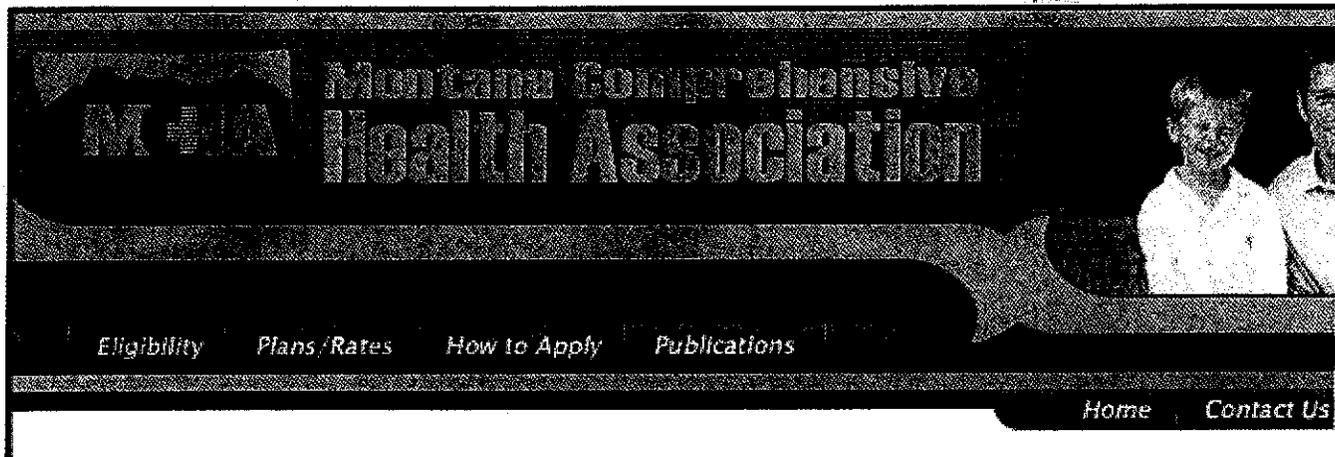


**Exhibit Number:** 7

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**This exhibit exceeds 10-page maximum; therefore only a small portion of the exhibit is scanned for your research. The original exhibit is on file at the Montana Historical Society and may be viewed there**



## Montana Health Insurance

The Montana Comprehensive Health Association (MCHA) is a program that offers policies of individual health insurance residents who are considered uninsurable due to medical conditions. The MCHA also is the coverage available to persons v group coverage.

The MCHA is sometimes referred to as Montana's "high-risk" pool. The MCHA provides coverage of "last resort" and is n duplicate coverage from any other source, public or private. The MCHA plans are administered by Blue Cross Blue Shield currently provide coverage for about 3,600 Montanans.

The MCHA is committed to providing access to quality health insurance coverage for uninsurable Montanans. In fulfilling MCHA believes in:

- Quality health insurance plans
- Accessibility for qualifying Montanans
- Effective programs to manage health care claims and expenses
- Collaborative industry involvement

\*\*\*REQUEST FOR PROPOSAL Available soon!

The MCHA will be issuing a Request for Proposal (RFP) for administrative services in late January. A copy of the memo t Parties can be found on the **Meeting Notices** page. Please see the memo to find out how to request a copy of the RFP.

### About Us

The Montana Legislature created the MCHA in 1985 to establish a program that provides access to health insurance to Mor are otherwise considered uninsurable due to medical conditions. These Montanans are not part of the traditional health insu because of preexisting health conditions or significant exclusions of coverage. In general, these people have been rejected f coverage or offered a policy with a rider on their primary health condition.

In 1997 the Montana Legislature created a second MCHA plan for eligible individuals who have had prior health insurance the federal rules of eligibility as described in the eligibility section. This site contains information about benefits, exclusion: eligibility, and application procedures for the MCHA program.

This site also provides information about program changes, publications, and upcoming events that affect the MCHA.

Effective August 1, 2003: If you have lost your job due to foreign trade and are an eligible federal Trade Adjustment Act ( individual, you may qualify for coverage under the Portability Plan. The federal Trade Adjustment Act of 2002 provided a qualified persons to use to purchase health insurance. The MCHA is one of the qualified plans that TAA qualified persons the tax credit. Please see the section about the Portability Plan for additional information.

