

HOUSE BILL NO. 34

INTRODUCED BY COBB
BY REQUEST OF THE DEPARTMENT OF SOCIAL AND REHABILITATION
SERVICES AND THE OFFICE OF BUDGET AND PROGRAM PLANNING

IN THE HOUSE

NOVEMBER 30, 1993

INTRODUCED AND REFERRED TO COMMITTEE
ON APPROPRIATIONS.

FIRST READING.

DECEMBER 4, 1993

COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

PRINTING REPORT.

DECEMBER 8, 1993

SECOND READING, DO PASS AS AMENDED.

ENGROSSING REPORT.

THIRD READING, PASSED.
AYES, 82; NOES, 16.

TRANSMITTED TO SENATE.

IN THE SENATE

DECEMBER 9, 1993

INTRODUCED AND REFERRED TO COMMITTEE
ON FINANCE & CLAIMS.

FIRST READING.

DECEMBER 15, 1993

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

DECEMBER 16, 1993

SECOND READING, CONCURRED IN.

THIRD READING, CONCURRED IN.
AYES, 48; NOES, 1.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

DECEMBER 17, 1993

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS

CONCURRED IN.

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 NEW SECTION. **Section 2.** Duties of committee on
2 **medicaid expenditures.** (1) The committee on medicaid
3 expenditures shall meet and establish an estimate of
4 medicaid expenditures for medicaid services for fiscal year
5 1994. The estimate must be based upon data of medicaid
6 expenditures available through January 31, 1994.

7 (2) The committee shall establish an estimate of
8 medicaid expenditures no later than February 28, 1994. As
9 soon as the estimate is completed, it must be presented to
10 the governor, the speaker of the house of representatives,
11 and the president of the senate.

12 NEW SECTION. **Section 3.** Duty of department of social
13 and rehabilitation services to reduce medicaid services and
14 reimbursement rates or restrict eligibility. (1) If the
15 committee on medicaid expenditures determines that
16 expenditures in fiscal year 1994 for medicaid services will
17 exceed the amount appropriated for the services, the
18 department of social and rehabilitation services is directed
19 to implement reductions in services and provider
20 reimbursement rates or limit eligibility necessary to keep
21 medicaid expenditures within the available appropriated
22 amounts.

23 (2) The reduction in services and reimbursement rates
24 or limitations placed upon eligibility must be made in
25 accordance with the priorities as established in the list of

1 reductions for the medicaid program presented by the
2 department to the house appropriations committee during the
3 November 1993 special session of the Montana legislature.

4 (3) The reductions in medicaid primary care services
5 must be made in an amount sufficient to keep expenditures
6 within the amount of money appropriated for medicaid
7 services.

8 (4) The reductions and limitations provided in this
9 section may be implemented immediately, without the need for
10 formal rulemaking that may otherwise be required by the
11 Montana Administrative Procedures Act.

12 **Section 4.** Section 53-6-101, MCA, is amended to read:

13 **"53-6-101. (Temporary) Montana medicaid program --**
14 **authorization of services.** (1) There is a Montana medicaid
15 program established for the purpose of providing necessary
16 medical services to eligible persons who have need for
17 medical assistance. The Montana medicaid program is a joint
18 federal-state program administered under this chapter and in
19 accordance with Title XIX of the federal Social Security Act
20 (42 U.S.C. 1396, et seq.), as may be amended. The department
21 of social and rehabilitation services shall administer the
22 Montana medicaid program.

23 (2) Medical assistance provided by the Montana medicaid
24 program includes the following services:

25 (a) inpatient hospital services;

1 (b) outpatient hospital services;

2 (c) other laboratory and x-ray services, including
3 minimum mammography examination as defined in 33-22-132;

4 (d) skilled nursing services in long-term care
5 facilities;

6 (e) physicians' services;

7 (f) nurse specialist services;

8 (g) early and periodic screening, diagnosis, and
9 treatment services for persons under 21 years of age;

10 (h) ambulatory prenatal care for pregnant women during
11 a presumptive eligibility period, as provided in 42 U.S.C.
12 1396a(a)(47) and 42 U.S.C. 1396r-1;

13 (i) targeted case management services, as authorized in
14 42 U.S.C. 1396n(g), for high-risk pregnant women;

15 (j) services that are provided by physician
16 assistants-certified within the scope of their practice and
17 that are otherwise directly reimbursed as allowed under
18 department rule to an existing provider;

19 (k) health services provided under a physician's orders
20 by a public health department; and

21 (l) federally qualified health center services, as
22 defined in 42 U.S.C. 1396d(1)(2).

23 (3) Medical assistance provided by the Montana medicaid
24 program may, as provided by department rule, also include
25 the following services:

1 (a) medical care or any other type of remedial care
2 recognized under state law, furnished by licensed
3 practitioners within the scope of their practice as defined
4 by state law;

5 (b) home health care services;

6 (c) private-duty nursing services;

7 (d) dental services;

8 (e) physical therapy services;

9 (f) mental health center services administered and
10 funded under a state mental health program authorized under
11 Title 53, chapter 21, part 2;

12 (g) clinical social worker services;

13 (h) prescribed drugs, dentures, and prosthetic devices;

14 (i) prescribed eyeglasses;

15 (j) other diagnostic, screening, preventive,
16 rehabilitative, chiropractic, and osteopathic services;

17 (k) inpatient psychiatric hospital services for persons
18 under 21 years of age;

19 (l) services of professional counselors licensed under
20 Title 37, chapter 23;

21 (m) hospice care, as defined in 42 U.S.C. 1396d(o);

22 (n) case management services as provided in 42 U.S.C.
23 1396d(a) and 1396n(g), including targeted case management
24 services for the mentally ill ~~but--limited--to-services~~
25 ~~provided-in-crisis-intervention-programs;~~

1 (o) inpatient psychiatric services for persons under 21
2 years of age, as provided in 42 U.S.C. 1396d(h), in a
3 residential treatment facility, as defined in 50-5-101, that
4 is licensed in accordance with 50-5-201; and

5 (p) any additional medical service or aid allowable
6 under or provided by the federal Social Security Act.

7 (4) Services for persons qualifying for medicaid under
8 the medically needy category of assistance as described in
9 53-6-131 may be more limited in amount, scope, and duration
10 than services provided to others qualifying for assistance
11 under the Montana medicaid program.

12 ~~(4)~~(5) The department may implement, as provided for in
13 Title XIX of the federal Social Security Act (42 U.S.C.
14 1396, et seq.), as may be amended, a program under medicaid
15 for payment of medicare premiums, deductibles, and
16 coinsurance for persons not otherwise eligible for medicaid.

17 ~~(5)~~(6) The department may set rates for medical and
18 other services provided to recipients of medicaid and may
19 enter into contracts for delivery of services to individual
20 recipients or groups of recipients.

21 ~~(6)~~(7) The services provided under this part may be
22 only those that are medically necessary and that are the
23 most efficient and cost-effective.

24 ~~(7)~~(8) The amount, scope, and duration of services
25 provided under this part must be determined by the

1 department in accordance with Title XIX of the federal
2 Social Security Act (42 U.S.C. 1396, et seq.), as may be
3 amended.

4 ~~(8)~~(9) Services, procedures, and items of an
5 experimental or cosmetic nature may not be provided.

6 ~~(9)~~(10) If available funds are not sufficient to provide
7 medical assistance for all eligible persons, the department
8 may set priorities to limit, reduce, or otherwise curtail
9 the amount, scope, or duration of the medical services made
10 available under the Montana medicaid program.

11 ~~(10)~~(11) Community-based medicaid services, as provided
12 for in part 4 of this chapter, must be provided in
13 accordance with the provisions of this chapter and the rules
14 adopted thereunder under this chapter.

15 53-6-101. (Effective July 1, 1994) Montana medicaid
16 program -- authorization of services. (1) There is a Montana
17 medicaid program established for the purpose of providing
18 necessary medical services to eligible persons who have need
19 for medical assistance. The Montana medicaid program is a
20 joint federal-state program administered under this chapter
21 and in accordance with Title XIX of the federal Social
22 Security Act (42 U.S.C. 1396, et seq.), as may be amended.
23 The department of social and rehabilitation services shall
24 administer the Montana medicaid program.

25 (2) Medical assistance provided by the Montana medicaid

1 program includes the following services:

- 2 (a) inpatient hospital services;
- 3 (b) outpatient hospital services;
- 4 (c) other laboratory and x-ray services, including
- 5 minimum mammography examination as defined in 33-22-132;
- 6 (d) skilled nursing services in long-term care
- 7 facilities;
- 8 (e) physicians' services;
- 9 (f) nurse specialist services;
- 10 (g) early and periodic screening, diagnosis, and
- 11 treatment services for persons under 21 years of age;
- 12 (h) ambulatory prenatal care for pregnant women during
- 13 a presumptive eligibility period, as provided in 42 U.S.C.
- 14 1396a(a)(47) and 42 U.S.C. 1396r-1;
- 15 (i) targeted case management services, as authorized in
- 16 42 U.S.C. 1396n(g), for high-risk pregnant women;
- 17 (j) services that are provided by physician
- 18 assistants-certified within the scope of their practice and
- 19 that are otherwise directly reimbursed as allowed under
- 20 department rule to an existing provider;
- 21 (k) health services provided under a physician's orders
- 22 by a public health department; and
- 23 (1) federally qualified health center services, as
- 24 defined in 42 U.S.C. 1396d(1)(2).
- 25 (3) Medical assistance provided by the Montana medicaid

1 program may, as provided by department rule, also include
2 the following services:

3 (a) medical care or any other type of remedial care
4 recognized under state law, furnished by licensed
5 practitioners within the scope of their practice as defined
6 by state law;

7 (b) home health care services;

8 (c) private-duty nursing services;

9 (d) dental services;

10 (e) physical therapy services;

11 (f) mental health center services administered and
12 funded under a state mental health program authorized under
13 Title 53, chapter 21, part 2;

14 (g) clinical social worker services;

15 (h) prescribed drugs, dentures, and prosthetic devices;

16 (i) prescribed eyeglasses;

17 (j) other diagnostic, screening, preventive,
18 rehabilitative, chiropractic, and osteopathic services;

19 (k) inpatient psychiatric hospital services for persons
20 under 21 years of age;

21 (l) services of professional counselors licensed under
22 Title 37, chapter 23;

23 (m) hospice care, as defined in 42 U.S.C. 1396d(o);

24 (n) case management services as provided in 42 U.S.C.
25 1396d(a) and 1396n(g), including targeted case management

1 services for the mentally ill but--limited--to--services
2 provided-in-crisis-intervention-programs;

3 (o) inpatient psychiatric services for persons under 21
4 years of age, as provided in 42 U.S.C. 1396d(h), in a
5 residential treatment facility, as defined in 50-5-101, that
6 is licensed in accordance with 50-5-201; and

7 (p) any additional medical service or aid allowable
8 under or provided by the federal Social Security Act.

