

SENATE BILL NO. 519

INTRODUCED BY J. ESP

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE DEPARTMENT OF ADMINISTRATION TO ESTABLISH A HEALTH SAVINGS ACCOUNT PROGRAM FOR STATE EMPLOYEES THAT MEETS THE FEDERAL REQUIREMENTS FOR HEALTH SAVINGS ACCOUNTS; AND PROVIDING DEFINITIONS."

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

NEW SECTION. Section 1. Department to establish health savings account program. (1) The department shall establish, as part of a group benefit program offered to state employees and their dependents, a health savings account program meeting the requirements for health savings accounts established by section 1201 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Public Law 108-173.

(2) The program established by the department must offer at least one high-deductible health plan in conjunction with the use of a health savings account for the deposit of contributions by a state employee and the employee's state employer. Under rules adopted by the department, the department may:

(a) in lieu of a high-deductible health plan for a state employee, accept the use of a high-deductible health insurance policy purchased by that employee; and

(b) limit the enrollment to 3% of employees each policy year.

(3) Contributions from a state employer to a health savings account may be used only for qualified medical expenses and may not be withdrawn for any other purpose.

(4) The program required by this section must be offered to state employees no later than January 1, 2008.

(5) As used in this section:

(a) "health savings account" means a savings or other account meeting the requirements of 26 U.S.C. 223; and

(b) "high-deductible health plan" has the meaning provided in 26 U.S.C. 223(c)(2).

NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an

1 integral part of Title 2, chapter 18, part 8, and the provisions of Title 2, chapter 18, part 8, apply to [section 1].

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