



Economic Affairs Interim Committee

64th Montana Legislature

SENATE MEMBERS

GORDON VANCE--Vice Chair
TOM FACEY
RICK RIPLEY
LEA WHITFORD

HOUSE MEMBERS

RYAN LYNCH--Chair
MIKE LANG
NATE MCCONNELL
VINCE RICCI

COMMITTEE STAFF

PATRICIA MURDO, Lead Staff
JAMESON WALKER, Staff Attorney
LAURA SHERLEY, Secretary

MINUTES LOG

August 30, 2016
Room 137, Capitol Building
Helena, Montana

Please note: This document is a Minutes Log and provides a notation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video record of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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Please contact the Legislative Services Division at 406-444-3064 for more information.

COMMITTEE MEMBERS PRESENT

REP. RYAN LYNCH, Chair
SEN. GORDON VANCE, Vice Chair

SEN. TOM FACEY
SEN. RICK RIPLEY
SEN. LEA WHITFORD (BY PHONE)

REP. MIKE LANG
REP. NATE MCCONNELL
REP. VINCE RICCI

COMMITTEE MEMBERS EXCUSED

STAFF PRESENT

PATRICIA MURDO, Lead Staff
JAMESON WALKER, Staff Attorney
LAURA SHERLEY, Secretary

VISITORS' LIST (Attachment 1)

AGENDA (Attachment 2)

COMMITTEE ACTIONS

The Economic Affairs Interim Committee at its Aug. 30, 2016, meeting:

- forwarded for drafting and preintroduction agency bill requests from:
 - the Department of Agriculture;
 - the Department of Labor and Industry, including bill draft requests from licensing boards; and
 - the State Auditor's Office;
- approved bill drafts as committee bills:
 - to hold insured air ambulance service patients harmless from balance bills and to provide a dispute resolution process for the patient's insurer and air ambulance provider;
 - to revise the regulation of air ambulance memberships as a product overseen by the insurance commissioner;
 - to make discretionary the interim committee review of advisory councils and required reports; and
 - to tie reporting of business and industrial development corporations to their licensure.

CALL TO ORDER AND ROLL CALL

00:00:02 Rep. Lynch called the meeting to order at 8:35 a.m. The committee secretary took roll call ([Attachment 3](#)).

AGENDA AND MEETING MATERIALS REVIEW -- Pat Murdo, committee staff

00:00:52 Ms. Murdo ([Exhibit 1](#))

00:01:28 Rep. McConnell joined the meeting at 8:36 a.m.

AGENCY LEGISLATION REVIEW

State Auditor's Office -- Monica Lindeen, Commissioner of Securities and Insurance

00:02:44 Ms. Lindeen ([Exhibit 2](#))

Public Comment

00:13:02 Bill Lombardi, Blue Cross Blue Shield Montana

00:14:09 Morgan Weber, Montana Municipal Local Authority

00:14:54 Mike Foster, Catholic Hospitals of Montana

00:16:34 Amy Grmoljez, Billings Clinic

00:17:44 Jennifer Hensley, Pacific Source Health Plans

00:18:30 Stacy Anderson, Montana Primary Care Association

Committee Questions

00:20:00 Rep. Lang asked Ms. Lindeen to clarify point five on the bill list (see Exhibit 2).

00:23:20 Sen. Facey asked Ms. Lindeen if her department has collaborated with other stakeholders.

00:24:13 Sen. Ripley asked Ms. Lindeen if her department plans to remove the sunset date of points four and five on the bill list (see Exhibit 2) and if it is an advantage

for the proposed bill drafts to be discussed by the committee. The question was redirected to Ms. Murdo.

00:26:57 Rep. Lang asked Ms. Lindeen how the committee should define "medically necessary".

Committee Action

MOTION

00:28:03 Sen. Facey moved that the Economic Affairs Interim committee authorize the drafting of the State Auditor's Office proposed bills.

VOTE

00:28:24 The motion passed on a 7-1 voice vote, with Sen Ripley voting "no".

00:28:39 Sen. Facey commented on his sponsorship responsibility on other bills.

WRAPUP OF ASSIGNED STUDIES

HJR 29 - Air Ambulance Study

Report on Working Group -- Jesse Laslovich, State Auditor's Office

00:29:01 Mr. Laslovich ([Exhibit 3](#))([Exhibit 4](#))([Exhibit 5](#))([Exhibit 6](#))

Committee Questions

00:57:28 Rep. Ricci asked if all the air ambulance companies on the handout are out of network and if any of the companies have absorbed others (see Exhibit 3).

