



AN ACT REVISING FUNDING FOR HEALTH CARE SERVICES; ADJUSTING THE CONVERSION FACTOR FOR PHYSICIAN SERVICES REIMBURSEMENT; IMPLEMENTING PROVISIONS OF THE GENERAL APPROPRIATIONS ACT; PROVIDING MEDICAID CASELOAD RESTRICTIONS; PROVIDING LIMITATIONS ON TRANSFERS OF FUNDING FOR THE MONTANA DEVELOPMENTAL CENTER; ESTABLISHING A TEMPORARY COMMUNITY BENEFIT ASSESSMENT FOR CERTAIN HOSPITALS; PROVIDING FOR A STATUTORY APPROPRIATION; AMENDING SECTIONS 17-7-502 AND 53-6-125, MCA; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE.

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

**Section 1. Medicaid caseload contingent funding -- restrictions.** (1) The appropriations to the department of public health and human services in House Bill No. 2, under "Medicaid Caseload Contingency" only occur:

(a) for fiscal year 2018, if nonrestricted general fund expenditures for the department, including accruals, exceed \$501,016,552 during the fiscal year; and

(b) for fiscal year 2019, if nonrestricted general fund expenditures for the department, including accruals, exceed \$514,663,100 during the fiscal year.

(2) The House Bill No. 2 appropriation amounts provided for in subsections (1)(a) and (1)(b) are based on the amount of nonrestricted general fund appropriations for fiscal years 2018 and 2019. The amounts of \$501,016,552 for fiscal year 2018 and \$514,663,100 for fiscal year 2019 are superseded by the total of nonrestricted general fund appropriations for each separate fiscal year, as reflected in House Bill No. 2 as passed and approved.

**Section 2. Montana developmental center -- requirements.** The appropriation to the department of public health and human services in House Bill No. 2, under "Montana Developmental Center" is restricted to the following:

- (a) expenditures at the Montana developmental center; or
- (b) transfers pursuant to subsection (2).

(2) The department may transfer from "Montana Developmental Center" for other necessary services for individuals served or who would have otherwise been served at the Montana Developmental Center.

(3) If the department transfers funding or full-time equivalents from the appropriation under "Montana Developmental Center", the department must notify the legislative finance committee and the legislative fiscal analyst.

(4) Any information that is confidential or personally identifiable provided pursuant to this section may only be communicated to the legislative fiscal analyst, who will not release the information pursuant to 5-12-303.

**Section 3. Indian health services federal revenue account.** (1) There is an account in the federal special revenue fund established pursuant to 17-2-102 to be known as the Indian health service federal revenue account.

(2) Funds in the account are statutorily appropriated, as provided in 17-7-502, to the department of public health and human services for medicaid benefits for Indian health services or tribal health services.

**Section 4. Hospital community benefit assessment.** (1) A hospital shall pay to the department of public health and human services a hospital community benefit assessment no later than June 29 of fiscal years 2017, 2018, and 2019. All proceeds from the assessment must be deposited into the general fund.

(2) For purposes of this section, "hospital" means a facility licensed as a hospital pursuant to Title 50, chapter 5, and does not include a critical access hospital, a children's psychiatric hospital, or the Montana state hospital.

(3) The following amounts are imposed as the annual community benefit assessment:

- (a) for Advanced Care Hospital in Billings, \$122,000;
- (b) for Benefis Health System in Great Falls, \$696,600;
- (c) for Billings Clinic, \$835,300;
- (d) for Bozeman Health Big Sky Medical Center, \$2,900;
- (e) for Bozeman Health, \$242,000;
- (f) for Community Medical Center in Missoula, \$278,000;

- (g) for Great Falls Clinic Medical Center, \$16,790;
- (h) for Health Center Northwest, \$19,100;
- (i) for Kalispell Regional Medical Center, \$420,180;
- (j) for Northern Montana Hospital in Havre, \$51,400;
- (k) for St. James Healthcare in Butte, \$139,900;
- (l) for Providence St. Patrick Hospital in Missoula, \$534,200;
- (m) for St. Peter's Hospital in Helena, \$345,225; and
- (n) for St. Vincent Healthcare in Billings, \$647,180.

