

HOUSE BILL NO. 142

INTRODUCED BY L. BISHOP

BY REQUEST OF THE STATE AUDITOR

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING PARITY BETWEEN MENTAL HEALTH AND PHYSICAL HEALTH INSURANCE COVERAGE IN GROUP, INDIVIDUAL, HEALTH MAINTENANCE ORGANIZATION, AND MULTIPLE EMPLOYER WELFARE ARRANGEMENT PLANS AND POLICIES, INCLUDING STATE, LOCAL GOVERNMENT, AND MONTANA STATE UNIVERSITY PLANS AND POLICIES; REVISING DEFINITIONS; EXTENDING RULEMAKING AUTHORITY; REPEALING LIMITED POLICY APPLICATIONS; AMENDING SECTIONS 2-18-704, 33-22-701, 33-22-702, 33-22-703, 33-22-705, 33-31-111, AND 33-35-306, MCA; REPEALING SECTIONS 33-22-704 AND 33-22-706, MCA; AND PROVIDING ~~AN IMMEDIATE~~ A DELAYED EFFECTIVE DATE ~~AND AN APPLICABILITY DATE.~~"

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

(Refer to Introduced Bill)

Strike everything after the enacting clause and insert:

Section 1. Section 2-18-704, MCA, is amended to read:

"2-18-704. Mandatory provisions. (1) An insurance contract or plan issued under this part must contain provisions that permit:

(a) the member of a group who retires from active service under the appropriate retirement provisions of a defined benefit plan provided by law or, in the case of the defined contribution plan provided in Title 19, chapter 3, part 21, a member with at least 5 years of service and who is at least age 50 while in covered employment to remain a member of the group until the member becomes eligible for medicare under the federal Health Insurance for the Aged Act, 42 U.S.C. 1395, unless the member is a participant in another group plan with substantially the same or greater benefits at an equivalent cost or unless the member is employed and, by virtue of that employment, is eligible to participate in another group plan with substantially the same or greater benefits at an equivalent cost;

(b) the surviving spouse of a member to remain a member of the group as long as the spouse is eligible for retirement benefits accrued by the deceased member as provided by law unless the spouse is eligible for

1 medicare under the federal Health Insurance for the Aged Act or unless the spouse has or is eligible for
2 equivalent insurance coverage as provided in subsection (1)(a);

3 (c) the surviving children of a member to remain members of the group as long as they are eligible for
4 retirement benefits accrued by the deceased member as provided by law unless they have equivalent coverage
5 as provided in subsection (1)(a) or are eligible for insurance coverage by virtue of the employment of a surviving
6 parent or legal guardian.

7 (2) An insurance contract or plan issued under this part must contain the provisions of subsection (1)
8 for remaining a member of the group and also must permit:

9 (a) the spouse of a retired member the same rights as a surviving spouse under subsection (1)(b);

10 (b) the spouse of a retiring member to convert a group policy as provided in 33-22-508; and

11 (c) continued membership in the group by anyone eligible under the provisions of this section,
12 notwithstanding the person's eligibility for medicare under the federal Health Insurance for the Aged Act.

13 (3) (a) A state insurance contract or plan must contain provisions that permit a legislator to remain a
14 member of the state's group plan until the legislator becomes eligible for medicare under the federal Health
15 Insurance for the Aged Act if the legislator:

16 (i) terminates service in the legislature and is a vested member of a state retirement system provided
17 by law; and

18 (ii) notifies the department of administration in writing within 90 days of the end of the legislator's
19 legislative term.

20 (b) A former legislator may not remain a member of the group plan under the provisions of subsection
21 (3)(a) if the person:

22 (i) is a member of a plan with substantially the same or greater benefits at an equivalent cost; or

23 (ii) is employed and, by virtue of that employment, is eligible to participate in another group plan with
24 substantially the same or greater benefits at an equivalent cost.

25 (c) A legislator who remains a member of the group under the provisions of subsection (3)(a) and
26 subsequently terminates membership may not rejoin the group plan unless the person again serves as a
27 legislator.

