

OFFICE OF THE GOVERNOR
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



MIKE COONEY
LT. GOVERNOR

March 23, 2017

The Honorable Scott Sales
President of the Senate
State Capitol
Helena, MT 59620

The Honorable Austin Knudsen
Speaker of the House
State Capitol
Helena, MT 59620

Dear President Sales and Speaker Knudsen:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto Senate Bill 100 (SB 100), "AN ACT AUTHORIZING DIRECT PRIMARY CARE PROVIDER AGREEMENTS; ESTABLISHING REQUIREMENTS FOR DIRECT PRIMARY CARE PROVIDER AGREEMENTS; ESTABLISHING THAT DIRECT PRIMARY CARE PROVIDER AGREEMENTS ARE NOT HEALTH INSURANCE; MAKING DIRECT PRIMARY CARE PROVIDER AGREEMENTS SUBJECT TO CONSUMER PROTECTION LAWS; AND AMENDING SECTIONS 30-14-102, 33-1-102, 33-1-201, 33-1-207, 33-22-140, 33-30-101, 33-31-102, AND 50-4-105, MCA."

SB 100 authorizes "direct primary care provider plans," under which physicians charge patients prepaid fees for primary health care instead of billing claims under the patient's insurance policy. The bill exempts these plans from the Insurance Code and includes certain disclosures the provider must make.

Direct primary care provider plans offer little or no added value to most consumers. They charge fees for treatments already covered by a consumer's health insurance, such as preventative care that insurance covers at no out-of-pocket cost to the consumer. Moreover, many insurance policies already offer flat-fee office visits similar to what SB 100 contemplates.

SB 100 has been touted as cutting insurance-related administrative expenses. Yet the bill does not prevent providers from selling these plans to some patients while accepting insurance for others—meaning the provider carries the same insurance-related overhead, but receives another income stream at the consumer's expense.

President Sales
Speaker Knudsen
March 23, 2017
Page 2

SB 100 is bad for Montanans, because it allows providers to charge unnecessary fees for service already covered by insurance and fails to deliver the administrative savings it promises.

For these reasons, I veto SB 100.

Sincerely,



STEVE BULLOCK
Governor

cc: Legislative Services Division
Secretary Corey Stapleton