



**Economic Affairs Interim Committee**  
**62nd Montana Legislature**

**SENATE MEMBERS**

TOM FACEY--Vice Chair  
JOE BALYEAT  
EDWARD WALKER  
JONATHAN WINDY BOY

**HOUSE MEMBERS**

TOM BERRY--Chair  
CHUCK HUNTER  
CAROLYN SQUIRES  
GORDON VANCE

**COMMITTEE STAFF**

PAT MURDO, Lead Staff  
BART CAMPBELL, Staff Attorney  
CLAUDIA (CJ) JOHNSON, Secretary

# MINUTES DRAFT

August 23 & 24, 2011  
Rm 137

Capitol Bldg  
Helena, MT

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. To the left of each section in these minutes is a time designation indicating the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select *Committees*, then *Interim*. Once on the page for *Interim Committees*, scroll down to the appropriate committee. The written minutes summary, along with the audio and video recordings, are listed by meeting date on the interim committee's web page. You must have Real Player to listen to the audio recording or to view the video.

Hard copies of the exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.

## **COMMITTEE MEMBERS PRESENT**

REP. TOM BERRY, Chair  
SEN. JOE BALYEAT  
SEN. TOM FACEY, Vice Chair, present via teleconference  
REP. CHUCK HUNTER (on Aug. 23)  
REP. CAROLYN SQUIRES  
REP. GORDON VANCE  
SEN. EDWARD WALKER (on Aug. 24)

## **COMMITTEE MEMBERS EXCUSED**

SEN. JONATHAN WINDY BOY  
SEN. EDWARD WALKER (on Aug. 23)  
REP. CHUCK HUNTER (on Aug. 24)

## **STAFF PRESENT**

PAT MURDO, Lead Staff  
BART CAMPBELL, Staff Attorney  
CLAUDIA (CJ) JOHNSON, Secretary

## Visitors

Visitors' list, Attachment #1.  
Agenda, Attachment #2.

## COMMITTEE ACTION

The Economic Affairs (EA) Interim Committee approved:

- the EA committee minutes of June 3, 2011.
- to create a new Board of Dentists, and a new Board for denturists and dental hygienists.
- that the Board of Dentistry come back before the committee to discuss proposed changes in the Board's structure at the January 19 and 20, 2012, meeting.
- a proposal that will include all stakeholders (agriculture buyers and producers) to come before the committee at its April 2012 meeting with a plan for commodity bonding in relation to the SJR 15 study.
- the work plan as currently written.
- a recommendation that the Board of Veterinary Medicine, Board of Pharmacy, and Board of Chiropractors be retained as is.

## CALL TO ORDER AND ROLL CALL

00:04:19 Rep. Tom Berry, presiding officer, called the committee to order at 9:04 a.m. The secretary called roll. Attachment #3

## MINUTES

### **Motion**

00:05:30 Rep. Hunter made a motion to approve the June 3, 2011 minutes. The motion **passed** unanimously by voice vote. Sen. Windy Boy and Rep. Walker are excused.

## AGENDA

00:06:12 Rep. Berry talked about the Health Insurance Exchange and introduced speakers.

## **Medicaid and Indian Health Service Interface with Health Insurance Exchange**

00:09:00 **Linda Snedigar, Montana Department of Public Health and Human Services (DPHHS)**, gave a summary of what Medicaid looks like in Montana. She discussed health coverage and the Temporary Assistance to Needy Families (TANF) program, which provides supplemental assistance for low-income families with children. She explained the TANF guidelines and how families qualify in relation to federal poverty levels. She discussed the Affordable Health Care Act and its expansion of Medicaid eligibility. Ms Snedigar explained a handout (**Exhibit 1**) that shows the eligibility process for Medicaid and how people may enter their income as part of an application for health insurance that

determines if they are eligible for Medicaid or health insurance on the Health Insurance Exchange and possible subsidies.

