent is required for this bill because
18 53-6-131 requires the department of social and
19 rehabilitation services to adopt rules establishing fees for
20 enrollment of families in an expanded medicaid program. The
21 legislature intends that the fees set by the department be
22 sliding monthly fees of at least \$10 per child, to a maximum
23 of \$360 per family per year.

24 A statement of intent is also required because {section
25 17} grants the department of revenue authority to adopt

1 rules necessary to implement and administer {sections 3
2 through 17}. It is the intent of the legislature that, in
3 adopting rules, the department:

4 {1} provide procedures for reporting revenue that is
5 subject to payment of the tax imposed by {section 4};

6 {2} establish requirements for the maintenance of
7 records and other documents required to ensure proper
8 payment of the tax;

9 {3} provide a process for the estimation and collection
10 of delinquent or unpaid taxes;

11 {4} provide a process for the reconciliation of
12 disputes relating to the payment of the tax; and

13 {5} provide other procedures for the efficient
14 administration of the tax.

15 WHEREAS, THE LEGISLATURE RECOGNIZES THE IMPORTANCE OF
16 ACCESS TO HEALTH CARE SERVICES IN ALL AREAS AND TO ALL
17 RESIDENTS OF THE STATE; AND

18 WHEREAS, LACK OF A SOURCE OF FUNDING IS A PRIMARY
19 OBSTACLE TO PROVIDING HEALTH CARE COVERAGE AND ACCESS TO
20 SERVICES; AND

21 WHEREAS, HEALTH CARE COVERAGE IS CURRENTLY UNAVAILABLE
22 TO CERTAIN CHILDREN AND PREGNANT WOMEN RESIDING IN THE
23 STATE; AND

24 WHEREAS, THERE ARE OVER 50,000 MONTANA CHILDREN WHO ARE
25 NOT COVERED BY ANY HEALTH INSURANCE PROGRAM.

1
2 STATEMENT OF INTENT

3 A STATEMENT OF INTENT IS REQUIRED FOR THIS BILL BECAUSE
4 53-6-131 REQUIRES THE DEPARTMENT OF SOCIAL AND
5 REHABILITATION SERVICES TO ADOPT RULES ESTABLISHING FEES FOR
6 ENROLLMENT OF FAMILIES IN AN EXPANDED MEDICAID PROGRAM IF
7 ALLOWED BY FEDERAL REGULATION. THE LEGISLATURE INTENDS THAT
8 THE FEES SET BY THE DEPARTMENT BE SLIDING MONTHLY FEES OF AT
9 LEAST \$10 PER CHILD, TO A MAXIMUM OF \$360 PER FAMILY PER
10 YEAR.

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

13 (Refer to Introduced Bill)

14 Strike everything after the enacting clause and insert:

15 NEW SECTION. Section 1. Health care fund. There is a
16 health care fund within the state special revenue fund. The
17 purpose of the fund is to provide a continuing source of
18 revenue for health care services and related activities for
19 residents of Montana.

20 Section 2. Section 53-6-131, MCA, is amended to read:

21 *53-6-131. Eligibility requirements. (1) Medical
22 assistance under the Montana medicaid program may, in the
23 discretion of the department of social and rehabilitation
24 services, be granted to a person who is determined by the
25 department of--social--and--rehabilitation--services to be

1 eligible as follows:

2 (a) The person receives or is considered to be
3 receiving supplemental security income benefits under Title
4 XVI of the federal Social Security Act (42 U.S.C. 1381, et
5 seq.) or aid to families with dependent children under Title
6 IV of the federal Social Security Act (42 U.S.C. 601, et
7 seq.).

8 (b) The person would be eligible for assistance under a
9 program described in subsection (1)(a) if he the person were
10 to apply for such assistance.

11 (c) The person is in a medical facility that is a
12 medicaid provider and, but for residence in the facility, he
13 would be receiving assistance under one of the programs in
14 subsection (1)(a).

15 (d) The person is under 19 years of age and meets the
16 conditions of eligibility in the state plan for aid to
17 families with dependent children, other than with respect to
18 school attendance.

19 (e) The person is under 21 years of age and in foster
20 care under the supervision of the state or was in foster
21 care under the supervision of the state and has been adopted
22 as a hard-to-place child.

23 (f) The person meets the nonfinancial criteria of the
24 categories in subsections (1)(a) through (1)(e) and:

25 (i) the person's income does not exceed the medically

1 needy income level specified for federally aided categories
2 of assistance and his the person's resources are within the
3 resource standards of the federal supplemental security
4 income program; or

5 (ii) the person, while having income greater than the
6 medically needy income level specified for federally aided
7 categories of assistance, has an adjusted income level,
8 after incurring medical expenses, that does not exceed the
9 medically needy income level specified for federally aided
10 categories of assistance and his the person's resources are
11 within the resource standards of the federal supplemental
12 security income program.

13 (g) The person is a qualified pregnant woman or child
14 as defined in 42 U.S.C. 1396d(n).

15 (h) The person is a qualified child, as defined in 42
16 U.S.C. 1396d(n), and is under 18 years of age or is older
17 than 18 years of age if required by federal law. The
18 department may in its discretion expand the deductions
19 allowed from the income of the qualified child's family
20 beyond the deductions allowed for aid to families with
21 dependent children, as provided in 42 U.S.C. 1396a(f).

22 (2) The Montana medicaid program shall pay for the
23 premiums necessary for participation in the medicare program
24 and may, within the discretion of the department, pay all or
25 a portion of the medicare deductibles and coinsurance for a

1 medicare-eligible person or for a qualified disabled and
2 working individual, as defined in section 6408(d)(2) of the
3 federal Omnibus Budget Reconciliation Act of 1989, Public
4 Law 101-239, who:

5 (a) has income that does not exceed income standards as
6 may be required by the federal Social Security Act; and

7 (b) has resources that do not exceed standards the
8 department determines reasonable for purposes of the
9 program.

10 (3) The department may pay a medicaid-eligible person's
11 expenses for premiums, coinsurance, and similar costs for
12 health insurance or other available health coverage, as
13 provided in 42 U.S.C. 1396b(a)(1).