00:59:16 Rep. Ricci asked for clarification on the dollar amounts paid by United Healthcare (see Exhibit 3).

01:00:52 Sen. Ripley voiced his appreciation of the work done by the State Auditor's Office and the Air Ambulance Working Group.

01:03:12 Rep. McConnell asked for clarification of the connection between the "hold harmless" and "membership" draft bills.

01:04:33 Rep. Lynch asked what happens to a membership if a company offering the membership is absorbed by another air ambulance company and he asked if there would be an issue with the reciprocity clause.

01:05:30 Rep. Lynch voiced his appreciation of the work done by the State Auditor's Office regarding the air ambulance issue.

Public Comment on Working Group Activities, Proposed Findings

01:06:51 Bill Lombardi, Blue Cross Blue Shield Montana ([Exhibit 7](#))

01:11:56 Todd Mohr, Physician Assistant, Butte

01:15:11 Debbie Murray, representing herself

01:17:25 Jennifer Hensley, Pacific Source ([Exhibit 8](#))([Exhibit 9](#))

01:23:47 Ron Walter, ReachAir Medical

01:26:08 Pat Keim, Helena

01:31:35 Bruce Spencer, America's Health Insurance Plans ([Exhibit 10](#))

01:39:13 Bill Bryant, Coalition of Non-Hospital Air Ambulance Providers ([Exhibit 11](#)) ([Exhibit 12](#))([Exhibit 13](#))

01:47:01 Dave Stinar, AirMedcare Network

Committee Questions/Discussion

- 01:50:44 Sen. Vance asked Ms. Hensley to clarify the legislation by Sen. Tester regarding the air ambulance issue.
- 01:51:40 Sen. Vance asked Mr. Laslovich if the subscription service legislation would return the air ambulance membership services to the same status as prior to the 2011 Legislative Session (see Exhibit 5).
- 01:52:26 Rep. McConnell asked Mr. Laslovich to respond to the public comments on balance billing and speak on other states' air ambulance membership pricing.
- 01:55:59 Rep. Ricci asked Mr. Laslovich to give his thoughts on the negotiation between air ambulance insurers and the insurance companies.
- 01:57:15 Sen. Ripley asked Mr. Laslovich if the bill proposal has been scheduled for a hearing and if any other legislation has been offered in Congress. The question was redirected to Ms. Hensley.
- 01:58:45 Rep. Lynch asked Mr. Stinar if his company has honored another company's membership and recommended looking into collaboration with other companies to honor memberships.
- 02:00:19 Rep. Lynch recommended that the representatives of air ambulance insurance companies continue negotiations and discussion on the legislation for air ambulance membership fees.
- 02:03:52 Rep. Lynch asked Mr. Bryant to clarify the dollar amounts discrepancies on his handout (see Exhibit 12).
- 02:05:34 Sen. Facey commented on the frustrations evident in the air ambulance workgroup and about the air ambulance industry changing through mergers. He also noted many flights are prearranged and not necessarily emergencies.

Committee Action

MOTION

- 02:05:49 Sen. Facey moved that the committee forward the air ambulance hold harmless bill draft as a committee bill.

DISCUSSION ON THE MOTION

- 02:10:31 Sen. Vance voiced his agreement to Sen. Facey's comments and motion.
- 02:11:25 Rep. Ricci also voiced his agreement with Sen. Facey's and Sen. Vance's comments.
- 02:11:43 Sen. Ripley commented on the importance of moving the air ambulance bill to the legislature for debate.
- 02:12:08 Rep. Lynch voiced his agreement to the motion and getting consumers out of the middle of the billing debate. He also complimented the work group's efforts.

VOTE

- 02:13:40 The motion passed unanimously by voice vote.

MOTION

- 02:13:51 Sen. Facey moved that the committee authorize the bill draft revising how air ambulance memberships are regulated.

VOTE

- 02:14:12 The motion passed unanimously by voice vote.

02:14:19 Sen. Facey voiced his appreciation of Rep. Ricci for his time and work involved in the air ambulance working groups.
02:14:47 Rep. Lynch commented on the work of the various volunteers that took part in the air ambulance working groups.
02:15:24 Ms. Murdo reminded the committee to assign a sponsor for the bill drafts.
02:15:42 Sen. Vance volunteered to sponsor the hold harmless bill draft.
02:16:09 Mr. Laslovich commented on the bill sponsors being the EAIC chair and vice chair.
02:17:01 Rep. Lynch asked Sen. Facey to address the congressional delegation letter regarding the work on the air ambulance issue (see Exhibit 13).