00:27:51 **Kevin Howlett, Tribal Health Director, Confederated Salish Kootenai Tribes,** talked about the Affordable Health Care Act, and how it affects the Indian Health Services and tribal clinics like those on the Flathead Reservation. He explained how the tribal health care operates in connection with Medicaid and health insurance programs. He said that tribal health care services covered by Medicaid receive 100% pass-through of federal monies.

**Committee comments and questions.**

**The committee members, Mr. Howlett, and Ms. Snedigar discussed how tribes receive health care services, affordable health care, Medicaid, and the types of services administered.**

00:41:47 Rep. Berry  
00:42:03 Rep. Squires  
00:46:55 Mr. Howlett  
00:50:21 Rep. Hunter

01:01:35 **Break**

01:08:36 Rep. Berry called the committee back to order at 10:08 a.m.

**Health Insurance Exchange Updates - Federal Exchanges and Montana Options**

01:09:14 Marguerite Salazar, U.S. Regional Director for Health and Human Services-Region 8.  
01:10:00 Amanda Cowley, Acting Director for CMS - Office of Consumer Information and Insurance Oversight (CCIO).  
01:10:19 Shelly Baine, Acting Director of the Technical Assistance Office, CMS.

**Discussion of the Health Insurance Exchange**

01:10:43 Ms. Salazar gave an overview of the Affordable Health Care Act, and where Montana stands regarding the insurance exchange. **(Exhibit 2)**

**Committee comments and questions**

**The committee members discussed a partnership model for a health insurance exchange between Montana and the federal government, and asked questions of Ms. Salazar how a Health Insurance Exchange would work in Montana. Ms. Salazar, Ms. Cowley, and Ms. Baine, responded to questions from the committee members.**

01:26:49 Rep. Berry  
01:27:22 Rep. Squires  
01:31:57 Rep. Hunter  
01:33:17 Ms. Crowley  
01:39:09 Ms. Salazar  
01:40:09 Sen. Balyeat

- 01:41:36 Sen. Facey left the meeting via a teleconference line.
- 01:44:19 Bart Campbell responded to questions of "who the state is", regarding who makes decisions about the health insurance exchange partnership in Montana. Among the options are the Legislature, the Commissioner of Insurance, and the Governor's office.
- 01:46:29 Rep. Berry explained that HHS is currently working on guidelines for a Montana Exchange. Ms. Salazar informed the committee that Montana can take over the federally established Exchange after it becomes effective in January 1, 2014.

**Joel Ario, Director of the Office of Health Insurance Exchanges with the Center for Consumer Information and Insurance Oversight**, was not available due to a conflicting schedule. He had written a letter responding to some of the questions from the committee. **(Exhibit 3)**

#### **Public Comment**

- 01:49:36 **Jeff Album, Vice President, Corporate Delta Dental Insurance Company**, talked about his corporation and how they administer dental exchanges for numerous companies and agencies. Mr. Album explained how the dental exchange works and the benefits of the exchange.
- 01:54:43 **Monica Lindeen, Commissioner of Insurance**, explained how the Commissioner's Office is involved with the Montana health insurance exchange. She discussed grants that will be available to help implement a health insurance exchange in Montana, which is to come online on January 1, 2014.

#### **Committee comments and questions**

**The committee members and Ms. Lindeen discussed how Montana will be able to take over the mandated federal exchange after it is implemented.**

- 01:59:47 Sen. Balyeat  
 02:02:20 Ms. Lindeen  
 02:03:36 Rep. Berry

02:04:03 **Break**

- 02:19:00 Rep. Berry called the committee back to order.

#### **Department of Livestock Update**

- 02:19:41 **Christian Mackay, Executive Officer, Montana Board of Livestock**, talked about the Designated Surveillance Area (DSA). He explained the history of brucellosis, eradication of herds, and how the DSA affects the state's current status. **(Exhibit 4)** He distributed and explained a DSA map, **(Exhibit 5)**, showing the updated boundary that will now include more of Beaverhead County.

#### **Committee comments and questions**

**The committee members asked Mr. Mackay about the status of the DSA, and the duties of the Board of Livestock.**

02:28:33 Rep. Vance  
02:29:25 Rep. Berry  
02:30:28 Mr. Mackay  
02:32:12 Ms. Murdo  
02:33:05 Rep. Squires

02:34:35 Mr. Mackay gave an update of the funding for the Board of Horse Racing.

