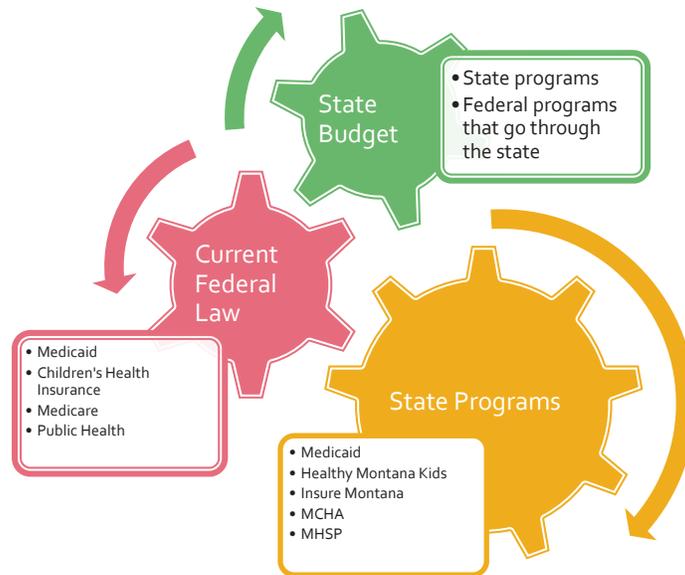


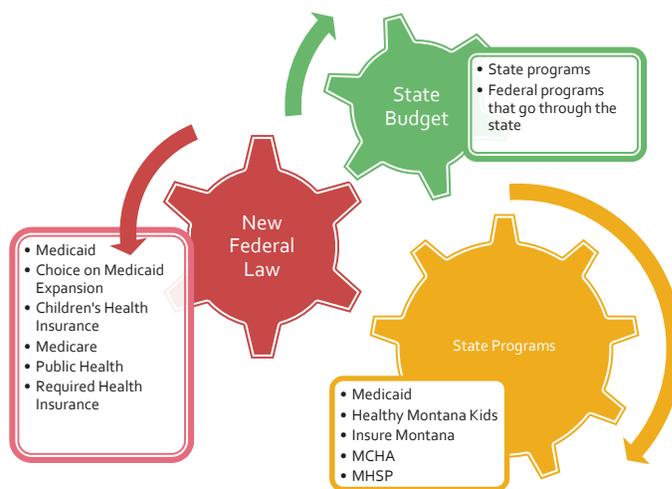
HEALTH CARE REFORM

The federal government passed the Patient Protection and Affordable Care Act (ACA) in 2010. The legislation has been largely upheld by the U.S. Supreme Court and will be implemented in phases over the next several years. Most changes related to the Medicaid program become effective January 1, 2014. ACA includes mandatory changes that impact all state Medicaid programs and it includes an optional expansion that states may elect to implement. Some pieces may require legislation to implement or determine how current service is changed to the new federal law.

