



## Children, Families, Health, and Human Services Interim Committee

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### 60th Montana Legislature

#### SENATE MEMBERS

CAROL JUNEAU  
RICK LAIBLE  
TERRY MURPHY  
DAN WEINBERG

#### HOUSE MEMBERS

EDITH CLARK  
ERNIE DUTTON  
TERESA HENRY  
DIANE SANDS

#### COMMITTEE STAFF

SUE O'CONNELL, Lead Staff  
LISA JACKSON, Staff Attorney  
FONG HOM, Secretary  
PAT MURDO, Staff for SJR 15

# MINUTES

January 25, 2008

Room 137, Capitol Building  
Helena, Montana

Please note: These are summary minutes. Testimony and discussion are paraphrased and condensed. These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. The minutes are accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.

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#### **COMMITTEE MEMBERS PRESENT**

SEN. CAROL JUNEAU  
SEN. RICK LAIBLE  
SEN. TERRY MURPHY  
SEN. DAN WEINBERG

REP. EDITH CLARK  
REP. ERNIE DUTTON  
REP. TERESA HENRY  
REP. DIANE SANDS

#### **STAFF PRESENT**

SUE O'CONNELL, Lead Staff  
LISA JACKSON, Staff Attorney  
FONG HOM, Secretary  
PAT MURDO, Staff for SJR 15

#### **Visitors and agenda**

Visitors' list, Attachment 1  
Agenda, Attachment 2

## **COMMITTEE ACTION**

- The committee awarded the mental health study contract to DMA Health Strategies.
- The committee instructed the staff to make corrections to the statutes as recommended by Ms. O'Connell in her Cleanup Proposal.
- The committee moved for draft legislation that would remove the sunset provision from economic credentialing statute, and to include changes in language, including the term "conflict of interest".

## **CALL TO ORDER AND ROLL CALL**

00:00:01 Rep. Clark called the meeting to order at 8:00 a.m. The committee secretary noted the roll visually. All committee members were present. The minutes of the November 16, 2007, were approved as read.

## **AGENDA**

### **ADMINISTRATIVE RULE REVIEW - Lisa Mecklenberg Jackson, Legal Staff**

00:00:41 Ms. Mecklenberg Jackson discussed Administrative Rule Review (**EXHIBIT 1**).

### **Questions**

00:09:44 Sen. Laible asked if there was a rule change regarding the age limit in the CHIP program and if that was something that was done by the federal government. Ms. O'Connell said that federal law sets the cap at age 19, at which age they are no longer eligible for CHIP.

## **MENTAL HEALTH INITIATIVES UPDATE**

00:12:19 **Addictive and Mental Disorders Division Updates - Joyce DeCunzo, Administrator**

Ms. DeCunzo distributed and discussed a memo regarding current updates on AMDD activities specific to the mental health initiatives funded by the 2007 Legislature (**EXHIBIT 2**).

### **Questions**

00:25:09 Sen. Laible asked if individuals who will receive the 72-hour presumptive eligibility crisis services are under the supervision of the law enforcement and the legal system, or are they people who need some sort of assistance. Ms. DeCunzo said that they are both.

00:36:28 **Status of Law and Justice Interim Studies related to Mental Health - Sheri Heffelfinger, Research Analyst, LSD**

Ms. Heffelfinger presented an update on studies in the Law and Justice Interim Committee that are related to mental health: HJR 26: Study Mental Health and

Adult and Juvenile Justice Systems; SJR 24, Study Prison Population Growth and Diversion Alternatives; SJR 6, Study Juvenile Justice System; and HJR 50, Study Involuntary Civil Precommitment Process and Costs (**EXHIBIT 3**).

00:55:06 **Mental Health Study RFP Update - Sue O'Connell, Research Analyst, LSD**  
Ms. O'Connell gave a current update on the proposals that they received for the Mental Health Study (**EXHIBIT 4**) and the outcome. She said that it was recommended that DMA Health Strategies be awarded the contract.