#### **Committee comments and questions**

**The committee discussed advisory councils, the Board of Horse Racing and if they want to continue reviewing boards and advisory councils not mandated by statute, as provided in HB 142.**

02:43:15 Rep. Squires  
02:44:13 Rep. Vance  
02:44:42 Mr. Campbell  
02:48:06 Rep. Berry  
Rep. Hunter  
Sen. Balyeat

#### **Rule review**

02:49:49 Mr. Campbell talked about the committee's duty to address statutory advisory councils and determine their existence. He said it does not apply to the Board of Horse Racing, which has statutory duties, adopts rules, and implements policy that exists in statute.

#### **Committee comments and questions**

**Comments were made on the DSA and EAIC actions in the 2009-2010 interim.**

02:52:49 Rep. Vance

#### **State Fund Report**

02:54:25 Rep. Hunter will have a State Fund report at the next meeting.

02:56:48 **Lunch**

04:31:20 Rep. Berry called the committee back to order.

#### **Board of Pharmacy**

04:32:11 **Mike Bertagnolli, Board of Pharmacy**, distributed and explained the Board's duty, its regulations, and responsibilities. **(Exhibit 6)**

#### **Committee comments and questions**

**The committee asked Mr. Bertagnolli questions regarding: disciplines, licensing, number of hours needed to be licensed, pharmacy technicians, and fees. (Exhibit 7 and Exhibit 8)**

04:39:31 Rep. Berry  
04:42:46 Rep. Squires  
04:43:04 Mr. Bertagnolli

04:43:08 **Jack Kane, Administrator, Business and Standards, Department of Labor and Industry (DLI)**, summarized the duties of the Business Standards Division, and how license fees are processed.

#### **Committee comments and questions**

**The committee members discussed how licensing fees are administered.**

04:44:53 Rep. Vance

04:48:04 Sen. Balyeat

04:55:34 **Ronald Kline, Executive Director, Board of Pharmacy**, talked about how pharmacy suppliers must be licensed with the Board of Pharmacy.

04:59:12 Rep. Berry and Mr. Kline discussed the prescription drug database that will be on-line at the end of 2011.

#### **Public Comment**

05:00:28 **Stuart Doggett, Montana Pharmacy Association**, stated his support for the Board of Pharmacy.

#### **Committee comments and questions**

**The committee talked about administration and distribution of medications by pharmacies.**

05:06:23 Rep. Squires

05:07:55 Mr. Doggett

05:10:09 Mr. Kane

05:14:37 Rep. Berry

#### **Motion**

05:15:20 Rep. Squires made a motion to recommend that the Board of Pharmacy Board be retained in its current arrangement.

#### **Discussion**

05:16:13 Sen. Facey, back on line via teleconference, also commented about the committee's oversight of the pharmacy board.

#### **Vote**

05:17:09 The motion **passed** unanimously by voice vote. Rep. Hunter voted aye by proxy. Sen. Windy Boy and Rep. Walker are excused.

05:27:19 **Break**

#### **Board of Dentistry**

05:28:07 **Dale Chamberlain, Lewistown, DDS**, distributed a handout and answered questions one through six that addressed the committee's concerns. **(Exhibit 9)**

05:34:16 **George Johnston, retired DDS, Dillon, and Director of the Community Health Center in Butte**, distributed a handout and answered questions seven through 13 by the committee members. **(Exhibit 10)**

05:43:38 **Cliff Christenot, DDS, Libby Montana**, talked about his concerns of threats he has received as a denturist, the Board of Dentistry rules, and a meeting he had with Keith Kelly, commissioner of the Department of Labor and Industry (DLI).

