

# **SJR 35: Health Care Reform**

## ***Draft Study Plan***

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### **INTRODUCTION**

Montana policymakers have long raised concerns about health care costs and access, as evidenced by numerous efforts over the past two dozen years to study health care costs and health care coverage issues. Legislators, gubernatorial commissions, and state agencies have all waded into the myriad issues involved in access to health care services and insurance. The concerns voiced in Montana over increasing costs and an increase in the uninsured population have been echoed around the country and are culminating in accelerated efforts at the federal level to revamp the nation's health care insurance and delivery systems.

Against that backdrop, the 2009 Legislature approved Senate Joint Resolution 35, for a study of health care matters ranging from who has insurance coverage in Montana to how Montana can best take advantage of any action occurring at the federal level.

Legislators ranked the study second in the post-session poll of interim studies, and the Legislative Council in May assigned it to the Children, Families, Health, and Human Services Interim Committee. The study resolution itself suggests that this study be the primary study assigned to the Committee.

The tasks outlined in SJR 35 break down into two basic categories. The first involves compiling existing information on the uninsured and underinsured populations in Montana and the extent to which publicly funded programs provide health insurance coverage, as well as information on the number and location of health care providers. The second task involves the ongoing monitoring and evaluation of a number of items, as follows:

- ways to strengthen the primary care system, including the need for strengthening medical education opportunities for physicians and other health professionals;
- health care changes at the federal level that may require or provide opportunities for state action;
- how federal and other funds are used to create a health information technology system;
- state and federal efforts related to preventing and managing chronic diseases;
- health care reforms proposed by Montana groups that are involved in health care issues, to determine whether legislative action is needed in 2011; and
- ways to reduce health care costs.

## **HEALTH CARE STUDY IN MONTANA**

Legislators have had a strong interest for many years in issues related to the cost of health care and the availability of health insurance. As far back as 1985, legislators approved an interim study of health insurance coverage for unemployed people. That same year, then-Gov. Ted Schwinden created a Health Care Cost Containment Advisory Committee to recommend ways to reduce the growth in health care costs.

In 1987, the Legislature approved the creation of health maintenance organizations as a way to control health care costs and considered -- but rejected -- a resolution urging Congress to establish a national health care system. Similarly, a bill for a Health Care Cost Containment Commission was tabled.

By 1991, lawmakers not only approved a study of mandated health insurance benefits but also passed a resolution urging Congress to create a national health care program. And they considered an array of bills on subjects that still stir discussion and remain topical today, ranging from providing coverage for children of low-income families to creating a health insurance program for small businesses.

Health insurance issues came to the forefront in 1993, with passage of Senate Bill 285, creating the Health Care Authority. The legislation required the Authority to prepare two different recommendations for a statewide universal health care access plan -- one to be designed as a single-payer system and one to be designed as a regulated multi-payer system.

The Authority developed those two plans, along with a list of alternatives for other approaches to health care reform. The Authority presented the two plans and the alternatives to the 1995 Legislature, as required under the enacting legislation. The 1995 Legislature passed SJR 14, a resolution noting that it had received the studies as required and concluding that the state should, within the limits of its appropriations, work toward achieving affordable access to health care coverage and services for all Montanans. The Legislature did not, however, act on a specific, comprehensive plan.

Since then, lawmakers have authorized other studies related to health care access and costs. For example, the 2001 Legislature approved a study of health care and the increasing cost of health insurance, while the 2007 Legislature approved a study of health insurance reform and publicly funded health care programs. Meanwhile, the Department of Public Health and Human Services has conducted study and planning activities designed to reduce the number of uninsured Montanans.

These activities, along with changes in federal programs and citizen efforts, have resulted over time in some new programs, such as the Insure Montana program for small businesses, the Children's Health Insurance Plan (CHIP), and the Healthy Montana Kids initiative approved by voters in 2008. In addition, some existing programs have been modified, particularly insurance programs for high-risk and hard-to-insure individuals.

But the continued concern over the ways in which the high costs of health insurance and health care services are affecting individual Montanans and Montana businesses, coupled with the renewed focus in Congress on federal health care reform, led to the introduction and passage of SJR 35 in 2009.

### **STUDY RESOURCES**

A wealth of resources are available to assist CFHHS members with this wide-ranging study topic, from the recently formed Montana Health Care Forum group of insurers, health care providers, and other state stakeholders to the office of U.S. Sen. Max Baucus of Montana, who as chairman of the Senate Finance Committee is playing a key role in the federal health care reform efforts.

In addition, the 2007 interim study of health insurance resulted in a primer addressing various health care issues.

