



MBPC Testimony to the House Committee on Health and Human Services in Support of House Bill 425

Presented March 16, 2019

Mr. Chairman, members of the committee.

Heather O'Loughlin, Montana Budget and Policy Center.

We rise in strong support for HB 425 and want to thank the sponsor for her decades-long commitment to improving the lives of Montana families.

Montana's Health and Economic Livelihood Partnership Act represents a hard-fought and bipartisan effort to access billions in new federal funds to improve the health and wellness of nearly 100,000 Montanans.

The HELP Act has:

- Injected over \$1.3 billion in federal funds into local communities and health providers through increased access to health services
- This includes over \$75 million in services through IHS and tribal health facilities, of which 100% is paid by the federal government
- Has more than doubled funding for behavioral health services, with over 31,000 receiving mental health services and 8,096 receiving substance use services.
- Resulted in over \$60 million in state savings, as a result of the higher federal match for expansion population
- Projected increased economic activity, including over a five-year period, \$2 billion in increased gross state domestic product, \$1.6 billion in personal income, roughly \$30 million in increased tax revenue tied to that economic activity, and about 5,000 new jobs, primarily in the health care industry.

Labor force participation among those with incomes levels consistent with eligibility for Medicaid expansion increased by 4 to 6 percentage points, suggesting that Medicaid expansion has played a role in increased employment. And in fact, as I believe the Department of Labor and Industry is prepared to provide, the HELP Link program has resulted in thousands of Montanans improving their employment status and increased earnings as a result.

HB 425 will continue these successes.

First, HB 425 lifts the sunset passed in SB 405 in 2015. This will continue the program in its current form. To quickly refresh what this continuation will mean, I want to run through the key components of the HELP Act:

- Section 53-6-1304 expanded Medicaid coverage for those below 138% of the federal poverty line. For a single individual, annual income below \$16,700.
- Section 53-6-1307 requires those covered under the HELP Act to pay premiums at two percent of income, unless otherwise exempt from federal law. Premiums are not allowed under federal Medicaid law and thus required the state to request a waiver to implement. Montana's premium requirements remain one of the most stringent and highest in the country. Failure to pay premiums results in a chargeable debt to the state. For those above the poverty line, failure to pay results in disenrollment from coverage.
- Section 53-6-1306 requires enrollees to pay copays prior to accessing certain health services.

- Section 15-30-2660 requires those with significant assets to pay an additional tax called the taxpayer integrity fee
- The HELP Act also establishment a workforce survey and assistance program, the HELP Link program, which provides newly enrolled individuals to the ability to access job-readiness services and job training.

HB 425 continues the HELP Act by repealing the sunset. It is worth noting that HB 425 does make the current requirement to contract with a third-party administrator in Section 53-6-1305 permissive.

Second, HB 425 provides a partial offset investing approximately \$20 million per year toward the state's 10 percent match. The bill establishes a new hospital outpatient fee equal to 0.95% of hospital outpatient revenue. Half of this new revenue would go toward Medicaid expansion. This offset is reflected in the fiscal note and covers well over half of the state's share.

Third, HB 425 will dedicate \$6 million over the biennium for the HELP Link program, to improve access to job training.

We thank this committee for its commitment to this issue. The health insurance of nearly 100,000 Montanans hangs in the balance. We urge this committee to for a Do Pass on HB 425.