MOTION

02:17:04 Sen. Facey moved that the committee send the proposed letter to the congressional delegation regarding federal efforts to address air ambulance billing.

DISCUSSION ON THE MOTION

02:17:42 Ms. Murdo suggested amendments to the letter.
02:18:09 Rep. Lang asked how to include the motions made in this meeting in the letter.
02:18:48 Rep. Lynch asked if a draft of the letter with the amendments be seen before moving forward.

VOTE

02:19:11 The motion passed unanimously by voice vote.

AGENCY MONITORING

Department of Livestock Updates: Budget Issues and Long-Range Planning

Mike Honeycutt, executive officer, Department of Livestock

Nina Baucus, Board of Livestock member

John Scully, Board of Livestock, vice presiding officer

02:22:04 Mr. Scully ([Exhibit 14](#))

Committee Questions

02:35:26 Sen. Vance asked Mr. Scully if the department is aware of the Fort Peck Quarantine Facility plans. The question was redirected to Mr. Honeycutt.
02:42:34 Sen. Vance asked Mr. Honeycutt if he had received a response from his letter to the wool growers.
02:47:40 Sen. Vance relayed comments to the panel from Dr. Bill Layton, head of the Veterinary Diagnostic Laboratory, regarding the committee's work.
02:52:19 Sen. Facey recommended the committee send a letter urging the Montana University System to work with the Department of Livestock to build a new lab.
02:54:34 Sen. Vance voiced his agreement to Sen. Facey's comments and asked that the letter be sent to the MSU president.
02:55:28 Sen. Whitford voiced her agreement to Sen. Facey's comments and discussed the state workers' current work conditions and the option of shopping the lab around.
02:56:43 Rep. Lang asked Ms. Baucus if professor Mary Burrows has been involved with the multi-lab discussions and if the Montana Grain Growers Lab had been included in discussions.

02:58:33 Rep. Ricci left the meeting at 11:33 a.m.
02:58:53 Rep. Lang commented on the importance of the lab to the growth of agriculture and that a lab must serve the entire state.
02:59:59 Rep. Lynch discussed hand delivering a copy of the letter to the Montana State University president.

MOTION

03:00:31 Sen. Facey moved the committee staff to draft a letter to be reviewed by the committee regarding the importance of building a multi-lab complex and asking whether Montanan State university is interested in working on the multi-lab complex.

DISCUSSION ON THE MOTION

03:02:04 Sen. Ripley agreed with drafting the letter but cautioned the committee regarding too much emphasis on not locating in Bozeman, since Bozeman may be the best place, or perhaps Great Falls might be.
03:02:52 Sen. Facey recommended discussing the content of the letter at the second half of the Economic Affairs Interim Committee meeting on August 31, 2016.

VOTE

03:03:16 The motion passed on a 7-0 voice vote. Rep. Ricci was not present.
03:03:39 Mr. Honeycutt commented on the Department of Livestock's work through the interim.
03:09:23 Rep. Lang commented on the state grants that promote growth through agriculture.
03:09:50 Rep. Ricci returned to the meeting at 11:44 a.m.
03:11:17 Ms. Baucus voiced her appreciation of the 2015 Legislative authority to allow greater expenditure by the department if the Board of Livestock increased its per capita fees.

RULE REVIEW -- Jameson Walker, staff attorney

03:13:13 Mr. Walker ([Exhibit 15](#))

LUNCH (Reconvened at 1:20 p.m.)

PUBLIC COMMENT ON ANY ISSUE WITHING ECONOMIC AFFAIRS INTERIM COMMITTEE PURVIEW

04:44:39 Jennifer Hensley, Pacific Source

AGENCY LEGISLATION REVIEW

Department of Agriculture -- Ron de Yong, Director

04:46:43 Mr. de Yong ([Exhibit 16](#))
04:55:01 Rep. Lang asked how many FTEs the Department of Agriculture will submit for the statewide pesticide training coordination program.
04:55:37 Rep. Lang asked when the department plans to apply the fee increases.
04:57:17 Rep. Lang asked if registered commercial applicators should have proof of insurance.
04:59:42 Mr. de Yong continued his presentation.

05:02:25 Sen. Facey asked Mr. de Yong to speak on the farmers market-nursery issue that was introduced to a previous interim committee the summer of 2015.

05:03:30 Rep. Lang asked how many dollars have been deposited from civil penalties and how large an issue civil penalties are in the nursery business.

05:04:50 Rep. Lang asked if out-of-state nurseries who want to conduct business within the state would need to pay a fee to the department.

05:05:39 Rep. Lang asked how many nurseries from the eastern part of the state were involved in the department's decision process for the tiered system.

