

SENATE BILL NO. 265
INTRODUCED BY S. KITZENBERG

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MONTANA COMPREHENSIVE HEALTH ASSOCIATION PLAN TO ALLOW CHANGES IN THE ELIGIBILITY REQUIREMENTS FOR PREMIUM ASSISTANCE BASED ON AN INCREASE IN THE FEDERAL POVERTY LEVEL; REVISING THE PREMIUM SCHEDULE; AMENDING SECTION 33-22-1512, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 33-22-1512, MCA, is amended to read:

"33-22-1512. Association plan and association portability plan premium. (1) The association shall establish the schedule of premiums to be charged eligible persons for membership in the association plan. The schedule of association plan premiums for eligible persons may not exceed ~~200%~~ 150% of the average premium rates charged by the five insurers or health service corporations with the largest premium amount of individual plans of major medical insurance in force in this state. The schedule of association portability plan premiums for federally defined eligible individuals may not at any time exceed 150% of the average premium rates charged by the five insurers or health service corporations with the largest premium amount of individual plans of major medical insurance in force in this state. The premium rates of the five insurers or health service corporations used to establish the premium rates for each type of coverage offered by the association must be determined by the commissioner from information provided annually at the request of the commissioner. The association shall use generally acceptable actuarial principles and structurally compatible rates.

(2) (a) The association, with the approval of the commissioner, may adopt a reduced premium rate schedule that is equitably proportional to the income level for eligible persons who have an income ~~less than or equal to~~ UP TO 150% 200% of the federal poverty level. The association may not adopt a reduced premium rate schedule unless it has secured federal, state, or private funding specifically for ~~that the THAT~~ purpose of paying premium subsidies and subsidizing the losses of enrollees who are new to the plans and who are receiving a premium subsidy. ~~and the~~ The AND THE use of the reduced premium rate schedule is limited to the available federal, state, or private funding.

(b) The association, with the approval of the commissioner, may adopt as many income categories as it finds necessary.

(c) Any person who qualifies for coverage under this section may apply to the association for a reduced premium. ~~However, eligible persons with coverage in the traditional association plan must receive first priority for reduced premiums. By agreement of the association and the commissioner, reduced~~ if reduced ~~HOWEVER, ELIGIBLE PERSONS WITH COVERAGE IN THE TRADITIONAL ASSOCIATION PLAN MUST RECEIVE FIRST PRIORITY FOR REDUCED PREMIUMS. BY AGREEMENT OF THE ASSOCIATION AND THE COMMISSIONER, REDUCED~~ premiums ~~may be~~ are ~~MAY BE~~ made available, ~~those subsidies must be made available~~ to persons eligible for ~~both the traditional plan and the~~ portability plan.

(d) The association may grant as many reduced premiums as funding sources allow but may not increase overall premium rates to subsidize the reduced premium rate schedule. The association may limit the number of people receiving reduced premiums when funds are not available and may establish a waiting list for reduced premiums, if necessary."

NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2007.

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