#### Questions

01:01:17 Rep. Dutton asked if the firm expressed any concern about the limitation that they had placed on the state agency involvement. Ms. O'Connell said that there were questions during the Question and Answer period on that and DMA Health Strategies did not express any concerns.

#### Public Comment on Mental Health Study Proposal

None at this time.

#### Motion

Rep. Sands **moved** to award the contract to DMA Health Strategies. Rep. Dutton seconded. The motion **passed** unanimously.

#### Public Comment

01:04:08 **Kathy McGowan, Community Mental Health Centers, Sheriff's and Peace Officers, County Attorneys Association**, said the communities would like mental health training for law enforcement personnel. She said that she gave Jerry Williams the names of some advocacy groups and they met to discuss the best way to train officers in local communities. She said that the Mental Health Oversight Advisory Council will hold a summit on February 14, 2008, to bring together all stakeholders for input into the Governor's EPP process.

#### **Department of Public Health and Human Services Update - Joan Miles, Director and John Chappuis, Deputy Director**

01:13:03 Ms. Miles gave updates on:

- Big Sky Rx (**EXHIBIT 5**);
- CHIP (**EXHIBIT 6**);
- the Child and Family Services positions that were funded by the Legislature;
- update on the work of the advisory committee regarding Community Health

- Center funding and the issuance of RFPs for new community health centers;
- SJR 7: background checks for nursing home and direct care workers; and
- State Hospital census numbers.

John Chappuis gave updates on the Medicaid budget (**EXHIBIT 7**) and the Department's budget. He talked about budget pressures in the biennium that will affect the Department and some of the program pressures, one in particular that addressed services for severely autistic children. Mr. Chappuis also discussed working with tribal governments on issues related to Medicaid administrative match, which is a way to reimburse tribal governments for their expenses related to Medicaid that they have currently been unable to do. He said that they are hopeful that CMS will send a letter outlining how they can expedite the approval process.

### Questions

01:36:09

Sen. Weinberg asked Mr. Chappuis why there is an increase in the Medicaid chart for the Poverty Child category. Mr. Chappuis said that Poverty Child is economically driven. When there is a decrease in employment, there will be an increase in poverty.

Rep. Henry asked what other factors might relate to the decrease in the Family Medicaid costs? Mr. Chappuis said that as the income goes up for the adult, the adult goes off Medicaid, and the child moves to Poverty Child, which is economically driven. Mr. Chappuis said that in Family Medicaid, if the adult income goes up too much, they are off the program and then they would need to find other insurance to become self-sufficient. He said that if the adult's income is marginal and the adult off Medicaid, they can move to Transitional Medicaid. The idea of these programs is to encourage people to find insurance themselves and to become more self-sufficient.

Rep. Dutton commented that the economy is doing well but he gets the impression that the Department's budget is tight enough to be concerned if there was a downturn. He asked Mr. Chappuis what administrative tools exist to change eligibility requirements in order to cope in a situation of a severe recession. Mr. Chappuis said that when there is an increase in costs in the Medicaid program, the first thing they look at is cutting administration, cutting travel, cutting everything within the Department itself to save services for people. He explained that you cannot cut eligibility because both the Executive Branch

and the Legislature have chosen to stay at the federal minimum.

Sen. Juneau said that the chart on TANF Eligibles, FY2007-2008, does not reflect the number of people on TANF in the Tribally Contracted Programs. She asked Mr. Chappuis to explain that. Mr. Chappuis said that part of the major drop corresponds to one of the tribes coming into the program.

01:58:21

DPHHS Public Health & Safety Division - Jane Smilie, Administrator

Ms. Smilie gave an update on the DPHHS Chronic Disease Prevention Programs **(EXHIBIT 8)**. She talked about the four areas that they are working on: heart disease and diabetes prevention, asthma, stroke, and cancer.

