

1 SENATE BILL NO. 364

2 INTRODUCED BY G. HERTZ, J. GILLETTE

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING LIMITS ON HOSPITAL-RELATED CHARGES;  
5 PROVIDING EXCEPTIONS; PROVIDING RULEMAKING AUTHORITY; AND PROVIDING A DELAYED  
6 EFFECTIVE DATE."

7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

- 9  
10 **NEW SECTION. Section 1. Limitation on hospital-related charges -- definition -- complaints --**  
11 **penalties -- rulemaking authority.** (1) Except as provided in subsection (4), a hospital-related charge for  
12 inpatient or outpatient care may not exceed 250% of the reimbursement rate allowed for the same care by the  
13 medicare program established pursuant to Title XVIII of the federal Social Security Act, 42 U.S.C. 1395, et seq.  
14 (2) A person aggrieved by a violation of this section may file a complaint with the department. The  
15 department shall investigate the complaint as provided in 50-5-114 to determine if a violation occurred.  
16 (3) (a) If the department finds that a hospital-related charge was billed in violation of this section,  
17 the entity billing the amount:  
18 (i) is subject to the penalties provided for in 50-5-112; and  
19 (ii) shall reimburse the complainant for the difference between the amount billed and the allowable  
20 amount.  
21 (b) A person who has not yet paid the hospital-related charge that is the subject of the complaint is  
22 liable only for the amount determined by the department to be allowed under this section.  
23 (c) If a health insurance issuer as defined in 33-22-140 filed the complaint and is reimbursed for a  
24 hospital-related charge exceeding the amount allowed under subsection (1), the health insurance issuer shall  
25 credit or refund the insured the amount of any payment the insured made for the charge minus any applicable  
26 copayment, deductible, or other cost-sharing amount owed by the insured.  
27 (4) (a) If the medicare program has not established a rate for a medical procedure, service, supply,

**Amendment - 1st Reading-white - Requested by: Greg Hertz - (S) Public Health, Welfare and Safety**

- 2023

68th Legislature 2023

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

SB0364.001.001

1 or episode of care by an entity covered under this section, the entity may bill at its standard-chargemaster rate  
2 or the rate for which it has contracted with an insurer or patient.

3 (b) Each hospital shall file its chargemaster with the department at least annually to allow review if  
4 a complaint is filed pursuant to subsection (2). If a hospital changes its chargemaster before its annual date for  
5 filing the document, the hospital must file the new chargemaster with the department at least 60 days before  
6 implementing the changed price structure.

7 (5) This section does not affect or prohibit a reference-based pricing or other contract between an  
8 insurer and a hospital.

9 (6) The department shall adopt rules specifying the procedures:

10 (a) for a hospital's submission of its chargemaster; and

11 (b) for submitting and responding to complaints filed pursuant to this section.

12 (7) (a) For the purposes of this section, "hospital-related charge" means the price billed for a  
13 medical procedure, service, supply, or episode of care by:

14 (a)(i) a hospital;

15 (b)(ii) a critical access hospital; or

16 (c)(iii) an outpatient center for primary care, outpatient center for surgical services, or other entity  
17 providing inpatient or outpatient health care services if the facility is owned in part or in whole by a hospital or  
18 critical access hospital.

19 (b) The term does not include an individual provider whose services are billed through a hospital or  
20 critical access hospital but who is not an employee of the hospital.

21  
22 NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an  
23 integral part of Title 50, chapter 5, part 1, and the provisions of Title 50, chapter 5, part 1, apply to [section 1].

24  
25 NEW SECTION. Section 3. Effective date. [This act] is effective January 1, 2024.

26 - END -