**Section 5.** Section 17-7-502, MCA, is amended to read:

**"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-121; 15-1-218; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-433; 15-70-601; 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-215; 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-517; 20-9-520; 20-9-534; 20-9-622; 20-9-905; 20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; 22-3-1004; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-50-209; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-12-213; 44-13-102; 50-1-115; 53-1-109; [section 3]; 53-6-1304; 53-9-113; 53-24-108; 53-24-206; 60-11-115; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 76-13-150; 76-13-416; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 81-1-112; 81-7-106; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603;

90-1-115; 90-1-205; 90-1-504; 90-3-1003; 90-6-331; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 10, Ch. 10, Sp. L. May 2000, secs. 3 and 6, Ch. 481, L. 2003, and sec. 2, Ch. 459, L. 2009, the inclusion of 15-35-108 terminates June 30, 2019; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 5, Ch. 442, L. 2009, the inclusion of 90-6-331 terminates June 30, 2019; pursuant to sec. 16, Ch. 58, L. 2011, the inclusion of 30-10-1004 terminates June 30, 2017; pursuant to sec. 6, Ch. 61, L. 2011, the inclusion of 76-13-416 terminates June 30, 2019; pursuant to sec. 13, Ch. 339, L. 2011, the inclusion of 81-1-112 and 81-7-106 terminates June 30, 2017; pursuant to sec. 11(2), Ch. 17, L. 2013, the inclusion of 17-3-112 terminates on occurrence of contingency; pursuant to sec. 5, Ch. 244, L. 2013, the inclusion of 22-1-327 terminates July 1, 2017; pursuant to sec. 27, Ch. 285, L. 2015, and sec. 1, Ch. 292, L. 2015, the inclusion of 53-9-113 terminates June 30, 2021; pursuant to sec. 6, Ch. 291, L. 2015, the inclusion of 50-1-115 terminates June 30, 2021; pursuant to sec. 28, Ch. 368, L. 2015, the inclusion of 53-6-1304 terminates June 30, 2019; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on occurrence of contingency; pursuant to sec. 5, Ch. 422, L. 2015, the inclusion of 17-7-215 terminates June 30, 2021; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117 terminates June 30, 2025; pursuant to sec. 10, Ch. 427, L. 2015, the inclusion of 37-50-209 terminates September 30, 2019; and pursuant to sec. 33, Ch. 457, L. 2015, the inclusion of 20-9-905 terminates December 31, 2023.)"

**Section 6.** Section 53-6-125, MCA, is amended to read:

**"53-6-125. Physician services reimbursement.** (1) The fee for a covered service provided by a physician under the medicaid program is determined by multiplying the conversion factor times the relative value

unit for that service times any applicable policy adjusters.

~~(2) (a) For state fiscal years 2011 through 2013, the conversion factor is \$40.09. The conversion factor may be adjusted by the department in order to maintain reimbursement, at a minimum, at the fiscal year 2010 reimbursement rate.~~

~~———— (b) For state fiscal year 2014 and for each subsequent state fiscal year, the~~ For fiscal years 2018 and 2019, the conversion factor must be increased, at a minimum, by the same percentage increase as the consumer price index for medical care for the previous year, as calculated by the bureau of labor statistics of the United States department of labor by the same numerical inflation factor calculated in accordance with 20-9-326.

(b) For each subsequent fiscal year, the conversion factor must be increased, at a minimum, by the same percentage increase as the consumer price index for medical care for the previous year, as calculated by the bureau of labor statistics of the United States department of labor."

**Section 7. Codification instruction.** [Section 3] is intended to be codified as an integral part of Title 53, chapter 6, and the provisions of Title 53, chapter 6, apply to [section 3].

**Section 8. Coordination instruction.** If House Bill No. 2 and [this act] are both passed and approved and [this act] contains a statutory appropriation for Indian health services and tribal health services funding, the appropriation for the health resources division in House Bill No. 2 is decreased by \$82,373,231 in federal funds in fiscal year 2018 and by \$94,556,232 in federal funds in fiscal year 2019.

