



Department of Public Health and Human Services

EXHIBIT 9
DATE 2.16.15
HB 442
Steve Bullock, Governor

Richard H. Opper, Director

Summary of Testimony of GERALYN DRISCOLL
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House Human Services Committee
February 16, 2015
HB 442

DPHHS opposes HB 442, which would establish a resource test for eligibility for Healthy Montana Kids/CHIP beginning on October 1, 2019. Under the bill as drafted, children in families with countable resources over \$20,000 would not be eligible for HMK/CHIP after September 30, 2019. The effect of the bill, however, would be to end the HMK/CHIP program as of October 1, 2019. Approximately 28,500 children in Montana are currently insured under the HMK/CHIP program.

A resource test for HMK/CHIP is not permitted by federal law. Title 42 U.S.C. Sections 1396a(e)(14)(C), 1397gg(3)(1)(F), and 1397ee(1). If this bill passed, as of October 1, 2019, Montana would be out of compliance with federal requirements for the CHIP program and would not receive federal funding for its HMK/CHIP program. If federal funding ends, the HMK/CHIP program ends. Sec. 15, Ch. 571, L. 1999.) Section 15.

This bill has an effective date 4 ½ years in the future. The Department believes this date was chosen because the current maintenance of effort (MOE) statute for HMK/CHIP, 42 USC 1397ee (d) (4), expires on September 30, 2019. Congress might renew the MOE requirements in 4½ years but, even if the MOE requirements disappear, the federal laws prohibiting resource tests and conditioning CHIP funding

on compliance will remain in effect and threaten CHIP funding if a state enacts a resource test for CHIP eligibility.

It is also important to note that Montana's voters eliminated a resource test for HMK/CHIP eligibility before Congress enacted a prohibition on a resource test. To create a resource test for HMK/CHIP, this bill must repeal Section 53-4-1110, MCA, which was enacted by voter initiative (I-155) in 2008.