

## 1 SENATE JOINT RESOLUTION NO. 20

2 INTRODUCED BY A. WITTICH

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4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF  
5 MONTANA REQUESTING A STUDY OF WAYS TO MAKE THE MONTANA MEDICAID PROGRAM MORE  
6 COST EFFECTIVE AND EFFICIENT.

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8 WHEREAS, the Montana Medicaid program provides essential health care services for nearly 103,000  
9 aged, blind, disabled, or low-income Montanans as of December 2010; and

10 WHEREAS, the number of Montanans qualifying for the Medicaid program has increased substantially  
11 in the past 2 years; and

12 WHEREAS, the Medicaid program accounts for 23% of the state's total budget and 14% of general fund  
13 spending; and

14 WHEREAS, Medicaid spending is projected to continue increasing in the future; and

15 WHEREAS, the anticipated growth in Medicaid expenditures and the projected expansion of the Medicaid  
16 population in 2014 as provided for in the Patient Protection and Affordable Care Act make it imperative that public  
17 policymakers identify ways to improve the cost-effectiveness and efficiency of the Medicaid program; and

18 WHEREAS, the current trends in Montana's Medicaid cost growth are unsustainable in the current budget  
19 environment; and

20 WHEREAS, approximately 30 million individuals who are enrolled in Medicaid and the Children's Health  
21 Insurance Program are covered by capitated coordinated care programs; and

22 WHEREAS, 36 states currently have capitated coordinated care programs; and

23 WHEREAS, three additional states are planning on moving from fee-for-service Medicaid delivery  
24 systems to capitated coordinated care delivery systems; and

25 WHEREAS, capitated coordinated care programs have been successful in both rural as well as urban  
26 areas; and

27 WHEREAS, capitated coordinated care programs bring budget predictability to the state; and

28 WHEREAS, previous studies have shown capitated coordinated care program savings ranging from 0.5%  
29 to 20%, as well as a decline in the annual Medicaid cost trend; and

30 WHEREAS, capitated coordinated care programs improve health outcomes and have reduced

1 out-of-pocket costs for Medicaid beneficiaries.

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3 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE  
4 STATE OF MONTANA:

5 That the Legislative Council be requested to designate an appropriate interim committee, pursuant to  
6 section 5-5-217, MCA, to study Montana's Medicaid program and make recommendations on ways to improve  
7 the efficiency of the program while maintaining the quality of the services it offers.

8 BE IT FURTHER RESOLVED, that the study:

9 (1) identify the Medicaid services required under federal law and those that Montana may choose to  
10 offer, as well as the costs of providing the services;

11 (2) identify services or administrative activities that may be privatized and the costs or cost savings of  
12 privatizing the services or activities;

13 (3) identify strategies that other rural states have used to improve the cost-effectiveness of their Medicaid  
14 programs; ~~and~~

15 (4) review the effect that strategies used in other states:

16 (a) have had on costs, access to care, and quality of care in those states; and

17 (b) may have in Montana if put into effect; AND

18 (5) REVIEW FINANCING OPTIONS FOR THE EXPANSION OF THE MEDICAID PROGRAM THAT IS EXPECTED TO OCCUR  
19 UNDER CHANGES IN FEDERAL LAW.

20 BE IT FURTHER RESOLVED, that the committee request participation in the study by the Department  
21 of Public Health and Human Services, the Montana Hospital Association, the Montana Medical Association, the  
22 Montana Health Care Association, organizations representing Medicaid recipients, members of the public, and  
23 other agencies and organizations as appropriate.

24 BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review  
25 requirements, be concluded prior to September 15, 2012.

26 BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions,  
27 comments, or recommendations of the appropriate committee, be reported to the 63rd Legislature.

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