

HOUSE BILL NO. 435

INTRODUCED BY T. BURNETT

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A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE WORKFORCE AND THIRD-PARTY ADMINISTRATOR WELLNESS ACTIVITY PROVISIONS OF THE MONTANA HEALTH AND ECONOMIC LIVELIHOOD PARTNERSHIP ACT; AMENDING SECTIONS 15-30-2660, 53-6-1301, 53-6-1302, 53-6-1303, 53-6-1305, 53-6-1307, 53-6-1311, 53-6-1317, AND 53-6-1318, MCA; REPEALING SECTIONS 39-12-101, 39-12-102, 39-12-103, AND 39-12-107, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 15-30-2660, MCA, is amended to read:

"15-30-2660. (Temporary) Taxpayer integrity fee. (1) The department shall assess a fee as provided

in subsection (2) for a taxpayer who:

(a) is a participant in the Montana Health and Economic Livelihood Partnership Act provided for in Title 53, chapter 6, part 13, ~~and Title 39, chapter 12;~~ and

(b) has assets that exceed:

(i) a primary residence and attached property valued above the limit established for homesteads under 70-32-104;

(ii) one light vehicle; and

(iii) a total of \$50,000 in cash and cash equivalent.

(2) The fee is \$100 a month plus an additional \$4 a month for each \$1,000 in assets above the amounts established in subsection (1)(b).

(3) The department shall coordinate with the department of public health and human services to obtain the information necessary to administer this section.

(4) Fees collected pursuant to this section must be deposited in the general fund.

(5) The fee remains until paid and may be collected through assessments against future income tax returns or through a civil action initiated by the state.

(6) For the purposes of this section, the following definitions apply:

(a) (i) "Cash equivalent" means cash, including any money issued by the United States or by the



1 sovereign government of another country, and, if reasonably convertible into cash with 1 year:

2 (A) personal property, including but not limited to vehicles, precious metal as defined in 30-10-103,
3 jewelry, artwork, and gemstones; and

4 (B) personal property, including but not limited to certificates of deposit, certificates of stock, government
5 or corporate bonds or notes, promissory notes, licenses, copyrights, patents, trademarks, contracts, software,
6 and franchises.

7 (ii) Real estate and improvements to real estate are not cash equivalents.

8 (b) "Light vehicle" has the meaning provided in 61-1-101. (Terminates June 30, 2019--sec. 28, Ch. 368,
9 L. 2015.)"

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11 **Section 2.** Section 53-6-1301, MCA, is amended to read:

12 **"53-6-1301. (Temporary) Short title.** This part, ~~along with Title 39, chapter 12, and 25-3-106,~~ may be
13 cited as the "Montana Health and Economic Livelihood Partnership (HELP) Act". (Terminates June 30, 2019--sec.
14 28, Ch. 368, L. 2015.)"

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16 **Section 3.** Section 53-6-1302, MCA, is amended to read:

17 **"53-6-1302. (Temporary) Montana HELP Act program -- legislative findings and purpose.** (1) There
18 is a Montana Health and Economic Livelihood Partnership Act program established through ~~a collaborative effort~~
19 ~~of the department of public health and human services and the department of labor and industry to:~~

20 ~~—— (a) to provide coverage of health care services for low-income Montanans;~~

21 ~~—— (b) improve the readiness of program participants to enter the workforce or obtain better-paying jobs;~~
22 ~~and~~

23 ~~—— (c) reduce the dependence of Montanans on public assistance programs.~~

24 (2) The legislature finds that improving the delivery of health care services to Montanans requires state
25 government, health care providers, patient advocates, and other parties interested in high-quality, affordable
26 health care to collaborate in order to:

27 (a) increase the availability of high-quality health care to Montanans;

28 (b) provide greater value for the tax dollars spent on the Montana medicaid program;

29 (c) reduce health care costs;

30 (d) provide incentives that encourage Montanans to take greater responsibility for their personal health;

1 (e) boost Montana's economy by reducing the costs of uncompensated care; and
 2 (f) reduce or minimize the shifting of payment for unreimbursed health care costs to patients with health
 3 insurance.

