



Department of Public Health and Human Services

Medicaid and Health Services Branch ♦ 111 North Sanders, P. O. Box 4210 ♦ Helena, MT 59604-4210 ♦

EXHIBIT 5

DATE 3-13-15

Steve Bullock, Governor

HB 582 Richard H. Opper, Director

Testimony of Department of Public Health and Human Services
Before the House Human Services Committee
March 13, 2015

RE: HB 582 - "AN ACT CREATING THE CATASTROPHIC HEALTH CARE COSTS ACT TO ESTABLISH A STATE-FUNDED PROGRAM OF COVERAGE FOR CATASTROPHIC HEALTH CARE COSTS FOR LOW- INCOME ADULTS; ESTABLISHING PROCEDURES FOR REIMBURSEMENT OF CATASTROPHIC HEALTH CARE COSTS; REQUIRING STUDIES OF HEALTH CARE GAPS AND HEALTH CARE COSTS; PROVIDING DEFINITIONS; PROVIDING RULEMAKING AUTHORITY; PROVIDING APPROPRIATIONS; AMENDING SECTION 33-2-708, MCA; AND PROVIDING AN EFFECTIVE DATE.

I am testifying against HB 582 and asking that you oppose this bill for the following reasons:

- It spends an inordinate amount of money for what it accomplishes. This bill appropriates \$35 million in state funds to cover an estimated 1554 people over the biennium. There are other bills that have been introduced this session that would cover more people at less cost to the state.
- It does not achieve the goal of reforming health care delivery in the state of Montana. It forces people into the most costly setting for treatment, the inpatient hospital, as one of only two ways to trigger eligibility. This goes against treating a person in the most appropriate setting for the care that they need. By making inpatient hospitalization one of only two ways that coverage can be obtained, you encourage desperate people and providers to use that setting when others may be more appropriate.
- It singles out cancer as the other disease condition that can trigger eligibility. We agree that people with cancer should have health care coverage, but this should not be the only condition that automatically qualifies you for assistance.
- It also fails to cover bone marrow transplants which are a principal treatment for leukemia, a form of cancer – narrowing the coverage offered even more.
- It saddles individuals with up to \$10,000/debt each year before they can be assisted. This is between 63 and 86% of the total income a household is allowed to have in a year and be eligible for coverage. How are those percentages derived? Because the bill covers only adults with no dependent children up to 100% of the federal poverty level, the family income can be no more than \$11,670 for an individual or less than \$15,900 for a couple in a year.
- The amount of payment for medical services provided may vary greatly raising questions of equity. This bill requires funds to be prorated on a 6 month basis.

Full payment of your debt over \$10,000 is contingent on who else is in the pool that 6 months and how much their bills are.

- The bill is administratively complex and costly.

I have attached a flow chart of the eligibility and payment process required by this bill to better help you understand its requirements.

I urge you to vote no on HB 528. I will be available to answer any additional questions you might have.

Respectfully submitted,



Mary E. Dalton
Medicaid and CHIP State Director
Medicaid and Health Services Branch Manager
Department of Public Health and Human Services