Questions

02:06:00

Rep. Sands said she is impressed with the community contracts for cancer control and the cardiovascular disease and diabetes prevention programs that are going through local health departments. She asked Ms. Smilie to comment on the fact that only one proposal was from a health department for those programs. Ms. Smilie said that they issued an RFP and received 16 proposals that were from a variety of health care facilities, including local health departments. She said that Lewis and Clark County partnered with the Hospital and they will be recruiting participants from the health department, community health center, and the Leo Pocha Clinic. She talked about other sites where local health departments will work closely with community health centers.

02:10:41

Children and Families Division - Shirley Brown, Administrator

Ms. Brown gave a brief background on the survey that the Children and Families Division is doing on the Montana Child Welfare System **(EXHIBIT 9)**. She would like the members of the Children, Families, Health and Human Services Interim Committee to look at the survey, and if they were comfortable doing so, to answer any of the questions on the survey based upon either their own information or the information that they obtain from their constituents.

Public Comment

02:13:15

**Chuck Hunter, retired State employee, Helena**, said that in his state government career, he had served as head of the Child and Family Services Division. During the span of his service, they went through a recession. As the recession caused Medicaid to shift and more people were eligible for Medicaid, it became apparent that the money that was going to be available from the

Legislature was going to go to serve the Medicaid population. It is evident to him that the one thing you cannot control in the Medicaid budget is the number of eligible people. He suggested that the Department may want to consider setting aside for the Medicaid program some kind of reserve that would be used only when the number of people eligible exceeds what is budgeted for the biennium.

**Rep. Bill Jones, HD 9**, pointed out that even with the 30% eligibility level for adult Medicaid, there are people falling through the cracks. He said that he can assure the Committee that there is more poverty out there than is showing on the charts. He talked about the category of disabled adults.

## **BREAK**

### **SJR 5 STUDY: Emergency Medical Services**

02:36:42 **Misty Wallace, Legislative Audit Division**, presented some preliminary data collected during the audit on Emergency Medical Services in Montana (**EXHIBIT 10**). She said that this information has not been presented to the Legislative Audit Committee, although it supports the recommendations in the audit report that will be presented to the Committee later.

### **Questions**

03:09:37 Rep. Dutton asked how many hours per month the average volunteer contributes based on the time it takes for training, as well as providing actual EMS services. Ms. Wallace said that they spend several hours per month on training to maintain their licensure and continuing education requirements. The volunteer EMTs spend about 1 hour per call and that is an average time.

Sen. Murphy said that Ms. Wallace pointed out that 30% of EMS calls do not result in a patient being transported. Is there a way to reduce those calls that shouldn't have been made in the first place? Ms. Wallace said that not all EMS incidents require transportation to a hospital. The pre-hospital medical care that they are providing at the scene can be adequate enough. They put that up to 30% because EMS units are not reimbursed for any expenses relative to non-transportations. If they don't transport a patient to the hospital, all costs associated with the call are not reimbursed.

Sen. Murphy said that there was one level of service available where EMTs go out and treat at the scene but cannot transport. He asked if saying "cannot"

means that they are legally prohibited or physically unable to transport. Ms. Wallace that those licensed as non-transporting units with the state by law cannot transport a patient to the hospital. It is part of a tiered response system: get someone to the scene as soon as possible to treat that patient until a ground ambulance service can arrive.

Rep Henry asked what situations would be considered medically necessary to transport or non-medically necessary to transport, because theoretically, someone else could have transported as long as another person was there to initiate treatment. Ms. Wallace said that that is a key component of understanding EMS health care, that they are treating people at the scene that do not get transport, and they are not getting reimbursed for that care. **John Ungaretti, Montana Healthcare Consultants**, said that medical necessity is defined essentially by Medicare and Medicaid as "if a patient could travel by any other means without those means causing further illness or injury, then they won't pay for it." He said that essentially, if the patient is in a situation where they would incur further injury or harm, the transport would be considered medically necessary.