05:06:54 Sen. Ripley asked what the major difference is between the proposed nursery license legislation versus the legislation introduced in the 2015 Legislative session.

05:08:33 Rep. Lynch asked if the six-tiered licensing system is based on other states.

05:08:51 Mr. de Yong continued his presentation.

05:10:00 Sen. Facey asked if the nursery license legislation would benefit the farmers market-nursery issue.

05:11:25 Rep. Lang asked what happens if federal funding is not forthcoming for implementing Food & Drug Administration rules. The question was redirected to Cort Jensen, Department of Agriculture attorney.

05:15:21 Rep. Lang asked if the inspection fee would cover inspections.

05:16:31 Sen. Ripley asked Mr. Jensen to clarify his comment regarding grant funding.

05:18:03 Mr. de Yong continued his presentation.

05:19:01 Rep. Lang asked what the department's current needs are that are not in statute.

05:19:52 Rep. Lang asked for examples of vertebrate pests and nuisance birds.

05:20:58 Mr. de Yong continued his presentation.

05:23:45 Rep. Lang gave the department recommendations on quarterly fees.

05:24:55 Sen. Ripley asked if the department has calculated what the lost revenue would be if the legislation passes.

Committee Action

MOTION

05:26:04 Sen. Facey moved that the committee forward all the Department of Agriculture's bill proposals for drafting.

DISCUSSION ON THE MOTION

05:26:21 Sen. Ripley asked for clarification of the motion.

VOTE

05:26:29 The motion passed on a 7-1 voice vote, with Sen. Ripley voting "no".

AGENCY MONITORING

Department of Labor and Industry -- Workers' Compensation Court

Judge David Sandler

05:27:02 Hon. Sandler

Committee Questions

05:50:53 Sen. Facey asked if the legislature passes a law and the Supreme Court decides the law is unconstitutional, would the legislature need to amend the statute.

05:54:50 Rep. Lynch voiced his appreciation of Judge Sandler's work.

WRAPUP OF ASSIGNED STUDIES

SB 390 - Study of Licensing Board Fees Commensurate with Costs

Administratively Attached Boards/Active Supervision clarification and LC3901 Revised Bill Draft Option for Committee Review -- Judy Bovington, Department of Labor and Industry Chief Legal Counsel

05:56:05 Ms. Bovington ([Exhibit 17](#))

Committee Questions

- 06:02:00 Rep. McConnell asked what level of oversight will the commissioner take with licensing boards.
- 06:04:34 Rep. McConnell asked for clarification of the "written disapproval" in 37-1-121, MCA, and under what circumstances it would be activated.
- 06:07:36 Rep. McConnell asked if the bill draft is for the board members' protection.
- 06:08:16 Sen. Facey asked about various boards being under the bill draft. Sen. Facey also asked how a group could bring a complaint forward if there was anti-competitive activity among the board members.
- 06:09:56 Rep. Lynch asked if it would be appropriate for "any disapproval" to be added to the bill draft language on page five in section two, subsection four, and asked about the importance of a paper trail.
- 06:10:54 Rep. Lynch commented on section two, subsection four, and assignment of duties.
- 06:11:24 Rep. Lang asked what the agency would do if the agency does not approve of the board's decision.

Public Comment

- 06:12:42 Greg VanHorsen, Montana Dental Association and Montana Optometrist Association
- 06:19:34 Joe Vincent, Montana Optometric Association, Great Falls
- 06:20:37 Jean Branscum, Montana Medical Association ([Exhibit 18 available at request](#))
- 06:26:55 Margaret Morgan, Montana Dental Hygienist Association

Committee Discussion/Questions

- 06:28:34 Sen. Vance voiced his opposition to the bill draft in its current form and recommended the agency consider public comment and continue to work on the bill draft.
- 06:29:27 Rep. Lynch asked Ms. Bovington if the licensing board members are covered under state insurance.
- 06:33:39 Sen. Facey recommended that the committee wait to hear the agency legislation review later in the agenda before moving the bill draft forward.
- 06:34:42 Sen. Vance voiced his agreement to Sen. Facey's comments.
- 06:34:59 Rep. Lynch asked if it would be feasible for the department to send a letter to boards stating they can opt in or out of the agency bill for the immunity.
- 06:36:30 Sen. Facey voiced his agreement to Rep. Lynch's comment since the boards were not present in the meeting.
- 06:36:59 Rep. Lynch asked Ms. Bovington to talk to the commissioner about sending the letter and asked if she had a response to the committee's recommendation.