14 (4) The department, under the Montana medicaid program,
15 may provide, if a waiver is not available from the federal
16 government, medicaid and other assistance mandated by Title
17 XIX of the federal Social Security Act (42 U.S.C. 1396, et
18 seq.), as may be amended, and not specifically listed in
19 this part to categories of persons that may be designated by
20 the act for receipt of assistance.

21 (5) Notwithstanding any other provision of this
22 chapter, medical assistance must be provided to infants,
23 newborn through 1 year of age, and to pregnant women whose
24 family income does not exceed ~~133%~~ 150% of the federal
25 poverty threshold, as provided in 42 U.S.C.

1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(1)(2)(A)(i).

(6) A person described in subsection (5) must be provided continuous eligibility for medical assistance, as authorized in 42 U.S.C. 1396a(e)(5) through a(e)(7).

(7) Notwithstanding any other provision of this chapter, medical assistance must be provided to a child 1 year of age through the month of the child's sixth birthday, whose family income does not exceed 133% of the federal poverty threshold, as provided in 42 U.S.C. 1396a(a)(10)(A)(i)(VI).

(8) The department may require payment of a monthly premium as a prerequisite for services offered under subsection (1)(h) or (7). The premium must be established by department rule and take into consideration the income of the family to whom the payment is charged. Premium payments collected by the department must be deposited in the health care fund created by [section 1]."

NEW SECTION. Section 3. Federal waiver -- purpose. (1) The department of social and rehabilitation services shall request a waiver from the U.S. secretary of health and human services, pursuant to 42 U.S.C. 1396n(b), for the purpose of establishing a pilot program to encourage recipients of medicaid to reduce the cost and utilization of medical services under the Montana medicaid program.

(2) The program established under subsection (1) must

provide a bonus payment of not more than \$100 to a recipient if the recipient's use of medical services, not including preventative health services, during the fiscal year costs less than 50% of the average annual cost of medicaid per recipient, based on family size, as determined by the department.

NEW SECTION. Section 4. Appropriations. (1) If __ Bill No. __ [LC 144] is passed and approved creating a health care authority and regional health planning boards, then the following amounts are appropriated to the authority for the purposes of the administration of the authority and the provision of grants to regional health planning boards for wellness programs, preventive care, insurance payments, and coordination of health care services by the regional boards during the period of July 1, 1993, through June 30, 1995:

Fiscal Year 1994

(July 1, 1993 -- June 30, 1994)

General fund	\$1,250,000
Federal funds	250,000
Total	\$1,500,000

Fiscal Year 1995

(July 1, 1994 -- June 30, 1995)

General fund	\$1,250,000
Federal funds	250,000
Total	\$1,500,000

1 (2) If __Bill No.__ [LC 144] is passed and approved
 2 creating a health care authority and if the authority
 3 determines to require the implementation of a single
 4 clearinghouse or single-form health care claims billing
 5 system, then the following amounts are appropriated to the
 6 department of social and rehabilitation services to support
 7 the change to that billing system during the period of July
 8 1, 1993, through June 30, 1995:

9 Fiscal Year 1994
 10 (July 1, 1993 -- June 30, 1994)
 11 General fund \$ 50,000
 12 Federal funds 150,000
 13 Total \$200,000

14 Fiscal Year 1995
 15 (July 1, 1994 -- June 30, 1995)
 16 General fund \$ 0
 17 Federal funds 0
 18 Total \$ 0

19 (3) If __Bill No.__ [LC 144] is passed and approved
 20 creating a health care authority, then the following amounts
 21 are appropriated to the authority for the purposes of a
 22 healthy start pilot program during the period of July 1,
 23 1993, through June 30, 1995:

24 Fiscal Year 1994
 25 (July 1, 1993 -- June 30, 1994)

1 General fund \$300,000
 2 Federal funds 0
 3 Total \$300,000

4 Fiscal Year 1995
 5 (July 1, 1994 -- June 30, 1995)
 6 General fund \$ 0
 7 Federal funds 0
 8 Total \$ 0

9 (4) IF SENATE BILL NO. 285 IS PASSED AND APPROVED,
 10 THERE IS APPROPRIATED FROM THE GENERAL FUND TO THE
 11 DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES \$264,590 TO
 12 BE USED TO EXPAND THE SERVICES PROVIDED BY THE MIAMI PROJECT
 13 ESTABLISHED IN 50-19-311.

14 NEW SECTION. Section 5. Codification instruction.
 15 [Section 1] is intended to be codified as an integral part
 16 of Title 17, chapter 2, and the provisions of Title 17,
 17 chapter 2, apply to [section 1].

18 NEW SECTION. Section 6. Severability. If a part of
 19 [this act] is invalid, all valid parts that are severable
 20 from the invalid part remain in effect. If a part of [this
 21 act] is invalid in one or more of its applications, the part
 22 remains in effect in all valid applications that are
 23 severable from the invalid applications.

24 NEW SECTION. Section 7. Effective dates. (1) [Sections
 25 1, 3, 5, 6, and this section] are effective on passage and

1 approval.

2 (2) [Section 4] is effective July 1, 1993.

3 (3) [Section 2] is effective January 1, 1994.

-End-

1 HOUSE BILL NO. 145

2 INTRODUCED BY COBB, BOHARSKI, SIMON, HANSEN, BOHLINGER,
3 SQUIRES, S. RICE, GRIMES, BERGMAN, DOWELL, STRIZICH,
4 T. NELSON, BARNHART, MOLNAR, SAYLES, SMITH