Sen. Juneau said that one of the things that Ms. Wallace doesn't show in the audit report are costs. She asked if the differences in costs for rural and urban in terms of EMS Services should be included in the audit report, as well as what rate EMS Services are allowed to charge by state statute or any laws. Ms. Wallace said that they are addressing financial viability of EMS in Montana, the costs of readiness, the costs of purchasing an ambulance, the costs to equipping that ambulance, etc., in the audit report. She said that the charges by individual EMS units for their services vary by the level of care provided. By statute, there is no standard rate established but there are established rates for reimbursement for Medicaid patients.

03:24:53

**Issues in Reimbursement - John Ungaretti, General Manager, Montana Healthcare Consultants, Inc.**

Mr. Ungaretti gave a presentation on reimbursement for ambulance service (EXHIBIT 11).

Questions

03:43:36

Rep Dutton asked Mr. Ungaretti if he could explain tort reform. Is Mr. Ungaretti referring to ambulance services being sued? Mr. Ungaretti said that for all health care providers in general, whether it is physicians or other types of providers, the awards for malpractice claims can be very high. He said that he didn't know of any specific ambulance services that have had lawsuits for malpractice, but the effect from other medical providers on malpractice claims increases the premiums they need to pay for liability and malpractice insurance.

Sen Weinberg said that he still doesn't understand how Mr. Ungaretti pays the bills when EMS services get 70% from some sources and nothing from others. How does he get by, and where does the money come from? Mr. Ungaretti said that there are some ambulance services and fire departments that they bill for and others that they don't, and some services receive tax subsidies or have a budget with the county or city. There's funding through federal grants with various agencies, including Homeland Security. A good portion of what's made up for in terms of Medicaid and uncompensated care comes through commercial insurance, paying at 80% and allowing providers to balance the bill. With Medicare and Medicaid, they accept what the those programs allow.

Sen Weinberg asked Mr. Ungaretti if there is a cost shift to a person with insurance to make up for those people that don't pay anything or pay very little. Mr. Ungaretti said that from his experience and for the service that they bill, none of the providers or suppliers charge more to private insurance companies than they do to the state for Medicaid or federal government for Medicare, or any other payer. He said that there is no increased billing or higher fees for ambulance transport billed to commercial insurance.

Sen Juneau said that on page 5 of the audit presentation, it shows 75% of the personnel EMS identified as volunteer versus 27% as paid. She asked if Mr. Ungaretti bills for volunteer services to the insurance company. Mr. Ungaretti said that every ambulance transporting service can bill for that service whether it is a paid volunteer services or completely volunteer services. Ms. O'Connell said that even though the EMTs may be volunteer EMTs, the service still needs to buy gas and support the ambulance and has other costs of running the service. When they bill for the services they provide, that is where the money generally goes.

Rep. Clark asked Mr. Ungaretti what piece of legislation would he want that



would benefit the people of Montana and help with reimbursement. Mr. Ungaretti said that he would want legislation that reduces costs for health care, provide affordable liability and malpractice insurance for providers and suppliers of medical care.

03:57:41 **EMS Elsewhere: Ideas and Approaches - Nels Sanddal, Critical Illness and Trauma Foundation**

Mr. Sanddal gave a presentation on the Critical Illness and Trauma Foundation and what they have done in an attempt to help the citizens of Montana by supporting the implementation and sustainability of rural EMS and traumas systems. His presentation also focused on the critical role EMS plays in the health and welfare and the very survival of Montana citizens and the visitors to Big Sky country. He also offered some ideas to stimulate discussions about what other states and rural areas with similar demographic characteristics have done to try to improve the recruitment and retention of the EMS work force (**EXHIBIT 12**).

Questions

04:34:48 Sen. Weinberg asked Mr. Sanddal if EMS units are ever called out purely as a defensive measure against lawsuits, even though they are not really needed but there is a fear that they will get sued if they don't go. Mr. Sanddal said yes, that does happen.

