



AN ACT REQUIRING A COST-BENEFIT ANALYSIS BEFORE ENACTMENT OF HEALTH INSURANCE MANDATES; LIMITING INITIAL MANDATES TO STATE EMPLOYEE HEALTH BENEFIT PLANS; REQUIRING TERMINATION DATES AND CONDITIONS FOR CONTINUATION; REQUIRING THE DEPARTMENT OF ADMINISTRATION AND THE COMMISSIONER OF INSURANCE TO PROVIDE SEPARATE COST-BENEFIT ANALYSES.

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

**Section 1. Cost-benefit analysis of mandates -- duty of insurance commissioner.** (1) Any bill reported out of a committee of the legislature requiring a mandate for health insurance coverage of specific services or payment for specified providers of services must include a cost-benefit analysis incorporating an estimate of the extent to which the proposed mandate would:

- (a) increase or decrease the cost of the coverage or the service;
- (b) increase the appropriate use of the service;
- (c) increase or decrease the administrative expenses of insurers and the premium and administrative expenses of insureds; and
- (d) increase or decrease the total cost of health care.

(2) Except as provided in subsection (3)(c), a bill that contains mandates must contain:

- (a) a termination date of December 31 in the third odd-numbered year after the year in which the mandate was enacted; and
- (b) a requirement for the initial application of the mandate to the state employee group health plan regulated under Title 2, chapter 18. The effective date of the mandate under this subsection (2)(b) must be for policies that become effective January 1 of the even-numbered year after enactment.

(3) (a) The department of administration shall provide the legislature a cost-benefit analysis of the impact of the mandate on the state employee group health plan prior to October 30 of the third year following enactment of the mandate.

(b) The cost-benefit analysis must include information on the utilization and costs related to the mandated coverage of specific services or payment for specified providers of services.

(c) If, after receiving the cost-benefit analysis under subsection (3)(a), the legislature acts on a bill expanding the mandate to health insurance policies, plans, certificates of insurance, membership contracts, or evidence of coverage regulated under Title 33, the provisions of subsection (2) do not apply and the bill must include a repeal of the termination date required under subsection (2)(a) in the original bill.

(4) A majority of the members of a legislative committee reviewing a bill, other than a bill described in subsection (3)(c), may assert through a vote that the bill contains a mandate and the provisions of subsections (1) and (2) apply.

(5) If a bill is amended in committee to include a mandate of specific services or payment for specified providers of services, the committee may not act on the bill until the cost-benefit analysis required under subsection (1) is available.

(6) The cost-benefit analysis must be provided by the commissioner of insurance, who may contract with a private entity. The commissioner of insurance shall pay the cost for the cost-benefit analysis required under subsections (1) and (5) and shall provide the cost-benefit analysis in a timely fashion.

**Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 5, chapter 4, and the provisions of Title 5, chapter 4, apply to [section 1].

- END -

I hereby certify that the within bill,  
SB 0370, originated in the Senate.

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Secretary of the Senate

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2011.

SENATE BILL NO. 370

INTRODUCED BY J. PRIEST

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