

EXHIBIT NO. 8

DATE: 1-21-05

BILL NO. SB154

Testimony
SB 154
Senate Public Health, Welfare and Safety
January 21, 2005

Mr. Chairman, members of the Committee, my name is Susan Witte. I serve as Vice President and Chief Legal Counsel for Allegiance Benefit Plan Management, Incorporated.

By way of brief background, our company was founded, initially as Intermountain Administrators, in Missoula, Montana. We develop and administer employee benefit programs, including flexible benefit plans, for self-funded companies, associations, and government agencies. Many of our health benefit plans are successfully administered through self-funded pools of employers.

We support SB 154. We think the clarification -- that the Department may either administer the Children's Health Insurance Program directly, or contract for administration of that program with another entity, like a professional third party administrator -- offers great options to the State to better control costs and thus potentially cover more children.

The Children's Health Insurance Program could be, under this bill, administered similar to the State Employee Benefit Plan and the Montana University System. Both of these plans are self-funded.

We also think the idea allocating excess premium, for lack of a better description, to offset past losses or cover more children, either those on the waiting list or through expanded eligibility, makes sense. In fact, this idea of 'return premium' is one of the hallmarks of self-funding.

I am distributing a communication piece that appears on our website. It provides useful information to better understand some of the benefits allowed by a self-funding option.

Our company is proud of the service and choice we offer in the health benefits arena in Montana. Our costs are very competitive; our service is excellent and our provider networks offer state-wide coverage.

We think the State of Montana could benefit from other service options, like those offered by third party administrators, and thus urge your support of SB 154.

Thank you.