

1 HOUSE BILL NO. 649
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8 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING REIMBURSEMENT RATES FOR PROVIDERS
9 COVERED BY THE RATE STUDY AUTHORIZED UNDER CHAPTER 401, LAWS OF 2021; REQUIRING
10 IMPLEMENTATION OF RECOMMENDED RATE INCREASES; PROVIDING FOR INFLATIONARY
11 INCREASES; AMENDING SECTIONS 53-6-113 AND 53-6-402, MCA; AND PROVIDING AN EFFECTIVE
12 DATE."

13
14 WHEREAS, the 2021 Legislature appropriated \$2.75 million in House Bill 632 for a study of the
15 reimbursement rates paid by the Department of Public Health and Human Services to providers of health care,
16 behavioral health care, developmental disabilities, and senior and long-term care services, including nursing
17 homes; and

18 WHEREAS, the Governor and the Department of Public Health and Human Services used the
19 appropriation to contract with the consulting firm of Guidehouse; and

20 WHEREAS, Guidehouse produced two reports in 2022 identifying the rates necessary to cover the
21 costs of providing services and detailing the extent to which the state's rates fall short of the benchmarks; and

22 WHEREAS, the rate levels identified in the rate study reports specify how the state can improve its
23 provider rates to account for the true costs of operating as a health care provider in this state; and

24 WHEREAS, the insufficiency of reimbursement rates has resulted in the closure of 11 nursing homes
25 and the loss of 857 skilled nursing facility beds in the state, with more nursing homes on the brink of closure;
26 and

27 WHEREAS, the insufficiency of reimbursement rates has contributed, and continues to contribute, to
28 extensive and serious shortages of health care and behavioral health care providers; and

Amendment - 1st Reading-white - Requested by: Mary Caferro - (H) Human Services

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Drafter: Sue O'Connell, 406-444-3597

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1 (viii) financial participation requirements for enrollees as provided in subsection (6);
2 (ix) utilization measures;
3 (x) measures to ensure the appropriateness and quality of services to be delivered; and
4 (xi) other appropriate provisions necessary to the administration of the program and the delivery of
5 services in accordance with 42 U.S.C. 1396n and any conditions placed upon approval of a program by the
6 U.S. department of health and human services.

7 (b) Unless required by federal law or regulation, the department may not adopt rules that exclude a
8 child from home and community-based services or require prior authorization for a child to access home and
9 community-based services if the child would be eligible for or able to access the home and community-based
10 services without prior authorization if the child was not in foster care.

11 (c) The department shall adopt reimbursement rates for providers covered by the rate study
12 authorized by Chapter 401, Laws of 2021, in accordance with the provisions of [section 1].

13 (14) The department shall establish by rule the procedures for moving a person from a waiting list
14 for services provided through a medicaid home and community-based services waiver into the waiver services,
15 including the process and priorities to be used in making determinations related to the waiting list. The
16 department may not modify the policies established in rule by adopting supplemental policies or procedures not
17 subject to the administrative rulemaking process.

18 (15) The department shall adopt rules for the provision of the fraud prevention training required
19 under 53-6-405, including but not limited to establishing the elements that must be contained in fraud
20 prevention education materials and the models that may be used for the training.

21 (16) The department shall adopt rules to carry out the cost reporting provisions of 53-6-406,
22 including but not limited to the costs that a provider is required to report to the department, the format of the
23 report, and the deadline for filing the report."
24

25 **NEW SECTION. Section 4. Legislative intent and direction to department of public health and**
26 **human services.** The legislature intends that:

27 (1) nothing in [this act] may be construed as requiring reimbursement rates for medicaid and
28 nonmedicaid services to be higher than the levels provided for in [this act]; and

1 (2) the department of public health and human services applies toward the cost of implementing
2 [this act] any general fund, state special revenue, and federal special revenue appropriated in House Bill No. 2
3 for the purposes of increasing reimbursement rates for medicaid and nonmedicaid services reviewed by the
4 provider rate studies authorized under Chapter 401, Laws of 2021, so that the total costs of the provider rate
5 increases do not exceed the costs reflected in [this act].

6
7 **NEW SECTION. Section 5. Codification instruction.** [Section 1] is intended to be codified as an
8 integral part of Title 53, chapter 6, part 1, and the provisions of Title 53, chapter 6, part 1, apply to [section 1].

9
10 **NEW SECTION. Section 6. Effective date.** [This act] is effective July 1, 2023.

11 - END -