#### **Committee comments and questions**

**The committee members asked questions of the panel; how many dentists, denturists, and licensees are there in Montana.**

05:50:43 Rep. Berry

05:52:02 Rep. Squires

05:52:42 Mr. Campbell

#### **Committee comments and questions**

**The committee discussed the difference between dentists and denturists, and the education that is required to perform each of those duties.**

05:55:34 Rep. Squires

05:58:27 Mr. Johnston

05:59:28 Sen. Balyeat

06:01:53 Mr. Chamberlain

06:03:08 Mr. Christenot

#### **Public Comment**

06:05:23 **Colleen Grass, Montana Dental Hygienists' Association**, distributed her testimony and explained the regulation and licensure of dental hygienists. **(Exhibit 11)**

06:11:34 **Laurie Merrick, Dental Hygienists**, talked about protocols of the Board of Dentistry. She distributed a handout of her comments. **(Exhibit 10)**

06:16:41 **Dr. Rob Neill, President of the Montana Dental Association, Butte**, talked about regulation of the Board of Dentistry, and explained why the denturists and dental hygienists need to stay under the umbrella of the Board of Dentistry. He talked about the current format of the Board, stating it is for the good of the public, health and safety. **(Exhibit 11)**

06:27:19 **Allen Casteel, Montana Denturist Association**, distributed a handout of his comments. **(Exhibit 12)**

06:31:57 **Bill Jones, DDS, former Legislator**, talked about his part in passing legislation that helped dental hygienists to be licensed.

06:35:06 **Doug Hadnot, DDS, Helena**, gave an explanation of the difference between doctors and nurses in comparison with dentists, denturists, and dental hygienists, and the reason they should not be separated.

06:37:50 **Paul Simms, Oral Surgeon from Butte**, talked about his experience as a former Board member.

#### **Committee comments and questions**

**The committee asked questions about the Board, its duties, how it is regulated, and how the Board members operate.**

06:40:02 Sen. Balyeat  
06:40:22 Dr. Neill  
06:43:23 Colleen Grass

06:44:29 Sen. Balyeat offered a proposal that the committee create a separate Board of Dentists, reduce the board to just dentists to only six - 4 dentists and 2 public members, and to create another board that would combine denturists and dental hygienists.

**Discussion**

**The committee discussed how to handle the Board of Dentistry knowing they can only make recommendations. It was suggested that the Board of Dentistry come back before the committee and submit a plan that will solve the issues between the dentists and denturists/dental hygienists, then the committee will determine if a bill will need to be drafted to address the issues in the 2013 Legislature.**

06:48:33 Sen. Squires  
06:50:10 Mr. Campbell  
06:53:46 Rep. Berry  
06:54:29 Sen. Balyeat

**Motion/vote**

06:57:51 Sen. Balyeat made a proposal to create a new Board of Dentists, and new Board for denturist and dental hygienist. Roll call vote was taken. **(Exhibit 13)** The motion **passed** 5 to 1 with Sen. Facey voting no. Rep. Hunter voted aye by proxy. Sen. Windy Boy and Sen. Walker are excused.

**Motion/vote**

07:01:21 Rep. Squires made a motion that the Board of Dentistry come back before the committee with a plan for a change in the Board's structure. The motion **passed** unanimously by voice vote. Rep. Hunter voted aye by proxy. Sen. Windy Boy and Sen. Walker are excused. The Board will be back before the committee at a future meeting in January 19 and 20, 2012.

**Department of Agriculture update, and overview of the effect of spring floods**

07:03:03 Ron de Yong, director of the Department of Agriculture, gave an update of the department's accomplishments, SJR 15, and commodities and bonds. Director de Yong gave an overview of the flood's effect on Montana's agriculture. Required by statute, he distributed the department's report of noxious weeds. **(Exhibit 14)** He addressed the Food and Safety Act, and summarized the councils attached to the Department.

07:32:45 Rep. Berry recessed the committee at 4:32. p.m.

**AUGUST 24, 2011**

**AGENDA**

**Visitor's List, Attachment #2  
Agenda, Attachment #3**

00:05:19 Rep. Berry reconvened the Economic Affairs committee at 8:33 a.m. The secretary noted the role. **Attachment #3**

**Panel discussion of SJR 15 - Study on Agricultural Bonding (Exhibit 2)**

**Panel Members and Introductions**

00:06:50 **Greg Thayer, CEO and General Manager of Montana Merchandising, Inc., elevator owner in Conrad, and a member of the Montana Grain Elevator Association,** talked about how bonding affects his business.