AGENCY LEGISLATION REVIEW
Department of Labor and Industry

Judy Bovington, Department's Chief Legal Counsel

06:38:44 Ms. Bovington

Department Bill Draft Requests, Licensing Boards' Bill Draft Requests

06:39:24 Ms. Bovington ([Exhibit 19](#))

06:42:37 Rep. Lang asked if the workers in the Incumbent Worker Training legislation should be put into categories.

06:45:09 Ms. Bovington continued her presentation.

06:47:35 Rep. Lang asked if the Department of Public Health and Human Services has agreed to oversee the Private Alternative Adolescent Residential or Outdoor Programs (PAARP).

06:48:21 Rep. Lang requested that the committee discuss the proposed legislation to transfer the oversight of the PAARP.

06:49:23 Ms. Bovington continued her presentation.

06:49:38 Todd Younkin, Department of Labor and Industry

06:51:17 Rep. Lang asked if the Petroleum Marketers agree with the bill draft on meter testing.

MOTION

06:52:09 Sen. Ripley moved that the committee forward the bill proposals from the Department of Labor and Industry for drafting.

VOTE

06:52:40 The motion passed unanimously by voice vote.

06:52:55 Ms. Bovington continued her presentation on licensing board bill requests ([Exhibit 20](#))

06:54:23 Rep. Lynch asked if the Montana Board of Physical Therapy Examiners would dissolve if national standards for physical therapy licensing were adopted.

06:55:06 Ms. Bovington continued her presentation.

MOTION

06:58:56 Sen. Facey moved that the committee forward the six bill drafts from the Department of Labor and Industry for licensing boards.

VOTE

06:59:12 The motion passed unanimously by voice vote.

Public Comment

None

BREAK (Reconvened at 3:52 p.m.)

07:16:39 Rep. Lynch introduced the letter drafted by committee staff to the Montana State University president ([Exhibit 21](#)).

07:17:56 Rep. Lynch introduced the letter drafted by committee staff to the congressional delegation ([Exhibit 22](#)).

Work Session on Possible Committee Legislation

Introduction of topics - Pat Murdo

07:18:45 Ms. Murdo ([Exhibit 23](#))

Reminder on LC173 - Revise monitoring of alcohol control laws

07:19:28 Sen. Facey agreed to carry LC173 as a backup, if necessary, for Rep. Ricci.

Revise Requirement for Interim Committees to Review Advisory Boards - LCintm

07:19:39 Ms. Murdo ([Exhibit 24](#))

07:20:39 Sen. Facey asked if the majority of the committee needs to review advisory boards or if one member alone can ask for a review.

07:21:09 Sen. Facey recommended changing the language so that it does not need to be the majority of committee members that need to review the advisory boards.

07:22:36 Ms. Murdo responded to Sen. Facey's comments.

07:22:49 Sen. Facey agreed to carry LCintm with the proposed language amendment.

MOTION

07:23:21 Sen. Facey moved that the committee amend language in LCintm so the majority of the interim committee is not needed to review advisory boards. Sen. Facey also said he would carry the bill draft LCintm.

DISCUSSION ON THE MOTION

07:23:47 Sen. Ripley asked if the interim committee did not need a majority now to agree to review advisory boards.

07:25:04 Sen. Ripley asked why the bill draft language should change.

07:25:27 Sen. Facey responded to Sen. Ripley's comments.

07:25:49 Sen. Facey withdrew the amendment from his motion.

Final Vote

VOTE

07:25:59 The motion to adopt LCintm as a committee bill, unamended, passed unanimously by voice vote.

Revise Reporting for Business Industrial Development Companies - LCbdco

07:26:12 Ms. Murdo ([Exhibit 25](#))

MOTION

07:27:05 Sen. Facey moved that the committee forward LCbdco as committee legislation.

Final Vote

VOTE

07:27:54 The motion passed unanimously by voice vote.

Sponsor appointment

07:28:00 Ms. Murdo advised that a committee member volunteer to sponsor the bill.

07:28:10 Rep. Lynch agreed to sponsor the bill.

WORK SESSION ON FINAL REPORT RECOMMENDATIONS/FINDINGS

07:28:32 Ms. Murdo ([Exhibit 26](#))

07:36:35 Rep. Lynch requested that the committee members turn in their final report recommendations to Ms. Murdo on August 31, 2016.

07:37:49 Sen. Facey asked that the committee review the letter to the Montana State University president and bring recommended changes to Ms. Murdo in the morning.

RECESS

07:38:41 Rep. Lynch recessed the meeting at 4:14 p.m. The meeting will reconvene on August 31, 2016, at 8:00 a.m.

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