

HOUSE BILL NO. 249

INTRODUCED BY P. NOONAN

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4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE HEALTHY MONTANA ACT TO EXPAND HEALTH
5 CARE COVERAGE TO ADDITIONAL INDIVIDUALS AND IMPROVE ACCESS TO HEALTH CARE SERVICES;
6 ESTABLISHING A HEALTH CARE COVERAGE PROGRAM TO PROVIDE CERTAIN LOW-INCOME
7 MONTANANS WITH ACCESS TO HEALTH CARE SERVICES USING MEDICAID FUNDS AND AN
8 ARRANGEMENT WITH A THIRD-PARTY ADMINISTRATOR; IMPLEMENTING CERTAIN MEDICAID
9 REFORMS; PROVIDING SUPPORT FOR HEALTH CARE DELIVERY ACROSS MONTANA; PROVIDING
10 RULEMAKING AUTHORITY; ESTABLISHING A SPECIAL REVENUE ACCOUNT; PROVIDING A STATUTORY
11 APPROPRIATION; AMENDING SECTION 17-7-502, MCA; AND PROVIDING EFFECTIVE DATES."

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13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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15 NEW SECTION. **Section 1. Short title.** [Sections 1 through 8] may be cited as the "Healthy Montana
16 Act".

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18 NEW SECTION. **Section 2. Healthy Montana Act -- purpose.** The purposes of the Healthy Montana
19 Act are to:

- 20 (1) establish a basic set of health care services pursuant to [section 4] for a new coverage group as
21 authorized under [section 5];
22 (2) administer the claims payment process for the new coverage group through a competitively procured
23 third-party administrator;
24 (3) sustain health care delivery across Montana, inclusive of rural health care systems, through
25 increased health care coverage for citizens;
26 (4) authorize reforms in the delivery of medicaid-funded health care services to ensure that Montana
27 citizens receive more effective health care; and
28 (5) provide for the full utilization of federal funds available for the health care coverage of Montanans
29 through both the federal medicaid and the children's health insurance programs.
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1 **NEW SECTION. Section 3. Definitions.** As used in [sections 1 through 8], the following definitions
2 apply:

3 (1) "Department" means the department of public health and human services provided for in 2-15-2201.

4 (2) "Member" means an individual enrolled in the Montana medicaid program pursuant to 53-6-131 or
5 receiving medicaid-funded services pursuant to [sections 1 through 8].

6
7 **NEW SECTION. Section 4. Healthy Montana Act -- delivery of health care services -- third-party**

8 **administrator.** (1) The department shall contract as provided in Title 18, chapter 4, with a third-party
9 administrator to assist in the administration of the delivery of health care services to individuals eligible under
10 [section 5], including but not limited to:

11 (a) establishing networks of health care providers; and

12 (b) paying claims submitted by health care providers.

13 (2) The department shall determine the health care services to be provided through the arrangement
14 with the third-party administrator.

15 (3) (a) The department may exempt certain individuals who are eligible pursuant to [section 5] from
16 receiving health care services through the arrangement with a third-party administrator if the department
17 determines that the services available through the arrangement would be inappropriate for meeting the health
18 care needs of those individuals. The department shall adopt rules establishing criteria for determining if an
19 individual is exempt from receiving health care services through the arrangement with the third-party
20 administrator.

21 (b) The department may provide coverage of health care service needs for individuals who are exempt
22 as provided in subsection (3)(a) in accordance with:

23 (i) Title XIX of the Social Security Act;

24 (ii) Title 53, chapter 6, part 1; and

25 (iii) conditions specified by the U.S. department of health and human services.

26 (4) The department shall adopt rules to specify the health care services to be provided under [sections
27 1 through 8].

28 (5) The department shall directly cover any service required under federal or state law that is not
29 available through the arrangement with the third-party administrator.

30 (6) The department shall administer the eligibility determination process for individuals covered pursuant

1 to [section 5].

2 (7) The department shall:

3 (a) seek federal authorization from the U.S. department of health and human services through a waiver
4 authorized by 42 U.S.C. 1315 and other waivers or through other means, as may be necessary, to use a
5 third-party administrator to provide a program of medicaid-funded services for individuals eligible for services
6 pursuant to [section 5]; and

7 (b) implement access to the health care services in accordance with the requirements necessary to
8 receive the federal medical assistance percentage provided for by 42 U.S.C. 1396d(y).

9

10 **NEW SECTION. Section 5. Healthy Montana Act -- eligibility for coverage.** An individual is eligible
11 for coverage of health care services provided pursuant to [section 4] if the individual meets the requirements of
12 42 U.S.C. 1396a(a)(10)(A)(i)(VIII).