4 (3) The legislature further finds that providing greater value for the dollars spent on the medicaid program
 5 requires considering options for delivering services in a more efficient and cost-effective manner, including but
 6 not limited to:

7 (a) offering incentives to encourage health care providers to achieve measurable performance outcomes;
 8 (b) improving the coordination of care among health care providers who participate in the medicaid
 9 program;
 10 (c) reducing preventable hospital readmissions; and
 11 (d) exploring methods of medicaid payment that promote quality of care and efficiencies.

12 ~~(4) The legislature further finds that assessing workforce readiness and providing necessary job training~~
 13 ~~or skill development for individuals who need assistance with health care costs could help those individuals obtain~~
 14 ~~employment that has health care coverage benefits or that would allow them to purchase their own health~~
 15 ~~insurance coverage.~~

16 ~~(5)~~(4) The legislature further finds that:

17 (a) it is important to implement additional fraud, waste, and abuse safeguards to protect and preserve
 18 the integrity of the medicaid program ~~and the unemployment insurance program~~ for individuals who qualify for
 19 the ~~programs~~ program; and

20 (b) state policymakers have an interest in testing the effectiveness of wellness incentives in order to
 21 collect and analyze information about the correlation between wellness incentives and health status.

22 ~~(6)~~(5) The ~~purposes~~ purpose of the act ~~are~~ is to:

23 ~~—(a) modify and enhance Montana's health care delivery system to provide access to high-quality,~~
 24 ~~affordable health care for all Montana citizens; and~~

25 ~~—(b) provide low-income Montanans with opportunities to improve their readiness for work or to obtain~~
 26 ~~higher-paying jobs.~~

27 ~~(7)~~(6) The department of labor and industry and the department of public health and human services
 28 shall maximize the use of existing resources in administering the program. (Terminates June 30, 2019--sec. 28,
 29 Ch. 368, L. 2015.)"

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1 **Section 4.** Section 53-6-1303, MCA, is amended to read:

2 **"53-6-1303. (Temporary) Definitions.** As used in this part, the following definitions apply:

3 (1) "Department" means the department of public health and human services provided for in 2-15-2201.

4 (2) "HELP Act" or "act" means the Montana Health and Economic Livelihood Partnership Act provided
5 for in ~~Title 39, chapter 12,~~ and this part.

6 (3) "Member" means an individual enrolled in the Montana medicaid program pursuant to 53-6-131 or
7 receiving medicaid-funded services pursuant to 53-6-1304.

8 (4) "Program participant" or "participant" means an individual enrolled in the Montana Health and
9 Economic Livelihood Partnership Act program established in ~~Title 39, chapter 12,~~ and this part. (Terminates June
10 30, 2019--sec. 28, Ch. 368, L. 2015.)"

11

12 **Section 5.** Section 53-6-1305, MCA, is amended to read:

13 **"53-6-1305. (Temporary) Montana HELP Act program -- delivery of health care services --**
14 **third-party administrator -- rulemaking.** (1) The department shall contract as provided in Title 18, chapter 4,
15 with one or more third-party administrators to assist in administering the delivery of health care services to
16 members eligible under 53-6-1304, including but not limited to:

17 (a) establishing networks of health care providers;

18 (b) paying claims submitted by health care providers;

19 (c) collecting the premiums provided for in 53-6-1307;

20 (d) coordinating care;

21 (e) helping to administer the program; and

22 (f) helping to administer the medicaid program reforms as specified in 53-6-1311.

23 (2) The department shall determine the basic health care services to be provided through the
24 arrangement with a third-party administrator.

25 (3) (a) The department may exempt certain individuals who are eligible for medicaid-funded services
26 pursuant to 53-6-1304 from receiving health care services through the arrangement with a third-party
27 administrator if the individuals would be served more appropriately through the medical assistance program
28 established in Title 53, chapter 6, part 1, because the individuals:

29 (i) have exceptional health care needs, including but not limited to medical, mental health, or
30 developmental conditions;

1 (ii) live in a geographical area, including an Indian reservation, for which the third-party administrator has
2 been unable to make arrangements with sufficient health care providers to offer services to the individuals;

3 (iii) need continuity of care that would not be available or cost-effective through the arrangement with the
4 third-party administrator; or

5 (iv) are otherwise exempt under federal law.

6 (b) The department shall:

7 (i) adopt rules establishing criteria for determining whether a member is exempt from receiving health
8 care services through an arrangement with a third-party administrator; and

9 (ii) provide coverage for exempted individuals through the medical assistance program established in Title
10 53, chapter 6, part 1.