9 (4) Services for persons qualifying for medicaid under
10 the medically needy category of assistance as described in
11 53-6-131 may be more limited in amount, scope, and duration
12 than services provided to others qualifying for assistance
13 under the Montana medicaid program.

14 ~~††~~(5) The department may implement, as provided for in
15 Title XIX of the federal Social Security Act (42 U.S.C.
16 1396, et seq.), as may be amended, a program under medicaid
17 for payment of medicare premiums, deductibles, and
18 coinsurance for persons not otherwise eligible for medicaid.

19 ~~†5~~(6) The department may set rates for medical and
20 other services provided to recipients of medicaid and may
21 enter into contracts for delivery of services to individual
22 recipients or groups of recipients.

23 ~~†6~~(7) The services provided under this part may be
24 only those that are medically necessary and that are the
25 most efficient and cost-effective.

1 ~~†7†~~(8) The amount, scope, and duration of services
2 provided under this part must be determined by the
3 department in accordance with Title XIX of the federal
4 Social Security Act (42 U.S.C. 1396, et seq.), as may be
5 amended.

6 ~~†8†~~(9) Services, procedures, and items of an
7 experimental or cosmetic nature may not be provided.

8 ~~†9†~~(10) If available funds are not sufficient to provide
9 medical assistance for all eligible persons, the department
10 may set priorities to limit, reduce, or otherwise curtail
11 the amount, scope, or duration of the medical services made
12 available under the Montana medicaid program.

13 ~~†10†~~(11) Community-based medicaid services, as provided
14 for in part 4 of this chapter, must be provided in
15 accordance with the provisions of this chapter and the rules
16 adopted ~~thereunder~~ under this chapter.

17 ~~†11†~~(12) Medicaid payment for personal-care facilities
18 may not be made unless the department certifies to the
19 director of the governor's office of budget and program
20 planning that payment to this type of provider would, in the
21 aggregate, be a cost-effective alternative to services
22 otherwise provided."

23 **Section 5.** Section 53-6-131, MCA, is amended to read:

24 "53-6-131. Eligibility requirements. (1) Medical
25 assistance under the Montana medicaid program may be granted

1 to a person who is determined by the department of social
2 and rehabilitation services, in its discretion, 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 that person were
12 to apply for such that assistance.

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

(A) 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 or, alternatively, has paid in cash to the department the amount by which the person's income exceeds the medically needy income level specified for federally aided categories of assistance; and

(B) has resources that 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).

(2) The department may establish income and resource limitations.

(a) Limitations of income and resources must be within the amounts permitted by federal law for the medicaid

program.

(b) For persons residing in institutions or requiring a level of care that would qualify them for placement in an institution, limitations may include a maximum income, before deductions, that does not exceed 300% of the federal supplemental security income benefit amount payable under 42 U.S.C. 1382(b)(1).

(2)(3) The Montana medicaid program shall pay for, as required by federal law, the premiums necessary for participation medicaid-eligible persons participating in the medicare program and may, within the discretion of the department, pay all or a portion of the medicare premiums, deductibles, and coinsurance for a qualified 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)(4) The department may pay a medicaid-eligible person's expenses for premiums, coinsurance, and similar costs for health insurance or other available health

1 coverage, as provided in 42 U.S.C. 1396b(a)(1).

2 {4}(5) The department, under the Montana medicaid
3 program, may provide, if a waiver is not available from the
4 federal government, medicaid and other assistance mandated
5 by Title XIX of the federal Social Security Act (42 U.S.C.
6 1396, et seq.), as may be amended, and not specifically
7 listed in this part to categories of persons that may be
8 designated by the act for receipt of assistance.

9 {5}(6) Notwithstanding any other provision of this
10 chapter, medical assistance must be provided to infants and
11 pregnant women whose family income does not exceed 133% of
12 the federal poverty threshold, as provided in 42 U.S.C.
13 1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(1)(2)(A)(i), and
14 whose family resources do not exceed standards that the
15 department determines reasonable for purposes of the
16 program.

17 {6}(7) A person described in subsection {5} (6) 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 NEW SECTION. **Section 6. Termination.** [Sections 1
21 through 3] terminate June 30, 1994.

22 NEW SECTION. **Section 7. Effective date.** [This act] is
23 effective January 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 HB0034, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: This act creates a Medicaid Revenue Estimating Committee for FY94; revises eligibility and medical services that may be covered under the Medicaid Program.

ASSUMPTIONS:

1. The currently projected level of Medicaid expenditures for the 1995 biennium will exceed the appropriation made by the Legislature during the November 1993 Special Session.
2. Actual Medicaid expenditures for FY94 or FY95 will not be known until after each fiscal year is completed.

FISCAL IMPACT:

Not subject to reasonable estimate.

Expenditures:

This bill authorizes the Department of Social and Rehabilitation Services (SRS), within federal program specifications, to reduce provider rates, services available and/or the eligibility standards for the Medicaid Program sufficient to reduce the cost of the Medicaid benefits to the level of appropriations. The FY94 fiscal impact will depend upon the cost projections made by February 28, 1994.

TECHNICAL NOTES:

1. Page 3, Line 4: (Section 3 (3)) limits the reductions to Medicaid primary care services. An amendment will be proposed to strike "primary care" from this section.
2. The bill needs to provide for the Medicaid Revenue Estimating Committee and for SRS to make program adjustments to stay within appropriations during FY95.

David Lewis 12-2
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

12-3-93
JOHN COBB, PRIMARY SPONSOR DATE
Fiscal Note for HB0034, as introduced

HB 34

APPROVED BY COMMITTEE
ON APPROPRIATIONS

HOUSE BILL NO. 34

INTRODUCED BY COBB

BY REQUEST OF THE DEPARTMENT OF SOCIAL AND REHABILITATION
SERVICES AND THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE
LAWS RELATING TO THE MONTANA MEDICAID PROGRAM; CREATING A
COMMITTEE TO ESTIMATE MEDICAID EXPENDITURES FOR FISCAL YEAR
YEARS 1994 AND 1995; REVISING ELIGIBILITY AND THE MEDICAL
SERVICES THAT MAY BE COVERED; AMENDING SECTIONS 53-6-101 AND
53-6-131, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND
A TERMINATION DATE."

STATEMENT OF INTENT

THE LEGISLATURE, IN HOUSE BILL NO. 2, REDUCED THE FISCAL
YEAR 1995 APPROPRIATION TO THE DEPARTMENT OF SOCIAL AND
REHABILITATION SERVICES FOR MEDICAID PRIMARY CARE BY \$4
MILLION IN GENERAL FUND MONEY (THUS AFFECTING MATCHING
FEDERAL FUNDS) BECAUSE OF AN ANTICIPATED LOWERING OF THE
PRIMARY CARE GROWTH RATE.

THE DEPARTMENT HAS REQUESTED GUIDANCE FROM THE
LEGISLATURE IN DETERMINING PRIORITIES FOR SPENDING
REDUCTIONS IF THE \$4 MILLION GENERAL FUND PRIMARY CARE
REDUCTION DOES NOT MATERIALIZE. THE FOLLOWING IS INTENDED TO
PROVIDE GUIDANCE TO THE DEPARTMENT WITH RESPECT TO

LEGISLATIVE PRIORITIES FOR MANAGEMENT IMPROVEMENTS AND
SPENDING REDUCTIONS.

(1) THE DEPARTMENT SHOULD TAKE ALL POSSIBLE STEPS TO
IMPLEMENT APPROPRIATE MANAGEMENT AND PROGRAM EFFICIENCIES
PRIOR TO CUTTING SERVICES.

(2) THE DEPARTMENT SHOULD REVIEW THOSE SERVICES THAT
EXPERIENCE HIGH ANNUAL GROWTH RATES FOR POSSIBLE LIMITS OR
REDUCTIONS.

(3) THE DEPARTMENT SHOULD, ON A REGULAR AND SYSTEMATIC
BASIS, SEEK INPUT FROM PROVIDER AND RECIPIENT ORGANIZATIONS
WITH RESPECT TO HIGH GROWTH RATE SERVICES IN AN EFFORT TO
OBTAIN PROPOSALS FOR LIMITING THE GROWTH OF GENERAL FUND
SPENDING ON THESE SERVICES.

(4) THE DEPARTMENT SHOULD MAKE STRENUOUS EFFORTS TO
EDUCATE CLIENTS ABOUT THE PASSPORT PROGRAM AND TO RECRUIT
ADDITIONAL PASSPORT PROVIDERS.

(5) THE DEPARTMENT MAY TAKE ANY APPROPRIATE STEPS
AUTHORIZED UNDER 53-6-101 WITH RESPECT TO SETTING PRIORITIES
TO LIMIT, REDUCE, OR OTHERWISE CURTAIL THE AMOUNT, SCOPE, OR
DURATION OF THE MEDICAL SERVICES MADE AVAILABLE UNDER THE
MONTANA MEDICAID PROGRAM.

(6) THE FOLLOWING REPRESENTS THE LEGISLATURE'S
PRIORITIZATION OF THE SERVICE REDUCTIONS PROPOSED BY THE
DEPARTMENT TO THE HOUSE APPROPRIATIONS COMMITTEE DURING THE
1993 SPECIAL SESSION:

1 (A) LIMIT PODIATRY SO THAT ORTHOTICS ARE LIMITED TO
 2 ONCE EVERY 2 YEARS AND ROUTINE FOOT CARE TO ONCE EVERY 60
 3 DAYS;

4 (B) LIMIT PHYSICAL THERAPY, OCCUPATIONAL THERAPY, AND
 5 SPEECH THERAPY TO 35 HOURS OF SERVICE PER YEAR;

6 (C) INCREASE HOSPITAL COINSURANCE FROM \$100 TO \$200;

7 (D) ELIMINATE HEARING AIDS;

8 (E) ELIMINATE AUDIOLOGY SERVICES;

9 (F) ELIMINATE EYEGLASSES;

10 (G) ELIMINATE OPTICAL SERVICES;

11 (H) IMPOSE A LIMIT ON PERSONAL CARE SERVICES TO 35
 12 HOURS PER WEEK PER RECIPIENT;

13 (I) IMPOSE A LIMIT ON SERVICES PROVIDED BY SOCIAL
 14 WORKERS, PSYCHOLOGISTS AND LICENSED PROFESSIONAL COUNSELORS,
 15 AND COMMUNITY MENTAL HEALTH CLINIC SERVICES TO 22 HOURS PER
 16 YEAR;

17 (J) IMPOSE A LIMIT ON DAY TREATMENT SERVICES PROVIDED
 18 BY MENTAL HEALTH CENTERS TO 780 HOURS PER YEAR;

19 (K) REDUCE OUTPATIENT HOSPITAL REIMBURSEMENT IN THE
 20 MANNER PRESENTED BY THE DEPARTMENT TO THE HOUSE
 21 APPROPRIATIONS COMMITTEE DURING THE NOVEMBER 1993 SPECIAL
 22 SESSION OF THE MONTANA LEGISLATURE; AND

23 (L) DELAY NURSING HOME PROPERTY REIMBURSEMENT IN THE
 24 MANNER PRESENTED BY THE DEPARTMENT TO THE HOUSE
 25 APPROPRIATIONS COMMITTEE DURING THE NOVEMBER 1993 SPECIAL

1 SESSION OF THE MONTANA LEGISLATURE.

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

4 NEW SECTION. Section 1. Committee on medicaid
 5 expenditures -- composition -- purpose. (1) There is a
 6 committee on medicaid expenditures.

