

## MINUTES

### MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION CONFERENCE COMMITTEE ON HOUSE AMENDMENTS TO SENATE BILL 441

**Call to Order:** By **CHAIRMAN DUANE GRIMES**, on April 10, 2001 at 1:30 A.M., in Room 422 Capitol.

#### ROLL CALL

**Members Present:**

Sen. Duane Grimes, Chairman (R)  
Rep. Rick Laible, Vice Chairman (R)  
Sen. Chris Christiaens (D)  
Rep. Gary Matthews (D)  
Sen. Arnie Mohl (R)  
Rep. William Price (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Gordon Higgins, Legislative Branch  
Kyanne Kelly, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

SB 441

**CHAIRMAN DUANE GRIMES** said he was concerned about the whereas statements. Especially the third one, because stop loss companies are not health insurance companies, they are money insurance companies and so any assessments put on them will be passed directly to the employer. He said he was also concerned because the stop loss programs are supposed to be guaranteed issue so they wouldn't be dumping on the MCHA and third he was concerned because the MCHA seems to be very solvent and has worked very efficiently, so he didn't know where the crisis was that requires a study.

**SENATOR CHRIS CHRISTIAENS** said the purpose of the study was to look at the solvency issue. However, with all the plant closures

it is fairly easy to assume that some of those people will be uninsurable. MCHA only comes into play after the individual has applied and been denied twice for insurance, then this guarantees they will be covered. The amended bill provides for all the different groups to come together and work on a study resolution that looks at everything that might be available. He suggested that rather than amending people out let anyone who has an interest come forth during the interim and address this issue.

**SENATOR GRIMES** said that in any study you have to look at the unintended consequences to employers. He thinks its odd to have a study without any legislators on it when they could possibly suggest a tax policy shift. He said he thinks the general fund is the way to take care of these workers rather than put it on the backs of other employers.

**REPRESENTATIVE BILL PRICE** said he objects to saying this is not health insurance. It looks like a duck, walks like a duck, and quacks like a duck, then it's a duck.

**SENATOR GRIMES** said he would be diametrically opposed to leaving the stop loss program in if they are not acknowledged as an insurance company that insures for risk, not for health underwriting.

**REPRESENTATIVE CHRISTIAENS** asked why not look at everything in a study.

**SENATOR DUANE GRIMES** said the committee needed more information, so he asked for comments.

**Aidan Myrhe, Montana Comprehensive Health Care Board**, said this board is made up of seven insurance carriers. She said the assessment base needs to be broadened. Only 40% of the cost of the plans are paid for by the people who use the plan.

**SENATOR GRIMES** said by spreading the risk too much you begin to get into comprehensive health care or universal coverage.

**Tom Schneider, Montana Public Employees**, said nobody came to him and talked about this bill before it was introduced. He felt that people should have talked to the various parties before it even came to the legislature.

**Jerry Driscoll, Building Trades**, said it is not only health insurance that uses stop loss.

**SENATOR CHRISTIAENS** said he would rather include everyone, rather than exclude anyone.

**Rob Brock, Timber Products Welfare Trust**, said that under law they have a guaranteed issue contract. If a member qualifies for their association, they have to take them if they want the insurance through the trust, and they can't charge them more than 125%.

**SENATOR ARNIE MOHL** said he doesn't want to use taxpayers dollars to do this study. He stated that the involved parties should go away for two years and come back and give their proposal.

**Tanya Ask, Blue Cross/Blue Shield**, said Montana is a small business state. It is required that they have conversion insurance. The small employers are paying for cobra continuation.

**Claudia Clifford, Insurance Commissioners Office**, said MCHA is an independent, non-profit organization. She said she agrees with Senator Mohl, you don't really need to mandate the study, it's not an interim study by the legislature, the involved people could do it themselves. It would only be to see who is guaranteed to be involved in the study.

**SENATOR CHRISTIAENS** said this could just go to the Insurance Commissioner and wouldn't have to get in the legislative ranking.

**SENATOR MOHL** made a motion to table the bill.

**REPRESENTATIVE MATTHEWS** said he realized it was just a study. The more the merrier for people to sit down at the table and talk.

**REPRESENTIVE LAIBLE** said there needs to be a solution because it can't all go on the backs of the participants.

**REPRESENTTIVE BILL PRICE** said he doesn't not favor it being an interim committee.

#### EXECUTIVE ACTION ON SB 441

**Motion:** **SENATOR MOHL** moved that **SB 441 BE TABLED**. **SENATOR ARNIE MOHL AND SENATOR CHRIS CHRISTIAENS** voted yes to table. **REP. GARY MATTHEWS, REP. RICK LAIBLE, REP. WILLIAM PRICE AND SENATOR DUANE GRIMES** voted no. **DUANE GRIMES** said that then it is effectively tabled. He said that the Senate does not concur in the House amendments.

**ADJOURNMENT**

Adjournment: 2:30 A.M.

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SEN. DUANE GRIMES, Chairman

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KYANNE KELLY, Secretary

RL/DG/KK

**EXHIBIT (ccs81sb0441aad)**