5
6 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A HEALTH CARE
7 FUND, REQUIRING THAT PROCEEDS OF A TAX ON HOSPITALS BE
8 DEPOSITED IN THE FUND, DIRECTING THE DEPARTMENT OF SOCIAL
9 AND REHABILITATION SERVICES TO IMPLEMENT EXPANDED FUNDING
10 FOR MEDICAID REIMBURSEMENT FOR MEDICAL SERVICES TO CERTAIN
11 CHILDREN AND WOMEN, USING THE MONEY IN THE FUND, IMPOSING A
12 TAX ON HOSPITALS, AUTHORIZING THE DEPARTMENT OF REVENUE TO
13 COLLECT THE TAX, PROVIDING FOR THE ASSESSMENT, COLLECTION,
14 AND REFUND OF THE TAX, PROVIDING APPROPRIATIONS FOR
15 ADMINISTRATION OF THE TAX, FOR A HEALTH CARE COMMISSION, FOR
16 A FAMILY PRACTICE RESIDENCY PROGRAM, FOR CONVERSION TO A
17 CLEARINGHOUSE OR SINGLE FORM HEALTH CARE BILLING SYSTEM, AND
18 FOR INCREASES IN MEDICAID FUNDING, AMENDING SECTION
19 53-6-131, MCA, AND PROVIDING EFFECTIVE DATES AND AN
20 APPLICABILITY DATE RELATING TO HEALTH AND HEALTH SERVICES;
21 CREATING A HEALTH CARE FUND; DIRECTING THE DEPARTMENT OF
22 SOCIAL AND REHABILITATION SERVICES TO IMPLEMENT EXPANDED
23 FUNDING FOR MEDICAID REIMBURSEMENT FOR MEDICAL SERVICES TO
24 CERTAIN CHILDREN AND WOMEN, USING THE MONEY IN THE FUND;
25 DIRECTING THE DEPARTMENT OF SOCIAL AND REHABILITATION

1 SERVICES TO SEEK A FEDERAL WAIVER; PROVIDING AN
2 APPROPRIATION FOR A HEALTH CARE AUTHORITY; PROVIDING AN
3 APPROPRIATION FOR THE EXPANSION OF THE MIAMI PROJECT;
4 PROVIDING A CONTINGENT APPROPRIATION TO PURCHASE HEALTH
5 INSURANCE FOR LOW-INCOME WORKING FAMILIES IF FEDERAL WAIVERS
6 ARE NOT RECEIVED; AMENDING SECTION 53-6-131, MCA; AND
7 PROVIDING EFFECTIVE DATES."

8
9 WHEREAS, the legislature recognizes the importance of
10 access to health care services in all areas and to all
11 residents of the state; and

12 WHEREAS, lack of a source of funding is a primary
13 obstacle to providing health care coverage and access to
14 services; and

15 WHEREAS, health care coverage is currently unavailable
16 to certain children and pregnant women residing in the
17 state; and

18 WHEREAS, hospitals are among the most significant
19 providers of health care services in all areas of the state,
20 and a healthy hospital industry is essential to maintenance
21 of an adequate health care service delivery system in the
22 state; and

23 WHEREAS, there are over 50,000 Montana children who are
24 not covered by any health insurance program; and

25 WHEREAS, the revenue provided by the hospital tax would

1 allow Montana to expand its Medicaid coverage to include
2 children and pregnant women who currently have no health
3 insurance; and

4 WHEREAS, many hospitals in the state are quite
5 profitable and have substantial cash reserves; yet hospitals
6 presently are not subject to taxation in the state; and

7 WHEREAS, rural hospitals, located in counties of the
8 state with less than 2,500 urban residents, experience low
9 occupancy and therefore higher costs per patient day,
10 threatening the financial viability of rural hospitals; and

11 WHEREAS, a tax would have a disproportionately harsh
12 impact upon rural hospitals that are already financially
13 unstable;

14 THEREFORE, the legislature believes that for these
15 reasons, it is appropriate to enact a hospital tax
16 exempting hospitals in the most rural counties from the tax.

STATEMENT OF INTENT

19 A statement of intent is required for this bill because
20 53-6-131 requires the department of social and
21 rehabilitation services to adopt rules establishing fees for
22 enrollment of families in an expanded Medicaid program. The
23 legislature intends that the fees set by the department be
24 sliding monthly fees of at least \$10 per child, to a maximum
25 of \$360 per family per year.

1 A statement of intent is also required because {section
2 17} grants the department of revenue authority to adopt
3 rules necessary to implement and administer {sections 3
4 through 17}. It is the intent of the legislature that, in
5 adopting rules, the department:

6 {1} provide procedures for reporting revenue that is
7 subject to payment of the tax imposed by {section 4};

8 {2} establish requirements for the maintenance of
9 records and other documents required to ensure proper
10 payment of the tax;

11 {3} provide a process for the estimation and collection
12 of delinquent or unpaid taxes;

13 {4} provide a process for the reconciliation of
14 disputes relating to the payment of the tax; and

15 {5} provide other procedures for the efficient
16 administration of the tax.

17 WHEREAS, THE LEGISLATURE RECOGNIZES THE IMPORTANCE OF
18 ACCESS TO HEALTH CARE SERVICES IN ALL AREAS AND TO ALL
19 RESIDENTS OF THE STATE; AND

20 WHEREAS, LACK OF A SOURCE OF FUNDING IS A PRIMARY
21 OBSTACLE TO PROVIDING HEALTH CARE COVERAGE AND ACCESS TO
22 SERVICES; AND

23 WHEREAS, HEALTH CARE COVERAGE IS CURRENTLY UNAVAILABLE
24 TO CERTAIN CHILDREN AND PREGNANT WOMEN RESIDING IN THE
25 STATE; AND

1 WHEREAS, THERE ARE OVER 50,000 MONTANA CHILDREN WHO ARE
 2 NOT COVERED BY ANY HEALTH INSURANCE PROGRAM.

4 STATEMENT OF INTENT

5 A STATEMENT OF INTENT IS REQUIRED FOR THIS BILL BECAUSE
 6 53-6-131 REQUIRES THE DEPARTMENT OF SOCIAL AND
 7 REHABILITATION SERVICES TO ADOPT RULES ESTABLISHING FEES FOR
 8 ENROLLMENT OF FAMILIES IN AN EXPANDED MEDICAID PROGRAM IF
 9 ALLOWED BY FEDERAL REGULATION. THE LEGISLATURE INTENDS THAT
 10 THE FEES SET BY THE DEPARTMENT BE SLIDING MONTHLY FEES OF AT
 11 LEAST \$10 PER CHILD, TO A MAXIMUM OF \$360 PER FAMILY PER
 12 YEAR.

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

15 (Refer to Introduced Bill)

16 Strike everything after the enacting clause and insert:

17 NEW SECTION. Section 1. Health care fund. There is a
 18 health care fund within the state special revenue fund. The
 19 purpose of the fund is to provide a continuing source of
 20 revenue for health care services and related activities for
 21 residents of Montana.