11 (4) For members participating in the arrangement with the third-party administrator, the department shall
12 directly cover any service required under federal or state law that is not available through the arrangement with
13 the third-party administrator.

14 (5) The department shall:

15 (a) seek federal authorization from the U.S. department of health and human services through a waiver
16 authorized by 42 U.S.C. 1315 and other waivers or through other means, as may be necessary, to implement
17 all of the provisions of ~~Title 39, chapter 12,~~ and this part; and

18 (b) implement access to the health care services in accordance with the requirements necessary to
19 receive the federal medical assistance percentage provided for by 42 U.S.C. 1396d(y).

20 (6) The department may provide medicaid-funded services to members eligible pursuant to 53-6-1304
21 only upon federal approval of any necessary waivers. (Terminates June 30, 2019--sec. 28, Ch. 368, L. 2015.)"

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23 **Section 6.** Section 53-6-1307, MCA, is amended to read:

24 **"53-6-1307. (Temporary) Premiums -- collection of overdue premiums -- nonpayment as voluntary**
25 **disenrollment -- reenrollment -- exemptions.** (1) (a) A program participant shall pay an annual premium, billed
26 monthly, equal to 2% of the participant's income as determined in accordance with 42 U.S.C. 1396a(e)(14).

27 (b) Premiums paid pursuant to this section must be deposited in the general fund.

28 (2) Within 30 days of a participant's failure to make a required payment, the third-party administrator shall
29 notify the participant and the department that payment is overdue and that all overdue premiums must be paid
30 within 90 days of the date the notification was sent.

1 (3) (a) If a participant with an income of 100% of the federal poverty level or less fails to make payment
2 for overdue premiums, the department shall provide notice to the department of revenue of the participant's failure
3 to pay. The department of revenue shall collect the amount due for nonpayment by assessing the amount against
4 the participant's annual income tax in accordance with Title 15, chapters 1 and 30.

5 (b) The debt remains until paid and may be collected through assessments against future income tax
6 returns or through a civil action initiated by the state.

7 (4) If a participant with an income of more than 100% but not more than 138% of the federal poverty level
8 fails to make the overdue payments within 90 days of the date the notification was sent, the department shall:

9 (a) follow the procedure established in subsection (3) for collection of the unpaid premiums; and

10 (b) consider the failure to pay to be a voluntary disenrollment from the program. The department may
11 reenroll a participant in the program upon payment of the total amount of overdue payments.

12 (5) If a participant who has failed to pay the premiums does not indicate that the participant no longer
13 wishes to participate in the program, the department may reenroll the person in the program when the department
14 of revenue assesses the unpaid premium through the participant's income taxes.

15 (6) Participants who meet two of the following criteria are not subject to the voluntary disenrollment
16 provisions of this section:

17 (a) discharge from United States military service within the previous 12 months;

18 (b) enrollment for credit in any Montana university system unit, a tribal college, or any other accredited
19 college within Montana offering at least an associate degree, subject to the provisions of subsection (7);

20 ~~(c) participation in a workforce program or activity established under Title 39, chapter 12; or~~

21 ~~(d)~~(c) participation in any of the following healthy behavior plans developed by a health care provider
22 or third-party administrator or approved by the department:

23 (i) a medicaid health home;

24 (ii) a patient-centered medical home;

25 (iii) a cardiovascular disease, obesity, or diabetes prevention program;

26 (iv) a program restricting the participant to obtaining primary care services from a designated provider
27 and obtaining prescriptions from a designated pharmacy;

28 (v) a medicaid primary care case management program established by the department;

29 (vi) a tobacco use prevention or cessation program;

30 (vii) a medicaid waiver program providing coverage for family planning services;

- 1 (viii) a substance abuse treatment program; or
 2 (ix) a care coordination or health improvement plan administered by the third-party administrator.
 3 (7) A participant seeking an exemption under subsection (6) is not eligible for the education exemption
 4 provided for in subsection (6)(b) for more than 4 years. (Terminates June 30, 2019--sec. 28, Ch. 368, L. 2015.)"

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 6 **Section 7.** Section 53-6-1317, MCA, is amended to read:

7 **"53-6-1317. (Temporary) Duties of Montana HELP Act oversight committee -- reports.** (1) To
 8 provide reports and make recommendations to the legislature, the oversight committee on the Montana Health
 9 and Economic Livelihood Partnership Act shall review:

10 (a) data from and activities by the department of public health and human services and the department
 11 of labor and industry related to the health care and workforce development activities undertaken pursuant to the
 12 HELP Act;

13 (b) the Montana medicaid program; and

14 (c) the delivery of health care services in Montana.