Sen. Weinberg asked if Mr. Sanddal could help in that regard in looking at some tort reform that would not compromise people's safety but would dig into that 30%. Mr. Sanddal said that he would be pleased to do that. Rep. Clark said that if he would consider a briefing paper for language for draft study, the Committee would give it consideration.

Sen. Weinberg said that if the Committee will be proposing for additional funding for EMS services, it must first get a clear idea on where the money goes and where it comes from. He said that he would like more clarification through the Legislative Audit Division before he would vote on any additional funding. **Misty Wallace, LAD**, said that the Legislative Performance Audit will address those issues.

Public Comment

04:45:56

**Linda Henderson, Montana Nurses Association**, said that she heard a number of comments about the need for tort reform and she would like to share with the Committee an article that she recently came across that speaks about the high malpractice premiums and shows that premium growth did not have any effect on physician net incomes, that net incomes were not reduced by higher rising premiums, and that gross practice revenues were higher when premiums were higher.

**Randy Brodehl, Fire Chief, Kalispell Fire Department**, said that he would encourage the Committee to look at that as two primary considerations: patient care and revenue or cost recovery.

**Derrick Rodgers, Fire Chief, Miles City Fire and Rescue**, said that they provide fire services within city limits and ambulance services countywide. He said that reimbursement is a problem for their services. They charge for their ambulance services but as their costs go up, their reimbursements do not follow that increase in costs.

**Randy McCamley, Fire Chief, Great Falls**, said that he wanted to thank the Committee for their willingness to listen and understand the issue of EMS in Montana. Secondly, he wanted to encourage the Committee members to look at the issue of EMS systemwide.

#### Questions

05:01:18

Rep. Dutton said that in the Great Falls area, fire and emergency responses are the same people. He asked if the rural volunteer fire districts are often times the same people, or are they different people? Mr. Rodgers said that in many communities you have the volunteer departments that are basically the same people back and forth. There are several where the ambulance service is a separate entity per se but because of the size of the community, they don't have the choice.

**BREAK**

#### **SJR 15 STUDY: HEALTH CARE DELIVERY SYSTEMS**

05:27:32

#### **Hospital Charity Care and Pricing Study**

**Jon Ellingson, Assistant Attorney General**, said that the concern that

prompted the study "Montana's Hospitals Issues and Facts Related to the Charitable Purposes of Our Hospitals and the Protection of Montana Consumers" is that for most Montana families, obtaining and paying for adequate health care for their families is a matter of everyday concern. Recognizing the real economic dilemma that most Montanans face in this area, the Attorney General decided to conduct a study to look at the issues, and gather the facts and engage hospitals, policymakers and consumers in a discussion to address the issues that are raised by this report. To assure that the facts reports were accurately evaluated and interpreted, the Attorney General retained the services of Larry White, former CEO of St. Patrick Hospital in Missoula and currently at the University of Montana, to write the report.

**Larry White, University of Montana of Public and Community Health Sciences**, presented the report, "Montana's Hospitals: Issues and Facts Related to the Charitable Purposes of Our Hospitals and the Protection of Montana's Consumers" (**EXHIBIT 13**). He also presented and discussed "Table 3 Revised", which showed charity care and Medicaid costs compared to the value of tax exemptions (**EXHIBIT 14**).

#### Questions

05:44:05

Rep. Dutton said that these are all "not-for-profit" hospitals. He asked if there are any "for-profit" hospitals in the state and noted that, with no tax benefits, the offset doesn't exist. He asked Mr. White, for comparison purposes, about levels of charity care these hospitals provide. Mr. White said that to the best of his knowledge there are two "for-profits", one in Great Falls and one in Kalispell. There is a long term acute care facility in Billings which is not yet open that will be a for-profit.