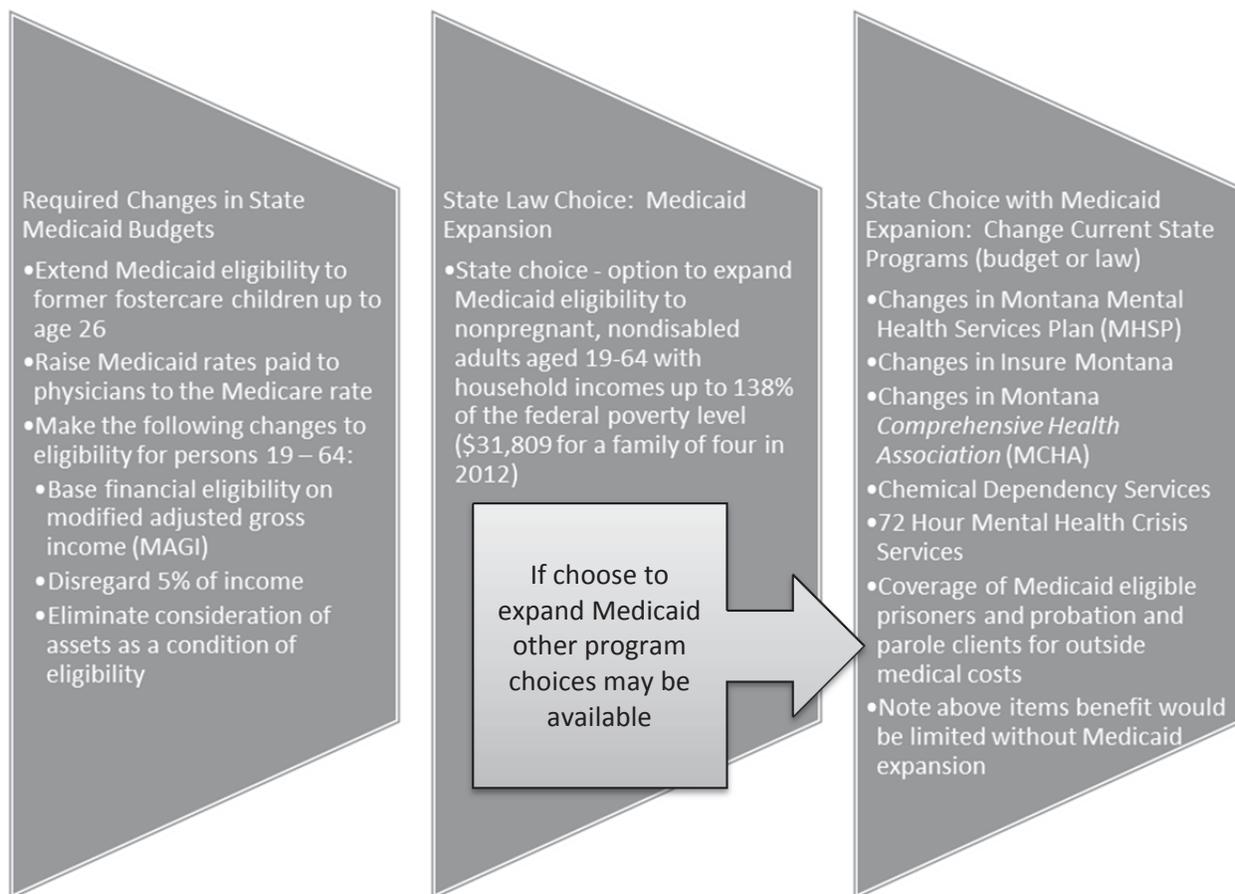
The current state health system and budget are integrated with existing federal law. These programs, laws, and budgets are built to work together.



The new federal law already has made and will continue to make changes that impact Montana's health programs. Given that significant changes in federal law will occur January 1, 2014 prior to the legislature meeting in 2015, federal funding changes will impact the 2015 biennial budgets. In addition, the Legislature will determine how Montana law and budgets will interact with these federal changes.



Some changes in federal law require changes in state funding, others are offered as a choice for Montana. Some of the new federal health care programs partially overlap with existing state programs and the legislature may wish to adjust these programs. The legislature has a choice whether to expand Medicaid eligibility to additional citizens.



Governor Bullock included the Medicaid expansion in his budget request via LC0900. Governor Bullock also recommends funding to implement most of the changes required by ACA.

The following additional information regarding budget and program changes will be available during session:

- Monica Lindeen, State Auditor contracted with the University of Montana Bureau of Business and Economic Research and LIEF and Associates to do significant actuarial, economic and demographic analysis of Montana specific impacts of the new ACA federal law. The reports are expected by the start of the legislative session.
- Legislative Branch collection of national and other state studies of the impacts of healthcare reform at the bottom of the page of the following link:
<http://leg.mt.gov/css/For-Legislators/federal-health-care.asp>