7 (2) The committee consists of the legislative fiscal
 8 analyst, provided for in 5-12-301; the budget director,
 9 appointed by the governor pursuant to 17-7-103; and the
 10 director of the department of social and rehabilitation
 11 services, provided for in 2-15-2201.

12 (3) The purpose of the committee is to estimate the
 13 fiscal year 1994 AND FISCAL YEAR 1995 anticipated
 14 expenditures of medicaid services under the Montana medicaid
 15 program as established in Title 53, chapter 6.

16 NEW SECTION. Section 2. Duties of committee on
 17 medicaid expenditures. (1) The committee on medicaid
 18 expenditures shall meet QUARTERLY and establish an estimate
 19 of medicaid expenditures for medicaid services for fiscal
 20 year 1994 AND FISCAL YEAR 1995. The estimate must be based
 21 upon data of medicaid expenditures available ~~through January~~
 22 ~~31-1994~~ AT THE TIME OF THE MEETING.

23 ~~(2) The committee shall establish an estimate of~~
 24 ~~medicaid expenditures no later than February 28, 1994. As~~
 25 ~~soon as the estimate is completed, it must be presented to~~

the--governor--the-speaker-of-the-house-of-representatives,
and-the-president-of-the-senate.

NEW-SECTION--Section 3. Duty-of-department--of--social--
and--rehabilitation-services-to-reduce-medicaid-services-and
reimbursement-rates-or--restrict--eligibility--(1)--if--the
committee---on---medicaid---expenditures---determines---that
expenditures--in-fiscal-year-1994-for-medicaid-services-will
exceed--the--amount--appropriated--for--the--services,---the
department-of-social-and-rehabilitation-services-is-directed
to---implement---reductions---in---services---and---provider
reimbursement--rates--or-limit-eligibility-necessary-to-keep
medicaid--expenditures--within--the--available--appropriated
amounts.

(2)--The-reduction-in-services-and--reimbursement--rates
or--limitations--placed--upon--eligibility--must--be-made-in
accordance-with-the-priorities-as-established-in-the-list-of
reductions--for--the--medicaid--program--presented--by---the
department--to-the-house-appropriations-committee-during-the
November-1993-special-session-of-the-Montana-legislature.

(3)--The-reductions-in-medicaid--primary--care--services
must--be--made--in-an-amount-sufficient-to-keep-expenditures
within--the--amount--of--money--appropriated--for---medicaid
services.

(4)--The--reductions--and--limitations--provided-in-this
section-may-be-implemented-immediately--without-the-need-for

formal-rulemaking-that-may--otherwise--be--required--by--the
Montana-Administrative-Procedures-Act.

Section 3. Section 53-6-101, MCA, is amended to read:

"53-6-101. (Temporary) Montana medicaid program --
authorization of services. (1) There is a Montana medicaid
program established for the purpose of providing necessary
medical services to eligible persons who have need for
medical assistance. The Montana medicaid program is a joint
federal-state program administered under this chapter and in
accordance with Title XIX of the federal Social Security Act
(42 U.S.C. 1396, et seq.), as may be amended. The department
of social and rehabilitation services shall administer the
Montana medicaid program.

(2) Medical assistance provided by the Montana medicaid
program includes the following services:

- (a) inpatient hospital services;
- (b) outpatient hospital services;
- (c) other laboratory and x-ray services, including
minimum mammography examination as defined in 33-22-132;
- (d) skilled nursing services in long-term care
facilities;
- (e) physicians' services;
- (f) nurse specialist services;
- (g) early and periodic screening, diagnosis, and
treatment services for persons under 21 years of age;

(h) ambulatory prenatal care for pregnant women during a presumptive eligibility period, as provided in 42 U.S.C. 1396a(a)(47) and 42 U.S.C. 1396r-1;

(i) targeted case management services, as authorized in 42 U.S.C. 1396n(g), for high-risk pregnant women;

(j) services that are provided by physician assistants-certified within the scope of their practice and that are otherwise directly reimbursed as allowed under department rule to an existing provider;

(k) health services provided under a physician's orders by a public health department; and

(l) federally qualified health center services, as defined in 42 U.S.C. 1396d(1)(2).

(3) Medical assistance provided by the Montana medicaid program may, as provided by department rule, also include the following services:

(a) medical care or any other type of remedial care recognized under state law, furnished by licensed practitioners within the scope of their practice as defined by state law;

(b) home health care services;

(c) private-duty nursing services;

(d) dental services;

(e) physical therapy services;

(f) mental health center services administered and

funded under a state mental health program authorized under Title 53, chapter 21, part 2;

(g) clinical social worker services;

(h) prescribed drugs, dentures, and prosthetic devices;

(i) prescribed eyeglasses;

(j) other diagnostic, screening, preventive, rehabilitative, chiropractic, and osteopathic services;

(k) inpatient psychiatric hospital services for persons under 21 years of age;

(l) services of professional counselors licensed under Title 37, chapter 23;

(m) hospice care, as defined in 42 U.S.C. 1396d(o);

(n) case management services as provided in 42 U.S.C. 1396d(a) and 1396n(g), including targeted case management services for the mentally ill ~~but--limited--to-services provided-in-crisis-intervention-programs;~~

(o) inpatient psychiatric services for persons under 21 years of age, as provided in 42 U.S.C. 1396d(h), in a residential treatment facility, as defined in 50-5-101, that is licensed in accordance with 50-5-201; and

(p) any additional medical service or aid allowable under or provided by the federal Social Security Act.

(4) Services for persons qualifying for medicaid under the medically needy category of assistance as described in 53-6-131 may be more limited in amount, scope, and duration

1 than services provided to others qualifying for assistance
2 under the Montana medicaid program.

3 ~~†4†~~(5) The department may implement, as provided for in
4 Title XIX of the federal Social Security Act (42 U.S.C.
5 1396, et seq.), as may be amended, a program under medicaid
6 for payment of medicare premiums, deductibles, and
7 coinsurance for persons not otherwise eligible for medicaid.

8 ~~†5†~~(6) The department may set rates for medical and
9 other services provided to recipients of medicaid and may
10 enter into contracts for delivery of services to individual
11 recipients or groups of recipients.

12 ~~†6†~~(7) The services provided under this part may be
13 only those that are medically necessary and that are the
14 most efficient and cost-effective.

15 ~~†7†~~(8) The amount, scope, and duration of services
16 provided under this part must be determined by the
17 department in accordance with Title XIX of the federal
18 Social Security Act (42 U.S.C. 1396, et seq.), as may be
19 amended.

20 ~~†8†~~(9) Services, procedures, and items of an
21 experimental or cosmetic nature may not be provided.

22 ~~†9†~~(10) If available funds are not sufficient to provide
23 medical assistance for all eligible persons, the department
24 may set priorities to limit, reduce, or otherwise curtail
25 the amount, scope, or duration of the medical services made

1 available under the Montana medicaid program.

2 ~~†10†~~(11) Community-based medicaid services, as provided
3 for in part 4 of this chapter, must be provided in
4 accordance with the provisions of this chapter and the rules
5 adopted thereunder under this chapter.

6 53-6-101. (Effective July 1, 1994) Montana medicaid
7 program -- authorization of services. (1) There is a Montana
8 medicaid program established for the purpose of providing
9 necessary medical services to eligible persons who have need
10 for medical assistance. The Montana medicaid program is a
11 joint federal-state program administered under this chapter
12 and in accordance with Title XIX of the federal Social
13 Security Act (42 U.S.C. 1396, et seq.), as may be amended.
14 The department of social and rehabilitation services shall
15 administer the Montana medicaid program.

16 (2) Medical assistance provided by the Montana medicaid
17 program includes the following services:

- 18 (a) inpatient hospital services;
- 19 (b) outpatient hospital services;
- 20 (c) other laboratory and x-ray services, including
- 21 minimum mammography examination as defined in 33-22-132;
- 22 (d) skilled nursing services in long-term care
- 23 facilities;
- 24 (e) physicians' services;
- 25 (f) nurse specialist services;

1 (g) early and periodic screening, diagnosis, and
 2 treatment services for persons under 21 years of age;
 3 (h) ambulatory prenatal care for pregnant women during
 4 a presumptive eligibility period, as provided in 42 U.S.C.
 5 1396a(a)(47) and 42 U.S.C. 1396r-1;
 6 (i) targeted case management services, as authorized in
 7 42 U.S.C. 1396n(g), for high-risk pregnant women;
 8 (j) services that are provided by physician
 9 assistants-certified within the scope of their practice and
 10 that are otherwise directly reimbursed as allowed under
 11 department rule to an existing provider;
 12 (k) health services provided under a physician's orders
 13 by a public health department; and
 14 (l) federally qualified health center services, as
 15 defined in 42 U.S.C. 1396d(1)(2).
 16 (3) Medical assistance provided by the Montana medicaid
 17 program may, as provided by department rule, also include
 18 the following services:
 19 (a) medical care or any other type of remedial care
 20 recognized under state law, furnished by licensed
 21 practitioners within the scope of their practice as defined
 22 by state law;
 23 (b) home health care services;
 24 (c) private-duty nursing services;
 25 (d) dental services;

1 (e) physical therapy services;
 2 (f) mental health center services administered and
 3 funded under a state mental health program authorized under
 4 Title 53, chapter 21, part 2;
 5 (g) clinical social worker services;
 6 (h) prescribed drugs, dentures, and prosthetic devices;
 7 (i) prescribed eyeglasses;
 8 (j) other diagnostic, screening, preventive,
 9 rehabilitative, chiropractic, and osteopathic services;
 10 (k) inpatient psychiatric hospital services for persons
 11 under 21 years of age;
 12 (l) services of professional counselors licensed under
 13 Title 37, chapter 23;
 14 (m) hospice care, as defined in 42 U.S.C. 1396d(o);
 15 (n) case management services as provided in 42 U.S.C.
 16 1396d(a) and 1396n(g), including targeted case management
 17 services for the mentally ill ~~but--limited--to--services~~
 18 ~~provided-in-crisis-intervention-programs~~;
 19 (o) inpatient psychiatric services for persons under 21
 20 years of age, as provided in 42 U.S.C. 1396d(h), in a
 21 residential treatment facility, as defined in 50-5-101, that
 22 is licensed in accordance with 50-5-201; and
 23 (p) any additional medical service or aid allowable
 24 under or provided by the federal Social Security Act.
 25 (4) Services for persons qualifying for medicaid under

1 the medically needy category of assistance as described in
 2 53-6-131 may be more limited in amount, scope, and duration
 3 than services provided to others qualifying for assistance
 4 under the Montana medicaid program.