13

14 **NEW SECTION. Section 6. Improvements to delivery of medicaid services -- report.** (1) The
15 department of public health and human services shall pursue the implementation of reforms in the delivery of
16 existing medicaid-funded health care services to ensure that Montana citizens receive more effective health care.

17 (2) The department shall undertake the following reforms:

18 (a) administer a program to improve the delivery of medicaid-funded health care services in an
19 economically efficient manner through the establishment of a set of coordinated care models that will deliver care
20 more comprehensively to members. The models must be designed to:

21 (i) provide oversight and preventive services in addition to standard health care services; and

22 (ii) reduce exigent and emergency circumstances that increase the dependence of members on more
23 intensive services, including but not limited to hospital emergency rooms.

24 (b) develop and maintain a system to comprehensively compile and monitor data on the utilization of
25 health care services by members and on the practices of providers in delivering and billing for health care
26 services in order to improve the efficiency and effectiveness of the delivery of health care services;

27 (c) in order to ensure the integrity of medicaid expenditures and the delivery of medicaid services,
28 develop and maintain a multipronged fraud and abuse detection system that includes education for providers and
29 members on medicaid standards and the consequences of fraud and abuse;

30 (d) improve the performance of the medicaid eligibility system to ensure that eligibility determinations

1 are made expeditiously;

2 (e) coordinate the medicaid eligibility system with other state and federal eligibility systems to the
3 greatest extent possible to improve efficiency and accuracy of eligibility determinations; and

4 (f) investigate and where feasible develop data systems to provide health care providers, members, and
5 the department with access through a single source to real-time medical care information.

6 (3) The coordinated care models provided for in subsection (2)(a) may include but are not limited to:

7 (a) patient-centered medical homes;

8 (b) accountable care organizations;

9 (c) health improvement programs;

10 (d) behavioral health homes; and

11 (e) changes to current service delivery methods.

12 (4) The department shall report to the governor by January 2017 on the department's medicaid fraud
13 prevention efforts and the results of those efforts.

14

15 **NEW SECTION. Section 7. Federal special revenue accounts -- statutory appropriations.** (1) (a)

16 There is an account in the federal special revenue fund to the credit of the department for the purpose of paying
17 for health care services provided to individuals who are eligible for coverage pursuant to [section 5].

18 (b) The federal medical assistance percentage received pursuant to 42 U.S.C. 1396d(y) must be
19 deposited in the account.

20 (c) Money in the account is statutorily appropriated, as provided in 17-7-502, to the department for the
21 costs of providing health care services to individuals who meet the eligibility requirements of [section 5].

22 (2) (a) There is an account in the federal special revenue fund to the credit of the department for the
23 purpose of paying for health care services for children eligible for coverage under the children's health insurance
24 program provided for in Title 53, chapter 4, part 10, and the healthy Montana kids plan provided for in Title 53,
25 chapter 4, part 11.

26 (b) Funds received from the federal government for the enhanced federal medical assistance percentage
27 for the children's health insurance program as authorized by 2105(b) of the Social Security Act, 42 U.S.C.
28 1397ee(b), must be deposited into the account.

29 (c) Money in the account is statutorily appropriated, as provided in 17-7-502, to the department to be
30 used for costs related to providing services pursuant to Title 53, chapter 4, parts 10 and 11.

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2 **NEW SECTION. Section 8. Rulemaking authority.** The department may adopt rules as necessary for

3 the implementation of [sections 1 through 8]. Rules may include but are not limited to:

4 (1) eligibility criteria, requirements, and related measures, including rules for the exemptions allowed

5 under [section 4(3)];

6 (2) the responsibilities and requirements for the third-party administrator;

7 (3) quality assurance measures to ensure the appropriateness and quality of health care services

8 delivered under [sections 1 through 8];

9 (4) provider requirements and reimbursement;

10 (5) utilization measures;

11 (6) alternative coverage of health care services for persons excluded from coverage through the

12 arrangement with the third-party administrator;

13 (7) coverage for additional health care services not available through the arrangement with the third-party

14 administrator;

15 (8) reforms initiated pursuant to [section 6]; and

16 (9) other rules as required to implement a program of coverage as approved by the U.S. department of

17 health and human services for individuals eligible for coverage pursuant to [section 5].

18

19 **Section 9.** Section 17-7-502, MCA, is amended to read:

20 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory

21 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the

22 need for a biennial legislative appropriation or budget amendment.

23 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both

24 of the following provisions:

25 (a) The law containing the statutory authority must be listed in subsection (3).

