

1 HOUSE BILL NO. 155  
 2 INTRODUCED BY TROPILA  
 3 BY REQUEST OF THE STATE AUDITOR  
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT DISABILITY INSURANCE CONTRACTS  
 6 INCLUDE A NUMERICAL COMPARISON OF THE VALUE OF THE BENEFITS PROVIDED BY THE CONTRACT  
 7 WITH THE VALUE OF THE SAME BENEFITS WITH LIMITS BASED ON A NATIONALLY RECOGNIZED  
 8 STANDARD; REQUIRING THE COMMISSIONER OF INSURANCE TO ISSUE RULES GOVERNING NUMERICAL  
 9 COMPARISONS; AND AMENDING SECTION 33-15-308, MCA."

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 11 STATEMENT OF INTENT

12 A statement of intent is required for this bill because [section 1] requires the commissioner of  
 13 insurance to adopt rules that establish a method by which an insured can compare the value of the benefits  
 14 provided by a disability insurance plan with the value of the benefits that would be provided if the plan  
 15 were based on a nationally recognized standard. In selecting the specific standard or standards to be used,  
 16 the commissioner may consider Medical Data Research, the Resource Based Relative Value System, the  
 17 McGraw Hill Value Schedule, or another recognized standard. The rules must designate the specific  
 18 standard or standards to be used and the methodology for making comparisons.  
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20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
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22 **Section 1.** Section 33-15-308, MCA, is amended to read:

23 **"33-15-308. Explanation of charges.** ~~A disability~~ An insurer, a health service corporation, or a  
 24 health maintenance organization that issues policies, certificates, or contracts, that issues policies,  
 25 certificates, or contracts for delivery in this state, or that, renews, extends, or modifies policies, certificates,  
 26 or contracts on or after October 1, 1995, a policy, certificate, membership contract, or health care services  
 27 agreement for delivery in this state shall include in the disability policies, certificates, or contracts definitions  
 28 for terms that limit that limits payment of health care services based on standards described as usual and  
 29 customary, reasonable and customary, prevailing fee, allowable charges, or a relative value schedule or  
 30 described in other comparable terms shall include in the policy, certificate, membership contract, or health

1 ~~care services agreement. These definitions must inform~~  
2 (1) a definition of each term pertaining to the basis for limiting payment;  
3 (2) a statement informing the insured that the insured's health care provider may charge more than  
4 the limits established by the defined terms and that such the additional charges may not be covered by the  
5 policy, certificate, or contract, or agreement;  
6 (3) a numerical comparison of the value of the benefits of a policy, certificate, contract, or  
7 agreement to the value of the same benefits based on a nationally recognized standard or standards  
8 designated by rule by the commissioner; and  
9 (4) if a standard designated in accordance with subsection (3) or a term defined in accordance with  
10 subsection (1) is derived from a data base, a statement informing the insured or the certificate holder of  
11 the method used to define the geographic or demographic area from which the data to determine the  
12 standard or term is derived."

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