EXHIBIT 5
DATE 2/9/05
HB 2

General Government and Transportation
Joint Appropriations Subcommittee
February 9, 2005

Tanya Ask, Board Chair
Montana Comprehensive Health Association

The Montana Comprehensive Health Association (MCHA) is Montana's health insurance program of last resort, Montana's HIPAA portability mechanism and one of Montana's TAA insurance mechanisms – all this for a program covering approximately 3600 Montanans. In addition, the MCHA, thanks to the foresight of 2001 Legislature, offers a premium assistance program for lower-income, high risk Montanans who want to protect themselves and their families from the high costs of medical catastrophies.

Last year those 3600 folks paid $13, 411, 745 for their coverage – not inexpensive. Those same individuals had total claims payments, AFTER deductibles and out-of- pocket costs, of $19, 196,366. The balance was made up by assessments, federal grants and the issue we are here today to discuss, the Montana subsidy. Even then, the program spent $242, 214 than was brought in.

Information packets:
1) Fact sheet and attachments
2) Annual report
3) Premium Assistance actuarial analysis
4) MCHA member comments

On behalf of the MCHA members and Board, we would propose this subcommittee consider at a minimum $3.6 million to allow the Premium Assistance Plan to continue through the biennium at it's current level of member participation. Remember, these individuals are paying a high price, as well. The funding provided here maintains the health of these individuals and alleviates cost shift – a good portion of the price every person who pays for health insurance or full billed charges out of pocket for health care is currently covering.