5 ~~†4†~~(5) The department may implement, as provided for in
 6 Title XIX of the federal Social Security Act (42 U.S.C.
 7 1396, et seq.), as may be amended, a program under medicaid
 8 for payment of medicare premiums, deductibles, and
 9 coinsurance for persons not otherwise eligible for medicaid.

10 ~~†5†~~(6) The department may set rates for medical and
 11 other services provided to recipients of medicaid and may
 12 enter into contracts for delivery of services to individual
 13 recipients or groups of recipients.

14 ~~†6†~~(7) The services provided under this part may be
 15 only those that are medically necessary and that are the
 16 most efficient and cost-effective.

17 ~~†7†~~(8) The amount, scope, and duration of services
 18 provided under this part must be determined by the
 19 department in accordance with Title XIX of the federal
 20 Social Security Act (42 U.S.C. 1396, et seq.), as may be
 21 amended.

22 ~~†8†~~(9) Services, procedures, and items of an
 23 experimental or cosmetic nature may not be provided.

24 ~~†9†~~(10) If available funds are not sufficient to provide
 25 medical assistance for all eligible persons, the department

1 may set priorities to limit, reduce, or otherwise curtail
 2 the amount, scope, or duration of the medical services made
 3 available under the Montana medicaid program.

4 ~~†10†~~(11) Community-based medicaid services, as provided
 5 for in part 4 of this chapter, must be provided in
 6 accordance with the provisions of this chapter and the rules
 7 adopted ~~thereunder~~ under this chapter.

8 ~~†11†~~(12) Medicaid payment for personal-care facilities
 9 may not be made unless the department certifies to the
 10 director of the governor's office of budget and program
 11 planning that payment to this type of provider would, in the
 12 aggregate, be a cost-effective alternative to services
 13 otherwise provided."

14 **Section 4.** Section 53-6-131, MCA, is amended to read:

15 "53-6-131. **Eligibility requirements.** (1) Medical
 16 assistance under the Montana medicaid program may be granted
 17 to a person who is determined by the department of social
 18 and rehabilitation services, in its discretion, to be
 19 eligible as follows:

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

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

(c) The person is in a medical facility that is a medicaid provider and, but for residence in the facility, the person 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 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:

(A) 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 or, alternatively, has paid in cash to the department the amount by which the person's income exceeds the medically needy income level specified for federally aided categories of assistance; and

(B) has resources that 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).

(2) The department may establish income and resource limitations.

(a) Limitations of income and resources must be within the amounts permitted by federal law for the medicaid program.

(b) --For persons residing in institutions or requiring a level of care that would qualify them for placement in an institution, limitations may include a maximum income, before deductions, that does not exceed 300% of the federal supplemental security income benefit amount payable under 42 U.S.C. 1382(b)(1).

(2)(3) The Montana medicaid program shall pay for, as required by federal law, the premiums necessary for

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

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

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

14 ~~†3†~~(4) The department may pay a medicaid-eligible
 15 person's expenses for premiums, coinsurance, and similar
 16 costs for health insurance or other available health
 17 coverage, as provided in 42 U.S.C. 1396b(a)(1).

18 ~~†4†~~(5) The department, under the Montana medicaid
 19 program, may provide, if a waiver is not available from the
 20 federal government, medicaid and other assistance mandated
 21 by Title XIX of the federal Social Security Act (42 U.S.C.
 22 1396, et seq.), as may be amended, and not specifically
 23 listed in this part to categories of persons that may be
 24 designated by the act for receipt of assistance.

25 ~~†5†~~(6) Notwithstanding any other provision of this

1 chapter, medical assistance must be provided to infants and
 2 pregnant women whose family income does not exceed 133% of
 3 the federal poverty threshold, as provided in 42 U.S.C.
 4 1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(1)(2)(A)(i), and
 5 whose family resources do not exceed standards that the
 6 department determines reasonable for purposes of the
 7 program.

8 ~~†6†~~(7) A person described in subsection ~~†5†~~ (6) must be
 9 provided continuous eligibility for medical assistance, as
 10 authorized in 42 U.S.C. 1396a(e)(5) through a(e)(7)."

11 NEW SECTION. Section 5. Termination. [Sections 1
 12 ~~through-3 AND 2~~] terminate June 30, ~~1994~~ 1995.

13 NEW SECTION. Section 6. Effective date. [This act] is
 14 effective ~~January-1,-1994~~ ON PASSAGE AND APPROVAL.

-End-

HOUSE BILL NO. 34

INTRODUCED BY COBB

BY REQUEST OF THE DEPARTMENT OF SOCIAL AND REHABILITATION
SERVICES AND THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE
LAWS RELATING TO THE MONTANA MEDICAID PROGRAM; CREATING A
COMMITTEE TO ESTIMATE MEDICAID EXPENDITURES FOR FISCAL YEAR
YEARS 1994 AND 1995; REVISING ELIGIBILITY AND THE MEDICAL
SERVICES THAT MAY BE COVERED; AMENDING SECTIONS 53-6-101 AND
53-6-131, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND
A TERMINATION DATE."

STATEMENT OF INTENT

THE LEGISLATURE, IN HOUSE BILL NO. 27, REDUCED THE FISCAL
YEAR 1995 APPROPRIATION TO THE DEPARTMENT OF SOCIAL AND
REHABILITATION SERVICES FOR MEDICAID PRIMARY CARE BY \$4
MILLION IN GENERAL FUND MONEY (THUS AFFECTING MATCHING
FEDERAL FUNDS) BECAUSE OF AN ANTICIPATED LOWERING OF THE
PRIMARY CARE GROWTH RATE.

THE DEPARTMENT HAS REQUESTED GUIDANCE FROM THE
LEGISLATURE IN DETERMINING PRIORITIES FOR SPENDING
REDUCTIONS IF THE \$4 MILLION GENERAL FUND PRIMARY CARE
REDUCTION DOES NOT MATERIALIZE. THE FOLLOWING IS INTENDED TO
PROVIDE GUIDANCE TO THE DEPARTMENT WITH RESPECT TO

LEGISLATIVE PRIORITIES FOR MANAGEMENT IMPROVEMENTS AND
SPENDING REDUCTIONS.

(1) THE DEPARTMENT SHOULD TAKE ALL POSSIBLE STEPS TO
IMPLEMENT APPROPRIATE MANAGEMENT AND PROGRAM EFFICIENCIES
PRIOR TO CUTTING SERVICES.

(2) THE DEPARTMENT SHOULD REVIEW THOSE SERVICES THAT
EXPERIENCE HIGH ANNUAL GROWTH RATES FOR POSSIBLE LIMITS OR
REDUCTIONS.

(3) THE DEPARTMENT SHOULD, ON A REGULAR AND SYSTEMATIC
BASIS, SEEK INPUT FROM PROVIDER AND RECIPIENT ORGANIZATIONS
WITH RESPECT TO HIGH GROWTH RATE SERVICES IN AN EFFORT TO
OBTAIN PROPOSALS FOR LIMITING THE GROWTH OF GENERAL FUND
SPENDING ON THESE SERVICES.

(4) THE DEPARTMENT SHOULD MAKE STRENUOUS EFFORTS TO
EDUCATE CLIENTS ABOUT THE PASSPORT PROGRAM AND TO RECRUIT
ADDITIONAL PASSPORT PROVIDERS.

(5) THE DEPARTMENT MAY TAKE ANY APPROPRIATE STEPS
AUTHORIZED UNDER 53-6-101 WITH RESPECT TO SETTING PRIORITIES
TO LIMIT, REDUCE, OR OTHERWISE CURTAIL THE AMOUNT, SCOPE, OR
DURATION OF THE MEDICAL SERVICES MADE AVAILABLE UNDER THE
MONTANA MEDICAID PROGRAM.

(6) THE FOLLOWING REPRESENTS THE LEGISLATURE'S
PRIORITIZATION OF THE SERVICE REDUCTIONS PROPOSED BY THE
DEPARTMENT TO THE HOUSE APPROPRIATIONS COMMITTEE DURING THE
1993 SPECIAL SESSION:

{A}--LIMIT-PODIATRY-SO-THAT-ORTHOTICS--ARE--LIMITED--TO
ONCE--EVERY--2--YEARS-AND-ROUTINE-FOOT-CARE-TO-ONCE-EVERY-60
DAYS;

{B}--LIMIT-PHYSICAL-THERAPY, OCCUPATIONAL-THERAPY, AND
SPEECH-THERAPY-TO-35-HOURS-OF-SERVICE-PER-YEAR;

{C}--INCREASE-HOSPITAL-COINSURANCE-FROM-\$100-TO-\$200;

{D}--ELIMINATE-HEARING-AIDS;

{E}--ELIMINATE-AUDIOLOGY-SERVICES;

{F}--ELIMINATE-EYEGASSES;

{G}--ELIMINATE-OPTICAL-SERVICES;

{H}--IMPOSE-A-LIMIT-ON-PERSONAL-CARE-SERVICES-TO-35
HOURS-PER-WEEK-PER-RECIPIENT;

{I}--IMPOSE-A-LIMIT-ON-SERVICES-PROVIDED-BY-SOCIAL
WORKERS, PSYCHOLOGISTS-AND-LICENSED-PROFESSIONAL-COUNSELORS,
AND-COMMUNITY-MENTAL-HEALTH-CLINIC-SERVICES-TO-22-HOURS-PER
YEAR;

