SENATE PUBLIC HEALTH, WELFARE & SAFETY
EXHIBIT NO. 3
DATE: 1/25/13
BILL NO. SB 27

Insure Montana

Two Programs for Montana's Small Businesses

Purchasing Pool

The Insure Montana Purchasing Pool program provides premium assistance to businesses and their employees to make health insurance more affordable. Currently, the Purchasing Pool is only available to businesses that have not offered health insurance benefits for at least two years.

To be eligible for the Purchasing Pool program, businesses must have two to nine eligible employees, and no employee (excluding the owner) can make more than $75,000 in the prior tax year. Businesses participating in the Purchasing Pool program must renew their enrollment annually.

Businesses in the purchasing pool can select one of three plans managed by Insure Montana and insured by Blue Cross Blue Shield of Montana, or one of nine qualified association plans.

Businesses participating in one of the three plans managed by Insure Montana also receive a free vision exam and access to Blue Cross Blue Shield online wellness tools.

Insure Montana Purchasing Pool			
Businesses	779	Lives	3,844
Businesses on Wait List	198		
Average Annual Rate Increase	5.5%		
Average Annual Assistance to Business	$3,466		
Average Annual Assistance to Employee	$1,586		
Annual Budget*	$6,351,562		

*Both Insure Montana programs are funded by the tobacco tax.

Tax Credit

The Insure Montana Tax Credit program is available to businesses that currently offer group health benefits but need assistance with the high cost of insurance.

To be eligible for the Tax Credit program, businesses must have two to nine eligible employees, and no employee (excluding the owner) can make more than $75,000 in the prior tax year. Businesses participating in the Tax Credit program must renew their enrollment annually.

The business can claim tax credits of up to $125 per month for each eligible employee, depending on age. Additional tax credits are available if the business pays health insurance premiums for the employee's spouse or dependents. The total tax credit cannot be more than 50 percent of the employer's contribution toward premiums. The Insure Montana tax credit is refundable.

In 2011, the Montana Legislature cut the overall appropriation for the Tax Credit program. Corresponding legislation to cut enrollment was vetoed by the governor, leaving the program with full enrollment and a budget shortfall. As a result, the tax credit each business receives was reduced by 30 percent. Savings from CSI audits will restore tax credits to 87 percent of the statutorily calculated amount.

Insure Montana Tax Credit			
Businesses	700	Lives	4,085
Average Annual Tax Credit	$3,716		
Businesses on Wait List	106		
Annual Budget*	$3,401,041		

*Both Insure Montana programs are funded by the tobacco tax.

Contact CSI
Web: www.csi.mt.gov
Email: Policy.CSI@mt.gov
Phone: 406.444.2040

Monica J. Lindeen
CSI
Montana Commissioner of Securities & Insurance