22 Section 2. Section 53-6-131, MCA, is amended to read:

23 "53-6-131. Eligibility requirements. (1) Medical
 24 assistance under the Montana medicaid program may, in the
 25 discretion of the department of social and rehabilitation

1 services, be granted to a person who is determined by the
 2 department of--social--and--rehabilitation--services to be
 3 eligible as follows:

4 (a) The person receives or is considered to be
 5 receiving supplemental security income benefits under Title
 6 XVI of the federal Social Security Act (42 U.S.C. 1381, et
 7 seq.) or aid to families with dependent children under Title
 8 IV of the federal Social Security Act (42 U.S.C. 601, et
 9 seq.).

10 (b) The person would be eligible for assistance under a
 11 program described in subsection (1)(a) if he the person were
 12 to apply for such assistance.

13 (c) The person is in a medical facility that is a
 14 medicaid provider and, but for residence in the facility, he
 15 would be receiving assistance under one of the programs in
 16 subsection (1)(a).

17 (d) The person is under 19 years of age and meets the
 18 conditions of eligibility in the state plan for aid to
 19 families with dependent children, other than with respect to
 20 school attendance.

21 (e) The person is under 21 years of age and in foster
 22 care under the supervision of the state or was in foster
 23 care under the supervision of the state and has been adopted
 24 as a hard-to-place child.

25 (f) The person meets the nonfinancial criteria of the

categories in subsections (1)(a) through (1)(e) and:

(i) the person's income does not exceed the medically needy income level specified for federally aided categories of assistance and his the person's resources are within the resource standards of the federal supplemental security income program; or

(ii) the person, while having income greater than the medically needy income level specified for federally aided categories of assistance, has an adjusted income level, after incurring medical expenses, that does not exceed the medically needy income level specified for federally aided categories of assistance and his the person's resources are within the resource standards of the federal supplemental security income program.

(g) The person is a qualified pregnant woman or-child as defined in 42 U.S.C. 1396d(n).

(h) The person is a qualified child, as defined in 42 U.S.C. 1396d(n), and is under 18 years of age or is older than 18 years of age if required by federal law. The department may in its discretion expand the deductions allowed from the income of the qualified child's family beyond the deductions allowed for aid to families with dependent children, as provided in 42 U.S.C. 1396a(r).

(2) The Montana medicaid program shall pay for the premiums necessary for participation in the medicare program

and may, within the discretion of the department, pay all or a portion of the medicare deductibles and coinsurance for a medicare-eligible person or for a qualified disabled and working individual, as defined in section 6408(d)(2) of the federal Omnibus Budget Reconciliation Act of 1989, Public Law 101-239, who:

(a) has income that does not exceed income standards as may be required by the federal Social Security Act; and

(b) has resources that do not exceed standards the department determines reasonable for purposes of the program.

(3) The department may pay a medicaid-eligible person's expenses for premiums, coinsurance, and similar costs for health insurance or other available health coverage, as provided in 42 U.S.C. 1396b(a)(1).

(4) The department, under the Montana medicaid program, may provide, if a waiver is not available from the federal government, medicaid and other assistance mandated by Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended, and not specifically listed in this part to categories of persons that may be designated by the act for receipt of assistance.

(5) Notwithstanding any other provision of this chapter, medical assistance must be provided to infants, newborn through 1 year of age, and to pregnant women whose

1 family income does not exceed ~~133%~~ 150% of the federal
2 poverty threshold, as provided in 42 U.S.C.
3 1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(1)(2)(A)(i).

4 (6) A person described in subsection (5) must be
5 provided continuous eligibility for medical assistance, as
6 authorized in 42 U.S.C. 1396a(e)(5) through a(e)(7).

7 (7) Notwithstanding any other provision of this
8 chapter, medical assistance must be provided to a child 1
9 year of age through the month of the child's sixth birthday,
10 whose family income does not exceed 133% of the federal
11 poverty threshold, as provided in 42 U.S.C.
12 1396a(a)(10)(A)(i)(VI).

13 (8) The department may require payment of a monthly
14 premium as a prerequisite for services offered under
15 subsection (1)(h) or (7). The premium must be established by
16 department rule and take into consideration the income of
17 the family to whom the payment is charged. Premium payments
18 collected by the department must be deposited in the health
19 care fund created by [section 1]."

20 NEW SECTION. Section 3. Federal waiver -- purpose. (1)
21 The department of social and rehabilitation services shall
22 request a waiver from the U.S. secretary of health and human
23 services, pursuant to 42 U.S.C. 1396n(b), for the purpose of
24 establishing a pilot program to encourage recipients of
25 medicaid to reduce the cost and utilization of medical

1 services under the Montana medicaid program.

2 (2) The program established under subsection (1) must
3 provide a bonus payment of not more than \$100 to a recipient
4 if the recipient's use of medical services, not including
5 preventative health services, during the fiscal year costs
6 less than 50% of the average annual cost of medicaid per
7 recipient, based on family size, as determined by the
8 department.

9 NEW SECTION. Section 4. Appropriations. (1) If --
10 SENATE Bill No. ----{BE--144} 285 is passed and approved
11 creating a health care authority and regional health
12 planning boards, then the following amounts are appropriated
13 FROM THE HEALTH CARE FUND to the authority for the purposes
14 of the administration of the authority and the provision of
15 grants to regional health planning boards for wellness
16 programs, preventive care, insurance payments, and
17 coordination of health care services by the regional boards
18 during the period of July 1, 1993, through June 30, 1995:

19 Fiscal Year 1994

20 (July 1, 1993 -- June 30, 1994)

21 General <u>STATE SPECIAL REVENUE</u> fund	\$1,250,000
22 Federal funds	250,000
23 Total	\$1,500,000

24 Fiscal Year 1995

25 (July 1, 1994 -- June 30, 1995)

1 General STATE SPECIAL REVENUE fund \$1,250,000
 2 Federal funds 250,000
 3 Total \$1,500,000

4 (2) If -- SENATE Bill No.---{b6-144} 285 is passed and
 5 approved creating a health care authority and if the
 6 authority determines to require the implementation of a
 7 single clearinghouse or single-form health care claims
 8 billing system, then the following amounts are appropriated
 9 to the department of social and rehabilitation services to
 10 support the change to that billing system during the period
 11 of July 1, 1993, through June 30, 1995:

12 Fiscal Year 1994
 13 (July 1, 1993 -- June 30, 1994)
 14 General STATE SPECIAL REVENUE fund \$ 50,000
 15 Federal funds 150,000
 16 Total \$200,000

17 Fiscal Year 1995
 18 (July 1, 1994 -- June 30, 1995)
 19 General STATE SPECIAL REVENUE fund \$ 0
 20 Federal funds 0
 21 Total \$ 0

22 (3) If -- SENATE Bill No.---{b6-144} 285 is passed and
 23 approved creating a health care authority, then the
 24 following amounts are appropriated to the authority for the
 25 purposes of a healthy start pilot program during the period

1 of July 1, 1993, through June 30, 1995:

2 Fiscal Year 1994
 3 (July 1, 1993 -- June 30, 1994)
 4 General STATE SPECIAL REVENUE fund \$300,000
 5 Federal funds 0
 6 Total \$300,000

7 Fiscal Year 1995
 8 (July 1, 1994 -- June 30, 1995)
 9 General STATE SPECIAL REVENUE fund \$ 0
 10 Federal funds 0
 11 Total \$ 0

12 ~~{4}--IF-SENATE-BILL-NO---285--IS--PASSED--AND--APPROVED,~~
 13 ~~THERE--IS--APPROPRIATED--FROM--THE--GENERAL--FUND--TO--THE~~
 14 ~~DEPARTMENT-OF-HEALTH-AND-ENVIRONMENTAL-SCIENCES-\$264,598--TO~~
 15 ~~BE-USED-TO-EXPAND-THE-SERVICES-PROVIDED-BY-THE-MIAMI-PROJECT~~
 16 ~~ESTABLISHED-IN-50-19-311.~~

17 NEW SECTION. SECTION 5. CONTINGENT PROVISIONS --
 18 APPROPRIATIONS. (1) IF THE DEPARTMENT OF SOCIAL AND
 19 REHABILITATION SERVICES DOES NOT RECEIVE A WAIVER BY JANUARY
 20 1, 1994, ALLOWING A SLIDING SCALE FEE AND A WAIVER UNDER
 21 [SECTION 3] AND IF THE GROWTH OF PRIMARY CARE FOR MEDICAID
 22 EXCEEDS 15% FOR THE PERIOD FROM JANUARY 1, 1993, THROUGH
 23 DECEMBER 31, 1993, THEN [SECTION 2], AMENDING 53-6-131, IS
 24 VOID. ALL STATE SPECIAL REVENUE FUNDS THAT WOULD HAVE BEEN
 25 SPENT UNDER [SECTION 2] ARE APPROPRIATED TO THE HEALTH CARE

AUTHORITY TO BE USED TO PURCHASE HEALTH INSURANCE FOR
LOW-INCOME WORKING FAMILIES. THE HEALTH CARE AUTHORITY SHALL
DEVELOP A SLIDING SCALE OF INCOME FOR PARTICIPATING
FAMILIES.

(2) SUBJECT TO THE AVAILABILITY OF STATE SPECIAL
REVENUE FUNDS, THERE IS APPROPRIATED TO THE HEALTH CARE
AUTHORITY FOR THE PURPOSES OF SUBSECTION (1), THE FOLLOWING
AMOUNTS:

FISCAL YEAR 1994

<u>STATE SPECIAL REVENUE FUND</u>	<u>\$2,000,000</u>
<u>FEDERAL FUNDS</u>	<u>6,000,000</u>
<u>TOTAL</u>	<u>\$8,000,000</u>

FISCAL YEAR 1995

<u>STATE SPECIAL REVENUE FUND</u>	<u>\$3,500,000</u>
<u>FEDERAL FUNDS</u>	<u>10,500,000</u>
<u>TOTAL</u>	<u>\$14,000,000</u>

NEW SECTION. Section 6. Codification instruction.
[Section 1] is intended to be codified as an integral part
of Title 17, chapter 2, and the provisions of Title 17,
chapter 2, apply to [section 1].

NEW SECTION. Section 7. Severability. If a part of
[this act] is invalid, all valid parts that are severable
from the invalid part remain in effect. If a part of [this
act] is invalid in one or more of its applications, the part
remains in effect in all valid applications that are

severable from the invalid applications.

NEW SECTION. Section 8. Effective dates. (1) [Sections
1, 3, 5, 6, 7, and this section] are effective on passage
and approval.

(2) [Section 4] is effective July 1, 1993.

(3) ~~{Section-2}~~ is [SECTIONS 2 AND 5] ARE effective
January 1, 1994.

-End-

SENATE STANDING COMMITTEE REPORT

Page 2 of 2
April 14, 1993

Page 1 of 2
April 14, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 145 (third reading copy as amended - blue), respectfully report that House Bill No. 145 be amended as follows and as so amended be concurred in.

Signed:

Judy H. Jacobson
Senator Judy H. Jacobson, Chair

That such amendments read:

1. Title Page 1 line 20 through page 2 line 1.
Following: "DATE" on line 20
Strike: remainder of line 20 through WAIVER; on line 1 page 2.

2. Title Page 2, line 2 through line 6.
Following: "AUTHORITY" on line 2
Strike: the remainder of line 2 through MCA; on line 6.
Insert: "AND AN APPROPRIATION TO THE STATE AUDITOR'S OFFICE;"

3. Title Page 2, line 7.
Following: "PROVIDING"
Insert: "AN"
Strike: "DATES"
Insert: "DATE"

4. Page 4, line 17 through page 10, line 8.
Strike: line 17 on page 4 through page 10, line 8 in their entirety.

Renumber subsequent sections.

5. Page 10, line 11 through page 11, line 3.
Strike: line 11 on page 10 through page 11, line 3 in their entirety.
Insert: ", the department of health and environmental sciences is appropriated \$750,000 of general fund money in fiscal year 1994 and \$750,000 of general fund money in fiscal year 1995 for the health care authority."

6. Page 11, line 5 through page 12, line 16.
Following: "approved" on line 5
Strike: the remainder of line 5 on page 11 through page 12, line 16.
Insert: ", the state auditor's office is appropriated \$178,385 of general fund money in fiscal year 1994 and \$163,817 of general fund money in fiscal year 1995."

