

## 1 SENATE BILL NO. 241

2 INTRODUCED BY J. PRIEST

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE FORMULA FOR DETERMINING MEDICAID  
5 REIMBURSEMENT RATES FOR PHYSICIANS; REVISING DEFINITIONS; AMENDING SECTIONS 53-6-124  
6 AND 53-6-125, MCA; REPEALING SECTION 53-6-126, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE  
7 DATE AND A RETROACTIVE APPLICABILITY DATE."

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

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11 **Section 1.** Section 53-6-124, MCA, is amended to read:

12 **"53-6-124. Definitions.** As used in ~~53-6-124~~ through 53-6-125, 53-6-127, and this section, the following  
13 definitions apply:

14 (1) "Conversion factor" means the ~~average of the conversion factors used by the top five insurers or~~  
15 ~~third-party administrators providing disability insurance to the most beneficiaries within the state in January 2007~~  
16 ~~who use the resource-based relative value scale to determine fees for covered services. This January 2007~~  
17 ~~conversion factor is applicable for state fiscal years 2008, 2009, 2010, 2011, 2012, and 2013. In state fiscal year~~  
18 ~~2014 and for each state fiscal year thereafter, the conversion factor is the average of the conversion factors used~~  
19 ~~by the top five insurers or third-party administrators providing disability insurance to the most beneficiaries within~~  
20 ~~the state who use the resource-based relative value scale to determine fees for covered services~~ dollar value that  
21 is multiplied by the appropriate relative value unit to calculate a price for a service provided by a physician.

22 (2) "Department" means the department of public health and human services.

23 (3) "Medicaid" means the Montana medical assistance program established under Title 53, chapter 6.

24 (4) "Physician" has the meaning provided in 37-3-102.

25 (5) "Policy adjuster" means a factor by which the fee determined under 53-6-125 is multiplied to increase  
26 the fee paid by medicaid for certain categories of services.

27 (6) "Relative value unit" means a numerical value assigned in the resource-based relative value scale  
28 to each procedure code used to bill for services provided by a physician.

29 (7) "Resource-based relative value scale" means the medicare resource-based relative value scale  
30 contained in the physician's medicare fee schedule adopted by the centers for medicare and medicaid services

1 of the U.S. department of health and human services."

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3 **Section 2.** Section 53-6-125, MCA, is amended to read:

4 **"53-6-125. Physician services reimbursement.** (1) The fee for a covered service provided by a  
5 physician under the medicaid program is determined by multiplying a ~~percentage~~ of the conversion factor times  
6 the relative value unit for that service times any applicable policy adjusters.

7 (2) ~~(a) For state fiscal years 2008 and 2009, the percentage of the conversion factor will be determined~~  
8 ~~by the appropriation of the 2007 legislature for physician reimbursement.~~

9 ~~—— (b) For state fiscal year 2010, the 2009 percentage of the conversion factor will be increased by a~~  
10 ~~minimum of 6%.~~

11 ~~—— (c) For state fiscal year 2011, the 2010 percentage of the conversion factor will be increased by a~~  
12 ~~minimum of 6%.~~

13 ~~—— (d) For state fiscal year 2012, the 2011 percentage of the conversion factor will be increased by a~~  
14 ~~minimum of 6%.~~

15 ~~—— (e) For state fiscal year 2013, the 2012 percentage of the conversion factor will be increased by a~~  
16 ~~minimum of 6%.~~

17 (a) For state fiscal years 2011 through 2013, the conversion factor is a minimum of \$40.09 and must be  
18 increased by the same percentage increase made in the reimbursement rates for other providers of medicaid  
19 services.

20 ~~(f)(b) For state fiscal year 2014 and for each subsequent state fiscal year thereafter, the percentage of,~~  
21 ~~the conversion factor will must be equivalent increased, at a minimum, to state fiscal year 2013 by the same~~  
22 ~~percentage increase as the consumer price index for medical care for the previous year, as calculated by the~~  
23 ~~bureau of labor statistics of the United States department of labor."~~

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25 NEW SECTION. Section 3. Repealer. The following section of the Montana Code Annotated is  
26 repealed:

27 53-6-126. Providing conversion factors to department.

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29 NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.

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