**Section 9. Coordination instruction.** If both [this act] and House Bill No. 2 are passed and approved, then the following line item is inserted in Section B of House Bill No. 2 under "Director's Office":

"b. Tracking Operational and Performance Program Measures (OTO/Biennial)  
 \$100,000 [General Fund FY 2018] \$100,000 [Federal Special Revenue FY 2018]  
 \$100,000 [General Fund FY 2019] \$100,000 [Federal Special Revenue FY 2019]."

**Section 10. Coordination instruction.** If both [this act] and House Bill No. 2 are passed and approved, then the following language must be inserted in Section B of House Bill No. 2 under "Department of Public Health

and Human Services":

"Tracking Operational and Performance Program Measures must be utilized for the analysis and creation of a metrics-based blueprint for select department of public health and human service programs, with a primary focus on the child and family services division and a specified initiative identified as having a high impact on the health of Montanans, and for the department to track operational and program performance measures related to the following:

- (1) improved health of women and children, including:
  - (a) proportion of women smoking during pregnancy;
  - (b) proportion of pregnant women who report entering prenatal care in the first trimester;
  - (c) proportion of pregnant women receiving medicaid services who report entering prenatal care in the first trimester;
  - (d) proportion of high school students using tobacco products or nicotine products in the past 30 days;
- (2) improved health of medicaid members, including the proportion of medicaid members receiving preventative services;
- (3) operational efficiencies, including:
  - (a) proportion of payments issued electronically; and
  - (b) proportion of help desk tickets to technologically support the workforce; and
- (4) the efficacy of the protect Montana kids commission proposals that were enacted by the 65th legislature."

**Section 11. Coordination instruction.** If both [this act] and House Bill No. 2 are passed and approved, then the general fund appropriation to the department of public health and human services under "Human and Community Services Division" in Section B of House Bill No. 2 must be increased from \$33,087,934 to \$36,087,934 in the fiscal year beginning July 1, 2017, and increased from \$33,049,762 to \$36,049,762 in the fiscal year beginning July 1, 2018.

**Section 12. Coordination instruction.** If both [this act] and House Bill No. 2 are passed and approved, then the following language must be inserted in Section B of House Bill No. 2 under "Human and Community Services Division":

"The increased appropriations provided in [section 11 of House Bill No. 639] to the Stars to Quality Program are one time only and are not to be included in the base in the 2021 budget planning process. The increased appropriations are to expand the program and increase access to preschool for 4- and 5-year-old children. The department shall use the money to create and support pilot programs to test multiple delivery models, including public programs, private programs, and mixed delivery programs through public-private partnerships. The department may use funds to support preschool programs, including startup and training costs. In establishing the pilot programs, the department shall ensure that pilot programs are included in programs in rural and urban areas. The department shall file a report with the 2019 legislature and present the report to the education and local government committee, the legislative finance committee, and the children, families, health, and human services committee by September 1, 2018. The report must:

- (1) address the demand for programs and the impact on current providers, with a specific focus on rural communities;
- (2) evaluate the benefits and disadvantages of various delivery models;
- (3) analyze advancements in kindergarten readiness for children participating in the programs; and
- (4) make recommendations for the program."

**Section 13. Severability.** If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

**Section 14. Effective dates.** (1) Except as provided in subsection (2), [this act] is effective July 1, 2017.  
(2) [Section 4] and this section are effective on passage and approval.

**Section 15. Termination.** [Section 4] terminates June 30, 2019.

- END -

I hereby certify that the within bill,  
HB 0639, originated in the House.

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2017.

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Chief Clerk of the House

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2017.



HOUSE BILL NO. 639  
INTRODUCED BY R. COOK

AN ACT REVISING FUNDING FOR HEALTH CARE SERVICES; ADJUSTING THE CONVERSION FACTOR FOR PHYSICIAN SERVICES REIMBURSEMENT; IMPLEMENTING PROVISIONS OF THE GENERAL APPROPRIATIONS ACT; PROVIDING MEDICAID CASELOAD RESTRICTIONS; PROVIDING LIMITATIONS ON TRANSFERS OF FUNDING FOR THE MONTANA DEVELOPMENTAL CENTER; ESTABLISHING A TEMPORARY COMMUNITY BENEFIT ASSESSMENT FOR CERTAIN HOSPITALS; PROVIDING FOR A STATUTORY APPROPRIATION; AMENDING SECTIONS 17-7-502 AND 53-6-125, MCA; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE.