

SENATE BILL NO. 364

INTRODUCED BY G. HERTZ, J. GILLETTE

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

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

NEW SECTION. Section 1. Limitation on hospital-related charges -- definition -- complaints -- penalties -- rulemaking authority.

(1) Except as provided in subsection (4), a hospital-related charge for inpatient or outpatient care may not exceed 250% of the reimbursement rate allowed for the same care by the medicare program established pursuant to Title XVIII of the federal Social Security Act, 42 U.S.C. 1395, et seq.

(2) A person aggrieved by a violation of this section may file a complaint with the department. The department shall investigate the complaint as provided in 50-5-114 to determine if a violation occurred.

(3) (a) If the department finds that a hospital-related charge was billed in violation of this section, the entity billing the amount:

(i) is subject to the penalties provided for in 50-5-112; and

(ii) shall reimburse the complainant for the difference between the amount billed and the allowable amount.

(b) A person who has not yet paid the hospital-related charge that is the subject of the complaint is liable only for the amount determined by the department to be allowed under this section.

(c) If a health insurance issuer as defined in 33-22-140 filed the complaint and is reimbursed for a hospital-related charge exceeding the amount allowed under subsection (1), the health insurance issuer shall credit or refund the insured the amount of any payment the insured made for the charge minus any applicable copayment, deductible, or other cost-sharing amount owed by the insured.

(4) If the medicare program has not established a rate for a medical procedure, service, supply, or episode of care by an entity covered under this section, the entity may bill at its standard rate or the rate for

1 which it has contracted with an insurer or patient.

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

4 (6) The department shall adopt rules specifying the procedures for submitting and responding to
5 complaints filed pursuant to this section.

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

8 (a) a hospital;

9 (b) a critical access hospital; or

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

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

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

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