

1 *Beauregard* *House* BILL NO. *538* *Denny Mills*
 2 INTRODUCED BY *Koerner* *THOMAS* *SEMEDJET* *Greggson* *CRR*

3 *John* *McCurran* *Stang*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A PILOT PROJECT FOR THE USE OF MEDICAL
 5 SAVINGS ACCOUNTS IN CONJUNCTION WITH THE MONTANA MEDICAID PROGRAM; PROVIDING FOR

6 THE DESIGN OF THE PROJECT; PROVIDING FOR ADMINISTRATION OF THE PROJECT BY THE
 7 DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES; PROVIDING THE POWERS AND DUTIES OF
 8 THE DEPARTMENT; REQUIRING CONTRACTS FOR THE ADMINISTRATION OF MEDICAL SAVINGS
 9 ACCOUNTS AND THE PROVISION OF HIGH-DEDUCTIBLE HEALTH CARE COVERAGE; REQUIRING
 10 REPORTS AND EVALUATION OF THE PROJECT; AND PROVIDING AN EFFECTIVE DATE AND A
 11 TERMINATION DATE."

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

14
 15 NEW SECTION. **Section 1. Legislative findings and purpose.** The legislature finds that among the
 16 contributing causes of the increase in the cost of the medicaid program has been the lack of sufficient
 17 incentive by participants in the medicaid program to conserve government funds used to pay for medicaid
 18 medical benefits. The legislature believes that treatment of medicaid funds as the personal funds of
 19 medicaid recipients would provide that needed incentive. The purpose of [sections 1 through 10] is to
 20 create a pilot program by which the effect of that incentive may be tested by providing high-deductible
 21 health care coverage to a limited number of medicaid-eligible adults and minors and allowing those
 22 participants in a pilot project to keep a part of the state money that is not used by the participants for
 23 health care expenses below the amount at which coverage begins. In this way, the legislature will test the
 24 use of personal financial incentive to help reduce medicaid costs and educate medicaid consumers to make
 25 informed decisions about appropriate use of health care.

26
 27 NEW SECTION. **Section 2. Definitions.** As used in [sections 1 through 10], the following
 28 definitions apply:

29 (1) "Department" means the department of public health and human services provided for in
 30 2-15-2201.

1 (2) "Health care expenses" means expenses incurred for health care provided by the medicaid
2 program.

3 (3) "High-deductible health care coverage" means coverage for the payment of health care expenses
4 by a group medical expense disability policy, membership contract, subscriber contract, health services
5 agreement, or certificate of insurance provided by a health insurer, health service corporation, or health
6 maintenance organization having a deductible amount for each participant in an amount determined by the
7 department.

8 (4) "Medicaid" means the Montana medicaid program established by 53-6-101.

9 (5) "Medical savings account" or "account" means an account established for the purposes of
10 [sections 1 through 10] with a state or federally chartered bank, savings and loan association, credit union,
11 trust company, or other corporate fiduciary determined by the department.

12 (6) "Participant" means an individual eligible for medicaid chosen by the department in the manner
13 provided in [section 5] to participate in the pilot project.

14 (7) "Pilot project" or "project" means the medicaid medical savings account pilot project established
15 by [sections 1 through 10].

16

17 **NEW SECTION. Section 3. Medicaid medical savings accounts -- pilot project elements -- project**
18 **timelines -- contracts.** (1) The department shall design a pilot project in accordance with [section 4] and
19 this section for the use of medical savings accounts in conjunction with the Montana medicaid program.
20 The department shall establish and administer the medical savings account and high-deductible health care
21 coverage parts of the pilot project following approval of the waivers requested by the department pursuant
22 to [section 6].

23 (2) The pilot project consists of the following elements:

24 (a) a design plan prepared by the department pursuant to a contract required by [section 4];

25 (b) a request submitted by the department pursuant to [section 6] to the U.S. health care financing
26 administration for waivers, pursuant to 42 U.S.C. 1315, of requirements of Title XIX of the Social Security
27 Act, 42 U.S.C. 1396, et seq.;

28 (c) establishment, funding, and management by the department pursuant to a contract required
29 by [section 7] of medical savings accounts for participants chosen pursuant to [section 5];

30 (d) high-deductible health care coverage purchased by contract by the department in accordance

1 with [section 8] for each participant for each fiscal year during the time of the pilot project;

2 (e) evaluation of the pilot project in the manner provided by [section 9] and reports to the
3 legislative audit division and to the legislative fiscal division in the manner required by [section 10].

4 (3) The pilot project begins with commencement of the design plan provided by [section 4].
5 Elements of the project as provided in subsection (2) of this section may be begun and completed at times
6 determined by the department consistent with [sections 1 through 10]. However, medical savings accounts
7 and high-deductible health care coverage for each participant must begin no later than January 1, 1999.

8 (4) Requests for proposals and contracts required or authorized by [sections 1 through 10] must
9 comply in all respects with the provisions of Title 18. The department may also consult with the department
10 of administration, the state insurance commissioner, and recognized experts in contracts for the types of
11 services required or authorized by [sections 1 through 10] before committing the state to those contracts.

12

13 **NEW SECTION. Section 4. Pilot project design plan required.** The department shall by contract
14 create a design plan for the pilot project. The design plan must consist of the following project elements
15 and the projected time periods and goals for each element:

16 (1) a report on participant profiles for use by insurers or others who may provide the
17 high-deductible health care coverage and a cost analysis for provision of that coverage;

18 (2) a calculation for each fiscal year of the project of the number of participants to be chosen
19 pursuant to [section 5], the amounts deposited for each participant into the participant's medical savings
20 account, the projected cost per participant, and the annual projected savings resulting from the project prior
21 to each project fiscal year;

22 (3) a request for proposals to develop the request for waivers to be submitted to the U.S. health
23 care financing administration pursuant to [section 6];

24 (4) development of requests for proposals by which the department would contract for the
25 administration of participant medical savings accounts pursuant to [section 7], including a nondiscriminatory
26 methodology by which the department will determine the amount remaining within an account to be paid
27 to a participant pursuant to [section 7(3)], and the provision of high-deductible health care coverage
28 pursuant to [section 8];

29 (5) development of a methodology for measuring project outcomes in subject areas, including but
30 not limited to cost, access, and health status of the project participants, as provided in [section 9];

1 (6) the method and subjects of an independent assessment of the pilot project in areas, including
2 but not limited to cost-effectiveness, access, and quality, as provided in [section 9]; and

3 (7) the method and subjects of the reports required by [section 10].
4

5 **NEW SECTION. Section 5. Choice of pilot project participants.** The department shall, in a manner
6 chosen by the department, offer participation in the pilot project to adult and minor individuals chosen in
7 a manner to accurately represent those persons in Montana receiving benefits from the medicaid program.
8 Participation in the pilot project by those individuals chosen by the department is voluntary. In offering
9 participation in the project, the department shall explain the aspects and objectives of the project as they
10 will affect participants and explain the responsibilities of participants. The department shall limit the number
11 of participants to not less than 1,000 and not more than 5,000.
12

13 **NEW SECTION. Section 6. Request by department for waivers.** The department shall, by request
14 for proposals, develop and submit to the U.S. health care financing administration a request for waivers
15 from federal statutes and regulations necessary to obtain federal financial participation in the pilot project
16 to the same extent that the federal government participates in the medicaid program. Contracts entered
17 into by the department for this purpose must provide for the continuing support of the contractor during
18 waiver negotiations.
19

20 **NEW SECTION. Section 7. Medical savings accounts -- administration -- payments -- terms and**
21 **conditions.** (1) Upon approval of the waivers requested pursuant to [section 6], the department shall, by
22 request for proposals, provide for the administration of a medical savings account for each participant. The
23 term of a contract entered into pursuant to the requests may be for a fiscal year or for another period
24 determined by the department that is consistent with appropriations for and the objectives of the pilot
25 project.

26 (2) (a) Upon receipt of an appropriation for the purposes of this section, the department shall pay
27 to the administrator of each participant's medical savings account an amount of money determined by the
28 department and based upon the average statewide cost for medical assistance for each individual in the
29 medicaid program.

30 (b) A contract for the administration of the pilot project must include payment of the amount into

1 the account of each participant at the beginning of each fiscal year during the time of the project.
 2 Administration must also include payment of participants' medical claims from the accounts, recordkeeping
 3 necessary for proper administration of the payments and accounts, and payment of amounts remaining in
 4 the account to the participant as provided in subsection (3).

5 (c) The department may require as part of the contract for the administration of the accounts that
 6 the contractor provide educational information to participants and accounting, auditing, and recordkeeping
 7 services necessary for project evaluation and reports as required by [sections 9 and 10].

8 (3) The terms of the contract for the administration of the pilot project must include payment within
 9 90 days after the end of the fiscal year to each project participant, and each participant may retain an
 10 amount of money determined by the department and remaining in the account at the end of a fiscal year.
 11 The terms of the use of an account by a participant may also include requirements necessary for the proper
 12 administration and use of the account.

13

14 **NEW SECTION. Section 8. High-deductible health care coverage required.** Upon approval of the
 15 waivers requested pursuant to [section 6], the department shall, by request for proposals before the
 16 beginning of each fiscal year during the time of the pilot project, obtain high-deductible health care
 17 coverage for each participant. In making the request for proposals, the department shall provide to
 18 potential contractors the information concerning the project and participants reasonably determined by the
 19 department to be needed by potential contractors to adequately assess the degree of financial risk to be
 20 assumed by the successful contractor. The contract with the department must require the contractor to
 21 provide high-deductible health care coverage for each participant beginning with each fiscal year and ending
 22 at the end of each fiscal year during the time of the project.

23

24 **NEW SECTION. Section 9. Project evaluation -- outcomes measurement -- independent**
 25 **assessment.** (1) The department shall, by request for proposals, provide for evaluation of the project
 26 outcomes at the completion of the project and may provide for evaluation at other times as the department
 27 may determine. The evaluation must include an evaluation of the cost-effectiveness of the project, the
 28 degree of access to health care available to participants, and the health status of participants. A contract
 29 for project evaluation may be combined by the department with another contract made by the department
 30 pursuant to [sections 1 through 10].

1 (2) The department shall, by request for proposals, provide for an independent assessment of the
2 project by a corporation, firm, partnership, or other business entity knowledgeable in the measurement of
3 cost-effectiveness, access, quality of care, and health status of individuals receiving health care. A
4 contract for the assessment may not be combined with another contract made by the department pursuant
5 to [sections 1 through 10]. A contract required by this subsection must also require the contractor to
6 provide information developed by the assessment to the U.S. health care financing agency or another
7 agency of the federal government.

8

9 NEW SECTION. Section 10. Reports required. The department shall, at the conclusion of the
10 project, provide a report to the legislative audit division and the legislative fiscal division containing those
11 matters determined in the evaluation and independent assessment required by [section 9].

12

13 NEW SECTION. Section 11. Codification instruction. [Sections 1 through 10] are intended to be
14 codified as an integral part of Title 53, chapter 6, and the provisions of Title 53, chapter 6, apply to
15 [sections 1 through 10].

16

17 NEW SECTION. Section 12. Effective date. [This act] is effective July 1, 1997.

18

19 NEW SECTION. Section 13. Termination. [This act] terminates January 1, 2001.

20

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0538, as introduced


DESCRIPTION OF PROPOSED LEGISLATION:

An act creating a pilot project for the use of medical savings accounts in conjunction with the Montana Medicaid Program; providing for the design of the project; providing for administration of the project by the Department of Public Health and Human Services (DPHHS); providing the powers and duties of the department; requiring contracts for the administration of medical savings accounts and the provision of high deductible health care coverage; and requiring reports and evaluation of the project.