15 (2) The ~~departments~~ department shall report the following information to the oversight committee
 16 quarterly:

17 (a) the number of individuals who were determined eligible for medicaid-funded services pursuant to
 18 53-6-1304;

19 (b) demographic information on program participants;

20 (c) the average length of time that participants remained eligible for medical assistance;

21 ~~—(d) the number of participants who completed an employment or reemployment assessment;~~

22 ~~—(e) the number of participants who took part in workforce development activities;~~

23 ~~(f)~~(d) the number of participants subject to the fee provided for in 15-30-2660 and the total amount of
 24 fees collected;

25 ~~(g)~~(e) the level of participant engagement in wellness activities or incentives offered by health care
 26 providers or the third-party administrator;

27 ~~(h)~~(f) the number of participants who reduced their dependency on the HELP Act program, either
 28 voluntarily or because of increased income levels; and

29 ~~(i)~~(g) the total cost of providing services under ~~Title 39, chapter 12, and this part, including related~~
 30 administrative costs.

1 (3) The committee shall review and provide comment on administrative rules proposed for carrying out
2 activities under ~~Title 39, chapter 12, and~~ this part. The committee may ask the appropriate administrative rule
3 review committee to object to a proposed rule as provided in 2-4-406.

4 (4) The committee shall:

5 (a) review how implementation of the act is being carried out, including the collection of copayments and
6 premiums for health care services;

7 (b) evaluate how health care services are delivered and whether new approaches could improve delivery
8 of care, including but not limited to the use of medical homes and coordinated care organizations;

9 (c) review ideas to reduce or minimize the shifting of the payment of unreimbursed health care costs to
10 patients with health insurance;

11 (d) evaluate whether providing incentives to health care providers for meeting measurable benchmarks
12 may improve the delivery of health care services;

13 (e) review options for reducing the inappropriate use of emergency department services;

14 (f) review ways to monitor for the excessive or inappropriate use of prescription drugs;

15 (g) examine ways to:

16 (i) promote the appropriate use of health care services, particularly laboratory and diagnostic imaging
17 services;

18 (ii) increase the availability of mental health services;

19 (iii) reduce fraud and waste in the medicaid program; and

20 (iv) improve the sharing of data among health care providers to identify patterns in the use of health care
21 services across payment sources;

22 (h) receive regular reports from the department on the department's efforts to pursue contracting options
23 for administering services to members eligible for medicaid-funded services pursuant to 53-6-1304;

24 (i) coordinate its efforts with any legislative committees that are working on matters related to health care
25 and the delivery of health care services; and

26 (j) recommend future funding options for the HELP Act program to future legislatures.

27 (5) The committee shall summarize and present its findings and recommendations in a final report to the
28 governor and to the legislative finance committee no later than August 15 of each even-numbered year. Copies
29 of the report must be provided to the children, families, health, and human services interim committee.
30 (Terminates June 30, 2019--sec. 28, Ch. 368, L. 2015.)"

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Section 8. Section 53-6-1318, MCA, is amended to read:

"53-6-1318. (Temporary) Rulemaking authority. (†) The department may adopt rules as necessary to carry out this part.

~~(2) The department and the department of labor and industry may, in coordination, adopt rules as necessary for the implementation of the employment and reemployment assessments and workforce development activities provided for in Title 39, chapter 12. (Terminates June 30, 2019--sec. 28, Ch. 368, L. 2015.)"~~

NEW SECTION. **Section 9. Repealer.** The following sections of the Montana Code Annotated are repealed:

- 39-12-101. Montana HELP Act workforce development -- legislative findings -- purpose.
- 39-12-102. Definitions.
- 39-12-103. Montana HELP Act workforce development -- participation -- report.
- 39-12-107. Rulemaking authority.

NEW SECTION. **Section 10. Direction to department.** The department of public health and human services shall reduce the amount of its contract with the third-party administrator by \$1.70 per member per month to reflect the changes regarding third-party administrator involvement in wellness activities made in [this act].

NEW SECTION. **Section 11. Effective date.** [This act] is effective July 1, 2017.

- END -