



LFC FINANCIAL MODERNIZATION AND RISK ANALYSIS STUDY COMMITTEE

67th Montana Legislature

SENATE MEMBERS

Janet Ellis
Daniel Salomon

HOUSE MEMBERS

Mary Caferro
Llew Jones
Bill Mercer
Sharon Stewart Peregoy

COMMITTEE STAFF

Amy Carlson - Legislative Fiscal Analyst
Julie Johnson - Attorney
Katya Grover - Secretary
Sam Schaefer - Fiscal Analyst
Nick VanBrown - Fiscal Analyst

PUBLIC MEMBERS

Mark Haggerty
Mike Hope
Dwaine Iverson
Heather O'Loughlin

MINUTES LOG

May 03, 2022
Zoom Platform
Helena, Montana

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MEMBERS PRESENT:

Rep. Llew Jones, Chair (R)
Sen. Janet Ellis, Vice Chair (D)
Rep. Mary Caferro (D)
Mark Haggerty, Public Member
Mike Hope, Public Member
Dwaine Iverson, Public Member
Rep. Bill Mercer (R)
Heather O'Loughlin, Public Member
Sen. Daniel Salomon (R)
Rep. Sharon Stewart Peregoy (D)

STAFF PRESENT:

Amy Carlson, Legislative Fiscal Analyst
Julie Johnson, Attorney
Katya Grover, Secretary
Julia Pattin, Fiscal Analyst
Joshua Poulette, Fiscal Analyst
Nick VanBrown, Fiscal Analyst

AGENDA (Attachment 1)

CALL TO ORDER/ROLL CALL

08:35:30 Rep. Llew Jones-R called the meeting to order at 8:35 AM and explained the general structure of the meeting. The committee secretary took roll.

HEALTHCARE PANELISTS

08:36:30 Chair Jones opened the panel presentation on healthcare section.

08:37:00 Mr. Hope joined the meeting.

08:37:10 Josh Poulette, Fiscal Analyst, LFD, introduced Marilyn Bartlett, Senior Policy Fellow, National Academy for State Health Policy.

08:38:16 Ms. Bartlett delivered presentation entitled "NASHP Hospital Cost Tool." [\(Exhibit 1\)](#)

09:38:35 Chair Jones invited questions from the committee. There were none. Chair Jones announced the next panelist.

09:39:16 Mr. Poulette introduced Maureen Hensley-Quinn, Senior Program Director, National Academy for State Health Policy.

09:39:49 Ms. Hensley-Quinn delivered her presentation entitled "State Strategies for Health Cost Growth Containment." [\(Exhibit 2\)](#)

Committee Discussion

10:13:53 Chair Jones invited questions from the committee.

10:14:06 Rep. Caferro asked Ms. Bartlett to elaborate on the definition for "government paid" and whether that includes taxpayer-funded insurance.

10:14:46 Ms. Bartlett addressed the question.

10:16:00 Rep. Caferro asked whether the public insurance was 50% as the payer source.

10:16:21 Ms. Bartlett addressed the question.

10:16:36 Rep. Caferro referred to an example used by Ms. Bartlett and asked whether, considering that public employees' insurance, at least in part, is paid for by taxpayers, that would put the taxpayer paid insurance over 50%.

10:17:21 Ms. Bartlett addressed the question.

10:17:38 Rep. Caferro asked to elaborate on the definition of "uncompensated care" and "charity care."

10:17:51 Ms. Bartlett addressed the question.

10:18:25 Rep. Caferro asked whether uncompensated care becomes charity care and if so, whether people end up being counted twice.

10:19:07 Ms. Bartlett addressed the question.

10:19:28 Rep. Caferro asked whether uncompensated care includes patients who get turned over to the collection agency as well as asked about bad debt and any money that might be recovered. Rep. Caferro also asked who defines what the charges are.

10:20:21 Ms. Bartlett addressed the question.

10:22:16 Sen. Ellis asked both panelists to elaborate where a policy maker could start looking deeper into the subject matter.

10:23:01 Ms. Hensley-Quinn addressed the question.

10:24:49 Ms. Bartlett elaborated further on the question.

10:26:53 Rep. Mercer asked Ms. Hensley-Quinn to elaborate on the certificate in need program, on its purpose and whether it has been utilized in other states.

10:28:23 Ms. Hensley-Quinn addressed the question.

10:32:13 Rep. Mercer requested case studies that are functioning well be presented to the committee.

10:32:15 Rep. Stewart Peregoy joined the meeting.

10:32:56 Rep. Mercer asked Ms. Bartlett about the data that hospitals provide to the IRS and about the data discussed in the panel presentation.

10:33:27 Ms. Bartlett addressed the question.

10:36:15 Rep. Mercer asked whether NASHP would be willing to do the aforementioned analysis for the State of Montana or whether Montana should be looking elsewhere.

10:36:46 Ms. Bartlett deferred to Ms. Hensley-Quinn.

10:36:57 Ms. Hensley-Quinn addressed the question.

10:37:21 Rep. Mercer confirmed that he would be interested in that analysis.

10:37:37 Chair Jones provided a comment on charity care and on the uncompensated care.

10:39:00 Mr. Iverson asked whether legislatures in other states have oversight over mergers and acquisition and how the Montana Legislature can make the oversight work.

10:39:56 Ms. Hensley-Quinn addressed the question.

10:42:06 Mr. Iverson noted that that information would be helpful and requested that information be provided to the committee.

10:42:38 Sen. Ellis followed up on her earlier questions. Sen. Ellis noted that transparency was a big issue and asked to elaborate on an earlier statement made during the panel presentation indicating that the compliance was mediocre.

