

1 SENATE BILL NO. 104

2 INTRODUCED BY J. TESTER

3 BY REQUEST OF THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE LAW GOVERNING PER DIEM CHARGES FOR
6 STATE INSTITUTIONS; CHANGING THE TIME FOR THE ANNUAL REVIEW OF THE PER DIEM CHARGE
7 FOR STATE INSTITUTIONS; AMENDING SECTIONS 53-1-401 AND 53-1-404, MCA; AND PROVIDING AN
8 IMMEDIATE EFFECTIVE DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11
12 **Section 1.** Section 53-1-401, MCA, is amended to read:

13 **"53-1-401. Definitions.** As used in this part, unless the context requires otherwise, the following
14 definitions apply:

15 (1) "All-inclusive rate" means a fixed charge that is computed on a daily basis or on the basis of another
16 time period for inpatients, that is computed on a per visit basis for outpatients, and that is applicable uniformly
17 to each patient without regard to the extent of the services required by the patient and without regard to a
18 distinction between physician services and hospital services.

19 (2) "Ancillary charge" means the expense of providing identifiable, direct, resident services, including
20 but not limited to:

21 (a) physicians' services;

22 (b) x-ray and laboratory services;

23 (c) dental services;

24 (d) speech-language pathology and audiology services;

25 (e) occupational and physical therapy;

26 (f) medical supplies;

27 (g) prescribed drugs; and

28 (h) specialized medical equipment.

29 (3) "Care" means the care, treatment, support, maintenance, and other services rendered by the
30 department to a resident.

1 (4) "Cost of care" means the applicable all-inclusive rate charges or per diem charges and ancillary
2 charges for a resident's care that are determined as provided in this part.

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

4 (6) "Financially responsible person" means a spouse of a resident, the natural or adoptive parents of
5 a resident under 18 years of age, or a guardian or conservator to the extent of the guardian's or conservator's
6 responsibility for the financial affairs of the person who is a resident under applicable Montana law establishing
7 the duties and limitations of guardianships or conservatorships.

8 (7) "Full-time equivalent resident load" means the total daily resident count for the fiscal year divided
9 by the number of days in the year.

10 (8) "Gross daily budgeted cost" means the total cost of operating a facility as budgeted through the
11 legislative appropriation process less the budgeted amount of federal grant revenue for the institution for a fiscal
12 year.

13 (9) "Long-term resident" means a resident in an institution listed in 53-1-402 for a continuous period in
14 excess of 120 days. The absence of a resident from the institution due to a temporary or trial visit may not be
15 counted as interrupting the accrual of the 120 days required to attain the status of a long-term resident.

16 (10) "Per diem charge" means the gross daily budgeted cost of operating an institution or an individual
17 unit of an institution ~~for the state fiscal year~~ (including but not limited to contracted medical services,
18 depreciation, and associated department costs but excluding the cost of educational programs, ancillary
19 charges, and costs not directly identified with patient care) divided by the full-time equivalent resident load for
20 the previous state fiscal year.

21 (11) "Resident" means any person who is receiving care from or who is a resident of an institution listed
22 in 53-1-402.

23 (12) (a) "Third party" means any third-party individual or entity that is or may be liable to pay all or part
24 of the charges for a resident's cost of care, including but not limited to applicable medicare, medicaid, and
25 personal insurance or other similar health care benefits.

26 (b) Third party does not include:

27 (i) a managed care organization administering a mental health managed care program under contract
28 with the department; or

29 (ii) a financially responsible person."
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1 **Section 2.** Section 53-1-404, MCA, is amended to read:

2 "**53-1-404. Department to ~~compute~~ review and establish per diem charge.** The per diem charge
3 for the fiscal year must be ~~computed~~ reviewed on July or before October 1 of each year by the department. If
4 the review indicates that the budgeted costs of an institution ~~change~~ have changed substantially ~~within the fiscal~~
5 ~~year~~ since the last review, the per diem charge ~~may~~ must be adjusted to compensate for those changes."

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7 NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

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