ASSUMPTIONS:

1. The effective date of the bill is July 1, 1997.
2. The termination date of the project is January 1, 2001.
3. The Medical Savings Account (MSA) pilot project must begin by January 1, 1999.
4. DPHHS would manage the pilot project.
5. Establishment and operation of the pilot project is contingent on the federal Health Care Financing Administration's (HCFA) approval of a waiver. If the waiver to be submitted on behalf of the MSA pilot project is not approved, then the MSA pilot project will not go into effect.
6. DPHHS will contract for services related to the pilot project design and waiver development. The estimated cost of this contract will be \$75,000 during fiscal year 1998.
7. DPHHS would acquire high-deductible health care coverage that would go into effect for each participant after the individual MSA is exhausted.
8. The department will contract for services to gather data and provide a report on the applicable Medicaid population related to the risk associated with MSAs for the high-deductible health care coverage that would go into effect for each participant after the MSA is exhausted. The estimated cost is \$25,000 annually.
9. The department will contract for financial administration of the MSA for all participants.
10. With the exception of the costs for the contracts listed above, all costs associated with the pilot project would be covered within existing appropriations. The average cost per client would be utilized as the amount that would cover costs associated with the MSA including the cost of financial administration of the MSA, the health care coverage, and the cost of the MSA itself.
11. Participation in the pilot project will be voluntary, but will be limited to persons who are eligible for Medicaid by virtue of their Temporary Assistance for Needy Families (TANF) program (which replaced the Aid for Families with Dependent Children (AFDC) program) eligibility.
12. For purposes of the fiscal note, it is assumed that 1,000 persons will be participating in the program; 68% of the participants will be children and 32% will adults.
13. Program savings is assumed at 5% per individual. The estimated total for savings is \$82 per adult per year and \$45 per child per year. This amount is based on 1995 cost and is inflated by 6% per year for 1996, 1997, 1998, and 1999 for the estimated benefits savings.
14. Pilot program evaluation would occur in fiscal year 2001 and is estimated to cost \$75,000.
15. It is assumed that the program will commence January 1, 1999, providing only six months of savings during fiscal 1999.
16. It is assumed that the MSA participant will be allowed to keep any amount remaining in the MSA at the end of each year.

(Continued)


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

BOB KEENAN, PRIMARY SPONSOR DATE

Fiscal Note for HB0538, as introduced

HB 538

FISCAL IMPACT:

	<u>FY98</u>	<u>FY99</u>
	<u>Difference</u>	<u>Difference</u>
<u>Expenditures:</u>		
Operating Costs	\$100,000	\$ 25,000
Medicaid Benefits Savings		<u>(36,006)</u>
Total Expenses	\$100,000	\$ (11,006)
 <u>Funding:</u>		
General Fund	\$ 50,000	\$ 2,101
Federal Fund	<u>50,000</u>	<u>(13,107)</u>
Total	\$100,000	\$ (11,006)

LONG TERM EFFECTS OF LEGISLATION:

The financial incentive for participants to recover funds not spent on care may encourage some participants to delay or avoid preventive and primary care. This may have an impact on an individual's health status, and may subsequently increase Medicaid costs in the future.

TECHNICAL NOTES:

1. The bill should be amended to state that the population to be included in the pilot project would only include TANF-eligible Medicaid clients.
2. The bill should specify that payments to the MSA would be made monthly rather than annually. Medicaid eligibility is not set on an annual basis and eligible persons often have eligibility determined monthly, depending on changes in the individual's situation.
3. Allowing for voluntary selection in participation in the pilot may not allow for an accurate determination of the impact of the program. Individuals who would benefit more under the existing Medicaid program are likely to "opt out" of participation in the pilot. Requesting a waiver to allow for assignment of representative samples from the Medicaid population to both the MSA pilot group and any control group will give a more accurate reflection of the impact of the program.
4. The MSA pilot will include additional administrative expenses not currently incurred under the existing Medicaid program. These are the cost of administering the MSA for participants and the administrative cost associated with the high-deductible coverage. These costs are not included as additional costs in this fiscal note, but are assumed to be able to be covered within the existing appropriation, i.e., benefits levels.

1 *Brainard* *House* BILL NO. *538* *DENNY Kelly*
2 INTRODUCED BY *Yoernan* *THOMAS* *BENEDICT* *Carrigan* *CRR*

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A PILOT PROJECT FOR THE USE OF MEDICAL
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6 THE DESIGN OF THE PROJECT; PROVIDING FOR ADMINISTRATION OF THE PROJECT BY THE
7 DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES; PROVIDING THE POWERS AND DUTIES OF
8 THE DEPARTMENT; REQUIRING CONTRACTS FOR THE ADMINISTRATION OF MEDICAL SAVINGS
9 ACCOUNTS AND THE PROVISION OF HIGH-DEDUCTIBLE HEALTH CARE COVERAGE; REQUIRING
10 REPORTS AND EVALUATION OF THE PROJECT; AND PROVIDING AN EFFECTIVE DATE AND A
11 TERMINATION DATE."

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15 NEW SECTION. **Section 1. Legislative findings and purpose.** The legislature finds that among the
16 contributing causes of the increase in the cost of the medicaid program has been the lack of sufficient
17 incentive by participants in the medicaid program to conserve government funds used to pay for medicaid
18 medical benefits. The legislature believes that treatment of medicaid funds as the personal funds of
19 medicaid recipients would provide that needed incentive. The purpose of [sections 1 through 10] is to
20 create a pilot program by which the effect of that incentive may be tested by providing high-deductible
21 health care coverage to a limited number of medicaid-eligible adults and minors and allowing those
22 participants in a pilot project to keep a part of the state money that is not used by the participants for
23 health care expenses below the amount at which coverage begins. In this way, the legislature will test the
24 use of personal financial incentive to help reduce medicaid costs and educate medicaid consumers to make
25 informed decisions about appropriate use of health care.

26
27 NEW SECTION. **Section 2. Definitions.** As used in [sections 1 through 10], the following
28 definitions apply:

29 (1) "Department" means the department of public health and human services provided for in
30 2-15-2201.

1 (2) "Health care expenses" means expenses incurred for health care provided by the medicaid
2 program.

3 (3) "High-deductible health care coverage" means coverage for the payment of health care expenses
4 by a group medical expense disability policy, membership contract, subscriber contract, health services
5 agreement, or certificate of insurance provided by a health insurer, health service corporation, or health
6 maintenance organization having a deductible amount for each participant in an amount determined by the
7 department.

8 (4) "Medicaid" means the Montana medicaid program established by 53-6-101.

9 (5) "Medical savings account" or "account" means an account established for the purposes of
10 [sections 1 through 10] with a state or federally chartered bank, savings and loan association, credit union,
11 trust company, or other corporate fiduciary determined by the department.

12 (6) "Participant" means an individual eligible for medicaid chosen by the department in the manner
13 provided in [section 5] to participate in the pilot project.

14 (7) "Pilot project" or "project" means the medicaid medical savings account pilot project established
15 by [sections 1 through 10].

