

TO: Representative Connie Keogh, House District 91

FROM: Derek R. Bell, Administrator, Business and Income Taxes Division

DATE: January 13, 2022

RE: HIF Update

Representative Keogh:

Thank you for reaching out about the Department's administration of the HELP Integrity Fee. When responding to your questions, we thought it best to also explain the existing process we are following with the hope that it provides you with useful context. As always, please let me know if we can provide anything further.

The HELP Integrity Fee (HIF) is a monthly fee that some participants of the Montana Health and Economic Livelihood Partnership (HELP) program must pay in addition to their insurance premiums. The HIF is used to cover the costs of the Montana HELP Program. The HIF is calculated based on the value of a participant's certain assets.

To administer our aspect of the program, we rely upon information from the Department of Public Health and Human Services (DPHHS) and the Department of Justice (DOJ). DPHHS submits to the Department a list of all HELP program participants by January 2nd of each year. For 2021, that figure totaled 95,000 HELP program participants. Thereafter, DPHHS sends the Department a monthly listing of new program participants. At the end of January, DOJ provides the Department an annual file showing the owner's name and address of every vehicle registered in Montana.

Once we have this data from DPHHS and DOJ, Department personnel crossmatch it against existing information to determine which program participants might be subject to the HIF. For those that do, the Department sends a letter asking the program participant to complete a self-assessment of their assets for purposes of determining whether he or she is subject to the HIF. On May 3, 2021, the Department mailed letters to 3,645 program participants who were

enrolled in HELP as of January 1, 2021 and asked them to complete a self-assessed return electronically through IntegrityFee.mt.gov. We asked that they complete this evaluation within 30 days.

For 2021, of the 3,645 participants we contacted, 1,132 participants (roughly 31%)—submitted a self-assessment. Of those completed self-assessments:

- 986 program participants did not owe a HIF; and
- 146 program participants reported owing a HIF.

Program participants who are subject to the HIF will receive a monthly statement of account. Payments are due no later than December 31st of the relevant tax year, and if no payment is made, program participants may be subject to an income tax refund offset. Of the 146 program participants who self-assessed for 2021, the Department received \$294,783 in calendar year 2021. The total amount that remains owing for the 2021 HIF is \$206,432.

Some program participants received a waiver (in full or partial) if they proved that they had other health insurance in place for the year in question. We do not have a definitive number of waivers granted for 2021. Additionally, some program participants demonstrated to us that the HIF created severe economic hardship and simply could not pay some, or all of the HIF.

Lastly, although the Department's online portal asks program participants who drop from the HELP program to notify us, we do not track that data. It is our belief that DPHHS may have that information.