28 (4) (a) A state insurance contract or plan must (a) contain provisions that permit continued membership in
29 the state's group plan by a member of the judges' retirement system who leaves judicial office but continues to
30 be an inactive vested member of the judges' retirement system as provided by 19-5-301. The judge shall notify

1 the department of administration in writing within 90 days of the end of the judge's judicial service of the judge's
2 choice to continue membership in the group plan.

3 (b) A former judge may not remain a member of the group plan under the provisions of this subsection
4 (4) if the person:

5 (i) is a member of a plan with substantially the same or greater benefits at an equivalent cost;

6 (ii) is employed and, by virtue of that employment, is eligible to participate in another group plan with
7 substantially the same or greater benefits at an equivalent cost; or

8 (iii) becomes eligible for medicare under the federal Health Insurance for the Aged Act.

9 (c) A judge who remains a member of the group under the provisions of this subsection (4) and
10 subsequently terminates membership may not rejoin the group plan unless the person again serves in a position
11 covered by the state's group plan.

12 (5) A person electing to remain a member of the group under subsection (1), (2), (3), or (4) shall pay the
13 full premium for coverage and for that of the person's covered dependents.

14 (6) An insurance contract or plan issued under this part that provides for the dispensing of prescription
15 drugs by an out-of-state mail service pharmacy, as defined in 37-7-702:

16 (a) must permit any member of a group to obtain prescription drugs from a pharmacy located in Montana
17 that is willing to match the price charged to the group or plan and to meet all terms and conditions, including the
18 same professional requirements that are met by the mail service pharmacy for a drug, without financial penalty
19 to the member; and

20 (b) may only be with an out-of-state mail service pharmacy that is registered with the board under Title
21 37, chapter 7, part 7, and that is registered in this state as a foreign corporation.

22 (7) An insurance contract or plan issued under this part must include coverage for:

23 (a) treatment of inborn errors of metabolism, as provided for in 33-22-131; and

24 (b) therapies for Down syndrome, as provided in 33-22-139.

25 (8) (a) An insurance contract or plan issued under this part that provides coverage for an individual in
26 a member's family must provide coverage for well-child care for children from the moment of birth through 7 years
27 of age. Benefits provided under this coverage are exempt from any deductible provision that may be in force in
28 the contract or plan.

29 (b) Coverage for well-child care under subsection (8)(a) must include:

30 (i) a history, physical examination, developmental assessment, anticipatory guidance, and laboratory

1 tests, according to the schedule of visits adopted under the early and periodic screening, diagnosis, and treatment
2 services program provided for in 53-6-101; and

3 (ii) routine immunizations according to the schedule for immunization recommended by the immunization
4 practice advisory committee of the U.S. department of health and human services.

5 (c) Minimum benefits may be limited to one visit payable to one provider for all of the services provided
6 at each visit as provided for in this subsection (8).

7 (d) For purposes of this subsection (8):

8 (i) "developmental assessment" and "anticipatory guidance" mean the services described in the
9 Guidelines for Health Supervision II, published by the American academy of pediatrics; and

10 (ii) "well-child care" means the services described in subsection (8)(b) and delivered by a physician or
11 a health care professional supervised by a physician.

12 (9) Upon renewal, an insurance contract or plan issued under this part under which coverage of a
13 dependent terminates at a specified age must continue to provide coverage for any dependent, as defined in the
14 insurance contract or plan, until the dependent reaches 26 years of age. For insurance contracts or plans issued
15 under this part, the premium charged for the additional coverage of a dependent, as defined in the insurance
16 contract or plan, may be required to be paid by the insured and not by the employer.

17 (10) Prior to issuance of an insurance contract or plan under this part, written informational materials
18 describing the contract's or plan's cancer screening coverages must be provided to a prospective group or plan
19 member.

