

1 SENATE BILL NO. 59

2 INTRODUCED BY G. JERGSON

3 BY REQUEST OF THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING REQUIREMENTS THAT MONEY FROM THE HEALTHY
6 MONTANA KIDS PLAN SPECIAL REVENUE ACCOUNT AND THE HEALTH AND MEDICAID INITIATIVES
7 SPECIAL REVENUE ACCOUNT BE USED TO PAY FOR COSTS RELATED TO INCREASED ENROLLMENT
8 IN THE HEALTHY MONTANA KIDS PLAN OR INCREASED SERVICES OR PROVIDER RATES IN THE
9 MEDICAID PROGRAM; AMENDING SECTIONS 52-3-115, 53-4-1115, AND 53-6-1201, MCA; AND PROVIDING
10 AN EFFECTIVE DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

- 13
14 **Section 1.** Section 52-3-115, MCA, is amended to read:
- 15 **"52-3-115. (Temporary) Older Montanans trust fund.** (1) There is an older Montanans trust fund within
16 the permanent fund type. The trust fund is subject to legislative appropriation as provided in this section.
- 17 (2) The money in the fund may be used to fund new, innovative services or existing services for the
18 benefit of Montana residents 60 years of age or older that will enable those Montanans to live an independent
19 lifestyle in the least restrictive setting and will promote the dignity of and respect for those Montanans.
- 20 (3) The department may accept contributions and gifts for the trust fund in money or other forms, and
21 when accepted, the contributions and gifts must be deposited in the trust fund.
- 22 (4) Interest and income earned on money in the trust fund must be retained within the fund except as
23 provided in this section. Money may be appropriated by the legislature and used for the programs specified in
24 subsection (2).
- 25 (5) The department shall provide to the legislature a biennial report of the expenditures of the money
26 appropriated from the older Montanans trust fund as provided in 5-11-210. (Terminates June 30, 2013--sec.
27 20(1), Ch. 312, L. 2011.)
- 28 **52-3-115. (Effective July 1, 2013) Older Montanans trust fund.** (1) There is an older Montanans trust
29 fund within the permanent fund type. The trust fund is subject to legislative appropriation as provided in this
30 section.

1 (2) The money in the fund may be used to create new, innovative services or to expand existing services
 2 for the benefit of Montana residents 60 years of age or older that will enable those Montanans to live an
 3 independent lifestyle in the least restrictive setting and will promote the dignity of and respect for those
 4 Montanans. The interest and income produced by the trust fund and appropriated to the department by the
 5 legislature is intended to increase services referred to in this subsection and not to supplant ~~other sources of~~
 6 ~~revenue for those programs in the trended traditional level, as used in 53-6-1201, of appropriations for those~~
 7 ~~services~~ the appropriation amounts, including supplemental appropriations, as those amounts were set based
 8 on eligibility standards, services authorized, and payment amount during the past five biennial budgets.

9 (3) The department may accept contributions and gifts for the trust fund in money or other forms, and
 10 when accepted, the contributions and gifts must be deposited in the trust fund.

11 (4) Interest and income earned on money in the trust fund must be retained within the fund except as
 12 provided in this section. Until the year 2015, if assets in the fund reach the following amounts, money may be
 13 appropriated by the legislature and used in the following amounts for the programs specified in subsection (2):

14 (a) When the fund balance reaches \$20 million, 50% of the interest earned may be appropriated.

15 (b) When the fund balance reaches \$50 million, 60% of the interest earned may be appropriated.

16 (c) When the fund balance reaches \$100 million, 80% of the interest earned may be appropriated.

17 (5) On and after January 1, 2015, 90% of the interest earned on the trust fund may be appropriated for
 18 the programs specified in subsection (2).

19 (6) The department shall provide to the legislature a biennial report of the expenditures of the money
 20 appropriated from the older Montanans trust fund as provided in 5-11-210."

21

22 **Section 2.** Section 53-4-1115, MCA, is amended to read:

23 **"53-4-1115. Special revenue account.** (1) There is an account in the state special revenue fund to the
 24 credit of the department for the purposes provided in subsection (2). There must be paid into the account the
 25 amounts collected under 33-2-708(3)(b). Any interest or income derived from the account must be deposited in
 26 the account.