00:10:44 **Jeff Van Pevenage, General Manager, Columbia Grain Inc.,** talked about his business and how the market affects the bonding rates.

00:18:06 **Lochiel Edwards, Montana Grain Growers Association, Big Sandy,** talked about the cost of bonds for small farms and the need for an indemnity pool for the small producers to make it more affordable. He suggested a higher cap on the bonding, stating that \$2 to \$3 million is a reasonable amount.

00:26:25 **Chris Christiaens, representing Montana Farmers' Union,** informed the committee that the Farmers' Union feels that the bonding dollar amount should be left to the producer. He talked about a bill from the last legislature stating that it is a good start, and an increase in bonding would provide more protection for the farmers.

00:30:31 **John Youngberg, representing Montana Farm Bureau Services,** talked about the changing environment, and how bonding has affected the agricultural industry. He stated that the small guys need to be protected, and that the Farm Bureau is against an indemnity fund.

00:35:36 **Cort Jensen, Attorney for the Department of Agriculture,** explained two types of bonding for agriculture commodities.

**Public Comment**

00:48:25 **Dan Kidd, grain producer from Big Sandy, and Director of the Montana Grain Grower's Association,** talked about a post-trading bond, and how the stakeholders have come to the consensus that the bonding is not adequate and the reason the bonding dollar amount should be increased.

**Committee members comments and questions**

**The panel and committee members discussed the dollar amount of bonds, how the bonding works, insuring bonds, and bonds for foreign commodity trading.**

00:49:10 Rep. Vance  
00:49:23 John Youngberg  
00:50:52 Cort Jensen  
00:51:29 Sen. Balyeat  
00:54:56 Chris Christiaens  
00:56:32 Rep. Squires  
00:57:39 Lochiel Edwards

#### **Committee comments and questions**

**The committee members, Ms. Murdo, and panel members discussed SJR 15, and the amount of study time the committee wants to spend. The panel members will come back before the committee at its April 2012 meeting to determine the type of legislation that will be required. The members discussed if separate bonding could be used for future sales regarding deferred compensation, deferred contracts, and bonding limits.**

01:01:31 Sen. Balyeat  
01:02:16 Sen. Facey  
01:03:01 Jeff Van Pevenage  
01:03:50 Cort Jensen  
01:05:21 Dan Kidd,  
01:07:32 Lochiel Edwards  
01:08:25 Rep. Squires  
01:10:13 Rep. Berry  
01:11:04 Rep. Vance

#### **Motion/vote**

01:17:14 Sen. Balyeat offered a proposal that will include all stakeholders to come back before the committee at its April 2012 meeting with a plan about bonding rate requirements. The motion **passed** unanimously by voice vote. Rep. Hunter voted aye by proxy. Sen. Windy Boy is excused.

#### **Work Plan Discussion**

01:33:24 Ms. Murdo and the committee members talked about SJR 15 in the work plan and other major issues the committee is required to address during this interim.

#### **Eminent Domain**

01:35:04 **Sonja Nowakowski, LEPO, LSD**, gave an overview of HB 198, a bill that clarifies regulated services for eminent domain. She explained the litigation that has come about because of HB 198, and summarized its issues.

#### **Committee comments and questions**

**There was discussion of other committees that are also reviewing HB 198 - eminent domain.**

01:45:06 Sen. Balyeat  
01:47:09 Sen. Facey

01:47:44 Ms. Murdo distributed and explained a PowerPoint of the Utah Exchange.  
**(Exhibit 3)**

### Committee comments and questions

- The committee members talked about how the health insurance exchange will affect them, and a partnership between HHS and the State of Montana**
- 02:13:55 Rep. Berry  
02:16:07 Sen. Balyeat
- 02:16:55 Sen. Facey left the meeting via teleconference.