20 (11) The state employee group benefit plans and the Montana university system group benefits plans
21 must provide coverage for hospital inpatient care for a period of time as is determined by the attending physician
22 and, in the case of a health maintenance organization, the primary care physician, in consultation with the patient
23 to be medically necessary following a mastectomy, a lumpectomy, or a lymph node dissection for the treatment
24 of breast cancer.

25 (12) (a) The state employee group benefit plans and the Montana university system group benefits plans
26 must provide coverage for outpatient self-management training and education for the treatment of diabetes. Any
27 education must be provided by a licensed health care professional with expertise in diabetes.

28 (b) Coverage must include a \$250 benefit for a person each year for medically necessary and prescribed
29 outpatient self-management training and education for the treatment of diabetes.

30 (c) The state employee group benefit plans and the Montana university system group benefits plans must

1 provide coverage for diabetic equipment and supplies that at a minimum includes insulin, syringes, injection aids,
2 devices for self-monitoring of glucose levels (including those for the visually impaired), test strips, visual reading
3 and urine test strips, one insulin pump for each warranty period, accessories to insulin pumps, one prescriptive
4 oral agent for controlling blood sugar levels for each class of drug approved by the United States food and drug
5 administration, and glucagon emergency kits.

6 (d) Nothing in subsection (12)(a), (12)(b), or (12)(c) prohibits the state or the Montana university group
7 benefit plans from providing a greater benefit or an alternative benefit of substantially equal value, in which case
8 subsection (12)(a), (12)(b), or (12)(c), as appropriate, does not apply.

9 (e) Annual copayment and deductible provisions are subject to the same terms and conditions applicable
10 to all other covered benefits within a given policy.

11 (f) This subsection (12) does not apply to disability income, hospital indemnity, medicare supplement,
12 accident-only, vision, dental, specific disease, or long-term care policies offered by the state or the Montana
13 university system as benefits to employees, retirees, and their dependents.

14 (13) (a) The state employee group benefit plans and the Montana university system group benefits plans
15 that provide coverage to the spouse or dependents of a peace officer as defined in 45-2-101, a game warden as
16 defined in 19-8-101, a firefighter as defined in 19-13-104, or a volunteer firefighter as defined in 19-17-102 shall
17 renew the coverage of the spouse or dependents if the peace officer, game warden, firefighter, or volunteer
18 firefighter dies within the course and scope of employment. Except as provided in subsection (13)(b), the
19 continuation of the coverage is at the option of the spouse or dependents. Renewals of coverage under this
20 section must provide for the same level of benefits as is available to other members of the group. Premiums
21 charged to a spouse or dependent under this section must be the same as premiums charged to other similarly
22 situated members of the group. Dependent special enrollment must be allowed under the terms of the insurance
23 contract or plan. The provisions of this subsection (13)(a) are applicable to a spouse or dependent who is insured
24 under a COBRA continuation provision.

25 (b) The state employee group benefit plans and the Montana university system group benefits plans
26 subject to the provisions of subsection (13)(a) may discontinue or not renew the coverage of a spouse or
27 dependent only if:

28 (i) the spouse or dependent has failed to pay premiums or contributions in accordance with the terms
29 of the state employee group benefit plans and the Montana university system group benefits plans or if the plans
30 have not received timely premium payments;

1 (ii) the spouse or dependent has performed an act or practice that constitutes fraud or has made an
2 intentional misrepresentation of a material fact under the terms of the coverage; or

3 (iii) the state employee group benefit plans and the Montana university system group benefits plans are
4 ceasing to offer coverage in accordance with applicable state law.

5 (14) The state employee group benefit plans and the Montana university system group benefits plans
6 must comply with the provisions of 33-22-153.

7 (15) An insurance contract or plan issued under this part and a group benefits plan issued by the
8 Montana university system must provide mental health coverage that meets the provisions of Title 33, chapter
9 22, part 7. (See compiler's comments for contingent termination of certain text.)"

10

11 **Section 2.** Section 33-22-701, MCA, is amended to read:

12 **"33-22-701. Scope Short title -- purpose -- scope of part -- ~~purpose~~ -- exception exceptions.** (1)
13 This part may be cited as the "Montana Mental Health Parity Act".