27 (2) Money in the account:

28 ~~—— (a) is to be used solely to cover the number of additional enrollees in the plan that exceeds the number~~
 29 ~~of enrollees as of November 4, 2008, within the limits provided in 53-4-1004, 53-6-131, and this part, and to cover~~
 30 ~~the costs of enrollment, including premium assistance, under 53-4-1108(1), and to pay administrative costs~~

1 ~~associated with expanded eligibility, and to establish and maintain a reserve; and~~

2 ~~——(b) may be used only to match federal funds available under the children's health insurance program and~~
3 ~~the Montana medicaid program.~~

4 (3) The unexpended balance of an appropriation from the account must remain in the account and may
5 be used only for the purposes stated in subsection (2).

6 (4) The special revenue account does not affect and is not exclusive of any other sources of funding for
7 the programs described in 53-4-1104(2), including the special revenue account provided for in 53-4-1012.

8 (5) If the department determines that there is insufficient funding for the purposes of subsection (2), it
9 may reduce eligibility requirements for participants in the children's health insurance program as provided in
10 53-4-1004(4)."

11

12 **Section 3.** Section 53-6-1201, MCA, is amended to read:

13 **"53-6-1201. Special revenue fund -- health and medicaid initiatives.** (1) There is a health and
14 medicaid initiatives account in the state special revenue fund established by 17-2-102. This account is to be
15 administered by the department of public health and human services.

16 (2) There must be deposited in the account:

17 (a) money from cigarette taxes deposited under 16-11-119(1)(d);

18 (b) money from taxes on tobacco products other than cigarettes deposited under 16-11-119(3)(b); and

19 (c) any interest and income earned on the account.

20 (3) This account may be used only to provide funding for:

21 (a) the state funds necessary to take full advantage of available federal matching funds in order to
22 administer the plan and maximize enrollment of eligible children under the healthy Montana kids plan, provided
23 for under Title 53, chapter 4, part 11, and to provide outreach to the eligible children;

24 (b) a new need-based prescription drug program established by the legislature for children, seniors,
25 chronically ill, and disabled persons that does not supplant similar services provided under any existing program;

26 (c) ~~increased medicaid services and medicaid provider rates. The increased revenue is intended to~~
27 ~~increase medicaid services and medicaid provider rates and not to supplant the general fund in the trended~~
28 ~~traditional level of appropriation for medicaid services and medicaid provider rates;~~

29 (d) an offset to loss of revenue to the general fund as a result of new tax credits;

30 (e) funding new programs to assist eligible small employers with the costs of providing health insurance

1 benefits to eligible employees;

2 (f) the cost of administering the tax credit, the purchasing pool, and the premium incentive payments and
3 premium assistance payments as provided in Title 33, chapter 22, part 20; and

4 (g) providing a state match for the medicaid program for premium incentive payments or premium
5 assistance payments to the extent that a waiver is granted by federal law as provided in 53-2-216.

6 (4) (a) On or before July 1, the budget director shall calculate a balance required to sustain each
7 program in subsection (3) for each fiscal year of the biennium. If the budget director certifies that the reserve
8 balance will be sufficient, then the agencies may expend the revenue for the programs as appropriated. If the
9 budget director determines that the reserve balance of the revenue will not support the level of appropriation, the
10 budget director shall notify each agency. Upon receipt of the notification, the agency shall adjust the operating
11 budget for the program to reflect the available revenue as determined by the budget director.

12 (b) Until the programs or credits described in subsections (3)(b) and (3)(d) through (3)(g) are established,
13 the funding must be used exclusively for the purposes described in subsections (3)(a) and (3)(c).

14 ~~(5) The phrase "trended traditional level of appropriation", as used in subsection (3)(c), means the~~
15 ~~appropriation amounts, including supplemental appropriations, as those amounts were set based on eligibility~~
16 ~~standards, services authorized, and payment amount during the past five biennial budgets.~~

17 ~~(6)(5)~~ The department of public health and human services may adopt rules to implement this section."
18

19 **NEW SECTION. Section 4. Effective date.** [This act] is effective July 1, 2013.

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