10:43:17 Ms. Bartlett addressed the question.

10:44:49 Ms. Hensley-Quinn elaborated further on the question.

10:47:41 Sen. Ellis referred to the report on the hospital transparency project during the NASHP panel presentation and asked to elaborate on the timeline and overall process for transparency tool program for insurance companies.

10:48:20 Ms. Bartlett addressed the question.

10:49:20 Ms. Hensley-Quinn also addressed the question.

10:50:49 Mr. Iverson asked about Benefis in Helena and its overall impact on healthcare.

10:51:39 Ms. Bartlett addressed the question.

10:52:13 Ms. Hensley-Quinn elaborated further on the question.

10:53:36 Mr. Iverson asked about the certificate in need programs in day clinics.

10:53:50 Ms. Hensley-Quinn addressed the question.

10:54:38 Chair Jones provided comments regarding bigger hospitals acquiring some of the critical access hospitals and regarding increased competition. Chair Jones asked to elaborate on the impact of consumers' behavior in the instances when the cost of the medical services is the same to them.

10:59:21 Ms. Hensley-Quinn addressed the question.

11:02:14 Ms. Bartlett provided further elaboration on the question.

- 11:04:01 Chair Jones concurred with Ms. Hensley-Quinn and Ms. Bartlett.
- 11:04:38 Rep. Mercer asked Mr. Poulette how much of the material presented today has been previously presented to public health policy committees, in the chambers or in the interim committee.
- 11:05:56 Mr. Poulette addressed the question.
- 11:06:49 Chair Jones expressed his agreement with Rep. Mercer and noted that this information needs to be shared across.
- 11:07:29 Chair Jones thanked presenters and provided closing comments. Chair Jones called for public comment. There was none.

PROPERTY TAX DATA

- 11:10:04 Chair Jones opened discussion on the property tax data.
- 11:10:18 Nick VanBrown, Fiscal Analyst, LFD, provided an update on the property tax data project.
- 11:14:50 Chair Jones provided a comment regarding new property taxes vs. existing taxes.
- 11:16:00 Julia Pattin, Fiscal Analyst, LFD, provided an update on the newly taxable property data in the property tax model.
- 11:20:49 Mr. VanBrown provided a demonstration of the property tax model. In his presentation, Mr. VanBrown emphasized that the model work is still in progress.

Committee Discussion

- 11:24:53 Chair Jones asked for clarification about what was newly taxable and what was total taxable.
- 11:25:02 Mr. VanBrown addressed the question.
- 11:25:30 Chair Jones asked to confirm that the data Mr. VanBrown referred to was total growth, where, if looked at the state-wide average, approximately half of it would be new taxable.
- 11:25:39 Mr. VanBrown addressed the question and continued his presentation.
- 11:30:21 Chair Jones summarized what Mr. VanBrown has said so far and asked to confirm if he summarized correctly.
- 11:32:18 Mr. VanBrown addressed the question.
- 11:32:58 Chair Jones asked to confirm that the model would be able to show the relative shift and the reasons driving the shift within a given county.
- 11:33:43 Mr. VanBrown addressed the question.
- 11:34:08 Chair Jones provided a comment on the chart in Mr. VanBrown's presentation showing that in 2021 enough new property came on and drove the existing taxes negative.
- 11:34:50 Mr. Haggerty asked whether the data used in the model was historically adjusted for inflation.
- 11:35:15 Mr. VanBrown addressed the question.
- 11:36:18 Chair Jones stated that the MARA committee would have a conversation with the DOR regarding the property tax data and, specifically, newly taxable property.
- 11:37:04 Chair Jones thanked the LFD staff and closed the discussion.

PROGRESS REPORT: MARA 2040 MODEL & INSTRUCTIONS TO STAFF FOR NEXT MEETING, JUNE 23-24, 2022

- 11:37:21 Chair Jones introduced discussion on the progress report for MARA 2040 model.
- 11:37:28 Amy Carlson, Legislative Fiscal Analyst, LFD, went over the dates and overall content of the remaining MARA meetings. ([Exhibit 3](#))
- 11:43:03 Mr. VanBrown elaborated on details of the MARA model to date.

Committee Discussion

- 11:44:54 Chair Jones provided a summary of the work done by MARA committee and invited questions from the committee members.
- 11:46:51 Ms. Carlson encouraged the committee members to provide any input regarding the content of the forthcoming committee meetings and send it to the LFD staff.
- 11:47:14 Chair Jones noted that the committee will proceed with the outlined timeline and content of the forthcoming meetings and have the individual questions from the committee members answered. Chair Jones called for public comment. There was none.
- 11:48:13 Rep. Mercer referred to the panel presentation and discussion of the healthcare and noted that it would be beneficial to invite stakeholders and have a discussion between legislation and stakeholders to determine whether there is uniform agreement on data.
- 11:49:47 Chair Jones responded to Rep. Mercer's comment and requested that the LFD staff ask the stakeholders to watch the video of the medical section of today's meeting so that they would see the same points in the model as this committee does so that everybody would have the same background information. Chair Jones noted that the presentation could be shared with some other committees so that there could be a possibility for a robust discussion.
- 11:50:46 Ms. Carlson stated that she would do that and noted that this presentation would be of benefit to the Economic Affairs Interim Committee but possibly not fully within the scope of the Children, Families, Health, and Human Services Interim Committee.
- 11:51:58 Rep. Caferro stated that MARA staff could check with the chair of the Children, Families, Health, and Human Services Interim Committee; however, the committee has a full schedule and wouldn't be able to take on this additional discussion.
- 11:52:18 Chair Jones concluded the meeting. The meeting adjourned.

ADJOURNMENT

Adjournment: 11:52:39