7. Page 12, line 17 through page 14, line 1.
Strike: sections 5 through 7 in their entirety.

Renumber subsequent section.

8. Page 14, lines 2 through 7.
Following: "Effective" on line 2
Strike: "dates"
Insert: "date"
Following: "(1)" on line 2
Strike: the remainder of lines 2 through 7 in their entirety.
Insert: "[This act] is effective July 1, 1993."

-END-

Franklin
Amd. Coord.
Sec. of Senate

Franklin
Senator Carrying Bill

820959SC.San

HB 145
SENATE

820959SC.San

HOUSE BILL NO. 145

INTRODUCED BY COBB, BOHARSKI, SIMON, HANSEN, BOHLINGER,
SQUIRES, S. RICE, GRIMES, BERGMAN, DOWELL, STRIZICH,
T. NELSON, BARNHART, MOLNAR, SAYLES, SMITH

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A HEALTH CARE
FUND, REQUIRING THAT PROCEEDS OF A TAX ON HOSPITALS BE
DEPOSITED IN THE FUND, DIRECTING THE DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES TO IMPLEMENT EXPANDED FUNDING
FOR MEDICAID REIMBURSEMENT FOR MEDICAL SERVICES TO CERTAIN
CHILDREN AND WOMEN, USING THE MONEY IN THE FUND, IMPOSING A
TAX ON HOSPITALS, AUTHORIZING THE DEPARTMENT OF REVENUE TO
COLLECT THE TAX, PROVIDING FOR THE ASSESSMENT, COLLECTION,
AND REFUND OF THE TAX, PROVIDING APPROPRIATIONS FOR
ADMINISTRATION OF THE TAX, FOR A HEALTH CARE COMMISSION, FOR
A FAMILY PRACTICE RESIDENCY PROGRAM, FOR CONVERSION TO A
CLEARINGHOUSE OR SINGLE FORM HEALTH CARE BILLING SYSTEM, AND
FOR INCREASES IN MEDICAID FUNDING, AMENDING SECTION
53-6-1317 MCA, AND PROVIDING EFFECTIVE DATES AND AN
APPLICABILITY DATE RELATING TO HEALTH AND HEALTH SERVICES;
CREATING A HEALTH CARE FUND, DIRECTING THE DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES TO IMPLEMENT EXPANDED
FUNDING FOR MEDICAID REIMBURSEMENT FOR MEDICAL SERVICES TO
CERTAIN CHILDREN AND WOMEN, USING THE MONEY IN THE FUND,
DIRECTING THE DEPARTMENT OF SOCIAL AND REHABILITATION

SERVICES TO SEEK A FEDERAL WAIVER, PROVIDING AN
APPROPRIATION FOR A HEALTH CARE AUTHORITY, PROVIDING AN
APPROPRIATION FOR THE EXPANSION OF THE MIAMI PROJECT,
PROVIDING A CONTINGENT APPROPRIATION TO PURCHASE HEALTH
INSURANCE FOR LOW-INCOME WORKING FAMILIES IF FEDERAL WAIVERS
ARE NOT RECEIVED, AMENDING SECTION 53-6-1317 MCA, AND AN
APPROPRIATION TO THE STATE AUDITOR'S OFFICE; AND PROVIDING
AN EFFECTIVE DATES DATE."

WHEREAS, the legislature recognizes the importance of
access to health care services in all areas and to all
residents of the state; and

WHEREAS, lack of a source of funding is a primary
obstacle to providing health care coverage and access to
services; and

WHEREAS, health care coverage is currently unavailable
to certain children and pregnant women residing in the
state; and

WHEREAS, hospitals are among the most significant
providers of health care services in all areas of the state,
and a healthy hospital industry is essential to maintenance
of an adequate health care service delivery system in the
state; and

WHEREAS, there are over 50,000 Montana children who are
not covered by any health insurance program; and

1 WHEREAS, the revenue provided by the hospital tax would
2 allow Montana to expand its Medicaid coverage to include
3 children and pregnant women who currently have no health
4 insurance; and

5 WHEREAS, many hospitals in the state are quite
6 profitable and have substantial cash reserves, yet hospitals
7 presently are not subject to taxation in the state; and

8 WHEREAS, rural hospitals, located in counties of the
9 state with less than 2,500 urban residents, experience low
10 occupancy and therefore higher costs per patient day,
11 threatening the financial viability of rural hospitals; and

12 WHEREAS, a tax would have a disproportionately harsh
13 impact upon rural hospitals that are already financially
14 unstable;

15 THEREFORE, the legislature believes that for these
16 reasons, it is appropriate to enact a hospital tax,
17 exempting hospitals in the most rural counties from the tax.

18 19 STATEMENT OF INTENT

20 A statement of intent is required for this bill because
21 53-6-131 requires the department of social and
22 rehabilitation services to adopt rules establishing fees for
23 enrollment of families in an expanded Medicaid program. The
24 legislature intends that the fees set by the department be
25 sliding monthly fees of at least \$10 per child, to a maximum

1 of \$360 per family per year.

2 A statement of intent is also required because {section
3 17} grants the department of revenue authority to adopt
4 rules necessary to implement and administer {sections 3
5 through 17}; it is the intent of the legislature that, in
6 adopting rules, the department:

7 (1) provide procedures for reporting revenue that is
8 subject to payment of the tax imposed by {section 4};

9 (2) establish requirements for the maintenance of
10 records and other documents required to ensure proper
11 payment of the tax;

12 (3) provide a process for the estimation and collection
13 of delinquent or unpaid taxes;

14 (4) provide a process for the reconciliation of
15 disputes relating to the payment of the tax; and

16 (5) provide other procedures for the efficient
17 administration of the tax.