Rep. Sands said that there are a lot of things in the report that deal with issues before the committee. One is finding out what procedures cost. She said asking for an estimate of costs in advance is very difficult. Having this kind of information posted on the website for the Office of Consumer Protection, which may require legislation in the end, would be something this Committee could look at as a recommendation of some kind. Rep. Sands asked Mr. Ellingson if it was his intention to create a website with this database on it? Mr. Ellingson said that they have not yet made a determination. The Attorney General's Office wanted to see how this discussion goes. This is the first time that they have addressed a legislative committee. It is the plan of the Attorney General to meet with

representatives of the Montana Hospital Association and board members and after that to meet with consumers and other policymakers and have discussions about these issues and what should be done within board rooms, legislatively, and on the executive level.

Rep. Sands said that her other interest is the discussion about debt collection. She wanted to know if the Committee should be looking at legislation from those states that have addressed the issue of not sending people into bankruptcy for medical debt but in fact puts that category into charity care category. She asked how this might evolve into a discussion within the hospital administrators? Mr. White said that the hospitals take their uncollected accounts that are over 180 days old and turn them over to a collection agency. At that point, they are off the radar screen of the local hospital until the collector tells them that they have collected so much or they say that it is completely written off. He has spoken with collectors about the opportunity to intervene before a claim goes into a bankruptcy proceeding and initially he was told that the collectors likewise don't know about pending bankruptcies until after a filing has occurred. If no one is aware that bankruptcy is the outcome with a particular family or in a particular circumstance until after the bankruptcy proceedings have been initiated, the only thing he could think of was establishing a way of having the attorneys of the state who are involved in those kinds of activities made aware that they need to alert the collectors and/or the hospitals in advance. But he said he is not sure how well that would work.

Rep. Sands said that maybe the staff could look at that. The NCSL report on "Community Benefit and Tax Exemption Under the Microscope" does make a reference to some states barring hospitals from using over aggressive collection policies to obtain payment. She said that she would ask staff to find out what is going on in other states that might be useful in this discussion.

Rep. Dutton said that in Mr. White's report, he used federal guidelines for the definition of what is and what isn't charity care. Because this issue comes up often, does Mr. White think it would benefit the state to actually come up with a definition of charity care that in fact would provide an even playing field when they refer to charity care and that we would all understand exactly what that meant across the board? Mr. White said that he would like to have discussions around the state with all of the parties involved before drawing a conclusion. He said that to the best of his knowledge, hospitals apply a charity policy if the family

has an income level at or below the thresholds, then they are eligible for a write-off of some parts or a total part of their bill. He said that the definition part of what Rep. Dutton is referring to pertains to how you count the costs of that charity care and whether it is the charges or the costs and whether it is net of bed tax reimbursement.

Sen. Weinberg asked if the discussion about charity care is distinct and separate from the discussion of community benefit. Mr. White said that charity care is an element of community benefit. It is one of the seven factors that are itemized in the report and is probably one of the simplest ones to count or measure.

Sen. Weinberg said if the Committee was to ask each of these hospitals if this Table 3 Revised accurately represents what is happening out there, would they all agree that this report does? Mr. White said that he is certain that they would not agree because they would probably take issue with one of the other four columns on the chart that he prepared.

Sen. Juneau said that the IRS did a survey of 500 non-profit hospitals and found that the institutions had a wide range of criteria to determine which patients are eligible for charity care. Forty-five percent of all hospitals surveyed spent 3% or less of the revenues on charity care and nearly 25% spent 1% or less, according to the National Conference of State Legislatures. She asked if Mr. White looked at that in his report and where does Montana fall? Mr. White said that in his report, page 7, table 2, he measured charity care as a percent of operating expenses, not revenues. Revenues are in excess of expenses, so the percent would be lower if using net revenues.

Sen. Juneau said on page 5 of Mr. White's report, in the percentages, the various levels of federal poverty guidelines where charity begins, is determined solely by the hospital that provides the care. It ranges from 200% to 400% of federal poverty level. She asked if the hospital determines what level they will use. Mr. White said that there is no standard.