### Health Insurance Exchange

- The committee members discussed the development of a health insurance exchange, the outcome from lawsuits against the Affordable Care Act, and whether to write a letter to the Attorney General to determine who takes leadership of the exchange in Montana. The committee discussed HB 620 - a bill that would have created a state health gateway, but that did not pass through the 2011 Legislature.**
- 02:17:05 Sen. Balyeat  
02:22:39 Rep. Berry  
02:24:33 Rep. Squires  
02:32:01 Ms. Murdo  
02:38:15 Sen. Walker

### Committee discussion of HB 525

- 02:42:06 Rep. Berry and the committee talked about the level of discussion of HB 525 regarding licensing boards.

### Committee discussion of HB 142

- 02:44:10 **Ms. Murdo and the committee talked about HB 142, a bill requiring review of statutory advisory councils and required reports. The members discussed the councils listed in the work plan, the amount of time they want to devote to the studies, and the councils that are statutorily required to be reviewed by the committee.**
- 02:56:30 Ms. Murdo  
02:59:26 Rep. Berry  
03:03:41 Rep. Vance  
03:05:32 Sen. Balyeat

### Committee discussion of Workers' Compensation, WorkPlace Safety, and Designated Surveillance Area (DSA)

- 03:12:43 Rep. Vance  
03:13:14 Mr. Campbell  
03:13:41 Rep. Squires

### Motion/vote

- 03:20:48 Sen. Balyeat made a motion to approve the work plan as currently written. The motion **passed** unanimously by voice vote. Rep. Hunter and Rep. Facey voted aye by proxy. Sen. Windy Boy is excused
- 03:21:17 **Lunch**

04:47:18 Rep. Berry called the committee meeting back to order.

### **HB 525 - Review of Board of Chiropractors**

04:48:20 **John Sando, DC**, Butte, gave an overview of the functions of the Board, and talked about two areas of concern by the chiropractors.

#### **Committee members comments and questions**

**The committee talked about: reciprocity of chiropractors in Montana, the fees required from the chiropractors, the number of chiropractors in Montana, how chiropractors obtain their license in Montana, complaints toward chiropractors, chiropractors using acupuncture, and continuing education requirements - 12 hours of CLE**

04:51:17 Rep. Squires

04:56:46 Sen. Balyeat

04:57:45 Rep. Berry

#### **Public Comment**

04:59:26 **Mark Staples, Attorney, representing the Montana Chiropractor's Association**, stated his support for the Board of Chiropractors.

#### **Motion/vote**

05:00:48 Rep. Squires recommended the Board of Chiropractors be retained as is. The motion **passed** unanimously by voice vote. Rep. Hunter and Rep. Facey voted aye by proxy. Sen. Windy Boy is excused

#### **Board of Veterinary Medicine**

05:03:11 **Dr. Barbara Calm**, Kila (**Exhibit 5**)

05:04:47 **Dr. Jane Lindley**, Miles City, Board of Veterinary Medicine

05:05:15 **Kim Baker**, Vice President of the Board of Veterinary Medicine, Hot Springs

#### **Committee members comments and questions**

**The committee talked about reciprocity in Montana, veterinarians coming in from other countries, fees being raised, scope of practice, horse diseases, issue regarding a lack of large animal veterinarians, complaints against practice, and how much education is required to maintain veterinary practice (20 hours of continuing education every two years).**

05:05:51 Rep. Squires

05:10:47 Dr. Lindley

05:11:22 Sen. Walker

05:12:41 Rep. Berry

#### **Public Comment**

**05:20:04 Stuart Doggett, representing an association of veterinarians**, stated his support for the Board.

#### **Motion/vote**

05:22:24 Sen. Balyeat made a recommendation that the Board of Veterinary remain as is.

The motion **passed** unanimously by voice vote. Rep. Hunter and Rep. Facey voted aye by proxy. Sen. Windy Boy is excused

05:23:39 Ms. Murdo and the committee discussed the committee budget, funds available for members to attend some conferences, and confirmation of the next committee meeting scheduled for January 19 and 20, 2012.

**Adjournment**

05:29:09 Rep. Berry adjourned the committee at 4:29 p.m.