16

17 **NEW SECTION. Section 3. Medicaid medical savings accounts -- pilot project elements -- project**
18 **timelines -- contracts.** (1) The department shall design a pilot project in accordance with [section 4] and
19 this section for the use of medical savings accounts in conjunction with the Montana medicaid program.
20 The department shall establish and administer the medical savings account and high-deductible health care
21 coverage parts of the pilot project following approval of the waivers requested by the department pursuant
22 to [section 6].

23 (2) The pilot project consists of the following elements:

24 (a) a design plan prepared by the department pursuant to a contract required by [section 4];

25 (b) a request submitted by the department pursuant to [section 6] to the U.S. health care financing
26 administration for waivers, pursuant to 42 U.S.C. 1315, of requirements of Title XIX of the Social Security
27 Act, 42 U.S.C. 1396, et seq.;

28 (c) establishment, funding, and management by the department pursuant to a contract required
29 by [section 7] of medical savings accounts for participants chosen pursuant to [section 5];

30 (d) high-deductible health care coverage purchased by contract by the department in accordance

1 with [section 8] for each participant for each fiscal year during the time of the pilot project;

2 (e) evaluation of the pilot project in the manner provided by [section 9] and reports to the
3 legislative audit division and to the legislative fiscal division in the manner required by [section 10].

4 (3) The pilot project begins with commencement of the design plan provided by [section 4].
5 Elements of the project as provided in subsection (2) of this section may be begun and completed at times
6 determined by the department consistent with [sections 1 through 10]. However, medical savings accounts
7 and high-deductible health care coverage for each participant must begin no later than January 1, 1999.

8 (4) Requests for proposals and contracts required or authorized by [sections 1 through 10] must
9 comply in all respects with the provisions of Title 18. The department may also consult with the department
10 of administration, the state insurance commissioner, and recognized experts in contracts for the types of
11 services required or authorized by [sections 1 through 10] before committing the state to those contracts.

12
13 **NEW SECTION. Section 4. Pilot project design plan required.** The department shall by contract
14 create a design plan for the pilot project. The design plan must consist of the following project elements
15 and the projected time periods and goals for each element:

16 (1) a report on participant profiles for use by insurers or others who may provide the
17 high-deductible health care coverage and a cost analysis for provision of that coverage;

18 (2) a calculation for each fiscal year of the project of the number of participants to be chosen
19 pursuant to [section 5], the amounts deposited for each participant into the participant's medical savings
20 account, the projected cost per participant, and the annual projected savings resulting from the project prior
21 to each project fiscal year;

22 (3) a request for proposals to develop the request for waivers to be submitted to the U.S. health
23 care financing administration pursuant to [section 6];

24 (4) development of requests for proposals by which the department would contract for the
25 administration of participant medical savings accounts pursuant to [section 7], including a nondiscriminatory
26 methodology by which the department will determine the amount remaining within an account to be paid
27 to a participant pursuant to [section 7(3)], and the provision of high-deductible health care coverage
28 pursuant to [section 8];

29 (5) development of a methodology for measuring project outcomes in subject areas, including but
30 not limited to cost, access, and health status of the project participants, as provided in [section 9];

- 1 (6) the method and subjects of an independent assessment of the pilot project in areas, including
2 but not limited to cost-effectiveness, access, and quality, as provided in [section 9]; and
3 (7) the method and subjects of the reports required by [section 10].
4

5 **NEW SECTION. Section 5. Choice of pilot project participants.** The department shall, in a manner
6 chosen by the department, offer participation in the pilot project to adult and minor individuals chosen in
7 a manner to accurately represent those persons in Montana receiving benefits from the medicaid program.
8 Participation in the pilot project by those individuals chosen by the department is voluntary. In offering
9 participation in the project, the department shall explain the aspects and objectives of the project as they
10 will affect participants and explain the responsibilities of participants. The department shall limit the number
11 of participants to not less than 1,000 and not more than 5,000.
12

13 **NEW SECTION. Section 6. Request by department for waivers.** The department shall, by request
14 for proposals, develop and submit to the U.S. health care financing administration a request for waivers
15 from federal statutes and regulations necessary to obtain federal financial participation in the pilot project
16 to the same extent that the federal government participates in the medicaid program. Contracts entered
17 into by the department for this purpose must provide for the continuing support of the contractor during
18 waiver negotiations.
19

20 **NEW SECTION. Section 7. Medical savings accounts -- administration -- payments -- terms and**
21 **conditions.** (1) Upon approval of the waivers requested pursuant to [section 6], the department shall, by
22 request for proposals, provide for the administration of a medical savings account for each participant. The
23 term of a contract entered into pursuant to the requests may be for a fiscal year or for another period
24 determined by the department that is consistent with appropriations for and the objectives of the pilot
25 project.

26 (2) (a) Upon receipt of an appropriation for the purposes of this section, the department shall pay
27 to the administrator of each participant's medical savings account an amount of money determined by the
28 department and based upon the average statewide cost for medical assistance for each individual in the
29 medicaid program.

30 (b) A contract for the administration of the pilot project must include payment of the amount into

1 the account of each participant at the beginning of each fiscal year during the time of the project.
2 Administration must also include payment of participants' medical claims from the accounts, recordkeeping
3 necessary for proper administration of the payments and accounts, and payment of amounts remaining in
4 the account to the participant as provided in subsection (3).

5 (c) The department may require as part of the contract for the administration of the accounts that
6 the contractor provide educational information to participants and accounting, auditing, and recordkeeping
7 services necessary for project evaluation and reports as required by [sections 9 and 10].

8 (3) The terms of the contract for the administration of the pilot project must include payment within
9 90 days after the end of the fiscal year to each project participant, and each participant may retain an
10 amount of money determined by the department and remaining in the account at the end of a fiscal year.
11 The terms of the use of an account by a participant may also include requirements necessary for the proper
12 administration and use of the account.

13
14 **NEW SECTION. Section 8. High-deductible health care coverage required.** Upon approval of the
15 waivers requested pursuant to [section 6], the department shall, by request for proposals before the
16 beginning of each fiscal year during the time of the pilot project, obtain high-deductible health care
17 coverage for each participant. In making the request for proposals, the department shall provide to
18 potential contractors the information concerning the project and participants reasonably determined by the
19 department to be needed by potential contractors to adequately assess the degree of financial risk to be
20 assumed by the successful contractor. The contract with the department must require the contractor to
21 provide high-deductible health care coverage for each participant beginning with each fiscal year and ending
22 at the end of each fiscal year during the time of the project.

