

1 HOUSE JOINT RESOLUTION NO. 37

2 INTRODUCED BY C. KAUFMANN

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4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF
5 MONTANA REQUESTING AN INTERIM STUDY OF THE STATE-SUPPORTED AND EMPLOYMENT-BASED
6 HEALTH CARE PLAN CREATED IN THE STATE OF MAINE, AS WELL AS ANY OTHER SIMILAR HEALTH
7 CARE PLANS, IN ORDER TO DETERMINE WHETHER CREATION OF SUCH A PLAN IS FEASIBLE IN
8 MONTANA; AND REQUIRING THAT THE FINAL RESULTS OF THE STUDY BE REPORTED TO THE 60TH
9 LEGISLATURE.

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11 WHEREAS, a study by the University of Montana funded by a federal grant and completed in May of
12 2003 showed that 171,000 Montanans, or about 19% of the state's population, are without health insurance of
13 any kind; and

14 WHEREAS, small employers are the least able to provide their workers with health care benefits, which
15 means that in a state like Montana where many people work for small employers, a higher percentage of the
16 workforce is uninsured or underinsured than in some other states; and

17 WHEREAS, while a combination of state and federal programs, such as Medicaid, Medicare, workers'
18 compensation, the State Children's Health Insurance Program, and the Comprehensive Health Association Plan,
19 have helped to provide some working families with health insurance, the 2003 study showed that these
20 programs are not enough to provide all the health coverage needed; and

21 WHEREAS, the same study showed that 80% of the small businesses surveyed believe that high
22 premium rates are the reason more Montana employers do not offer health insurance to their employees; and

23 WHEREAS, buying health insurance in the individual market in Montana is often prohibitively expensive,
24 with a typical standard individual health insurance policy in Montana costing \$2,412 for a healthy 25-year-old
25 woman in 2002 and \$6,120 for a healthy 55-year-old woman; and

26 WHEREAS, it has been estimated that nationwide, hospitals and other health care facilities spend \$100
27 billion every year to cover uncompensated care, meaning that these facilities must shift those costs to public and
28 private insurance programs and to private pay patients, which drives up health care costs for other persons; and

29 WHEREAS, according to a recent study led by Associate Professor of Medicine David Himmelstein at
30 the Harvard School of Medicine, the results of which were published in the February 2, 2005, edition of the

1 journal Health Affairs, 50% of all personal bankruptcies are caused by mounting medical bills; and

2 WHEREAS, in Maine, a state with demographics and personal income figures not unlike Montana's, the
3 Maine Legislature, in June of 2003, enacted the Dirigo Health Reform Act, which allows enrollees, mostly
4 individuals and smaller companies, to join a buying pool that offers the benefits of a larger group, thereby
5 lowering and stabilizing insurance rates for its enrollees; and

6 WHEREAS, it is the goal of the Dirigo plan to provide all of Maine's uninsured residents with health
7 insurance by the year 2009 through the use of a private insurance company or by having the plan be
8 self-administered by a state agency; and

9 WHEREAS, under the plan, called DirigoChoice, state dollars will be used to reduce insurance costs
10 for low-income enrollees, and qualified employers and employees will share the costs of insurance coverage
11 with the state through monthly payments, annual deductibles, and financial discounts; and

12 WHEREAS, the Dirigo plan is also combined with elements of the state's Medicaid program and with
13 strategies to slow the rate of health care cost increases; and

14 WHEREAS, Montana faces many of the same difficulties as Maine does in providing health care to its
15 population, such as skyrocketing health insurance premiums for small employers, the existence of many small
16 employers that cannot afford those premiums, and a lack of high-paying jobs in many areas of the state that
17 makes purchase of health insurance on an individual basis prohibitively expensive; and

18 WHEREAS, a study of the Dirigo Health Reform Act and its implementation in the state of Maine, along
19 with any other state-supported employment-based health care plans in the country, will help determine whether
20 the Dirigo plan or any other state-supported employment-based health care plans would be feasible in Montana.

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22 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF
23 THE STATE OF MONTANA:

24 That the Legislative Council be requested to designate an appropriate interim committee, pursuant to
25 section 5-5-217, MCA, or direct sufficient staff resources to conduct a study during the 2005-2006 legislative
26 interim of a state-supported employment-based health care plan in Montana. The study should include an
27 examination of all aspects of the Dirigo Health Reform Act and its implementation in the state of Maine, along
28 with any other similar health care plans or proposals, including the now-repealed Oregon Health Plan, in the
29 United States. The study should determine whether enactment of a predominantly state-supported
30 employment-based health care plan is feasible in Montana, the cost and funding of such a program in Montana,

1 and the legislation necessary to create the program in Montana.

2 BE IT FURTHER RESOLVED, that if the study is assigned to staff, any findings or conclusions be
3 presented to and reviewed by an appropriate committee designated by the Legislative Council.

4 BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review
5 requirements, be concluded prior to September 15, 2006.

6 BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions,
7 comments, or recommendations of the appropriate committee, be reported to the 60th Legislature.

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