

HOUSE BILL NO. 652

INTRODUCED BY R. COOK

BY REQUEST OF THE STATE AUDITOR

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING HEALTH CARE AND INSURANCE COVERAGE LAWS; AUTHORIZING APPLICATION FOR STATE INNOVATION WAIVERS; AUTHORIZING DEVELOPMENT OF PROGRAMS TO ENSURE AFFORDABLE CARE AND COVERAGE FOR HIGH-RISK INDIVIDUALS; PROVIDING RULEMAKING AUTHORITY; PROVIDING AN APPROPRIATION; AND PROVIDING EFFECTIVE DATES."

WHEREAS, Congress is considering legislation that could significantly change the health insurance market nationally and in Montana in the coming months; and

WHEREAS, Montana needs to preserve its flexibility to respond to federal efforts in a timely manner in order to preserve and improve the Montana health insurance market and provide Montanans with access to health care and insurance coverage.

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

NEW SECTION. **Section 1. Legislative intent.** It is the intent of the legislature that the state and disability insurers establish, pursuant to [sections 1 through 5], a mechanism to:

(1) provide health care and insurance coverage to high-risk individuals in Montana who cannot otherwise obtain comprehensive health insurance, using a state reinsurance program, a high-risk health insurance pool, or any other program or combination of programs identified by the commissioner or the legislature; and

(2) balance the need for providing comprehensive health care and insurance coverage at affordable rates to eligible persons with the need to be fiscally responsible to disability insurers and residents of this state.

NEW SECTION. **Section 2. Waiver for state innovation.** (1) The commissioner may apply to the United States department of health and human services under 42 U.S.C. 18052 for a waiver of applicable



1 provisions of Public Law 111-148 with respect to health care and insurance coverage in the state for a plan year
2 beginning on or after January 1, 2018. The commissioner may implement a state plan meeting the waiver
3 requirements in a manner consistent with state and federal law and as approved by the United States department
4 of health and human services.

5 (2) The department of public health and human services may seek federal authorization through a waiver
6 authorized by 42 U.S.C. 1315 and through other waivers or through other means, as may be necessary, to
7 implement a state plan established under this section.

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9 **NEW SECTION. Section 3. Duties and authority of commissioner.** (1) The commissioner shall
10 develop a plan or program to meet the legislative intent of [sections 1 through 5] and report the development of
11 the plan or program to legislative committees as requested.

12 (2) The commissioner may apply for federal funds available for the purpose of providing health care and
13 insurance coverage to residents of this state. The funds must be deposited in the Montana comprehensive health
14 insurance special revenue account provided for in [section 4].

15 (3) The commissioner may enter into any contract or agreement that the commissioner considers
16 appropriate to carry out the purposes of [sections 1 through 5], including but not limited to a contract or agreement
17 with:

18 (a) a similar insurance fund or risk pool in another state for the joint performance of common
19 administrative functions;

20 (b) another organization for the performance of administrative functions;

21 (c) a stop-loss insurance provider to insure against risks incurred under [sections 1 through 5]; or

22 (d) a federal agency.

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24 **NEW SECTION. Section 4. Montana comprehensive health insurance special revenue accounts.**

25 (1) There are Montana comprehensive health insurance accounts in the state and federal special revenue funds
26 to the credit of the department to assist residents of this state with obtaining access to quality health care at a
27 minimum cost to the public.

28 (2) The account in the federal special revenue fund consists of federal funds obtained for the purposes
29 of a high-risk insurance program, reinsurance program, or other effort funded through a state innovation grant
30 or other federally approved program related to making health care and insurance coverage more affordable and

1 obtainable.

2 (3) The account in the state special revenue fund consists of money appropriated by the legislature or
3 obtained from other sources.

4 (4) Interest and earnings on the accounts must accrue to the accounts.

5 (5) Money in the accounts:

6 (a) must be used for the purposes designated in the federal grant or by the legislature, consistent with
7 the intent of [sections 1 through 5]; and

8 (b) may be used to develop and disseminate information to the public about programs developed
9 pursuant to [sections 1 through 5] and to facilitate enrollment strategies for the programs.

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11 NEW SECTION. Section 5. Rulemaking authority. The commissioner shall adopt rules regarding the
12 implementation of [sections 1 through 5], including but not limited to rules related to:

13 (1) eligibility requirements for any plan or program established pursuant to [sections 1 through 5]; and

14 (2) participation by insurers in programs established pursuant to [sections 1 through 5].

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16 NEW SECTION. Section 6. Appropriation. There is appropriated \$200,000 from the general fund to
17 the Montana comprehensive health insurance state special revenue account provided for in [section 4] for the
18 biennium beginning July 1, 2017, for the purpose of obtaining any necessary verification or validation of a waiver
19 application submitted pursuant to [section 2], including any necessary actuarial analysis to support a waiver
20 application.

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22 NEW SECTION. Section 7. Codification instruction. [Sections 1 through 5] are intended to be
23 codified as an integral part of Title 33, chapter 22, and the provisions of Title 33 apply to [sections 1 through 5].

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25 NEW SECTION. Section 8. Effective dates. (1) Except as provided in subsection (2), [this act] is
26 effective on passage and approval.

27 (2) [Section 6] is effective July 1, 2017.

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