Rep. Sands asked Mr. White what the purpose of the surplus is and should we be looking at that as an indicator of the hospitals not living up to the responsibility of the benefit we give them with a tax exemption and a responsibility to provide charity care? Mr. White said that those surpluses were high that year and may have been anomalous but he put that in there because the Attorney General

wanted an indication of the amount of charity provided in relationship to the amount of resources that were available to provide charity; i.e., how much did hospitals make. He said it would be a big mistake to say we are going to expect x amount of charity in relationship to y amount of surplus because some time in the future, as it has been in the past, each and all of these hospitals operate in the red and you wouldn't want them to provide no charity in those years.

**Bob Olsen, Montana Hospital Association**, said that he has the new IRS Form 990 that all the hospitals will be submitting next year and a table to show the committee what the Form 990 will look like when Montana's hospitals are recording their data. He said that all seven elements that have been specified are included for 10 of the 11 hospitals in the study. He said that he also has the billing collection and financial assistance policies and the American Hospital Association's recommendations on collection policies so the Committee can see what has been going on in the hospitals in the last few years (**EXHIBIT 15**).

#### Questions

06:34:00

Rep. Henry asked if there was a website that is state-based that would include information related to pricing that the Montana Hospital Association might be open to? Mr. Olsen said that is open for discussion. He said that he hopes the Committee would visit MHA's website.

Rep. Dutton said that he is concerned that you cannot get information on costs and services that might be performed when someone is going in for a medical procedure. He would like some disclosure on how much and who performs the procedure and who might be expected to pay for those services. Mr. Olsen described how network status is an individual physician's choice. The hospital can tell you about their network status but they don't manage the network status for all physicians. He thinks consumers are best served by educating them on what to ask and who to talk to, and then the medical field can do a better job supplying information.

Sen. Weinberg expressed his frustration on how difficult it is for Montana consumers to obtain information from hospitals regarding the expenses of medical procedures, who pays for what, and how much is reimbursed, how much the consumers end up paying, and that the Montana Hospital Association puts the onus on the consumers to find out that information. He said that he understands that hospitals don't like government regulation but that is what

happens when they are not forthcoming with the information that they need and he doesn't think that anyone in the Committee wants to spend the time or energy to regulate these issues, regulate prices, or regulate and present the different kinds of information. Sen. Weinberg said that the Hospital Association is the organization that is most able to do that and he doesn't see that happening. Mr. Olsen responded by saying that there isn't a hospital in this state that won't sit down with its patients and talk about their prices before they get care. He belongs to professional societies and they talk about it all the time. HMFA, which is the professional society for the hospital financial managers, has a patient friendly billing project where they have been trying to find a way to make billing simpler. The Montana Hospital Association doesn't speak on behalf of the doctors and they don't collect their pricing information.

Sen. Laible asked Mr. Olsen when there will be information that can be provided to the consumer that will allow them to make knowledgeable decisions on whether they want to have a procedure done at a hospital of their choice. Mr. Olsen said that the data to make that decision at the hospital exists now and is available to the public. What doesn't exist is a handy website where you can go out and peruse the data and compare all of the hospitals across the spectrum.

Sen. Laible asked Mr. Olsen if they are losing market share to the specialty hospitals. Mr. Olsen said that there are no specialty hospitals in Montana. So the answer to that would be no. Are they losing market share to ambulatory surgery centers, the answer to that is yes.

#### **Billing Simplification and Transparency in Pricing/Quality**

06:57:31 **Pat Murdo, Research Staff for SJR 15, LSD**, said that the survey for SJR 15 has been sent to hospitals and she should have the results for the next committee meeting. She showed the committee how to access data information from hospitals in other states by using the Internet. Ms. Murdo provided samples of billing explanations from different medical offices (**EXHIBIT 16**). She also provided a document comparing billing information and costs for knee surgery (**EXHIBIT 17**).

