

1 SENATE BILL NO. 338

2 INTRODUCED BY D. BERRY

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE ELIGIBILITY CAP FOR THE STATE CHILDREN'S
 5 HEALTH INSURANCE PROGRAM TO ~~200~~ 175 150 PERCENT OF THE FEDERAL POVERTY LEVEL;
 6 PROVIDING THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES WITH THE ABILITY TO
 7 LIMIT THE AMOUNT, SCOPE, OR DURATION OF SERVICES; ALLOWING THE DEPARTMENT TO MAKE
 8 DIRECT PAYMENTS TO HEALTH CARE PROVIDERS AND CONTRACT ON A FEE-FOR-SERVICE BASIS;
 9 AMENDING SECTIONS 53-4-1002, 53-4-1004, 53-4-1005, 53-4-1007, AND 53-4-1009, MCA; AND
 10 PROVIDING AN EFFECTIVE DATE."

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12 WHEREAS, the Legislature is firmly committed to providing health services for children of families
 13 with limited income; and

14 WHEREAS, the Legislature is aware of the limited financial resources of the state, the many
 15 competing and worthwhile needs of citizens of the state, and the provisions of Article VIII, section 9, of
 16 the Montana Constitution requiring a balanced state budget under which appropriations by the Legislature
 17 may not exceed anticipated revenue.

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

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21 **Section 1.** Section 53-4-1002, MCA, is amended to read:

22 **"53-4-1002. (Temporary) Purpose -- definition.** (1) The purpose of this part is to create a program
 23 to provide health care to children who are not eligible for health care services under the Montana medicaid
 24 program. These health care services may be provided by the payment for health care through an insurance
 25 plan, a health maintenance organization, ~~or~~ a managed care plan, or direct payment to a health care
 26 provider.

27 (2) As used in 53-4-1003 through 53-4-1005 and 53-4-1007 through 53-4-1010, "program"
 28 means the state children's health insurance program. (Terminates on occurrence of contingency--sec. 15,
 29 Ch. 571, L. 1999.)"

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1 **Section 2.** Section 53-4-1004, MCA, is amended to read:

2 **"53-4-1004. (Temporary) Eligibility for program -- rulemaking.** (1) To be considered eligible for the
3 program, a child:

4 (a) must be 18 years of age or younger;

5 (b) ~~except as provided in subsection (4),~~ must have a combined family income at or below ~~150%~~
6 ~~200%~~ ~~175%~~ 150% of the federal poverty level or at a lower level determined by the department of public
7 health and human services as provided in subsection (4);

8 (c) may not already be covered by private insurance that offers creditable coverage, as defined
9 in 42 U.S.C. 300gg(c);

10 (d) may not be eligible for medicaid benefits; and

11 (e) must be a United States citizen or qualified alien and a Montana resident.

12 (2) The department of public health and human services shall adopt rules that establish the
13 program's criteria for residency. The criteria must conform as nearly as practicable with the residency
14 requirements for medicaid eligibility.

15 (3) Subject to 53-4-1009(3), rules governing eligibility may also include financial standards and
16 criteria for income and resources, treatment of resources, and nonfinancial criteria.

17 (4) If the department determines that there is insufficient funding for the program, it may lower
18 the percentage of the federal poverty level established in subsection (1)(b) in order to reduce the number
19 of persons who may be eligible to participate or may limit the amount, scope, or duration of specific
20 services provided. (Terminates on occurrence of contingency--sec. 15, Ch. 571, L. 1999.)"

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22 **Section 3.** Section 53-4-1005, MCA, is amended to read:

23 **"53-4-1005. (Temporary) Benefits provided.** (1) Benefits provided to participants in the program
24 may include but are not limited to:

25 (a) inpatient and outpatient hospital services;

26 (b) physician and advanced practice registered nurse services;

27 (c) laboratory and x-ray services;

28 (d) well-child and well-baby services;

29 (e) immunizations;

30 (f) clinic services;

- 1 (g) dental services;
 2 (h) prescription drugs;
 3 (i) mental health and substance abuse treatment services;
 4 (j) hearing and vision exams; and
 5 (k) eyeglasses.

6 (2) The department is specifically prohibited from providing payment for birth control
 7 contraceptives under this program. (Terminates on occurrence of contingency--sec. 15, Ch. 571, L.
 8 1999.)"

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10 **Section 4.** Section 53-4-1007, MCA, is amended to read:

11 **"53-4-1007. (Temporary) Department may contract for services.** (1) The department of public
 12 health and human services may contract with insurance companies or other entities to provide services
 13 for a set monthly or yearly fee based on the number of participants in the program and the types of
 14 services provided or based on a fee for service as established by the department.

15 (2) The department of public health and human services may contract for a health care service
 16 based on a fee for service when the department does not contract for a health care service through an
 17 insurance plan, a health maintenance organization, or a managed care plan. The department shall first
 18 offer the insurer the opportunity to negotiate a contract price prior to purchasing a health care service on
 19 a fee-for-service basis. (Terminates on occurrence of contingency--sec. 15, Ch. 571, L. 1999.)"

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21 **Section 5.** Section 53-4-1009, MCA, is amended to read:

22 **"53-4-1009. (Temporary) Department to adopt rules -- review by interim committee.** (1) The
 23 department of public health and human services shall adopt rules necessary for the administration of the
 24 program, including rules governing the application process, termination, and confidentiality.

- 25 (2) The rules may include, as necessary:
 26 (a) the amount, scope, and duration of specific services provided;
 27 (b) criteria to ensure that the services provided are medically necessary and cost-effective;
 28 (c) provisions for participant cost-sharing, including, at the department's discretion:
 29 (i) the establishment of enrollment fees, premiums, deductibles, and copayments; and
 30 (ii) the process for setting the amounts of enrollment fees, premiums, deductibles, and

1 copayments, taking into account a participant's family income and resources; and

2 (d) the type of professionals who may deliver services or direct the delivery of services and the
3 qualifications required of those professionals.

4 (3) In adopting rules, the department shall consider the federal requirements on which the receipt
5 of the federal share of program funds are contingent and may not include any provision that places that
6 funding at risk. Rules adopted by the department must, when appropriate, take into account the availability
7 of appropriated funds.

8 (4) Rules adopted by the department pursuant to 53-4-1004 and 53-4-1009 must be presented
9 to and reviewed by an appropriate interim committee that examines issues related to children and families.
10 (Terminates on occurrence of contingency--sec. 15, Ch. 571, L. 1999.)"

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12 NEW SECTION. **Section 6. Effective date.** [This act] is effective July 1, 2001.

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