

HOUSE BILL NO. 766
INTRODUCED BY J. SONJU

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING SMALL BUSINESS HEALTH INSURANCE POOL LAWS; CHANGING THE GROUP SIZE LIMITATIONS FOR SMALL EMPLOYERS POTENTIALLY ELIGIBLE FOR PREMIUM INCENTIVE AND PREMIUM ASSISTANCE PAYMENTS; REQUIRING THE APPROVAL OR DISAPPROVAL OF AN ASSOCIATION'S APPLICATION TO HAVE ITS HEALTH PLAN DESIGNATED AS A QUALIFIED ASSOCIATION HEALTH PLAN WITHIN 30 DAYS OF THE SUBMISSION OF THE APPLICATION; REQUIRING THAT EMPLOYERS APPLYING FOR COVERAGE UNDER THE SMALL BUSINESS HEALTH INSURANCE POOL GROUP HEALTH PLAN BE PROVIDED WITH A LIST OF ALL APPROVED QUALIFIED ASSOCIATION HEALTH PLANS; AND AMENDING SECTIONS 33-22-2002 AND 33-22-2005, MCA."

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

Section 1. Section 33-22-2002, MCA, is amended to read:

"33-22-2002. Small business health insurance pool -- definitions. As used in this part, the following definitions apply:

(1) "Board" means the board of directors of the small business health insurance pool as provided for in 33-22-2003.

(2) "Dependent" has the meaning provided in 33-22-1803.

(3) "Eligible employee" has the meaning provided in 33-22-1803.

(4) (a) "Eligible small employer" means an employer who is sponsoring or will sponsor a group health plan and who employed at least ~~two~~ 1 but not more than ~~nine~~ 15 employees during the preceding calendar year and who employs at least ~~two~~ 1 but not more than ~~nine~~ 15 employees on the first day of the plan year.

(b) The term includes small employers who obtain group health plan coverage through a qualified association health plan.

(5) "Group health plan" has the meaning provided in 33-22-140.

(6) "Premium" means the amount of money that a health insurance issuer charges to provide coverage under a group health plan.

(7) "Premium assistance payment" means a payment provided for in 33-22-2006 on behalf of eligible employees who qualify to be applied on a monthly basis to premiums paid for group health plan coverage through

the purchasing pool or through qualified association health plans.

(8) "Premium incentive payment" means a payment provided for in 33-22-2007(1)(b) to eligible small employers who qualify under 33-22-2007 to be applied to premiums paid on a monthly basis for group health plan coverage obtained through the purchasing pool or through qualified association health plans.

(9) "Purchasing pool" means the small business health insurance pool.

(10) "Qualified association health plan" means a plan established by an association whose members consist of employers who sponsor group health plans for their employees and purchase that coverage through an association that qualifies as a bona fide association, as defined in 33-22-1803, or nonbona fide association, as provided for in administrative rule. A qualified association health plan is subject to applicable employer group health insurance law and must receive approval from the commissioner to operate as a qualified association health plan for the purposes of this part.

(11) "Related employers" means persons having a relationship as described in section 267 of the Internal Revenue Code, 26 U.S.C. 267.

(12) "Tax credit" means a refundable tax credit as provided for in 33-22-2008.

(13) "Tax year" means the taxpayer's tax year for federal income tax purposes."

Section 2. Section 33-22-2005, MCA, is amended to read:

"33-22-2005. Duties of commissioner -- rulemaking authority. Subject to the conditions in 53-6-1201, the commissioner shall:

(1) adopt rules regarding the implementation of this part, including rules regarding the administration of the premium incentive payments, premium assistance payments, and tax credits, the approval of qualified association health plans, and the registration process. The rules regarding tax credits may not relate to the filing of tax returns and claiming the tax credit on the tax returns.

(2) supervise the creation of the purchasing pool within the limits described in this part;

(3) approve or disapprove the operating plan for the purchasing pool;

(4) if the board chooses to hire one, approve or disapprove the selection of a third-party administrator to handle the administration of the purchasing pool;

(5) with the assistance of the department of public health and human services, approve or disapprove the schedule of premium incentive payment or premium assistance payment amounts adopted by the board as provided in 33-22-2004;

(6) approve or disapprove any contracts between a health insurance issuer and the purchasing pool;

- (7) approve or disapprove all group health plans being offered by insurers through the purchasing pool;
- (8) conduct periodic audits of the financial transactions conducted by the purchasing pool;
- (9) allow up to 30%, or more if requested by the board and approved by the commissioner, of the available funding for the premium incentive payments and premium assistance payments to be applied to small group health plan coverage purchased through a qualified association health plan; and
- (10) make applicable premium incentive payments or premium assistance payments for qualified association health plan coverage on behalf of eligible small employers and employees or direct the purchasing pool to make the payments; and
- (11) (a) approve or disapprove associations an association as qualified within 30 days of the association's application for approval if their the association's members consist of employers who sponsor group health plan coverage for their employees and purchase that coverage through an association that qualifies as a bona fide association, as defined in 33-22-1803, or nonbona fide association, as provided for in administrative rule. A qualified association health plan is subject to applicable employer group health insurance law.
- (b) provide all employers who apply for coverage under the small business health insurance pool group health plan with a list of all approved qualified association health plans."

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