

HOUSE BILL NO. 639

INTRODUCED BY R. COOK

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING FUNDING FOR HEALTH CARE SERVICES; ADJUSTING THE CONVERSION FACTOR FOR PHYSICIAN SERVICES REIMBURSEMENT; IMPLEMENTING PROVISIONS OF THE GENERAL APPROPRIATIONS ACT; PROVIDING MEDICAID CASELOAD RESTRICTIONS; PROVIDING LIMITATIONS ON TRANSFERS OF FUNDING FOR THE MONTANA DEVELOPMENTAL CENTER; PROVIDING FOR A STATUTORY APPROPRIATION; AMENDING SECTION SECTIONS 17-7-502 AND 53-6-125, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. SECTION 1. MEDICAID CASELOAD CONTINGENT FUNDING -- RESTRICTIONS. (1) THE APPROPRIATIONS TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES IN HOUSE BILL NO. 2, UNDER "MEDICAID CASELOAD CONTINGENCY" ONLY OCCUR:

(A) FOR FISCAL YEAR 2018, IF NONRESTRICTED GENERAL FUND EXPENDITURES FOR THE DEPARTMENT, INCLUDING ACCRUALS, EXCEED \$501,016,552 DURING THE FISCAL YEAR; AND

(B) FOR FISCAL YEAR 2019, IF NONRESTRICTED GENERAL FUND EXPENDITURES FOR THE DEPARTMENT, INCLUDING ACCRUALS, EXCEED \$514,663,100 DURING THE FISCAL YEAR.

(2) THE HOUSE BILL NO. 2 APPROPRIATION AMOUNTS PROVIDED FOR IN SUBSECTIONS (1)(A) AND (1)(B) ARE BASED ON THE AMOUNT OF NONRESTRICTED GENERAL FUND APPROPRIATIONS FOR FISCAL YEARS 2018 AND 2019. THE AMOUNTS OF \$501,016,552 FOR FISCAL YEAR 2018 AND \$514,663,100 FOR FISCAL YEAR 2019 ARE SUPERSEDED BY THE TOTAL OF NONRESTRICTED GENERAL FUND APPROPRIATIONS FOR EACH SEPARATE FISCAL YEAR, AS REFLECTED IN HOUSE BILL NO. 2 AS PASSED AND APPROVED.

NEW SECTION. SECTION 2. MONTANA DEVELOPMENTAL CENTER -- REQUIREMENTS. THE APPROPRIATION TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES IN HOUSE BILL NO. 2, UNDER "MONTANA DEVELOPMENTAL CENTER" IS RESTRICTED TO THE FOLLOWING:

(A) EXPENDITURES AT THE MONTANA DEVELOPMENTAL CENTER; OR

(B) TRANSFERS PURSUANT TO SUBSECTION (2).



1 (2) THE DEPARTMENT MAY TRANSFER FROM "MONTANA DEVELOPMENTAL CENTER" FOR OTHER NECESSARY
 2 SERVICES FOR INDIVIDUALS SERVED OR WHO WOULD HAVE OTHERWISE BEEN SERVED AT THE MONTANA DEVELOPMENTAL
 3 CENTER.

4 (3) IF THE DEPARTMENT TRANSFERS FUNDING OR FULL-TIME EQUIVALENTS FROM THE APPROPRIATION UNDER
 5 "MONTANA DEVELOPMENTAL CENTER", THE DEPARTMENT MUST NOTIFY THE LEGISLATIVE FINANCE COMMITTEE AND THE
 6 LEGISLATIVE FISCAL ANALYST.

7 (4) ANY INFORMATION THAT IS CONFIDENTIAL OR PERSONALLY IDENTIFIABLE PROVIDED PURSUANT TO THIS
 8 SECTION MAY ONLY BE COMMUNICATED TO THE LEGISLATIVE FISCAL ANALYST, WHO WILL NOT RELEASE THE INFORMATION
 9 PURSUANT TO 5-12-303.

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 11 NEW SECTION. SECTION 3. INDIAN HEALTH SERVICES FEDERAL REVENUE ACCOUNT. (1) THERE IS AN
 12 ACCOUNT IN THE FEDERAL SPECIAL REVENUE FUND ESTABLISHED PURSUANT TO 17-2-102 TO BE KNOWN AS THE INDIAN
 13 HEALTH SERVICE FEDERAL REVENUE ACCOUNT.

14 (2) FUNDS IN THE ACCOUNT ARE STATUTORILY APPROPRIATED, AS PROVIDED IN 17-7-502, TO THE DEPARTMENT
 15 OF PUBLIC HEALTH AND HUMAN SERVICES FOR MEDICAID BENEFITS FOR INDIAN HEALTH SERVICES OR TRIBAL HEALTH
 16 SERVICES.

17
 18 SECTION 4. SECTION 17-7-502, MCA, IS AMENDED TO READ:

19 "17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory
 20 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the
 21 need for a biennial legislative appropriation or budget amendment.

22 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both
 23 of the following provisions:

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

25 (b) The law or portion of the law making a statutory appropriation must specifically state that a statutory
 26 appropriation is made as provided in this section.