18 WHEREAS, THE LEGISLATURE RECOGNIZES THE IMPORTANCE OF
19 ACCESS TO HEALTH CARE SERVICES IN ALL AREAS AND TO ALL
20 RESIDENTS OF THE STATE; AND

21 WHEREAS, LACK OF A SOURCE OF FUNDING IS A PRIMARY
22 OBSTACLE TO PROVIDING HEALTH CARE COVERAGE AND ACCESS TO
23 SERVICES; AND

24 WHEREAS, HEALTH CARE COVERAGE IS CURRENTLY UNAVAILABLE
25 TO CERTAIN CHILDREN AND PREGNANT WOMEN RESIDING IN THE

STATE, AND

WHEREAS, THERE ARE OVER 50,000 MONTANA CHILDREN WHO ARE
NOT COVERED BY ANY HEALTH INSURANCE PROGRAM;

STATEMENT OF INTENT

A STATEMENT OF INTENT IS REQUIRED FOR THIS BILL BECAUSE
53-6-131 REQUIRES THE DEPARTMENT OF SOCIAL AND
REHABILITATION SERVICES TO ADOPT RULES ESTABLISHING FEES FOR
ENROLLMENT OF FAMILIES IN AN EXPANDED MEDICAID PROGRAM IF
ALLOWED BY FEDERAL REGULATION. THE LEGISLATURE INTENDS THAT
THE FEES SET BY THE DEPARTMENT BE SLIDING MONTHLY FEES OF AT
LEAST \$10 PER CHILD TO A MAXIMUM OF \$360 PER FAMILY PER
YEAR.

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

(Refer to Introduced Bill)

Strike everything after the enacting clause and insert:

NEW SECTION. Section 1. Health care fund. There is a
health care fund within the state special revenue fund. The
purpose of the fund is to provide a continuing source of
revenue for health care services and related activities for
residents of Montana.

Section 2. Section 53-6-131, MCA, is amended to read:

53-6-131. Eligibility requirements. (1) Medical
assistance under the Montana medicaid program may, in the

discretion of the department of social and rehabilitation
services, be granted to a person who is determined by the
department of social and rehabilitation services to be
eligible as follows:

(a) The person receives or is considered to be
receiving supplemental security income benefits under Title
XVI of the federal Social Security Act (42 U.S.C. 1381, et
seq.) or aid to families with dependent children under Title
IV of the federal Social Security Act (42 U.S.C. 601, et
seq.);

(b) The person would be eligible for assistance under a
program described in subsection (1)(a) if he the person were
to apply for such assistance;

(c) The person is in a medical facility that is a
medicaid provider and, but for residence in the facility, he
would be receiving assistance under one of the programs in
subsection (1)(a);

(d) The person is under 19 years of age and meets the
conditions of eligibility in the state plan for aid to
families with dependent children, other than with respect to
school attendance;

(e) The person is under 21 years of age and in foster
care under the supervision of the state or was in foster
care under the supervision of the state and has been adopted
as a hard-to-place child;

~~{f}--The person meets the nonfinancial criteria of the categories in subsections {1}{a} through {1}{e} and:~~

~~{i}--the person's income does not exceed the medically needy income level specified for federally aided categories of assistance and his the person's resources are within the resource standards of the federal supplemental security income program; or~~

~~{ii}--the person, while having income greater than the medically needy income level specified for federally aided categories of assistance, has an adjusted income level, after incurring medical expenses, that does not exceed the medically needy income level specified for federally aided categories of assistance and his the person's resources are within the resource standards of the federal supplemental security income program~~

~~{g}--The person is a qualified pregnant woman or child as defined in 42 U.S.C. 1396d(n);~~

~~{h}--The person is a qualified child, as defined in 42 U.S.C. 1396d(n), and is under 18 years of age or is older than 18 years of age if required by federal law. The department may in its discretion expand the deductions allowed from the income of the qualified child's family beyond the deductions allowed for aid to families with dependent children, as provided in 42 U.S.C. 1396a(f);~~

~~{2}--The Montana medicaid program shall pay for the~~

~~premiums necessary for participation in the medicare program and may, within the discretion of the department, pay all or a portion of the medicare deductibles and coinsurance for a medicare eligible person or for a qualified disabled and working individual, as defined in section 6408(d)(2) of the federal Omnibus Budget Reconciliation Act of 1989, Public Law 101-239, who:~~

~~{a}--has income that does not exceed income standards as may be required by the federal Social Security Act; and~~

~~{b}--has resources that do not exceed standards the department determines reasonable for purposes of the program;~~

~~{3}--The department may pay a medicaid eligible person's expenses for premiums, coinsurance, and similar costs for health insurance or other available health coverage, as provided in 42 U.S.C. 1396b(a)(1);~~

~~{4}--The department, under the Montana medicaid program, may provide, if a waiver is not available from the federal government, medicaid and other assistance mandated by Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended, and not specifically listed in this part to categories of persons that may be designated by the act for receipt of assistance;~~

~~{5}--Notwithstanding any other provision of this chapter, medical assistance must be provided to infants,~~

newborn--through--1-year-of-age, and to pregnant women whose family income does not exceed 133% 150% of the federal poverty threshold, as provided in 42 U.S.C. 1396a(a)(10)(A)(i)(I) and 42 U.S.C. 1396a(i)(2)(A)(i).

(6)--A person described in subsection (5) must be provided continuous eligibility for medical assistance, as authorized in 42 U.S.C. 1396a(e)(5) through a(e)(7).

(7)--Notwithstanding any other provision of this chapter, medical assistance must be provided to a child 1 year of age through the month of the child's sixth birthday, whose family income does not exceed 133% of the federal poverty threshold, as provided in 42 U.S.C. 1396a(a)(10)(A)(i)(VI).

(8)--The department may require payment of a monthly premium as a prerequisite for services offered under subsection (1)(h) or (7). The premium must be established by department rule and take into consideration the income of the family to whom the payment is charged. Premium payments collected by the department must be deposited in the health care fund created by [section 1]."

NEW SECTION. Section 3. Federal waiver purpose. (1)--

The department of social and rehabilitation services shall request a waiver from the U.S. secretary of health and human services, pursuant to 42 U.S.C. 1396a(b), for the purpose of establishing a pilot program to encourage recipients of

Medicaid to reduce the cost and utilization of medical services under the Montana Medicaid program.

(2)--The program established under subsection (1) must provide a bonus payment of not more than \$100 to a recipient if the recipient's use of medical services, not including preventative health services, during the fiscal year costs less than 50% of the average annual cost of Medicaid per recipient, based on family size, as determined by the department.