14 (2) The purpose of this part is to ensure that Montana law applies the same level of parity between
15 mental health and physical health benefits as existed in federal law on January 1, 2017.

16 (3) ~~The~~ ~~Except as provided in 33-22-706,~~ the provisions of this part apply to all group policies and
17 certificates of ~~accident~~ individual and group health insurance and group ~~subscriber contracts for the care and~~
18 ~~treatment of mental illness, alcoholism, and drug addiction~~ health plans offered to, renewed for, or issued to
19 Montana residents by insurers, health service corporations, and all employees' health and welfare funds that
20 provide accident and any health insurance issuer benefits to residents of this state. It is the purpose of this part
21 to preserve the rights of the consumer to have this coverage according to the consumer's medical and economic
22 needs.

23 (4) This part does not apply to a short-term travel policy, a blanket disability policy as defined in
24 33-22-601, or excepted benefits as defined in 33-22-140."

25

26 **Section 3.** Section 33-22-702, MCA, is amended to read:

27 **"33-22-702. Definitions.** For purposes of this part, the following definitions apply:

28 (1) ~~"Chemical dependency treatment center" means a treatment facility that:~~

29 ~~— (a) provides a program for the treatment of alcoholism or drug addiction pursuant to a written treatment~~
30 ~~plan approved and monitored by a physician or addiction counselor licensed by the state; and~~

1 ~~_____ (b) is licensed or approved as a treatment center by the department of public health and human services~~
 2 ~~under 53-24-208 or is licensed or approved by the state where the facility is located.~~

3 ~~(2)(1)~~ "Inpatient benefits" are as set forth in 33-22-705.

4 ~~(3)(2)~~ "Mental health treatment center" means a treatment facility organized to provide care and
 5 treatment for mental illness or severe mental illness through multiple modalities or techniques pursuant to a
 6 written treatment plan approved and monitored by ~~an interdisciplinary team, including a licensed physician,~~
 7 ~~psychiatric social worker, and psychologist,~~ a qualified health care provider and a treatment facility that is:

8 (a) licensed as a mental health treatment center by the state;

9 (b) funded or eligible for funding under federal or state law; or

10 (c) affiliated with a hospital under a contractual agreement with an established system for patient referral.

11 ~~(4)(3)~~ (a) "Mental illness" means a clinically significant behavioral or psychological syndrome or pattern
 12 that occurs in a person and that is associated with:

13 (i) present distress or a painful symptom;

14 (ii) a disability or impairment in one or more areas of functioning; or

15 (iii) a significantly increased risk of suffering death, pain, disability, or an important loss of freedom.

16 (b) Mental illness must be considered as a manifestation of a behavioral, psychological, or biological
 17 dysfunction in a person.

18 (c) Mental illness does not include:

19 (i) a developmental disorder;

20 (ii) a speech disorder;

21 (iii) a psychoactive substance use disorder;

22 (iv) an eating disorder, except for bulimia and anorexia nervosa; or

23 (v) an impulse control disorder, except for intermittent explosive disorder and trichotillomania; ~~or~~

24 ~~_____ (vi) a severe mental illness as provided in 33-22-706.~~

25 ~~(5)(4)~~ "Outpatient benefits" are as set forth in 33-22-705.

26 (5) "Qualified health care provider" means a person licensed as a physician, psychologist, social worker,
 27 clinical professional counselor, marriage and family therapist, or addiction counselor or another appropriate
 28 licensed health care practitioner.

29 (6) "Severe mental illness" means the following disorders as defined by the American psychiatric
 30 association:

1 (a) schizophrenia;

2 (b) schizoaffective disorder;

3 (c) bipolar disorder;

4 (d) major depression;

5 (e) panic disorder;

6 (f) obsessive-compulsive disorder; and

7 (g) autism.