{J}--IMPOSE-A-LIMIT-ON-DAY-TREATMENT-SERVICES-PROVIDED
BY-MENTAL-HEALTH-CENTERS-TO-700-HOURS-PER-YEAR;

{K}--REDUCE-OUTPATIENT-HOSPITAL-REIMBURSEMENT-IN-THE
MANNER--PRESENTED--BY--THE--DEPARTMENT--TO--THE--HOUSE
APPROPRIATIONS-COMMITTEE-DURING-THE-NOVEMBER-1993-SPECIAL
SESSION-OF-THE-MONTANA-LEGISLATURE, AND

{L}--DELAY-NURSING-HOME-PROPERTY-REIMBURSEMENT-IN-THE
MANNER--PRESENTED--BY--THE--DEPARTMENT--TO--THE--HOUSE
APPROPRIATIONS-COMMITTEE-DURING-THE-NOVEMBER-1993-SPECIAL

SESSION-OF-THE-MONTANA-LEGISLATURE;

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

NEW-SECTION--Section 1--Committee-----on-----medicaid--
expenditures-----composition-----purpose,--(1)--There--is--a
committee-on-medicaid-expenditures;

(2)--The--committee--consists--of--the--legislative-fiscal
analyst, provided-for--in--5-12-301,--the--budget--director,
appointed--by--the--governor--pursuant--to--17-7-103,--and--the
director-of-the--department--of--social--and--rehabilitation
services, provided-for-in-2-15-2201;

(3)--The--purpose--of--the--committee-is-to-estimate-the
fiscal--year--1994 AND--FISCAL--YEAR--1995 anticipated
expenditures-of-medicaid-services-under-the-Montana-medicaid
program-as-established-in-Title-53, chapter-6;

NEW-SECTION--Section 2--Duties-----of-----committee--on--
medicaid--expenditures,--(1)--The--committee--on--medicaid
expenditures--shall-meet QUARTERLY and-establish-an-estimate
of-medicaid-expenditures-for-medicaid-services--for--fiscal
year--1994 AND-FISCAL-YEAR-1995; The-estimate-must-be-based
upon-data-of-medicaid-expenditures-available-through-January
31, 1994 AT-THE-TIME-OF-THE-MEETING;

(2)--The--committee--shall--establish--an--estimate--of
medicaid--expenditures--no--later--than--February-20, 1994; As
soon-as-the-estimate-is-completed, it-must-be-presented--to

1 the--governor,--the-speaker-of-the-house-of-representatives,
2 and-the-president-of-the-senate;

3 NEW SECTION. --Section 3. --Duty-of-department--of--social--
4 and--rehabilitation-services-to-reduce-medicaid-services-and
5 reimbursement-rates-or--restrict--eligibility,--(1)--If--the
6 committee---on---medicaid---expenditures---determines---that
7 expenditures---in-fiscal-year-1994-for-medicaid-services-will
8 exceed--the--amount--appropriated--for--the--services,--the
9 department-of-social-and-rehabilitation-services-is-directed
10 to---implement---reductions---in---services---and---provider
11 reimbursement--rates--or-limit-eligibility-necessary-to-keep
12 medicaid--expenditures--within--the--available--appropriated
13 amounts.

14 (2)--The-reduction-in-services-and-reimbursement--rates
15 or--limitations--placed--upon--eligibility--must--be-made-in
16 accordance-with-the-priorities-as-established-in-the-list-of
17 reductions--for--the--medicaid--program--presented--by--the
18 department--to--the-house-appropriations-committee-during-the
19 November-1993-special-session-of-the-Montana-legislature.

20 (3)--The-reductions-in-medicaid--primary--care--services
21 must--be--made--in-an-amount-sufficient-to-keep-expenditures
22 within--the--amount--of--money--appropriated--for---medicaid
23 services.

24 (4)--The--reductions--and--limitations--provided-in-this
25 section-may-be-implemented-immediately,--without-the-need-for

1 formal-rulemaking-that-may--otherwise--be--required--by--the
2 Montana-Administrative-Procedures-Act.

3 NEW SECTION. SECTION 1. DUTIES OF FORMER COMMITTEE.

4 (1) (A) THE COMMITTEE SHALL PROVIDE PUBLIC NOTICE OF ITS
5 MEETINGS NO LESS THAN 7 DAYS PRIOR TO ITS MEETINGS. ALL
6 MEETINGS OF THE COMMITTEE MUST BE OPEN TO THE PUBLIC.

7 (B) THE COMMITTEE SHALL KEEP RECORDS OF ITS MEETINGS,
8 AND THE RECORDS MUST BE OPEN TO THE PUBLIC.

9 (2) WITHIN 15 DAYS AFTER EACH MEETING OF THE COMMITTEE,
10 THE COMMITTEE SHALL SUBMIT ITS FINDINGS, CONCLUSIONS, AND
11 RECOMMENDATIONS TO THE LEGISLATIVE FINANCE COMMITTEE.

12 **Section 2.** Section 53-6-101, MCA, is amended to read:

13 "53-6-101. (Temporary) Montana medicaid program --
14 authorization of services. (1) There is a Montana medicaid
15 program established for the purpose of providing necessary
16 medical services to eligible persons who have need for
17 medical assistance. The Montana medicaid program is a joint
18 federal-state program administered under this chapter and in
19 accordance with Title XIX of the federal Social Security Act
20 (42 U.S.C. 1396, et seq.), as may be amended. The department
21 of social and rehabilitation services shall administer the
22 Montana medicaid program.

23 (2) Medical assistance provided by the Montana medicaid
24 program includes the following services:

25 (a) inpatient hospital services;

1 (b) outpatient hospital services;

2 (c) other laboratory and x-ray services, including

3 minimum mammography examination as defined in 33-22-132;

4 (d) skilled nursing services in long-term care

5 facilities;

6 (e) physicians' services;

7 (f) nurse specialist services;

8 (g) early and periodic screening, diagnosis, and

9 treatment services for persons under 21 years of age;

10 (h) ambulatory prenatal care for pregnant women during

11 a presumptive eligibility period, as provided in 42 U.S.C.

12 1396a(a)(47) and 42 U.S.C. 1396r-1;

13 (i) targeted case management services, as authorized in

14 42 U.S.C. 1396n(g), for high-risk pregnant women;

15 (j) services that are provided by physician

16 assistants-certified within the scope of their practice and

17 that are otherwise directly reimbursed as allowed under

18 department rule to an existing provider;

19 (k) health services provided under a physician's orders

20 by a public health department; and

21 (1) federally qualified health center services, as

22 defined in 42 U.S.C. 1396d(1)(2).

23 (3) Medical assistance provided by the Montana medicaid

24 program may, as provided by department rule, also include

25 the following services:

1 (a) medical care or any other type of remedial care

2 recognized under state law, furnished by licensed

3 practitioners within the scope of their practice as defined

4 by state law;

5 (b) home health care services;

6 (c) private-duty nursing services;

7 (d) dental services;

8 (e) physical therapy services;

9 (f) mental health center services administered and

10 funded under a state mental health program authorized under

11 Title 53, chapter 21, part 2;

12 (g) clinical social worker services;

13 (h) prescribed drugs, dentures, and prosthetic devices;

14 (i) prescribed eyeglasses;

15 (j) other diagnostic, screening, preventive,

16 rehabilitative, chiropractic, and osteopathic services;

17 (k) inpatient psychiatric hospital services for persons

18 under 21 years of age;

19 (l) services of professional counselors licensed under

20 Title 37, chapter 23;

21 (m) hospice care, as defined in 42 U.S.C. 1396d(o);

22 (n) case management services as provided in 42 U.S.C.

23 1396d(a) and 1396n(g), including targeted case management

24 services for the mentally ill ~~but--limited--to-services~~

25 ~~provided-in-crisis-intervention-programs;~~

(o) inpatient psychiatric services for persons under 21 years of age, as provided in 42 U.S.C. 1396d(h), in a residential treatment facility, as defined in 50-5-101, that is licensed in accordance with 50-5-201; and

(p) any additional medical service or aid allowable under or provided by the federal Social Security Act.

(4) Services for persons qualifying for medicaid under the medically needy category of assistance as described in 53-6-131 may be more limited in amount, scope, and duration than services provided to others qualifying for assistance under the Montana medicaid program.

~~†4†~~(5) The department may implement, as provided for in Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended, a program under medicaid for payment of medicare premiums, deductibles, and coinsurance for persons not otherwise eligible for medicaid.

~~†5†~~(6) The department may set rates for medical and other services provided to recipients of medicaid and may enter into contracts for delivery of services to individual recipients or groups of recipients.

~~†6†~~(7) The services provided under this part may be only those that are medically necessary and that are the most efficient and cost-effective.

~~†7†~~(8) The amount, scope, and duration of services provided under this part must be determined by the

department in accordance with Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended.

~~†8†~~(9) Services, procedures, and items of an experimental or cosmetic nature may not be provided.

~~†9†~~(10) If available funds are not sufficient to provide medical assistance for all eligible persons, the department may set priorities to limit, reduce, or otherwise curtail the amount, scope, or duration of the medical services made available under the Montana medicaid program.

~~†10†~~(11) Community-based medicaid services, as provided for in part 4 of this chapter, must be provided in accordance with the provisions of this chapter and the rules adopted thereunder under this chapter.

53-6-101. (Effective July 1, 1994) Montana medicaid program -- authorization of services. (1) There is a Montana medicaid program established for the purpose of providing necessary medical services to eligible persons who have need for medical assistance. The Montana medicaid program is a joint federal-state program administered under this chapter and in accordance with Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended. The department of social and rehabilitation services shall administer the Montana medicaid program.