NEW SECTION. Section 1. Appropriations. (1) If SENATE Bill No. 285 is passed and approved creating a health care authority and regional health planning boards, then the following amounts are appropriated FROM THE HEALTH CARE FUND to the authority for the purposes of the administration of the authority and the provision of grants to regional health planning boards for wellness programs, preventive care, insurance payments, and coordination of health care services by the regional boards during the period of July 1, 1993, through June 30, 1995:

Fiscal Year 1994

(July 1, 1993--June 30, 1994)

General	STATE-SPECIAL-REVENUE fund	\$1,250,000
Federal funds		250,000
Total		\$1,500,000

Fiscal Year 1995

1 {July-1, 1994----June-30, 1995}

2 General STATE-SPECIAL-REVENUE fund-----\$1,250,000

3 Federal funds-----250,000

4 Total-----\$1,500,000

5 THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES IS

6 APPROPRIATED \$750,000 OF GENERAL FUND MONEY IN FISCAL YEAR

7 1994 AND \$750,000 OF GENERAL FUND MONEY IN FISCAL YEAR 1995

8 FOR THE HEALTH CARE AUTHORITY.

9 (2) If SENATE Bill No.---{LC-144} 285 is passed and

10 approved creating a health care authority and if the

11 authority determines to require the implementation of a

12 single clearinghouse or single form health care claims

13 billing system, then the following amounts are appropriated

14 to the department of social and rehabilitation services to

15 support the change to that billing system during the period

16 of July-1, 1993, through June-30, 1995:

17 Fiscal Year-1994

18 {July-1, 1993----June-30, 1994}

19 General STATE-SPECIAL-REVENUE fund-----\$-50,000

20 Federal funds-----150,000

21 Total-----\$200,000

22 Fiscal Year-1995

23 {July-1, 1994----June-30, 1995}

24 General STATE-SPECIAL-REVENUE fund-----\$-0

25 Federal funds-----0

1 Total-----\$-0

2 (3) If SENATE Bill No.---{LC-144} 285 is passed and

3 approved creating a health care authority, then the

4 following amounts are appropriated to the authority for the

5 purposes of a healthy start pilot program during the period

6 of July-1, 1993, through June-30, 1995:

7 Fiscal Year-1994

8 {July-1, 1993----June-30, 1994}

9 General STATE-SPECIAL-REVENUE fund-----\$300,000

10 Federal funds-----0

11 Total-----\$300,000

12 Fiscal Year-1995

13 {July-1, 1994----June-30, 1995}

14 General STATE-SPECIAL-REVENUE fund-----\$-0

15 Federal funds-----0

16 Total-----\$-0

17 (4) IF SENATE BILL NO.---285 IS PASSED AND APPROVED,

18 THERE IS APPROPRIATED FROM THE GENERAL FUND TO THE

19 DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES \$264,590 TO

20 BE USED TO EXPAND THE SERVICES PROVIDED BY THE MIAMI PROJECT

21 ESTABLISHED IN 50-19-3117. THE STATE AUDITOR'S OFFICE IS

22 APPROPRIATED \$178,385 OF GENERAL FUND MONEY IN FISCAL YEAR

23 1994 AND \$163,817 OF GENERAL FUND MONEY IN FISCAL YEAR 1995.

24 NEW SECTION--SECTION 5--CONTINGENT--PROVISIONS--

25 APPROPRIATIONS:--(1) IF THE DEPARTMENT OF SOCIAL AND

1 REHABILITATION SERVICES DOES NOT RECEIVE A WAIVER BY JANUARY
 2 17, 1994, ALLOWING A SLIDING SCALE FEE AND A WAIVER UNDER
 3 {SECTION 3} AND IF THE GROWTH OF PRIMARY CARE FOR MEDICAID
 4 EXCEEDS 15% FOR THE PERIOD FROM JANUARY 17, 1993, THROUGH
 5 DECEMBER 31, 1993, THEN {SECTION 2}, AMENDING 53-6-131, IS
 6 VOID, ALL STATE SPECIAL REVENUE FUNDS THAT WOULD HAVE BEEN
 7 SPENT UNDER {SECTION 2} ARE APPROPRIATED TO THE HEALTH CARE
 8 AUTHORITY TO BE USED TO PURCHASE HEALTH INSURANCE FOR
 9 LOW-INCOME WORKING FAMILIES. THE HEALTH CARE AUTHORITY SHALL
 10 DEVELOP A SLIDING SCALE OF INCOME FOR PARTICIPATING
 11 FAMILIES.

12 {2} SUBJECT TO THE AVAILABILITY OF STATE SPECIAL
 13 REVENUE FUNDS, THERE IS APPROPRIATED TO THE HEALTH CARE
 14 AUTHORITY FOR THE PURPOSES OF SUBSECTION {1}, THE FOLLOWING
 15 AMOUNTS:

16 FISCAL YEAR 1994

17 STATE SPECIAL REVENUE FUND-----\$2,000,000
 18 FEDERAL FUNDS-----6,000,000
 19 TOTAL-----\$8,000,000

20 FISCAL YEAR 1995

21 STATE SPECIAL REVENUE FUND-----\$3,500,000
 22 FEDERAL FUNDS-----10,500,000
 23 TOTAL-----\$14,000,000

24 NEW SECTION: Section 6. Codification-----instruction----
 25 {Section 1} is intended to be codified as an integral part

1 of Title 17, chapter 2, and the provisions of Title 17,
 2 chapter 2, apply to {section 1}.

3 NEW SECTION. Section 7. Severability. If a part of
 4 {this act} is invalid, all valid parts that are severable
 5 from the invalid part remain in effect. If a part of {this
 6 act} is invalid in one or more of its applications, the part
 7 remains in effect in all valid applications that are
 8 severable from the invalid applications.

9 NEW SECTION. Section 2. Effective dates DATE. (1)
 10 {Sections 1, 3, 5, 6, 7 and this section} are effective on
 11 passage and approval.
 12 {2} {Section 4} is effective July 1, 1993.
 13 {3} {Section 2} is {SECTIONS 2 AND 5} ARE effective
 14 January 1, 1994. [THIS ACT] IS EFFECTIVE JULY 1, 1993.

-End-