8 (6) (a) "Substance use disorder" means the uncontrollable or excessive use of an addictive substance,
 9 including but not limited to alcohol, morphine, cocaine, heroin, opium, cannabis, barbiturates, amphetamines,
 10 tranquilizers, or hallucinogens, and the resultant physiological or psychological dependency that develops with
 11 continued use of the addictive substance and that requires medical care or other appropriate treatment as
 12 determined by a licensed addiction counselor or other appropriate medical practitioner.

13 (7) "Substance use disorder treatment center" means a treatment facility that:

14 (a) provides a program for the treatment of substance use disorders pursuant to a written treatment plan
 15 approved and monitored by a qualified health care provider; and

16 (b) is licensed or approved by the department of public health and human services under 53-24-208 or
 17 is licensed or approved by the state where the facility is located."

18

19 **Section 4.** Section 33-22-703, MCA, is amended to read:

20 **"33-22-703. Coverage for mental illness, ~~alcoholism, and drug addiction~~ severe mental illness,**
 21 **and substance use disorders -- definition.** (1) A group health plan or a health insurance issuer that provides
 22 issues, modifies, or renews individual or group health insurance coverage or a group health plan shall provide
 23 for Montana residents covered by the plan at least the following level of benefits for the necessary care and
 24 treatment of mental illness, ~~alcoholism, and drug addiction~~ severe mental illness, and substance use disorders
 25 at a level of benefits that is no less favorable than the level provided for physical illness generally, including:

26 (a) inpatient benefits;

27 (b) outpatient benefits;

28 (c) emergency care; and

29 (d) prescription drugs;

30 ~~_____ (1) under basic inpatient expense policies or contracts, inpatient hospital benefits and outpatient benefits~~

1 consisting of durational limits, dollar limits, deductibles, and coinsurance factors that are not less favorable than
 2 for physical illness generally, except that:

3 ~~——— (a) inpatient treatment for mental illness is subject to a maximum yearly benefit of 21 days;~~

4 ~~——— (b) inpatient treatment for mental illness may be traded on a 2-for-1 basis for a benefit for partial
 5 hospitalization through a program that complies with the standards for a partial hospitalization program that are
 6 published by the association for ambulatory behavioral healthcare if the program is operated by a hospital;~~

7 ~~——— (c) inpatient and outpatient treatment for alcoholism and drug addiction, excluding costs for medical
 8 detoxification, is subject to a maximum benefit of \$6,000 for a 12-month period until a lifetime maximum inpatient
 9 benefit of \$12,000 is met, after which the annual benefit may be reduced to \$2,000; and~~

10 ~~——— (d) costs for medical detoxification treatment must be paid the same as any other illness under the terms
 11 of the contract and are not subject to the annual and lifetime limits in subsection (1)(c);~~

12 ~~——— (2) under major medical policies or contracts, inpatient benefits and outpatient benefits consisting of
 13 durational limits, dollar limits, deductibles, and coinsurance factors that are not less favorable than for physical
 14 illness generally, except that:~~

15 ~~——— (a) inpatient treatment for mental illness is subject to a maximum yearly benefit of 21 days;~~

16 ~~——— (b) inpatient treatment for mental illness may be traded on a 2-for-1 basis for a benefit for partial
 17 hospitalization through a program that complies with the standards for a partial hospitalization program that are
 18 published by the association for ambulatory behavioral healthcare if the program is operated by a hospital;~~

19 ~~——— (c) inpatient and outpatient treatment for alcoholism and drug addiction, excluding costs for medical
 20 detoxification, may be subject to a maximum benefit of \$6,000 for a 12-month period until a lifetime maximum
 21 inpatient benefit of \$12,000 is met, after which the annual benefit may be reduced to \$2,000;~~

22 ~~——— (d) costs for medical detoxification treatment must be paid the same as any other illness under the terms
 23 of the contract and are not subject to the annual and lifetime benefits in subsection (2)(c); and~~

24 ~~——— (e) outpatient treatment for mental illness may be subject to a maximum yearly benefit of no less than
 25 \$2,000, but this subsection (2)(e) does not apply to benefits for services furnished before September 30, 2004.~~

26 (2) For the purposes of this section, "no less favorable" means the same level of parity as required under
 27 the Mental Health Parity and Addiction Equity Act of 2008 and related federal regulations as of January 1, 2017.