(2) Medical assistance provided by the Montana medicaid

1 program includes the following services:

- 2 (a) inpatient hospital services;
- 3 (b) outpatient hospital services;
- 4 (c) other laboratory and x-ray services, including
- 5 minimum mammography examination as defined in 33-22-132;
- 6 (d) skilled nursing services in long-term care
- 7 facilities;
- 8 (e) physicians' services;
- 9 (f) nurse specialist services;
- 10 (g) early and periodic screening, diagnosis, and
- 11 treatment services for persons under 21 years of age;
- 12 (h) ambulatory prenatal care for pregnant women during
- 13 a presumptive eligibility period, as provided in 42 U.S.C.
- 14 1396a(a)(47) and 42 U.S.C. 1396r-1;
- 15 (i) targeted case management services, as authorized in
- 16 42 U.S.C. 1396n(g), for high-risk pregnant women;
- 17 (j) services that are provided by physician
- 18 assistants-certified within the scope of their practice and
- 19 that are otherwise directly reimbursed as allowed under
- 20 department rule to an existing provider;
- 21 (k) health services provided under a physician's orders
- 22 by a public health department; and
- 23 (l) federally qualified health center services, as
- 24 defined in 42 U.S.C. 1396d(1)(2).
- 25 (3) Medical assistance provided by the Montana medicaid

1 program may, as provided by department rule, also include

2 the following services:

- 3 (a) medical care or any other type of remedial care
- 4 recognized under state law, furnished by licensed
- 5 practitioners within the scope of their practice as defined
- 6 by state law;
- 7 (b) home health care services;
- 8 (c) private-duty nursing services;
- 9 (d) dental services;
- 10 (e) physical therapy services;
- 11 (f) mental health center services administered and
- 12 funded under a state mental health program authorized under
- 13 Title 53, chapter 21, part 2;
- 14 (g) clinical social worker services;
- 15 (h) prescribed drugs, dentures, and prosthetic devices;
- 16 (i) prescribed eyeglasses;
- 17 (j) other diagnostic, screening, preventive,
- 18 rehabilitative, chiropractic, and osteopathic services;
- 19 (k) inpatient psychiatric hospital services for persons
- 20 under 21 years of age;
- 21 (l) services of professional counselors licensed under
- 22 Title 37, chapter 23;
- 23 (m) hospice care, as defined in 42 U.S.C. 1396d(o);
- 24 (n) case management services as provided in 42 U.S.C.
- 25 1396d(a) and 1396n(g), including targeted case management

1 services for the mentally ill ~~but--limited--to--services~~
2 ~~provided-in-crisis-intervention-programs;~~

3 (o) inpatient psychiatric services for persons under 21
4 years of age, as provided in 42 U.S.C. 1396d(h), in a
5 residential treatment facility, as defined in 50-5-101, that
6 is licensed in accordance with 50-5-201; and

7 (p) any additional medical service or aid allowable
8 under or provided by the federal Social Security Act.

9 (4) Services for persons qualifying for medicaid under
10 the medically needy category of assistance as described in
11 53-6-131 may be more limited in amount, scope, and duration
12 than services provided to others qualifying for assistance
13 under the Montana medicaid program.

14 ~~(4)(5)~~ The department may implement, as provided for in
15 Title XIX of the federal Social Security Act (42 U.S.C.
16 1396, et seq.), as may be amended, a program under medicaid
17 for payment of medicare premiums, deductibles, and
18 coinsurance for persons not otherwise eligible for medicaid.

19 ~~(5)(6)~~ The department may set rates for medical and
20 other services provided to recipients of medicaid and may
21 enter into contracts for delivery of services to individual
22 recipients or groups of recipients.

23 ~~(6)(7)~~ The services provided under this part may be
24 only those that are medically necessary and that are the
25 most efficient and cost-effective.

1 ~~(7)(8)~~ The amount, scope, and duration of services
2 provided under this part must be determined by the
3 department in accordance with Title XIX of the federal
4 Social Security Act (42 U.S.C. 1396, et seq.), as may be
5 amended.

6 ~~(8)(9)~~ Services, procedures, and items of an
7 experimental or cosmetic nature may not be provided.

8 ~~(9)(10)~~ If available funds are not sufficient to provide
9 medical assistance for all eligible persons, the department
10 may set priorities to limit, reduce, or otherwise curtail
11 the amount, scope, or duration of the medical services made
12 available under the Montana medicaid program.

13 ~~(10)(11)~~ Community-based medicaid services, as provided
14 for in part 4 of this chapter, must be provided in
15 accordance with the provisions of this chapter and the rules
16 adopted ~~thereunder~~ under this chapter.

17 ~~(11)(12)~~ Medicaid payment for personal-care facilities
18 may not be made unless the department certifies to the
19 director of the governor's office of budget and program
20 planning that payment to this type of provider would, in the
21 aggregate, be a cost-effective alternative to services
22 otherwise provided."

23 **Section 3.** Section 53-6-131, MCA, is amended to read:

24 "53-6-131. Eligibility requirements. (1) Medical
25 assistance under the Montana medicaid program may be granted

1 to a person who is determined by the department of social
2 and rehabilitation services, in its discretion, 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 that person were
12 to apply for such that assistance.

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

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

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

7 (ii) the person, while having income greater than the
8 medically needy income level specified for federally aided
9 categories of assistance:

10 (A) has an adjusted income level, after incurring
11 medical expenses, that does not exceed the medically needy
12 income level specified for federally aided categories of
13 assistance or, alternatively, has paid in cash to the
14 department the amount by which the person's income exceeds
15 the medically needy income level specified for federally
16 aided categories of assistance; and

17 (B) has resources that are within the resource
18 standards of the federal supplemental security income
19 program.

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

22 (2) The department may establish income and resource
23 limitations.

24 for Limitations of income and resources must be within
25 the amounts permitted by federal law for the medicaid

1 program.

2 ~~{b}--Per persons residing in institutions or requiring a~~
 3 ~~level of care that would qualify them for placement in an~~
 4 ~~institution, limitations may include a maximum income~~
 5 ~~before deductions, that does not exceed 300% of the federal~~
 6 ~~supplemental security income benefit amount payable under 42~~
 7 ~~U.S.C. 1396(b)(1).~~

8 {2}(3) The Montana medicaid program shall pay for, as
 9 required by federal law, the premiums necessary for
 10 participation medicaid-eligible persons participating in the
 11 medicare program and may, within the discretion of the
 12 department, pay all or a portion of the medicare premiums,
 13 deductibles, and coinsurance for a qualified
 14 medicare-eligible person or for a qualified disabled and
 15 working individual, as defined in section 6408(d)(2) of the
 16 federal Omnibus Budget Reconciliation Act of 1989, Public
 17 Law 101-239, who:

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

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

23 {3}(4) The department may pay a medicaid-eligible
 24 person's expenses for premiums, coinsurance, and similar
 25 costs for health insurance or other available health

1 coverage, as provided in 42 U.S.C. 1396b(a)(1).

2 {4}(5) The department, under the Montana medicaid
 3 program, may provide, if a waiver is not available from the
 4 federal government, medicaid and other assistance mandated
 5 by Title XIX of the federal Social Security Act (42 U.S.C.
 6 1396, et seq.), as may be amended, and not specifically
 7 listed in this part to categories of persons that may be
 8 designated by the act for receipt of assistance.

9 {5}(6) Notwithstanding any other provision of this
 10 chapter, medical assistance must be provided to infants and
 11 pregnant women whose family income does not exceed 133% of
 12 the federal poverty threshold, as provided in 42 U.S.C.
 13 1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(1)(2)(A)(i), and
 14 whose family resources do not exceed standards that the
 15 department determines reasonable for purposes of the
 16 program.

17 {6}(7) A person described in subsection {5}(6) 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 ~~NEW SECTION--Section 5--Termination--{Sections--1--~~
 21 ~~through--3 ANB-2} terminate June 30, 1994 1995.~~

22 ~~NEW SECTION. Section 4. Effective date. [This act] is~~
 23 ~~effective January 1, 1994 ON PASSAGE AND APPROVAL.~~

-End-

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
December 15, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 34 (third reading copy -- blue), respectfully report that House Bill No. 34 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, line 7.

Following: "PROGRAM;"

Insert: "REQUIRING THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO SUBMIT ESTIMATES OF MEDICAID EXPENDITURES TO THE LEGISLATIVE FINANCE COMMITTEE;"

2. Page 6, lines 3 through 11.

Strike: Section 1 in its entirety

Insert: "

NEW SECTION. Section 1. **Submission of estimate to legislative finance committee.** Whenever the department of social and rehabilitation services establishes an estimate of medicaid expenditures for medicaid services, the department shall submit the estimate to the legislative finance committee. The legislative finance committee shall consider the estimate at its next regularly scheduled meeting."

3. Page 9, line 11.

Following: "program."

Insert: "The department is not required to provide all of the services listed in subsections (2) and (3) to persons qualifying for medicaid under the medically needy category of assistance."

4. Page 13, line 13.

Following: "program."

Insert: "The department is not required to provide all of the services listed in subsections (2) and (3) to persons qualifying for medicaid under the medically needy category of assistance."

-END-

M - Amd. Coord.
SB Sec. of Senate

Waterman
Senator Carrying Bill

HB 34
SENATE

1 HOUSE BILL NO. 34
2 INTRODUCED BY COBB
3 BY REQUEST OF THE DEPARTMENT OF SOCIAL AND REHABILITATION
4 SERVICES AND THE OFFICE OF BUDGET AND PROGRAM PLANNING
5
6 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE
7 LAWS RELATING TO THE MONTANA MEDICAID PROGRAM; REQUIRING THE
8 DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO SUBMIT
9 ESTIMATES OF MEDICAID EXPENDITURES TO THE LEGISLATIVE
10 FINANCE COMMITTEE; CREATING A COMMITTEE TO ESTIMATE MEDICAID
11 EXPENDITURES--FOR--FISCAL YEAR YEARS 1994 AND 1995; REVISING
12 ELIGIBILITY AND THE MEDICAL SERVICES THAT MAY BE COVERED;
13 AMENDING SECTIONS 53-6-101 AND 53-6-131, MCA; AND PROVIDING
14 AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

15
16 STATEMENT OF INTENT

17 THE LEGISLATURE, IN HOUSE BILL NO. 27, REDUCED THE FISCAL
18 YEAR 1995 APPROPRIATION TO THE DEPARTMENT OF SOCIAL AND
19 REHABILITATION SERVICES FOR MEDICAID PRIMARY CARE BY \$4
20 MILLION IN GENERAL FUND MONEY, THUS AFFECTING MATCHING
21 FEDERAL FUNDS, BECAUSE OF AN ANTICIPATED LOWERING OF THE
22 PRIMARY CARE GROWTH RATE.

23 THE DEPARTMENT HAS REQUESTED GUIDANCE FROM THE
24 LEGISLATURE IN DETERMINING PRIORITIES FOR SPENDING
25 REDUCTIONS IF THE \$4 MILLION GENERAL FUND PRIMARY CARE

1 REDUCTION DOES NOT MATERIALIZE. THE FOLLOWING IS INTENDED TO
2 PROVIDE GUIDANCE TO THE DEPARTMENT WITH RESPECT TO
3 LEGISLATIVE PRIORITIES FOR MANAGEMENT IMPROVEMENTS AND
4 SPENDING REDUCTIONS.

5 (1) THE DEPARTMENT SHOULD TAKE ALL POSSIBLE STEPS TO
6 IMPLEMENT APPROPRIATE MANAGEMENT AND PROGRAM EFFICIENCIES
7 PRIOR TO CUTTING SERVICES.

8 (2) THE DEPARTMENT SHOULD REVIEW THOSE SERVICES THAT
9 EXPERIENCE HIGH ANNUAL GROWTH RATES FOR POSSIBLE LIMITS OR
10 REDUCTIONS.

11 (3) THE DEPARTMENT SHOULD, ON A REGULAR AND SYSTEMATIC
12 BASIS, SEEK INPUT FROM PROVIDER AND RECIPIENT ORGANIZATIONS
13 WITH RESPECT TO HIGH GROWTH RATE SERVICES IN AN EFFORT TO
14 OBTAIN PROPOSALS FOR LIMITING THE GROWTH OF GENERAL FUND
15 SPENDING ON THESE SERVICES.

16 (4) THE DEPARTMENT SHOULD MAKE STRENUOUS EFFORTS TO
17 EDUCATE CLIENTS ABOUT THE PASSPORT PROGRAM AND TO RECRUIT
18 ADDITIONAL PASSPORT PROVIDERS.

19 (5) THE DEPARTMENT MAY TAKE ANY APPROPRIATE STEPS
20 AUTHORIZED UNDER 53-6-101 WITH RESPECT TO SETTING PRIORITIES
21 TO LIMIT, REDUCE, OR OTHERWISE CURTAIL THE AMOUNT, SCOPE, OR
22 DURATION OF THE MEDICAL SERVICES MADE AVAILABLE UNDER THE
23 MONTANA MEDICAID PROGRAM.

24 (6) THE FOLLOWING REPRESENTS THE LEGISLATURE'S
25 PRIORITIZATION OF THE SERVICE REDUCTIONS PROPOSED BY THE

1 DEPARTMENT--TO--THE--HOUSE--APPROPRIATIONS--COMMITTEE--DURING--THE
 2 1993--SPECIAL--SESSION:
 3 (A)--LIMIT--PODIATRY--SO--THAT--ORTHOTICS--ARE--LIMITED--TO
 4 ONCE--EVERY--2--YEARS--AND--ROUTINE--FOOT--CARE--TO--ONCE--EVERY--60
 5 DAYS;
 6 (B)--LIMIT--PHYSICAL--THERAPY,--OCCUPATIONAL--THERAPY,--AND
 7 SPEECH--THERAPY--TO--35--HOURS--OF--SERVICE--PER--YEAR;
 8 (C)--INCREASE--HOSPITAL--COINSURANCE--FROM--\$100--TO--\$200;
 9 (D)--ELIMINATE--HEARING--AIDS;
 10 (E)--ELIMINATE--AUDIOLOGY--SERVICES;
 11 (F)--ELIMINATE--EYEGASSES;
 12 (G)--ELIMINATE--OPTICAL--SERVICES;
 13 (H)--IMPOSE--A--LIMIT--ON--PERSONAL--CARE--SERVICES--TO--35
 14 HOURS--PER--WEEK--PER--RECIPIENT;
 15 (I)--IMPOSE--A--LIMIT--ON--SERVICES--PROVIDED--BY--SOCIAL
 16 WORKERS,--PSYCHOLOGISTS--AND--LICENSED--PROFESSIONAL--COUNSELORS,
 17 AND--COMMUNITY--MENTAL--HEALTH--CLINIC--SERVICES--TO--22--HOURS--PER
 18 YEAR;
 19 (J)--IMPOSE--A--LIMIT--ON--DAY--TREATMENT--SERVICES--PROVIDED
 20 BY--MENTAL--HEALTH--CENTERS--TO--780--HOURS--PER--YEAR;
 21 (K)--REDUCE--OUTPATIENT--HOSPITAL--REIMBURSEMENT--IN--THE
 22 MANNER--PRESENTED--BY--THE--DEPARTMENT--TO--THE--HOUSE
 23 APPROPRIATIONS--COMMITTEE--DURING--THE--NOVEMBER--1993--SPECIAL
 24 SESSION--OF--THE--MONTANA--LEGISLATURE;--AND
 25 (L)--DELAY--NURSING--HOME--PROPERTY--REIMBURSEMENT--IN--THE

1 MANNER--PRESENTED--BY--THE--DEPARTMENT--TO--THE--HOUSE
 2 APPROPRIATIONS--COMMITTEE--DURING--THE--NOVEMBER--1993--SPECIAL
 3 SESSION--OF--THE--MONTANA--LEGISLATURE;
 4
 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 6 NEW-SECTION:--Section 1.--Committee-----on-----medicaid--
 7 expenditures-----composition-----purpose.--(1)--There--is--a
 8 committee-on-medicaid-expenditures;
 9 (2)--The--committee--consists--of--the--legislative--fiscal
 10 analyst,--provided--for--in--5-12-301;--the--budget--director,
 11 appointed--by--the--governor--pursuant--to--17-7-103;--and--the
 12 director--of--the--department--of--social--and--rehabilitation
 13 services,--provided--for--in--2-15-2201;
 14 (3)--The--purpose--of--the--committee--is--to--estimate--the
 15 fiscal--year--1994 AND--FISCAL--YEAR--1995 anticipated
 16 expenditures--of--medicaid--services--under--the--Montana--medicaid
 17 program--as--established--in--Title--53,--chapter--6;
 18 NEW-SECTION:--Section 2.--Duties-----of-----committee--on--
 19 medicaid--expenditures.--(1)--The--committee--on--medicaid
 20 expenditures--shall--meet QUARTERLY and--establish--an--estimate
 21 of--medicaid--expenditures--for--medicaid--services--for--fiscal
 22 year--1994 AND--FISCAL--YEAR--1995;--The--estimate--must--be--based
 23 upon--data--of--medicaid--expenditures--available--through--January
 24 31,--1994 AT--THE--TIME--OF--THE--MEETING;
 25 (2)--The--committee--shall--establish--an--estimate--of

1 medicaid--expenditures--no--later--than--February--28,--1994--As
2 soon--as--the--estimate--is--completed,--it--must--be--presented--to
3 the--governor,--the--speaker--of--the--house--of--representatives,
4 and--the--president--of--the--senate:

5 ~~NEW SECTION. Section 3. Duty of department of social~~
6 and--rehabilitation--services--to--reduce--medicaid--services--and
7 reimbursement--rates--or--restrict--eligibility,--(1)--if--the
8 committee--on--medicaid--expenditures--determines--that
9 expenditures--in--fiscal--year--1994--for--medicaid--services--will
10 exceed--the--amount--appropriated--for--the--services,--the
11 department--of--social--and--rehabilitation--services--is--directed
12 to--implement--reductions--in--services--and--provider
13 reimbursement--rates--or--limit--eligibility--necessary--to--keep
14 medicaid--expenditures--within--the--available--appropriated
15 amounts:

16 (2)--The--reduction--in--services--and--reimbursement--rates
17 or--limitations--placed--upon--eligibility--must--be--made--in
18 accordance--with--the--priorities--as--established--in--the--list--of
19 reductions--for--the--medicaid--program--presented--by--the
20 department--to--the--house--appropriations--committee--during--the
21 November--1993--special--session--of--the--Montana--legislature:

22 (3)--The--reductions--in--medicaid--primary--care--services
23 must--be--made--in--an--amount--sufficient--to--keep--expenditures
24 within--the--amount--of--money--appropriated--for--medicaid
25 services:

1 (4)--The--reductions--and--limitations--provided--in--this
2 section--may--be--implemented--immediately,--without--the--need--for
3 format--rulemaking--that--may--otherwise--be--required--by--the
4 Montana--Administrative--Procedures--Act:

5 ~~NEW SECTION. SECTION 1. DUTIES OF FORMER COMMITTEE.~~
6 (1)--(A)--THE--COMMITTEE--SHALL--PROVIDE--PUBLIC--NOTICE--OF--ITS
7 MEETINGS--NO--LESS--THAN--7--DAYS--PRIOR--TO--ITS--MEETINGS,--ALL
8 MEETINGS--OF--THE--COMMITTEE--MUST--BE--OPEN--TO--THE--PUBLIC:

9 (B)--THE--COMMITTEE--SHALL--KEEP--RECORDS--OF--ITS--MEETINGS,
10 AND--THE--RECORDS--MUST--BE--OPEN--TO--THE--PUBLIC:

11 (2)--WITHIN--15--DAYS--AFTER--EACH--MEETING--OF--THE--COMMITTEE,
12 THE--COMMITTEE--SHALL--SUBMIT--ITS--FINDINGS,--CONCLUSIONS,--AND
13 RECOMMENDATIONS--TO--THE--LEGISLATIVE--FINANCE--COMMITTEE:

14 NEW SECTION. SECTION 1. SUBMISSION OF ESTIMATE TO
15 LEGISLATIVE FINANCE COMMITTEE. WHENEVER THE DEPARTMENT OF
16 SOCIAL AND REHABILITATION SERVICES ESTABLISHES AN ESTIMATE
17 OF MEDICAID EXPENDITURES FOR MEDICAID SERVICES, THE
18 DEPARTMENT SHALL SUBMIT THE ESTIMATE TO THE LEGISLATIVE
19 FINANCE COMMITTEE. THE LEGISLATIVE FINANCE COMMITTEE SHALL
20 CONSIDER THE ESTIMATE AT ITS NEXT REGULARLY SCHEDULED
21 MEETING.

22 Section 2. Section 53-6-101, MCA, is amended to read:

23 "53-6-101. (Temporary) Montana medicaid program --
24 authorization of services. (1) There is a Montana medicaid
25 program established for the purpose of providing necessary

1 medical services to eligible persons who have need for
 2 medical assistance. The Montana medicaid program is a joint
 3 federal-state program administered under this chapter and in
 4 accordance with Title XIX of the federal Social Security Act
 5 (42 U.S.C. 1396, et seq.), as may be amended. The department
 6 of social and rehabilitation services shall administer the
 7 Montana medicaid program.

8 (2) Medical assistance provided by the Montana medicaid
 9 program includes the following services:

- 10 (a) inpatient hospital services;
- 11 (b) outpatient hospital services;
- 12 (c) other laboratory and x-ray services, including
 13 minimum mammography examination as defined in 33-22-132;
- 14 (d) skilled nursing services in long-term care
 15 facilities;
- 16 (e) physicians' services;
- 17 (f) nurse specialist services;
- 18 (g) early and periodic screening, diagnosis, and
 19 treatment services for persons under 21 years of age;
- 20 (h) ambulatory prenatal care for pregnant women during
 21 a presumptive eligibility period, as provided in 42 U.S.C.
 22 1396a(a)(47) and 42 U.S.C. 1396r-1;
- 23 (i) targeted case management services, as authorized in
 24 42 U.S.C. 1396n(g), for high-risk pregnant women;
- 25 (j) services that are provided by physician

1 assistants-certified within the scope of their practice and
 2 that are otherwise directly reimbursed as allowed under
 3 department rule to an existing provider;

4 (k) health services provided under a physician's orders
 5 by a public health department; and

6 (1) federally qualified health center services, as
 7 defined in 42 U.S.C. 1396d(1)(2).

8 (3) Medical assistance provided by the Montana medicaid
 9 program may, as provided by department rule, also include
 10 the following services:

- 11 (a) medical care or any other type of remedial care
 12 recognized under state law, furnished by licensed
 13 practitioners within the scope of their practice as defined
 14 by state law;
- 15 (b) home health care services;
- 16 (c) private-duty nursing services;
- 17 (d) dental services;
- 18 (e) physical therapy services;
- 19 (f) mental health center services administered and
 20 funded under a state mental health program authorized under
 21 Title 53, chapter 21, part 2;
- 22 (g) clinical social worker services;
- 23 (h) prescribed drugs, dentures, and prosthetic devices;
- 24 (i) prescribed eyeglasses;
- 25 (j) other diagnostic, screening, preventive,

rehabilitative, chiropractic, and osteopathic services;

(k) inpatient psychiatric hospital services for persons under 21 years of age;

(l) services of professional counselors licensed under Title 37, chapter 23;

(m) hospice care, as defined in 42 U.S.C. 1396d(o);

(n) case management services as provided in 42 U.S.C. 1396d(a) and 1396n(g), including targeted case management services for the mentally ill ~~but--limited--to-services provided-in-crisis-intervention-programs;~~

(o) inpatient psychiatric services for persons under 21 years of age, as provided in 42 U.S.C. 1396d(h), in a residential treatment facility, as defined in 50-5-101, that is licensed in accordance with 50-5-201; and

(p) any additional medical service or aid allowable under or provided by the federal Social Security Act.

(4) Services for persons qualifying for medicaid under the medically needy category of assistance as described in 53-6-131 may be more limited in amount, scope, and duration than services provided to others qualifying for assistance under the Montana medicaid program. THE DEPARTMENT IS NOT REQUIRED TO PROVIDE ALL OF THE SERVICES LISTED IN SUBSECTIONS (2) AND (3) TO PERSONS QUALIFYING FOR MEDICAID UNDER THE MEDICALLY NEEDY CATEGORY OF ASSISTANCE.

†4†(5) The department may implement, as provided for in

Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended, a program under medicaid for payment of medicare premiums, deductibles, and coinsurance for persons not otherwise eligible for medicaid.

†5†(6) The department may set rates for medical and other services provided to recipients of medicaid and may enter into contracts for delivery of services to individual recipients or groups of recipients.

†6†(7) The services provided under this part may be only those that are medically necessary and that are the most efficient and cost-effective.

†7†(8) The amount, scope, and duration of services provided under this part must be determined by the department in accordance with Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended.

†8†(9) Services, procedures, and items of an experimental or cosmetic nature may not be provided.

†9†(10) If available funds are not sufficient to provide medical assistance for all eligible persons, the department may set priorities to limit, reduce, or otherwise curtail the amount, scope, or duration of the medical services made available under the Montana medicaid program.

†10†(11) Community-based medicaid services, as provided for in part 4 of this chapter, must be provided in

1 accordance with the provisions of this chapter and the rules
2 adopted thereunder under this chapter.

3 53-6-101. (Effective July 1, 1994) Montana medicaid
4 program -- authorization of services. (1) There is a Montana
5 medicaid program established for the purpose of providing
6 necessary medical services to eligible persons who have need
7 for medical assistance. The Montana medicaid program is a
8 joint federal-state program administered under this chapter
9 and in accordance with Title XIX of the federal Social
10 Security Act (42 U.S.C. 1396, et seq.), as may be amended.
11 The department of social and rehabilitation services shall
12 administer the Montana medicaid program.

13 (2) Medical assistance provided by the Montana medicaid
14 program includes the following services:

- 15 (a) inpatient hospital services;
- 16 (b) outpatient hospital services;
- 17 (c) other laboratory and x-ray services, including
18 minimum mammography examination as defined in 33-22-132;
- 19 (d) skilled nursing services in long-term care
20 facilities;
- 21 (e) physicians' services;
- 22 (f) nurse specialist services;
- 23 (g) early and periodic screening, diagnosis, and
24 treatment services for persons under 21 years of age;
- 25 (h) ambulatory prenatal care for pregnant women during

1 a presumptive eligibility period, as provided in 42 U.S.C.
2 1396a(a)(47) and 42 U.S.C. 1396r-1;

3 (i) targeted case management services, as authorized in
4 42 U.S.C. 1396n(g), for high-risk pregnant women;

5 (j) services that are provided by physician
6 assistants-certified within the scope of their practice and
7 that are otherwise directly reimbursed as allowed under
8 department rule to an existing provider;

9 (k) health services provided under a physician's orders
10 by a public health department; and

11 (l) federally qualified health center services, as
12 defined in 42 U.S.C. 1396d(1)(2).

13 (3) Medical assistance provided by the Montana medicaid
14 program may, as provided by department rule, also include
15 the following services:

16 (a) medical care or any other type of remedial care
17 recognized under state law, furnished by licensed
18 practitioners within the scope of their practice as defined
19 by state law;

20 (b) home health care services;

21 (c) private-duty nursing services;

22 (d) dental services;

23 (e) physical therapy services;

24 (f) mental health center services administered and
25 funded under a state mental health program authorized under

Title 53, chapter 21, part 2;

(g) clinical social worker services;

(h) prescribed drugs, dentures, and prosthetic devices;

(i) prescribed eyeglasses;

(j) other diagnostic, screening, preventive, rehabilitative, chiropractic, and osteopathic services;

(k) inpatient psychiatric hospital services for persons under 21 years of age;

(l) services of professional counselors licensed under Title 37, chapter 23;

(m) hospice care, as defined in 42 U.S.C. 1396d(o);

(n) case management services as provided in 42 U.S.C. 1396d(a) and 1396n(g), including targeted case management services for the mentally ill but--limited--to-services provided-in-crisis-intervention-programs;

(o) inpatient psychiatric services for persons under 21 years of age, as provided in 42 U.S.C. 1396d(h), in a residential treatment facility, as defined in 50-5-101, that is licensed in accordance with 50-5-201; and

(p) any additional medical service or aid allowable under or provided by the federal Social Security Act.

(4) Services for persons qualifying for medicaid under the medically needy category of assistance as described in 53-6-131 may be more limited in amount, scope, and duration than services provided to others qualifying for assistance

under the Montana medicaid program. THE DEPARTMENT IS NOT REQUIRED TO PROVIDE ALL OF THE SERVICES LISTED IN SUBSECTIONS (2) AND (3) TO PERSONS QUALIFYING FOR MEDICAID UNDER THE MEDICALLY NEEDY CATEGORY OF ASSISTANCE.

~~(4)~~(5) The department may implement, as provided for in Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended, a program under medicaid for payment of medicare premiums, deductibles, and coinsurance for persons not otherwise eligible for medicaid.

~~(5)~~(6) The department may set rates for medical and other services provided to recipients of medicaid and may enter into contracts for delivery of services to individual recipients or groups of recipients.

~~(6)~~(7) The services provided under this part may be only those that are medically necessary and that are the most efficient and cost-effective.

~~(7)~~(8) The amount, scope, and duration of services provided under this part must be determined by the department in accordance with Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended.

~~(8)~~(9) Services, procedures, and items of an experimental or cosmetic nature may not be provided.

~~(9)~~(10) If available funds are not sufficient to provide medical assistance for all eligible persons, the department

may set priorities to limit, reduce, or otherwise curtail the amount, scope, or duration of the medical services made available under the Montana medicaid program.

~~(10)~~(11) Community-based medicaid services, as provided for in part 4 of this chapter, must be provided in accordance with the provisions of this chapter and the rules adopted ~~thereunder~~ under this chapter.

~~(11)~~(12) Medicaid payment for personal-care facilities may not be made unless the department certifies to the director of the governor's office of budget and program planning that payment to this type of provider would, in the aggregate, be a cost-effective alternative to services otherwise provided."

Section 3. Section 53-6-131, MCA, is amended to read:

"53-6-131. Eligibility requirements. (1) Medical assistance under the Montana medicaid program may be granted to a person who is determined by the department of social and rehabilitation services, in its discretion, 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 that person were to apply for ~~such~~ that assistance.

(c) The person is in a medical facility that is a medicaid provider and, but for residence in the facility, the person 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~~ medically ~~needy~~ income level specified for federally aided categories of assistance and 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:

(A) 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 or, alternatively, has paid in cash to the department the amount by which the person's income exceeds the medically needy income level specified for federally aided categories of assistance; and

(B) has resources that 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).

(2) The department may establish income and resource limitations.

(a) Limitations of income and resources must be within the amounts permitted by federal law for the medicaid program.

(b) For persons residing in institutions or requiring a level of care that would qualify them for placement in an institution, limitations may include a maximum income before deductions that does not exceed 300% of the federal supplemental security income benefit amount payable under 42 U.S.C. 1382(b)(1).

(2)(3) The Montana medicaid program shall pay for, as required by federal law, the premiums necessary for

participation medicaid-eligible persons participating in the medicare program and may, within the discretion of the department, pay all or a portion of the medicare premiums, deductibles, and coinsurance for a qualified 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)(4) 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)(5) 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)(6) Notwithstanding any other provision of this

1 chapter, medical assistance must be provided to infants and
 2 pregnant women whose family income does not exceed 133% of
 3 the federal poverty threshold, as provided in 42 U.S.C.
 4 1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(1)(2)(A)(i), and
 5 whose family resources do not exceed standards that the
 6 department determines reasonable for purposes of the
 7 program.

8 ~~(6)(7)~~ A person described in subsection ~~(5)~~ (6) must be
 9 provided continuous eligibility for medical assistance, as
 10 authorized in 42 U.S.C. 1396a(e)(5) through a(e)(7)."

11 ~~NEW SECTION. --Section 5. Termination:---{Sections---1--~~
 12 ~~through-3 AND-2}-terminate-June-30,-1994 1995-~~

13 NEW SECTION. Section 4. Effective date. [This act] is
 14 effective ~~January-1,-1994~~ ON PASSAGE AND APPROVAL.

-End-