Please note: all brochures, rate cards and applications are loaded as PDF files. You must have **Adobe Acrobat** to download. If you don't have Adobe Acrobat, you can download it from this website: <http://www.adobe.com/products/acrobat/>.

More Information: [Montana Health Insurance](#)

**Effective May 1, 2004:** Due to funding availability limitations, enrollment on the Premium Assistance I temporarily closed. The MCHA will continue to accept applications for this program, but qualifying applicants will be on a waiting list with future enrollment being on a first-come, first served basis. Qualified applicants may choose to enroll in the Premium Assistance Program that they qualify for while waiting to be enrolled in the Premium Assistance Program. The MCHA Board anticipates the program will be re-opened in the future.

## Attention Licensed Agents:

Under the HIPAA Privacy Rule, the MCHA is considered a covered entity. To attain compliance with the Privacy Rule, the MCHA has entered into Business Associate Agreements (BAs) with each agent that does business on our behalf. If you have not yet completed downloading the agreement attached below, complete it, sign it and mail it to the address shown below. Please call if you have any questions.

[Click here for MCHA Business Associate Agreement](#)

[| Montana Health Insurance Eligibility](#) | [| Montana Health Insurance Plans](#) | [| Montana Health Insurance Rates](#) | [| How To Apply](#)  
[| Contact Us](#) |

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Montana Comprehensive Health Association

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MONTANA COMPREHENSIVE HEALTH ASSOCIATION  
TRADITIONAL PLAN  
SCHEDULE OF PREMIUMS  
EFFECTIVE JANUARY 1, 2005

OPTION A  
\$1,000 DEDUCTIBLE

Age	Premium	Age	Premium
0-17	\$166	41	\$438
18	\$293	42	\$447
19	\$293	43	\$463
20	\$293	44	\$480
21	\$293	45	\$516
22	\$293	46	\$516
23	\$296	47	\$534
24	\$298	48	\$557
25	\$304	49	\$583
26	\$304	50	\$610
27	\$305	51	\$636
28	\$312	52	\$664
29	\$319	53	\$689
30	\$339	54	\$712
31	\$339	55	\$738
32	\$339	56	\$765
33	\$348	57	\$792
34	\$359	58	\$814
35	\$385	59	\$837
36	\$385	60	\$860
37	\$393	61	\$884
38	\$404	62	\$910
39	\$414	63	\$922
40	\$438	64 & over	\$933

Medicare Carve Out

0 – 17	\$148
18 – 65 and over	\$275

Premiums for the single Policyholder are payable according to the above schedule. The age of the Policyholder determines the premiums payable. When your age changes (e.g., turn 50), your rates will be increased to the next band at the next rate renewal increase. Rates are subject to change each January.

To determine your premium, find the correct age band. Your age band is your age as of January 1, 2005.

MONTANA COMPREHENSIVE HEALTH ASSOCIATION  
PREMIUM ASSISTANCE PROGRAM  
SCHEDULE OF PREMIUMS

EFFECTIVE JANUARY 1, 2005

\$1,000 DEDUCTIBLE  
45% SUBSIDY

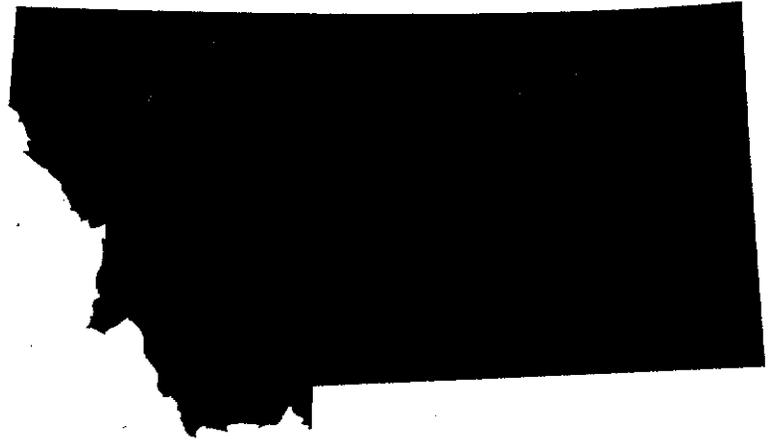
Age	Premium	Age	Premium
0-17	\$91.30	41	\$240.90
18	\$161.15	42	\$245.85
19	\$161.15	43	\$254.65
20	\$161.15	44	\$264.00
21	\$161.15	45	\$283.80
22	\$161.15	46	\$283.80
23	\$162.80	47	\$293.70
24	\$163.90	48	\$306.35
25	\$167.20	49	\$320.65
26	\$167.20	50	\$335.50
27	\$167.75	51	\$349.80
28	\$171.60	52	\$365.20
29	\$175.45	53	\$378.95
30	\$186.45	54	\$391.60
31	\$186.45	55	\$405.90
32	\$186.45	56	\$420.75
33	\$191.40	57	\$435.60
34	\$197.45	58	\$447.70
35	\$211.75	59	\$460.35
36	\$211.75	60	\$473.00
37	\$216.15	61	\$486.20
38	\$222.20	62	\$500.50
39	\$227.70	63	\$507.10
40	\$240.90	64 & over	\$513.15