28 (3) Coverage for a child with autism who is 18 years of age or younger must comply with 33-22-515(3)
 29 through 33-22-515(5) if the child is diagnosed with:

30 (a) autistic disorder;

- 1 **(b) Asperger's disorder; or**
 2 **(c) pervasive developmental disorder not otherwise specified.**

3
 4 **Section 5.** Section 33-22-705, MCA, is amended to read:
 5 **"33-22-705. Inpatient and outpatient benefits.** (1) (a) "Inpatient benefits" are benefits payable for
 6 charges made by:

7 (i) a hospital or freestanding inpatient facility for the necessary care and treatment of mental illness,
 8 ~~alcoholism, or drug addiction~~ severe mental illness, or substance use disorder furnished to a covered person
 9 while confined as an inpatient and, with respect to major medical policies or contracts, ~~also includes those~~
 10 ~~benefits payable for charges made by; or~~

11 (ii) a ~~physician~~ qualified health care provider for the necessary care and treatment of mental illness,
 12 ~~alcoholism, or drug addiction~~ severe mental illness, or substance use disorder furnished to a covered person
 13 while confined as an inpatient.

14 (b) Care and treatment of ~~alcoholism or drug addiction~~ a substance use disorder in a freestanding
 15 inpatient facility must be in a ~~chemical dependency~~ substance use disorder treatment center ~~that is approved by~~
 16 ~~the department of public health and human services under 53-24-208.~~

17 (c) Inpatient benefits include payment for medically monitored and medically managed intensive inpatient
 18 services and clinically managed high-intensity residential services.

19 (2) "Outpatient benefits" are benefits payable for:

20 (a) reasonable charges made by a hospital for the necessary care and treatment of mental illness,
 21 ~~alcoholism, or drug addiction~~ severe mental illness, or substance use disorder furnished to a covered person
 22 while not confined as an inpatient;

23 (b) reasonable charges for services rendered or prescribed by a ~~physician~~ qualified health care provider
 24 for the necessary care and treatment for mental illness, ~~alcoholism, or drug addiction~~ severe mental illness, or
 25 substance use disorder furnished to a covered person while not confined as an inpatient;

26 (c) reasonable charges made by a mental health or ~~chemical dependency~~ substance use disorder
 27 treatment center for the necessary care and treatment of a covered person provided in the treatment center while
 28 not confined as an inpatient; or. ~~The chemical dependency treatment center must be approved by the department~~
 29 ~~of public health and human services under 53-24-208.~~

30 (d) reasonable charges for services rendered by a ~~licensed psychiatrist, psychologist, licensed~~

1 professional counselor, licensed social worker, or addiction counselor licensed by the department of labor and
 2 industry under Title 37, chapter 35 qualified health care provider, hospital, mental health treatment center, or
 3 substance use disorder treatment center in an acute or subacute partial hospitalization or intensive outpatient
 4 treatment setting."

5
 6 **NEW SECTION. Section 6. Rulemaking.** The commissioner may adopt rules to implement the
 7 provisions of this part.

8
 9 **Section 7.** Section 33-31-111, MCA, is amended to read:

10 **"33-31-111. Statutory construction and relationship to other laws.** (1) Except as otherwise provided
 11 in this chapter, the insurance or health service corporation laws do not apply to a health maintenance organization
 12 authorized to transact business under this chapter. This provision does not apply to an insurer or health service
 13 corporation licensed and regulated pursuant to the insurance or health service corporation laws of this state
 14 except with respect to its health maintenance organization activities authorized and regulated pursuant to this
 15 chapter.

16 (2) Solicitation of enrollees by a health maintenance organization granted a certificate of authority or its
 17 representatives is not a violation of any law relating to solicitation or advertising by health professionals.