27 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120;
 28 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; 10-3-312;
 29 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; 15-70-101;
 30 15-70-433; 15-70-601; 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-215;

1 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;
2 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-517; 20-9-520; 20-9-534; 20-9-622; 20-9-905; 20-26-617;
3 20-26-1503; 22-1-327; 22-3-116; 22-3-117; 22-3-1004; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301;
4 23-7-402; 30-10-1004; 37-43-204; 37-50-209; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-12-213;
5 44-13-102; 50-1-115; 53-1-109; section 3; 53-6-1304; 53-9-113; 53-24-108; 53-24-206; 60-11-115; 61-3-415;
6 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 76-13-150; 76-13-416; 77-1-108; 77-2-362; 80-2-222;
7 80-4-416; 80-11-518; 81-1-112; 81-7-106; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603;
8 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. 5, Ch. 442, L. 2009, the inclusion
20 of 90-6-331 terminates June 30, 2019; pursuant to sec. 16, Ch. 58, L. 2011, the inclusion of 30-10-1004
21 terminates June 30, 2017; pursuant to sec. 6, Ch. 61, L. 2011, the inclusion of 76-13-416 terminates June 30,
22 2019; pursuant to sec. 13, Ch. 339, L. 2011, the inclusion of 81-1-112 and 81-7-106 terminates June 30, 2017;
23 pursuant to sec. 11(2), Ch. 17, L. 2013, the inclusion of 17-3-112 terminates on occurrence of contingency;
24 pursuant to sec. 5, Ch. 244, L. 2013, the inclusion of 22-1-327 terminates July 1, 2017; pursuant to sec. 27, Ch.
25 285, L. 2015, and sec. 1, Ch. 292, L. 2015, the inclusion of 53-9-113 terminates June 30, 2021; pursuant to sec.
26 6, Ch. 291, L. 2015, the inclusion of 50-1-115 terminates June 30, 2021; pursuant to sec. 28, Ch. 368, L. 2015,
27 the inclusion of 53-6-1304 terminates June 30, 2019; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of
28 85-25-102 is effective on occurrence of contingency; pursuant to sec. 5, Ch. 422, L. 2015, the inclusion of
29 17-7-215 terminates June 30, 2021; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117
30 terminates June 30, 2025; pursuant to sec. 10, Ch. 427, L. 2015, the inclusion of 37-50-209 terminates

1 September 30, 2019; and pursuant to sec. 33, Ch. 457, L. 2015, the inclusion of 20-9-905 terminates December
2 31, 2023.)"

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4 **Section 5.** Section 53-6-125, MCA, is amended to read:

5 **"53-6-125. Physician services reimbursement.** (1) The fee for a covered service provided by a
6 physician under the medicaid program is determined by multiplying the conversion factor times the relative value
7 unit for that service times any applicable policy adjusters.

8 (2) ~~(A) (a) For state fiscal years 2011 through 2013, the conversion factor is \$40.09. The conversion factor~~
9 ~~may be adjusted by the department in order to maintain reimbursement, at a minimum, at the fiscal year 2010~~
10 ~~reimbursement rate.~~

11 ~~———(b) For state fiscal year 2014 and for each subsequent state fiscal year, the The FOR FISCAL YEARS 2018~~
12 ~~AND 2019, THE conversion factor must be increased, AT A MINIMUM,, at a minimum, by the same percentage~~
13 ~~increase as the consumer price index for medical care for the previous year, as calculated by the bureau of labor~~
14 ~~statistics of the United States department of labor by the same numerical inflation factor calculated in accordance~~
15 ~~with 20-9-326.~~

16 ~~(B) FOR EACH SUBSEQUENT FISCAL YEAR, THE CONVERSION FACTOR MUST BE INCREASED, AT A MINIMUM, BY THE~~
17 ~~SAME PERCENTAGE INCREASE AS THE CONSUMER PRICE INDEX FOR MEDICAL CARE FOR THE PREVIOUS YEAR, AS~~
18 ~~CALCULATED BY THE BUREAU OF LABOR STATISTICS OF THE UNITED STATES DEPARTMENT OF LABOR."~~

19

20 ~~NEW SECTION. SECTION 6. CODIFICATION INSTRUCTION. [SECTION 3] IS INTENDED TO BE CODIFIED AS AN~~
21 ~~INTEGRAL PART OF TITLE 53, CHAPTER 6, AND THE PROVISIONS OF TITLE 53, CHAPTER 6, APPLY TO [SECTION 3].~~

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23 ~~COORDINATION SECTION. SECTION 7. COORDINATION INSTRUCTION. IF HOUSE BILL NO. 2 AND [THIS ACT]~~
24 ~~ARE BOTH PASSED AND APPROVED AND [THIS ACT] CONTAINS A STATUTORY APPROPRIATION FOR INDIAN HEALTH SERVICES~~
25 ~~AND TRIBAL HEALTH SERVICES FUNDING, THE APPROPRIATION FOR THE HEALTH RESOURCES DIVISION IN HOUSE BILL NO.~~
26 ~~2 IS DECREASED BY \$82,373,231 IN FEDERAL FUNDS IN FISCAL YEAR 2018 AND BY \$94,556,232 IN FEDERAL FUNDS IN~~
27 ~~FISCAL YEAR 2019.~~

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29 ~~NEW SECTION. Section 8. Effective date. [This act] is effective July 1, 2017.~~

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