The National Conference of State Legislature is tracking health care reform efforts in the 50 state legislatures, as well as the federal efforts. And numerous interest groups are also following the federal efforts and offering their own perspectives and ideas.

Staff will rely on these resources and on past studies to prepare briefing papers for the Committee and to arrange presentations on topics of interest.

### **OUTLINE OF STUDY ACTIVITIES**

The study will include the following basic activities during the time periods noted:

1. **Compile background information: June 2009-January 2010.** This stage includes several steps that will provide the Committee with information on existing and emerging issues related to health care reform including:
  - a. staff briefing papers summarizing published materials on the insured population, reviewing existing publicly funded programs in Montana, surveying efforts in other states, and monitoring federal reform efforts and other health care related issues that stem from the American Recovery and Reinvestment Act.
  - b. presentations from stakeholders during Committee meetings. Presentations may cover the implementation of the health information technology pilot project in Montana, the ongoing efforts of the Montana Health Care Forum, the status of federal legislation, implementation of the Healthy Montana Kids program, and issues related to health care costs.
  - c. presentations or written reports from Legislative Fiscal Division staff as available on issues related to the Healthy Montana Kids program and federal health care reform.
2. **Identify issues: January through March 2010.** Study activities during this period will include review of the information compiled to date, with Committee identification of issues it would like to address through further analysis or legislation. The study

resolution specifically asks that the Committee discuss:

- a. ways to strengthen the primary care system and medical education opportunities;
- b. recommend action to build on changes at the federal level;
  
- c. discuss strategies to provide Montanans with access to quality health care services at an affordable cost; and
  
- d. recommend ways to reduce health care costs.

This phase of the study will help the Committee focus its attention on those issues it considers to be of greatest importance, so it can obtain any additional information it would like to receive before identifying potential solutions.

3. **Review and decide legislative options: March 2010-August 2010.** After compiling the background information, identifying issues, and researching options, the Committee will discuss and act on issues it wants to address through the legislative process or in other ways.

The table on the following page provides a listing of anticipated study activities and resources, as well as tentative dates for the activities and the amount of Committee meeting time each activity is anticipated to entail. ***The time estimates on P. 5 are based on the assumption that the Committee will adopt the proposal in the Draft Work Plan to devote 55% of its meeting time, or approximately 40 hours, to the SJR 35 study.***

If the Committee chooses a different allocation of time, the activities would be revised accordingly.

**Action Item:** *Review, discuss, and adopt or revise the proposed study activities and allocation of Committee time.*

| <b>Study Activity</b>  | <b>Source</b>  | <b>Activity</b>   | <b>Meeting Date</b>         | <b>Committee Time</b> |
|--|--|---|-----------------------------|-----------------------|
| (1)(a) Compile information on uninsured and underinsured   | Staff research   | Briefing paper and staff presentation                   | September 2009              | 0.25 hour             |
| (1)(b) Compile information on the publicly insured population  | Staff research, DPHHS  | Briefing paper, DPHHS presentation on Medicaid/CHIP/HMK | September 2009              | 0.75 hour             |
| (2)(a) Compile information on number and location of health care providers                               | Staff research   | Briefing paper and staff presentation                   | September 2009              | 0.25 hour             |
| (2)(b) Determine ways to strengthen the primary care system  | Health care providers  | Panel presentation                                      | September 2009              | 1.25 hours            |
| (2)(c) Evaluate medical education opportunities and ways to improve them                                 | University system and other stakeholders                                   | Panel presentation                                      | November 2009               | 1 hour                |
| (3) Monitor and evaluate health care changes at the federal level  | Staff research and other stakeholders                                      | Written staff updates, panel presentations              | Each meeting                | 13.5 hours            |
| (4) Monitor use of state and federal funds for health information technology                             | HealthShare Montana, health care providers                                 | Presentations to Committee                              | As needed                   | 1.5 hours             |
| (5) Monitor efforts involving disease prevention and wellness promotion                                  | DPHHS, local health agencies, and other stakeholders                       | Panel presentation                                      | January 2010                | 1.5 hours             |
| (6) Consider health care reforms proposed by other groups  | Health Care Forum and other stakeholders                                   | Presentations to Committee                              | Each meeting or as needed   | 5 hours               |
| (7) Make recommendations on ways to reduce the costs of health care                                      | Staff research, input from stakeholders                                    | Panel presentation, public comment periods              | January and March 2010      | 3 hours               |
| (8) Committee discussion and action on policy issues, Committee review of legislation or other materials | Staff summaries of study information; staff-provided decision-making tools | Committee work sessions and public comment periods      | January through August 2010 | 12 hours              |
|  |  |   | <b>Total</b>                | <b>40 hours</b>       |

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