Medicare Carve Out

0-17	\$81.40
18 & Over	\$151.25

Premiums for the single Policyholder are payable according to the above schedule. The age of the Policyholder determines the premiums payable. When your age changes (e.g., turn 50), your rates will be increased to the next band at the next rate renewal increase. Rates are subject to change each January.

To determine your premium, find the correct age band. (Your age band is your age as of January 1, 2005.) Your premium will be subsidized 45%.



***Montana  
Comprehensive  
Health  
Association***

***Annual Report***  
***July 1, 2003 - June 30, 2004***

# Vision . . .

THE MONTANA COMPREHENSIVE HEALTH ASSOCIATION IS COMMITTED TO PROVIDING ACCESS TO QUALITY HEALTH INSURANCE COVERAGE FOR UNINSURABLE MONTANANS. IN FULFILLING OUR VISION, WE BELIEVE IN:

- \* QUALITY HEALTH INSURANCE PROGRAMS
- \* ACCESSIBILITY FOR QUALIFYING MONTANANS
- \* EFFECTIVE PROGRAMS TO MANAGE HEALTH CARE CLAIMS AND EXPENSES
- \* COLLABORATIVE INDUSTRY INVOLVEMENT

# Who We Are . . .

IN A VERY FORWARD THINKING VIEW, THE MONTANA LEGISLATURE CREATED THE MONTANA COMPREHENSIVE HEALTH ASSOCIATION (MCHA) TO ESTABLISH A PROGRAM THROUGH WHICH HEALTH INSURANCE COULD BE MADE AVAILABLE TO MONTANA RESIDENTS WHO ARE OTHERWISE CONSIDERED UNINSURABLE DUE TO MEDICAL CONDITIONS. THE LEGISLATION WAS SIGNED INTO LAW IN APRIL 1985, AND THE FIRST POLICIES WERE ISSUED IN 1987. THE MCHA SERVES THOSE MONTANANS WHO ARE NOT PART OF THE TRADITIONAL HEALTH INSURANCE MARKET BECAUSE OF A PREEXISTING HEALTH CONDITION OR A SIGNIFICANT EXCLUSION OF COVERAGE. MCHA PROVIDES COVERAGE OF "LAST RESORT" AND IS NOT INTENDED TO DUPLICATE COVERAGE FROM ANY OTHER SOURCE, PUBLIC OR PRIVATE.

THE 1997 MONTANA LEGISLATURE CREATED A NEW MCHA PLAN TO COMPLY WITH THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT, FEDERAL LEGISLATION PASSED IN 1996. THIS ACT REQUIRES THAT INDIVIDUALS WHO LOSE EMPLOYER GROUP COVERAGE HAVE GUARANTEED ACCESS TO INDIVIDUAL COVERAGE. STATES WERE GIVEN THE OPTION OF FILING A PLAN ACCEPTABLE TO THE DEPARTMENT OF LABOR (DOL). THE MCHA PORTABILITY PLAN IS THE ALTERNATIVE PLAN THAT GUARANTEES COVERAGE FOR MOST INDIVIDUALS LOSING ELIGIBILITY FOR GROUP COVERAGE.

# **MCHA Update:**

The MONTANA COMPREHENSIVE HEALTH ASSOCIATION ("MCHA") Board of Directors is pleased to provide this ANNUAL REPORT.