26 (b) The law or portion of the law making a statutory appropriation must specifically state that a statutory

27 appropriation is made as provided in this section.

28 (3) The following laws are the only laws containing statutory appropriations: 2-15-247; 2-17-105;

29 5-11-120; 5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-3-203; 10-3-310;

30 10-3-312; 10-3-314; 10-4-301; 15-1-121; 15-1-218; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121;

1 15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222; 17-3-241; 17-6-101;
 2 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506;
 3 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-1-327; 22-3-1004; 23-4-105;
 4 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-51-501; 39-1-105; 39-71-503;
 5 41-5-2011; 42-2-105; 44-4-1101; 44-12-206; 44-13-102; 53-1-109; 53-1-215; 53-2-208; [section 7]; 53-9-113;
 6 53-24-108; 53-24-206; 60-11-115; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 76-13-150;
 7 76-13-416; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 81-1-112; 81-7-106; 81-10-103; 82-11-161;
 8 85-20-1504; 85-20-1505; 87-1-603; 90-1-115; 90-1-205; 90-1-504; 90-3-1003; 90-6-331; and 90-9-306.

9 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
 10 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
 11 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana
 12 to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state
 13 treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory
 14 appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion
 15 of 19-20-604 terminates contingently when the amortization period for the teachers' retirement system's unfunded
 16 liability is 10 years or less; pursuant to sec. 10, Ch. 10, Sp. L. May 2000, secs. 3 and 6, Ch. 481, L. 2003, and
 17 sec. 2, Ch. 459, L. 2009, the inclusion of 15-35-108 terminates June 30, 2019; pursuant to sec. 73, Ch. 44, L.
 18 2007, the inclusion of 19-6-410 terminates contingently upon the death of the last recipient eligible under
 19 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 14, Ch. 374, L. 2009, the
 20 inclusion of 53-9-113 terminates June 30, 2015; pursuant to sec. 5, Ch. 442, L. 2009, the inclusion of 90-6-331
 21 terminates June 30, 2019; pursuant to sec. 16, Ch. 58, L. 2011, the inclusion of 30-10-1004 terminates June 30,
 22 2017; pursuant to sec. 6, Ch. 61, L. 2011, the inclusion of 76-13-416 terminates June 30, 2019; pursuant to sec.
 23 13, Ch. 339, L. 2011, the inclusion of 81-1-112 and 81-7-106 terminates June 30, 2017; pursuant to sec. 11(2),
 24 Ch. 17, L. 2013, the inclusion of 17-3-112 terminates on occurrence of contingency; pursuant to secs. 3 and 5,
 25 Ch. 244, L. 2013, the inclusion of 22-1-327 is effective July 1, 2015, and terminates July 1, 2017; and pursuant
 26 to sec. 10, Ch. 413, L. 2013, the inclusion of 2-15-247, 39-1-105, 53-1-215, and 53-2-208 terminates June 30,
 27 2015.)"

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 29 **NEW SECTION. Section 10. Contingent termination.** (1) [Sections 4 and 5] terminate on the effective
 30 implementation date after enactment by the federal government of any provision of law that reduces below 90%

1 the federal medical assistance percentage for medical assistance provided to individuals eligible for medicaid
2 coverage pursuant to [section 5].

3 (2) [Section 7] terminates 15 months after the contingency provided for in subsection (1) occurs.

4 (3) The governor's office of budget and program planning shall certify to the governor the occurrence of
5 the contingency. The governor shall transmit a copy of the certification to the code commissioner.

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7 **NEW SECTION. Section 11. Transition.** (1) If the department of public health and human services finds
8 it necessary for the successful and appropriate implementation of [sections 1 through 8], the department may
9 initiate eligibility processing and other measures necessary for implementation of [sections 4 and 5] prior to the
10 date that health care services provided pursuant to [section 4] are covered.

11 (2) The department may implement coverage of health care services provided for in [section 4] only after
12 the department has:

13 (a) obtained the approval needed from the U.S. department of health and human services to receive the
14 federal medical assistance percentage provided for in 42 U.S.C. 1396d(y) for individuals eligible for coverage
15 pursuant to [section 5]; and

16 (b) all necessary administrative arrangements, including contract services, are in place.

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18 **NEW SECTION. Section 12. Codification instruction.** [Sections 1 through 8] are intended to be
19 codified as an integral part of Title 53, chapter 6, and the provisions of Title 53, chapter 6, apply to [sections 1
20 through 8].

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22 **NEW SECTION. Section 13. Effective date.** (1) Except as provided in subsection (2), [this act] is
23 effective July 1, 2015.

24 (2) [Section 11] and this section are effective on passage and approval.

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