

HOUSE BILL NO. 667

INTRODUCED BY T. WOODS

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A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A LEGISLATIVE COMMITTEE TO STUDY THE USE OF REFERENCE-BASED PRICING IN INSURANCE PLANS OFFERED IN MONTANA; PROVIDING AN APPROPRIATION; AND PROVIDING AN EFFECTIVE DATE."

WHEREAS, health care costs continue to negatively impact the citizens and economy of the state of Montana; and

WHEREAS, reference-based pricing has shown promise at controlling health care costs; and

WHEREAS, reference-based pricing brings transparency and consistency to health care costs.

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

**NEW SECTION. Section 1. Committee on reference-based pricing in health care.** (1) There is a committee on reference-based pricing to study the effects of reference-based pricing on health care prices and transparency in health care pricing.

(2) The committee consists of:

(a) six members of the house of representatives appointed by the speaker of the house, with equal numbers of members from the majority and minority parties; and

(b) six members of the senate appointed by the committee on committees, with equal numbers of members from the majority and minority parties.

(3) The members shall select a presiding officer and vice presiding officer at the first meeting and shall adopt a work plan, including a meeting schedule, by the second meeting.

(4) The committee may meet up to eight times during the interim.

(5) Members are entitled to receive compensation and expenses as provided in 5-2-302.

(6) The legislative services division shall provide staff assistance to the committee.

**NEW SECTION. Section 2. Duties of the committee.** (1) The committee on reference-based pricing shall:



- 1 (a) review the development of and use of reference-based pricing in the state employee group benefits  
2 plan;
- 3 (b) review the use of reference-based pricing by other public employee benefits plans or private  
4 insurance plans;
- 5 (c) evaluate whether reference-based pricing has:
- 6 (i) improved transparency in health care pricing;
- 7 (ii) contributed to a reduction in the costs of health care for individuals or the overall costs to the state  
8 employee group benefits plan or other plans using the pricing practice and, if so, the degree to which it  
9 contributed to reduced costs;
- 10 (iii) affected the ability or willingness of health care providers to participate in a health insurance plan or  
11 network;
- 12 (iv) changed the way individuals make choices when obtaining health care services; or
- 13 (v) created barriers for individuals covered by plans using reference-based pricing;
- 14 (d) evaluate whether increased use of reference-based pricing could lower health care costs for  
15 Montanans;
- 16 (e) identify any barriers to greater use of reference-based pricing in health plans and potential solutions  
17 to those barriers; and
- 18 (f) if practical, develop a plan for implementing reference-based pricing statewide.
- 19 (2) The committee may develop legislation as considered appropriate.
- 20 (3) The committee shall complete its work by September 15, 2018, and prepare a final report outlining  
21 its findings, conclusions, and recommendations. The committee shall submit the final report to the 66th  
22 legislature, as provided in 5-11-210.

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24 **NEW SECTION. Section 3. Appropriation.** There is appropriated \$44,000 from the general fund to the  
25 legislative services division for the biennium beginning July 1, 2017, to support the activities of the committee on  
26 reference-based pricing in health care established in [section 1].

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28 **NEW SECTION. Section 4. Contingent voidness.** (1) Pursuant to Joint Rule 40-65, if [this act] does  
29 not include an appropriation prior to being transmitted to the governor, then [this act] is void.

30 (2) If the appropriation in [this act] is vetoed, then [this act] is void.

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2           NEW SECTION. **Section 5. Effective date.** [This act] is effective July 1, 2017.

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