23
24 **NEW SECTION. Section 9. Project evaluation -- outcomes measurement -- independent**
25 **assessment.** (1) The department shall, by request for proposals, provide for evaluation of the project
26 outcomes at the completion of the project and may provide for evaluation at other times as the department
27 may determine. The evaluation must include an evaluation of the cost-effectiveness of the project, the
28 degree of access to health care available to participants, and the health status of participants. A contract
29 for project evaluation may be combined by the department with another contract made by the department
30 pursuant to [sections 1 through 10].

1 (2) The department shall, by request for proposals, provide for an independent assessment of the
2 project by a corporation, firm, partnership, or other business entity knowledgeable in the measurement of
3 cost-effectiveness, access, quality of care, and health status of individuals receiving health care. A
4 contract for the assessment may not be combined with another contract made by the department pursuant
5 to [sections 1 through 10]. A contract required by this subsection must also require the contractor to
6 provide information developed by the assessment to the U.S. health care financing agency or another
7 agency of the federal government.

8

9 NEW SECTION. Section 10. Reports required. The department shall, at the conclusion of the
10 project, provide a report to the legislative audit division and the legislative fiscal division containing those
11 matters determined in the evaluation and independent assessment required by [section 9].

12

13 NEW SECTION. Section 11. Codification instruction. [Sections 1 through 10] are intended to be
14 codified as an integral part of Title 53, chapter 6, and the provisions of Title 53, chapter 6, apply to
15 [sections 1 through 10].

16

17 NEW SECTION. Section 12. Effective date. [This act] is effective July 1, 1997.

18

19 NEW SECTION. Section 13. Termination. [This act] terminates January 1, 2001.

20

-END-

1 *Brainard* *House* BILL NO. *538* *DENNY Hillis*
 2 INTRODUCED BY *Keenan* *THOMAS* *BENEDICT Ferguson* *CRR*
 3
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 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 14

THERE ARE NO CHANGES IN THIS BILL AND IT WILL NOT BE REPRINTED. PLEASE REFER TO SECOND READING COPY (YELLOW) FOR COMPLETE TEXT.

1 HOUSE BILL NO. 538

2 INTRODUCED BY KEENAN, THOMAS, BENEDICT, JERGESON, ORR, BRAINARD, DENNY, WELLS,
3 BERGSAGEL, SIMON, MCCANN, STANG, GRIMES, WALTERS, AHNER, MASOLO, DEVANEY,
4 BARNHART, KASTEN, LAWSON, BOOKOUT, MOOD

5
6 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A PILOT PROJECT FOR THE USE OF MEDICAL
7 SAVINGS ACCOUNTS IN CONJUNCTION WITH THE MONTANA MEDICAID PROGRAM; PROVIDING FOR
8 THE DESIGN OF THE PROJECT; PROVIDING FOR ADMINISTRATION OF THE PROJECT BY THE
9 DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES; PROVIDING THE POWERS AND DUTIES OF
10 THE DEPARTMENT; REQUIRING CONTRACTS FOR THE ADMINISTRATION OF MEDICAL SAVINGS
11 ACCOUNTS AND THE PROVISION OF HIGH-DEDUCTIBLE HEALTH CARE COVERAGE; REQUIRING
12 REPORTS AND EVALUATION OF THE PROJECT; AND PROVIDING AN EFFECTIVE DATE AND A
13 TERMINATION DATE."

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

16
17 **NEW SECTION. Section 1. Legislative findings and purpose.** The legislature finds that among the
18 contributing causes of the increase in the cost of the medicaid program has been the lack of sufficient
19 incentive by participants in the medicaid program to conserve government funds used to pay for medicaid
20 medical benefits. The legislature believes that treatment of medicaid funds as the personal funds of
21 medicaid recipients would provide that needed incentive. The purpose of [sections 1 through 10] is to
22 create a pilot program by which the effect of that incentive may be tested by providing high-deductible
23 health care coverage to a limited number of medicaid-eligible adults and minors and allowing those
24 participants in a pilot project to keep a part of the state money that is not used by the participants for
25 health care expenses below the amount at which coverage begins. In this way, the legislature will test the
26 use of personal financial incentive to help reduce medicaid costs and educate medicaid consumers to make
27 informed decisions about appropriate use of health care.

28
29 **NEW SECTION. Section 2. Definitions.** As used in [sections 1 through 10], the following
30 definitions apply:

1 (1) "Department" means the department of public health and human services provided for in
2 2-15-2201.

3 (2) "Health care expenses" means expenses incurred for health care provided by the medicaid
4 program.

5 (3) "High-deductible health care coverage" means coverage for the payment of health care expenses
6 by a group medical expense disability policy, membership contract, subscriber contract, health services
7 agreement, or certificate of insurance provided by a health insurer, health service corporation, or health
8 maintenance organization having a deductible amount for each participant in an amount determined by the
9 department.

10 (4) "Medicaid" means the Montana medicaid program established by 53-6-101.

11 (5) "Medical savings account" or "account" means an account established for the purposes of
12 [sections 1 through 10] with a state or federally chartered bank, savings and loan association, credit union,
13 trust company, or other corporate fiduciary determined by the department.

14 (6) "Participant" means an individual eligible for medicaid chosen by the department in the manner
15 provided in [section 5] to participate in the pilot project.

16 (7) "Pilot project" or "project" means the medicaid medical savings account pilot project established
17 by [sections 1 through 10].

18

19 **NEW SECTION. Section 3. Medicaid medical savings accounts -- pilot project elements -- project**
20 **timelines -- contracts.** (1) The department shall design a pilot project in accordance with [section 4] and
21 this section for the use of medical savings accounts in conjunction with the Montana medicaid program.
22 The department shall establish and administer the medical savings account and high-deductible health care
23 coverage parts of the pilot project following approval of the waivers requested by the department pursuant
24 to [section 6].

25 (2) The pilot project consists of the following elements:

26 (a) a design plan prepared by the department pursuant to a contract required by [section 4];

27 (b) a request submitted by the department pursuant to [section 6] to the U.S. health care financing
28 administration for waivers, pursuant to 42 U.S.C. 1315, of requirements of Title XIX of the Social Security
29 Act, 42 U.S.C. 1396, et seq.;

30 (c) establishment, funding, and management by the department pursuant to a contract required

1 by [section 7] of medical savings accounts for participants chosen pursuant to [section 5];

2 (d) high-deductible health care coverage purchased by contract by the department in accordance
3 with [section 8] for each participant for each fiscal year during the time of the pilot project;

4 (e) evaluation of the pilot project in the manner provided by [section 9] and reports to the
5 legislative audit division and to the legislative fiscal division in the manner required by [section 10].