This ANNUAL REPORT CONTAINS INFORMATION ABOUT THE TRADITIONAL PLANS, PREMIUM ASSISTANCE PROGRAM, AND THE PORTABILITY PLANS FOR THE PERIOD OF JULY 1, 2003 THROUGH JUNE 30, 2004.

A BRIEF SUMMARY OF THE BENEFITS PROVIDED BY EACH PLAN CAN BE FOUND ON PAGES 3 THROUGH 5. PAGES 6 THROUGH 11 DETAIL THE PLAN ENROLLMENT AND GROWTH SINCE INCEPTION. ENROLLMENT NUMBERS ARE PROVIDED ON A COUNTY-BY-COUNTY BASIS ON PAGES 9 THROUGH 11.

PREMIUM RATES ARE PROVIDED ON PAGES 12 THROUGH 14. THESE PREMIUM RATES WERE IMPLEMENTED JANUARY 1, 2004. PREMIUM RATE INCREASES RANGING FROM 25% (ON THE TRADITIONAL PLANS) TO 17% (ON THE PORTABILITY PLANS) WERE TAKEN JANUARY 1, 2004. AS COSTS CONTINUED TO INCREASE, THE BOARD OF DIRECTORS DETERMINED THAT PREMIUM RATE INCREASES COULD NOT BE AVOIDED.

UTILIZATION AND SAVINGS ARE NOTED ON PAGES 16 THROUGH 20. THE FINANCIAL STATEMENTS FOR THE PERIOD ENDING JUNE 30, 2004, CAN BE FOUND ON PAGES 21 THROUGH 22.

THE ENROLLMENT WAS CAPPED ON THE PREMIUM ASSISTANCE PROGRAM EFFECTIVE MAY 1, 2004. AS THE FEDERAL GRANT THAT PROVIDED THE PREMIUM SUBSIDY WOULD BE DEPLETED BY SEPTEMBER 1, 2004, THIS ACTION WAS REQUIRED SO THAT COVERAGE FOR ENROLLEES ON THE PLAN COULD BE MAINTAINED. MCHA WILL BE SEEKING ADDITIONAL FUNDING TO PROVIDE THE SUBSIDY FOR THIS IMPORTANT PROGRAM.

WE HOPE THAT THE INFORMATION PROVIDED IN THIS REPORT WILL BE USEFUL AND WE WELCOME YOUR COMMENTS.

# BENEFITS:

## TRADITIONAL PLAN

THE MCHA Traditional plan has two options for coverage. **OPTION A** HAS A \$1,000 deductible, 80/20 copayment, with a \$5,000 out of pocket limit. This Plan is also available to individuals with Medicare coverage, with Medicare paying primary and this Plan paying secondary. **OPTION B** HAS A \$5,000 deductible, 80/20 copayment, with a \$7,500 out of pocket limit. \*

### SOME SERVICES FOR WHICH COVERAGE IS PROVIDED:

- INPATIENT HOSPITAL CARE
- DURABLE MEDICAL EQUIPMENT (\$5,000 MAXIMUM)
- OUTPATIENT HOSPITAL CARE
- HOME HEALTH CARE (180 VISITS/YEAR)
- PROFESSIONAL SERVICES
- IMMUNIZATIONS
- OFFICE VISITS
- INPATIENT REHABILITATION THERAPY
- MATERNITY
- MATERNITY SCREENING PROGRAM
- MAMMOGRAPHY
- NEWBORN AND ADOPTED CHILDREN COVERED FOR FIRST 31 DAYS
- WELL CHILD CARE (UP TO 24 MONTHS)
- PROSTHETICS
- X-RAY AND LAB.
- RADIATION AND CHEMOTHERAPIES
- AMBULANCE
- SURGERY AND ANESTHESIA
- CONVALESCENT HOME CARE (60 DAYS PER YEAR)
- TRANSPLANTS (\$150,000)
- DIABETES EDUCATION
- INDIVIDUAL ASSISTANCE PROGRAM TO PROVIDE CONFIDENTIAL, NO COST ACCESS TO SHORT TERM COUNSELING FOR ANY PERSONAL PROBLEMS
- SEVERE MENTAL ILLNESS
- PRESCRIPTION DRUGS

\* COVERAGE IS PROVIDED UP TO A LIFETIME MAXIMUM OF \$1,000,000.