07:15:47 **Eddy McClure, consumer**, talked about her experience as a consumer of health care, her hospital experiences and her experience in each health care providers' billing process.

07:33:19 Pat Murdo said that one issue that the committee could look at is having a standard reporting form. She talked about billing simplification and patient bill of rights issue. She said that she will keep the committee informed as to what the survey is showing and the different reporting requirements that the committee may want to look at.

07:37:03 **Community Health Centers - Mary Beth Frideres**

Ms. Frideres gave a presentation on delivering healthcare through community health centers (**EXHIBIT 18**).

**Questions**

07:51:55 Sen. Laible asked Ms. Frideres if community health centers are funded by federal grants. Ms. Frideres said that each health center receives a federal grant but they also collect patient fees. Their budget is not 100% federally funded.

Sen. Laible asked if community health centers have any problems with debt collection? Ms. Frideres said that they deal with a population of people who are working hard to cover their basic needs. They have to set policies that help them collect as much of what is billed as possible. Each health center and their board work out a policy about collection of debt. Some of them write off uncollected debts after a certain number of days and that is covered by their federal grant, but they do also hold the patient accountable.

08:01:03 **Update on Health Information Technology**

**Mike Foster, Health Share Montana**, said that Health Share Montana provides health information technology across Montana. He distributed a document that gives more detail about the technology (**EXHIBIT 19**).

**Kristin Juliar, Director of the Montana Office of Rural Health and Area Health Education Center, Montana State University, and Chair of Health Share Montana**, said that the Board of Health Share Montana is a very diverse group that represents the broad interests of health care in Montana. She said that the board members have been focused on developing a system that will benefit both the rural facilities and practices in Montana, as well as being able to interact with the large systems and the payers in the state. She talked about the technology committee that has been meeting to bring together a detail proposal on how they can develop a system to exchange information.



**Dr. William Reiter** talked about integrating sources of accounting information with the medical information.

### **Health Care Access and Economic Credentialing Subcommittee Report - Rep. Dutton**

08:19:13 Rep. Dutton said that the bill that was passed last session on economic credentialing was well accepted by all stakeholders. He said that provisions in the bill will sunset in 2009, and based upon the comments that the subcommittee received, the removal of that sunset will get a lot of support. He said that the next meeting is scheduled for February 11.

### **Public Comment on SJR 15 Study**

None at this time.

### **Draft Legislation for 2009 - Sue O'Connell, Research Analyst, LSD**

08:23:13 Ms. O'Connell talked about the "cleanup" proposals (**EXHIBIT 20**) for some existing statutes. She said that there were some inconsistencies in three different statutes that needed to be corrected through legislative action:

- Caretaker Relatives and School Enrollment, Senate Bill 49
- Hospital Bed Tax, Senate Bill 118 and Senate Bill 525
- Over-the-Counter Drugs, Title 50, Chapter 31

08:26:00 Rep. Dutton **moved** to have staff make corrections to the statutes as recommended by Ms. O'Connell. The motion **passed** unanimously.

08:26:40 Rep. Dutton **moved** for draft legislation to remove the sunset provision from economic credentialing statute, and to include changes in language including the term "conflict of interest". The motion **passed**.

### **Instructions to Staff**

08:28:04 Ms. O'Connell wanted additional instructions on the Emergency Medical Services study or the SJR 15 study. She wanted to know if the committee wanted more background information on the existing mental health system in Montana as we get underway on the study.

Rep. Dutton said that he wanted staff to look at the underfunded Hospice program.

Sen. Juneau said the health care delivery systems study should look at getting

information on health care delivery in the public schools.

A June 11, 2008 meeting date was proposed and agreed upon.

**Adjournment**

08:36:08 Rep. Clark adjourned the meeting at 4:36 p.m. The next meeting is scheduled for March 17-18, 2008.

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