6 (3) The pilot project begins with commencement of the design plan provided by [section 4].
7 Elements of the project as provided in subsection (2) of this section may be begun and completed at times
8 determined by the department consistent with [sections 1 through 10]. However, medical savings accounts
9 and high-deductible health care coverage for each participant must begin no later than January 1, 1999.

10 (4) Requests for proposals and contracts required or authorized by [sections 1 through 10] must
11 comply in all respects with the provisions of Title 18. The department may also consult with the department
12 of administration, the state insurance commissioner, and recognized experts in contracts for the types of
13 services required or authorized by [sections 1 through 10] before committing the state to those contracts.

14 (5) THE PILOT PROJECT MAY NOT INCLUDE MENTAL HEALTH SERVICES.

15

16 NEW SECTION. Section 4. Pilot project design plan required. The department shall by contract
17 create a design plan for the pilot project. The design plan must consist of the following project elements
18 and the projected time periods and goals for each element:

19 (1) a report on participant profiles for use by insurers or others who may provide the
20 high-deductible health care coverage and a cost analysis for provision of that coverage;

21 (2) a calculation for each fiscal year of the project of the number of participants to be chosen
22 pursuant to [section 5], the amounts deposited for each participant into the participant's medical savings
23 account, the projected cost per participant, and the annual projected savings resulting from the project prior
24 to each project fiscal year;

25 (3) a request for proposals to develop the request for waivers to be submitted to the U.S. health
26 care financing administration pursuant to [section 6];

27 (4) development of requests for proposals by which the department would contract for the
28 administration of participant medical savings accounts pursuant to [section 7], including a nondiscriminatory
29 methodology by which the department will determine the amount remaining within an account to be paid
30 to a participant pursuant to [section 7(3)], and the provision of high-deductible health care coverage

1 pursuant to [section 8];

2 (5) development of a methodology for measuring project outcomes in subject areas, including but
3 not limited to cost, access, and health status of the project participants, as provided in [section 9];

4 (6) the method and subjects of an independent assessment of the pilot project in areas, including
5 but not limited to cost-effectiveness, access, and quality, as provided in [section 9]; and

6 (7) the method and subjects of the reports required by [section 10].

7

8 **NEW SECTION. Section 5. Choice of pilot project participants.** The department shall, in a manner
9 chosen by the department, offer participation in the pilot project to adult and minor individuals chosen in
10 a manner to accurately represent those persons in Montana receiving benefits from the medicaid program.
11 Participation in the pilot project by those individuals chosen by the department is voluntary. In offering
12 participation in the project, the department shall explain the aspects and objectives of the project as they
13 will affect participants and explain the responsibilities of participants. The department shall limit the number
14 of participants to not less than 1,000 and not more than 5,000.

15

16 **NEW SECTION. Section 6. Request by department for waivers.** The department shall, by request
17 for proposals, develop and submit to the U.S. health care financing administration a request for waivers
18 from federal statutes and regulations necessary to obtain federal financial participation in the pilot project
19 to the same extent that the federal government participates in the medicaid program. Contracts entered
20 into by the department for this purpose must provide for the continuing support of the contractor during
21 waiver negotiations.

22

23 **NEW SECTION. Section 7. Medical savings accounts -- administration -- payments -- terms and**
24 **conditions.** (1) Upon approval of the waivers requested pursuant to [section 6], the department shall, by
25 request for proposals, provide for the administration of a medical savings account for each participant. The
26 term of a contract entered into pursuant to the requests may be for a fiscal year or for another period
27 determined by the department that is consistent with appropriations for and the objectives of the pilot
28 project.

29 (2) (a) Upon receipt of an appropriation for the purposes of this section, the department shall pay
30 to the administrator of each participant's medical savings account an amount of money determined by the

1 department and based upon the average statewide cost for medical assistance for each individual in the
2 medicaid program.

3 (b) A contract for the administration of the pilot project must include payment of the amount into
4 the account of each participant at the beginning of each ~~fiscal year~~ MONTH OR AT A PAYMENT INTERVAL
5 during the time of the project AS DETERMINED BY THE DEPARTMENT. Administration must also include
6 payment of participants' medical claims from the accounts, recordkeeping necessary for proper
7 administration of the payments and accounts, and payment of amounts remaining in the account to the
8 participant as provided in subsection (3).

9 (c) The department may require as part of the contract for the administration of the accounts that
10 the contractor provide educational information to participants and accounting, auditing, and recordkeeping
11 services necessary for project evaluation and reports as required by [sections 9 and 10].

12 (3) The terms of the contract for the administration of the pilot project must include payment within
13 90 days after the end of the fiscal year to each project participant, and each participant may retain an
14 amount of money determined by the department and remaining in the account at the end of a fiscal year.
15 The terms of the use of an account by a participant may also include requirements necessary for the proper
16 administration and use of the account.

17

18 NEW SECTION. Section 8. High-deductible health care coverage required. Upon approval of the
19 waivers requested pursuant to [section 6], the department shall, by request for proposals before the
20 beginning of each fiscal year during the time of the pilot project, obtain high-deductible health care
21 coverage for each participant. In making the request for proposals, the department shall provide to
22 potential contractors the information concerning the project and participants reasonably determined by the
23 department to be needed by potential contractors to adequately assess the degree of financial risk to be
24 assumed by the successful contractor. The contract with the department must require the contractor to
25 provide high-deductible health care coverage for each participant beginning with each fiscal year and ending
26 at the end of each fiscal year during the time of the project.

27

28 NEW SECTION. Section 9. Project evaluation -- outcomes measurement -- independent
29 assessment. (1) The department shall, by request for proposals, provide for evaluation of the project
30 outcomes at the completion of the project and may provide for evaluation at other times as the department

1 may determine. The evaluation must include an evaluation of the cost-effectiveness of the project, the
2 degree of access to health care available to participants, and the health status of participants. A contract
3 for project evaluation may be combined by the department with another contract made by the department
4 pursuant to [sections 1 through 10].