18 (3) A health maintenance organization authorized under this chapter is not practicing medicine and is
 19 exempt from Title 37, chapter 3, relating to the practice of medicine.

20 (4) This chapter does not exempt a health maintenance organization from the applicable certificate of
 21 need requirements under Title 50, chapter 5, parts 1 and 3.

22 (5) This section does not exempt a health maintenance organization from the prohibition of pecuniary
 23 interest under 33-3-308 or the material transaction disclosure requirements under 33-3-701 through 33-3-704.
 24 A health maintenance organization must be considered an insurer for the purposes of 33-3-308 and 33-3-701
 25 through 33-3-704.

26 (6) This section does not exempt a health maintenance organization from:

27 (a) prohibitions against interference with certain communications as provided under Title 33, chapter 1,
 28 part 8;

29 (b) the provisions of Title 33, chapter 22, ~~part 19~~ parts 7 and 19;

30 (c) the requirements of 33-22-134 and 33-22-135;

1 (d) network adequacy and quality assurance requirements provided under chapter 36; or

2 (e) the requirements of Title 33, chapter 18, part 9.

3 (7) Title 33, chapter 1, parts 12 and 13, Title 33, chapter 2, part 19, 33-2-1114, 33-2-1211, 33-2-1212,
4 33-3-401, 33-3-422, 33-3-431, 33-15-308, Title 33, chapter 17, Title 33, chapter 19, 33-22-107, 33-22-129,
5 33-22-131, 33-22-136, 33-22-137, 33-22-138, 33-22-139, 33-22-141, 33-22-142, 33-22-152, 33-22-153,
6 33-22-156 through 33-22-159, 33-22-244, 33-22-246, 33-22-247, 33-22-514, 33-22-515, 33-22-521, 33-22-523,
7 33-22-524, 33-22-526, 33-22-706, Title 33, chapter 32[, and Title 33, chapter 40, part 1,] apply to health
8 maintenance organizations. (Bracketed language in (7) terminates December 31, 2017--sec. 14, Ch. 363, L.
9 2013.)"

10

11 **Section 8.** Section 33-35-306, MCA, is amended to read:

12 **"33-35-306. Application of insurance code to arrangements.** (1) In addition to this chapter,
13 self-funded multiple employer welfare arrangements are subject to the following provisions:

14 (a) 33-1-111;

15 (b) Title 33, chapter 1, part 4, but the examination of a self-funded multiple employer welfare
16 arrangement is limited to those matters to which the arrangement is subject to regulation under this chapter;

17 (c) Title 33, chapter 1, part 7;

18 (d) 33-3-308;

19 (e) Title 33, chapter 18, except 33-18-242;

20 (f) Title 33, chapter 19;

21 (g) 33-22-107, 33-22-131, 33-22-134, 33-22-135, 33-22-138, 33-22-139, 33-22-141, 33-22-142,
22 33-22-152, and 33-22-153;

23 (h) 33-22-512, 33-22-515, 33-22-525, and 33-22-526; and

24 (i) Title 33, chapter 7; and

25 ~~(j)~~(j) Title 33, chapter 40, part 1.

26 (2) Except as provided in this chapter, other provisions of Title 33 do not apply to a self-funded multiple
27 employer welfare arrangement that has been issued a certificate of authority that has not been revoked.
28 (Subsection ~~(4)~~(1)(j) terminates December 31, 2017--sec. 14, Ch. 363, L. 2013.)"

29

30 NEW SECTION. **Section 9. Repealer.** The following sections of the Montana Code Annotated are

1 repealed:

2 33-22-704. Applicability.

3 33-22-706. Coverage for severe mental illness -- definition.

4

5 NEW SECTION. **Section 10. Codification instruction.** [Section 6] is intended to be codified as an
6 integral part of Title 33, chapter 22, part 7, and the provisions of Title 33, chapter 22, part 7, apply to [section 6].

7

8 NEW SECTION. **Section 11. Effective date.** [This act] is effective January 1, 2018.

9

- END -