

1 SENATE BILL NO. 73

2 INTRODUCED BY T. MCGILLVRAY

3 BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE

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5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING AN AGENCY'S DUTY TO PERMIT INSPECTION,
6 EXAMINATION, AND REPRODUCTION OF RECORDS FOR LEGISLATIVE AUDIT PURPOSES; PROVIDING
7 THAT AUDIT MATERIALS ARE CONFIDENTIAL PRIOR TO PRESENTATION OF THE AUDIT REPORT TO
8 THE LEGISLATIVE AUDIT COMMITTEE; PROVIDING THAT FAILURE TO COMPLY WITH DUTY
9 CONSTITUTES OFFICIAL MISCONDUCT; AMENDING ~~SECTION~~ SECTIONS 2-18-816 AND 5-13-309, MCA;
10 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

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14 **SECTION 1. SECTION 2-18-816, MCA, IS AMENDED TO READ:**

15 **"2-18-816. Biennial audit of group benefit plans required.** (1) The state employee group benefit
16 plans established under this part, whether established on a self-funded basis or not, must be audited every 2
17 years. The audit must cover the 2-year period since the last audit and be conducted by or at the direction of the
18 legislative auditor.

19 (2) Except for an audit of individual claims conducted at the direction of the legislative auditor by a
20 third party, any plan claims records provided directly to the legislative auditor must be deidentified if the
21 legislative auditor determines deidentification can be performed in a manner that maintains the integrity of the
22 analysis for audit purposes and does not limit the auditor's ability to validate accounting transactions or to
23 identify instances of fraud, waste, or abuse in group benefit plans in accordance with the provisions of 5-13-
24 304, 5-13-308, 5-13-309, and 5-13-311.

25 (3) As used in this section, "deidentified" means that an individual's personally identifiable
26 information, such as a first and last name, has been removed and replaced with the last four digits of the
27 individual's social security number, the individual's date of birth, or a randomly generated number."

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