5 (2) The department shall, by request for proposals, provide for an independent assessment of the
6 project by a corporation, firm, partnership, or other business entity knowledgeable in the measurement of
7 cost-effectiveness, access, quality of care, and health status of individuals receiving health care. A
8 contract for the assessment may not be combined with another contract made by the department pursuant
9 to [sections 1 through 10]. A contract required by this subsection must also require the contractor to
10 provide information developed by the assessment to the U.S. health care financing agency or another
11 agency of the federal government.

12

13 **NEW SECTION. Section 10. Reports required.** The department shall, at the conclusion of the
14 project, provide a report to the legislative audit division and the legislative fiscal division containing those
15 matters determined in the evaluation and independent assessment required by [section 9].

16

17 **NEW SECTION. Section 11. Codification instruction.** [Sections 1 through 10] are intended to be
18 codified as an integral part of Title 53, chapter 6, and the provisions of Title 53, chapter 6, apply to
19 [sections 1 through 10].

20

21 **NEW SECTION. Section 12. Effective date.** [This act] is effective July 1, 1997.

22

23 **NEW SECTION. Section 13. Termination.** [This act] terminates January 1, 2001.

24

-END-

1 HOUSE BILL NO. 538

2 INTRODUCED BY KEENAN, THOMAS, BENEDICT, JERGESON, ORR, BRAINARD, DENNY, WELLS,
3 BERGSAGEL, SIMON, MCCANN, STANG, GRIMES, WALTERS, AHNER, MASOLO, DEVANEY,
4 BARNHART, KASTEN, LAWSON, BOOKOUT, MOOD
5

6 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A PILOT PROJECT FOR THE USE OF MEDICAL
7 SAVINGS ACCOUNTS IN CONJUNCTION WITH THE MONTANA MEDICAID PROGRAM; PROVIDING FOR
8 THE DESIGN OF THE PROJECT; PROVIDING FOR ADMINISTRATION OF THE PROJECT BY THE
9 DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES; PROVIDING THE POWERS AND DUTIES OF
10 THE DEPARTMENT; REQUIRING CONTRACTS FOR THE ADMINISTRATION OF MEDICAL SAVINGS
11 ACCOUNTS AND THE PROVISION OF HIGH-DEDUCTIBLE HEALTH CARE COVERAGE; REQUIRING
12 REPORTS AND EVALUATION OF THE PROJECT; AND PROVIDING AN EFFECTIVE DATE AND A
13 TERMINATION DATE."
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15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
16

17 NEW SECTION. **Section 1. Legislative findings and purpose.** The legislature finds that among the
18 contributing causes of the increase in the cost of the medicaid program has been the lack of sufficient
19 incentive by participants in the medicaid program to conserve government funds used to pay for medicaid
20 medical benefits. The legislature believes that treatment of medicaid funds as the personal funds of
21 medicaid recipients would provide that needed incentive. The purpose of [sections 1 through 10] is to
22 create a pilot program by which the effect of that incentive may be tested by providing high-deductible
23 health care coverage to a limited number of medicaid-eligible adults and minors and allowing those
24 participants in a pilot project to keep a part of the state money that is not used by the participants for
25 health care expenses below the amount at which coverage begins. In this way, the legislature will test the
26 use of personal financial incentive to help reduce medicaid costs and educate medicaid consumers to make
27 informed decisions about appropriate use of health care.
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29 NEW SECTION. **Section 2. Definitions.** As used in [sections 1 through 10], the following
30 definitions apply:

1 (1) "Department" means the department of public health and human services provided for in
2 2-15-2201.

3 (2) "Health care expenses" means expenses incurred for health care provided by the medicaid
4 program.

5 (3) "High-deductible health care coverage" means coverage for the payment of health care expenses
6 by a group medical expense disability policy, membership contract, subscriber contract, health services
7 agreement, or certificate of insurance provided by a health insurer, health service corporation, or health
8 maintenance organization having a deductible amount for each participant in an amount determined by the
9 department.

10 (4) "Medicaid" means the Montana medicaid program established by 53-6-101.

11 (5) "Medical savings account" or "account" means an account established for the purposes of
12 [sections 1 through 10] with a state or federally chartered bank, savings and loan association, credit union,
13 trust company, or other corporate fiduciary determined by the department.

14 (6) "Participant" means an individual eligible for medicaid chosen by the department in the manner
15 provided in [section 5] to participate in the pilot project.

16 (7) "Pilot project" or "project" means the medicaid medical savings account pilot project established
17 by [sections 1 through 10].

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19 **NEW SECTION. Section 3. Medicaid medical savings accounts -- pilot project elements -- project**
20 **timelines -- contracts.** (1) The department shall design a pilot project in accordance with [section 4] and
21 this section for the use of medical savings accounts in conjunction with the Montana medicaid program.
22 The department shall establish and administer the medical savings account and high-deductible health care
23 coverage parts of the pilot project following approval of the waivers requested by the department pursuant
24 to [section 6].

25 (2) The pilot project consists of the following elements:

26 (a) a design plan prepared by the department pursuant to a contract required by [section 4];

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28 administration for waivers, pursuant to 42 U.S.C. 1315, of requirements of Title XIX of the Social Security
29 Act, 42 U.S.C. 1396, et seq.;

30 (c) establishment, funding, and management by the department pursuant to a contract required

1 by [section 7] of medical savings accounts for participants chosen pursuant to [section 5];

2 (d) high-deductible health care coverage purchased by contract by the department in accordance
3 with [section 8] for each participant for each fiscal year during the time of the pilot project;

4 (e) evaluation of the pilot project in the manner provided by [section 9] and reports to the
5 legislative audit division and to the legislative fiscal division in the manner required by [section 10].

6 (3) The pilot project begins with commencement of the design plan provided by [section 4].
7 Elements of the project as provided in subsection (2) of this section may be begun and completed at times
8 determined by the department consistent with [sections 1 through 10]. However, medical savings accounts
9 and high-deductible health care coverage for each participant must begin no later than January 1, 1999.

10 (4) Requests for proposals and contracts required or authorized by [sections 1 through 10] must
11 comply in all respects with the provisions of Title 18. The department may also consult with the department
12 of administration, the state insurance commissioner, and recognized experts in contracts for the types of
13 services required or authorized by [sections 1 through 10] before committing the state to those contracts.

14 (5) THE PILOT PROJECT MAY NOT INCLUDE MENTAL HEALTH SERVICES.

