

OFFICE OF THE GOVERNOR
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



ANGELA McLEAN
LT. GOVERNOR

April 27, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

The Honorable Austin Knudsen
Speaker of the House
State Capitol
Helena, MT 59620

Dear President Barrett and Speaker Knudsen:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto Senator Bill 99 ("SB 99"), "AN ACT GENERALLY REVISING LAWS RELATED TO THE SMALL BUSINESS HEALTH INSURANCE POOL TO REMOVE THE PURCHASING POOL; ELIMINATING THE BOARD OF DIRECTORS OF THE SMALL BUSINESS HEALTH INSURANCE POOL; SHIFTING THE AUTHORITY OF THE BOARD OF DIRECTORS OF THE SMALL BUSINESS HEALTH INSURANCE POOL TO THE INSURANCE COMMISSIONER; REMOVING AUTHORITY TO SEEK A FEDERAL WAIVER FOR MEDICAID MATCHING FUNDS; APPROPRIATING 9% OF PREMIUM TAX TO FUND THE INSURE MONTANA PROGRAM; AMENDING SECTIONS 33-2-708, 33-22-1815, 33-22-1816, 33-22-2001, 33-22-2002, 33-22-2005, 33-22-2006, 33-22-2007, 33-22-2008, 33-22-2009, 53-2-217, AND 53-6-1201, MCA; REPEALING SECTIONS 33-22-2003, 33-22-2004, AND 53-2-216, MCA; AND PROVIDING EFFECTIVE DATES."

SB 99 would fund the small business health insurance program with \$20 million of general fund dollars. Simply put, SB 99 spends too much to cover too few Montanans. As Governor, I manage the state's tax dollars with an eye toward fiscal responsibility, not unlike Montana's small business owners. SB 99 is fiscally irresponsible when other options are available for employers and employees to procure health insurance. Insure Montana currently provides subsidies to a little over 1,000 businesses at a cost of approximately \$10 million per year, which comes to approximately \$10,000 per business.

The program is administered on a first-come, first-served basis – benefiting the businesses that were first in line but leaving others to manage health care costs on their own.

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The program has not expanded its waiting list for years, and this bill does nothing to address clearing the waiting list. In fact, by changing the eligibility criteria to participate from businesses with up to nine employees to those with up to 25 employees, SB 99 will actually increase the number of businesses on the waiting list.

SB 99 is not a wise use of taxpayer dollars and provides a benefit to a very small percentage of businesses. As introduced, SB 99 would have created a Montana solution to helping small businesses afford health insurance. However, the amendments placed on the bill removed a new, dedicated source of funding to continue and expand the program to more businesses without using general fund dollars for the program. It is unfortunate the original version of SB 99 did not make it to my desk. Through the State's budget bill, HB 2, I have worked out a bi-partisan compromise, agreed to by both Democrats and Republicans, which will continue coverage for those participating in the program through December of 2015.

In 2016, small businesses and employees on the program can join the thousands of other Montana small businesses and employees who already have the option of finding health insurance coverage and tax credits on Montana's health insurance marketplace.

For these reasons, I veto SB 99.

Sincerely,



STEVE BULLOCK
Governor

cc: Legislative Services Division
Secretary of State