15

16 NEW SECTION. **Section 4. Pilot project design plan required.** The department shall by contract
17 create a design plan for the pilot project. The design plan must consist of the following project elements
18 and the projected time periods and goals for each element:

19 (1) a report on participant profiles for use by insurers or others who may provide the
20 high-deductible health care coverage and a cost analysis for provision of that coverage;

21 (2) a calculation for each fiscal year of the project of the number of participants to be chosen
22 pursuant to [section 5], the amounts deposited for each participant into the participant's medical savings
23 account, the projected cost per participant, and the annual projected savings resulting from the project prior
24 to each project fiscal year;

25 (3) a request for proposals to develop the request for waivers to be submitted to the U.S. health
26 care financing administration pursuant to [section 6];

27 (4) development of requests for proposals by which the department would contract for the
28 administration of participant medical savings accounts pursuant to [section 7], including a nondiscriminatory
29 methodology by which the department will determine the amount remaining within an account to be paid
30 to a participant pursuant to [section 7(3)], and the provision of high-deductible health care coverage

1 pursuant to [section 8];

2 (5) development of a methodology for measuring project outcomes in subject areas, including but
3 not limited to cost, access, and health status of the project participants, as provided in [section 9];

4 (6) the method and subjects of an independent assessment of the pilot project in areas, including
5 but not limited to cost-effectiveness, access, and quality, as provided in [section 9]; and

6 (7) the method and subjects of the reports required by [section 10].

7

8 **NEW SECTION. Section 5. Choice of pilot project participants.** The department shall, in a manner
9 chosen by the department, offer participation in the pilot project to adult and minor individuals chosen in
10 a manner to accurately represent those persons in Montana receiving benefits from the medicaid program.
11 Participation in the pilot project by those individuals chosen by the department is voluntary. In offering
12 participation in the project, the department shall explain the aspects and objectives of the project as they
13 will affect participants and explain the responsibilities of participants. The department shall limit the number
14 of participants to not less than 1,000 and not more than 5,000.

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16 **NEW SECTION. Section 6. Request by department for waivers.** The department shall, by request
17 for proposals, develop and submit to the U.S. health care financing administration a request for waivers
18 from federal statutes and regulations necessary to obtain federal financial participation in the pilot project
19 to the same extent that the federal government participates in the medicaid program. Contracts entered
20 into by the department for this purpose must provide for the continuing support of the contractor during
21 waiver negotiations.

22

23 **NEW SECTION. Section 7. Medical savings accounts -- administration -- payments -- terms and**
24 **conditions.** (1) Upon approval of the waivers requested pursuant to [section 6], the department shall, by
25 request for proposals, provide for the administration of a medical savings account for each participant. The
26 term of a contract entered into pursuant to the requests may be for a fiscal year or for another period
27 determined by the department that is consistent with appropriations for and the objectives of the pilot
28 project.

29 (2) (a) Upon receipt of an appropriation for the purposes of this section, the department shall pay
30 to the administrator of each participant's medical savings account an amount of money determined by the

1 department and based upon the average statewide cost for medical assistance for each individual in the
2 medicaid program.

3 (b) A contract for the administration of the pilot project must include payment of the amount into
4 the account of each participant at the beginning of each ~~fiscal year~~ MONTH OR AT A PAYMENT INTERVAL
5 during the time of the project AS DETERMINED BY THE DEPARTMENT. Administration must also include
6 payment of participants' medical claims from the accounts, recordkeeping necessary for proper
7 administration of the payments and accounts, and payment of amounts remaining in the account to the
8 participant as provided in subsection (3).

9 (c) The department may require as part of the contract for the administration of the accounts that
10 the contractor provide educational information to participants and accounting, auditing, and recordkeeping
11 services necessary for project evaluation and reports as required by [sections 9 and 10].

12 (3) The terms of the contract for the administration of the pilot project must include payment within
13 90 days after the end of the fiscal year to each project participant, and each participant may retain an
14 amount of money determined by the department and remaining in the account at the end of a fiscal year.
15 The terms of the use of an account by a participant may also include requirements necessary for the proper
16 administration and use of the account.

17
18 NEW SECTION. Section 8. High-deductible health care coverage required. Upon approval of the
19 waivers requested pursuant to [section 6], the department shall, by request for proposals before the
20 beginning of each fiscal year during the time of the pilot project, obtain high-deductible health care
21 coverage for each participant. In making the request for proposals, the department shall provide to
22 potential contractors the information concerning the project and participants reasonably determined by the
23 department to be needed by potential contractors to adequately assess the degree of financial risk to be
24 assumed by the successful contractor. The contract with the department must require the contractor to
25 provide high-deductible health care coverage for each participant beginning with each fiscal year and ending
26 at the end of each fiscal year during the time of the project.

27
28 NEW SECTION. Section 9. Project evaluation -- outcomes measurement -- independent
29 assessment. (1) The department shall, by request for proposals, provide for evaluation of the project
30 outcomes at the completion of the project and may provide for evaluation at other times as the department

1 may determine. The evaluation must include an evaluation of the cost-effectiveness of the project, the
2 degree of access to health care available to participants, and the health status of participants. A contract
3 for project evaluation may be combined by the department with another contract made by the department
4 pursuant to [sections 1 through 10].

5 (2) The department shall, by request for proposals, provide for an independent assessment of the
6 project by a corporation, firm, partnership, or other business entity knowledgeable in the measurement of
7 cost-effectiveness, access, quality of care, and health status of individuals receiving health care. A
8 contract for the assessment may not be combined with another contract made by the department pursuant
9 to [sections 1 through 10]. A contract required by this subsection must also require the contractor to
10 provide information developed by the assessment to the U.S. health care financing agency or another
11 agency of the federal government.

12

13 **NEW SECTION. Section 10. Reports required.** The department shall, at the conclusion of the
14 project, provide a report to the legislative audit division and the legislative fiscal division containing those
15 matters determined in the evaluation and independent assessment required by [section 9].

16

17 **NEW SECTION. Section 11. Codification instruction.** [Sections 1 through 10] are intended to be
18 codified as an integral part of Title 53, chapter 6, and the provisions of Title 53, chapter 6, apply to
19 [sections 1 through 10].

20

21 **NEW SECTION. Section 12. Effective date.** [This act] is effective July 1, 1997.

22

23 **NEW SECTION. Section 13. Termination.** [This act] terminates January 1, 2001.

24

-END-