

How Many Businesses Enrolled In The Refundable Tax Credit Program?

The State Auditor's Office certifies that a business is eligible to receive a refundable tax credit. As of June 30, 2008, 711 businesses were enrolled for refundable tax credits for tax year 2008. Refundable tax credits amounts include:



- \$100 per employee per month
- \$100 per employee spouse per month
- \$40 per employee dependant per month

This program is currently fully enrolled and has a waiting list of 47 businesses.



How Is Insure Montana Funded?

Initiative 149 established a special revenue account for cigarette and other tobacco products taxes and increased the taxes charged to cigarette and tobacco product purchases. A portion of the increased state revenue funds are used for the Insure Montana program. The 2007 Legislature allocated 60 percent (\$13.1 million in state special revenue funds) to the premium incentive and assistance program and 40 percent (\$8.7 million in state special revenue funds) for the refundable tax credit program.



This revenue source is considered to be one that will decline over time due to efforts to reduce tobacco use.

"The purpose of the legislation was to make health insurance affordable to some of the approximately 170,000 uninsured Montanans."



www.leg.mt.gov/css/fiscal

LFD Mission Statement

We are committed to enhancing the legislative process through understandable and objective fiscal policy analysis and information.

The Legislative Fiscal Division Presents

FOCUS ON...

Insure Montana



October 2008

Fiscal Pocket



" Insure Montana offers health plans with comprehensive coverage, and provides funding to assist both small businesses and their employees with premium payments. "



Primary Contact: Matt Stayner
Room 110A, State Capitol
Helena, MT 59620-1711
(406) 444-5834
E-mail: kwilkinson@mt.gov

What Is The Purpose of Insure Montana?

The 2005 Legislature created a small business health insurance pool to help currently uninsured small businesses and their employees afford and access group health insurance. The purpose of the legislation was to make health insurance affordable to some of the approximately 170,000 uninsured Montanans. A survey conducted in FY 2002 – 2004 found:



- 19 percent of Montanans are uninsured
- 77 percent of the uninsured population were employed
- 59 percent of small firms with less than 10 employees did not offer health insurance
- 30 percent of small firms offer insurance to all employees



What Is Insure Montana?

Insure Montana is a program operated by the State Auditor's Office. Insure Montana offers health plans with comprehensive coverage, and provides funding to assist both businesses and employees with premium payments. This is done through the creation of a small business health insurance pool. If a small business already provides health insurance to its employees the program may provide refundable tax credits. The Small Business Health Insurance Pool Governing Board (board) is appointed by the Governor and the State Auditor. The seven member board governs the pool and sets policies such as the amounts of the premium assistance and incentive payments.



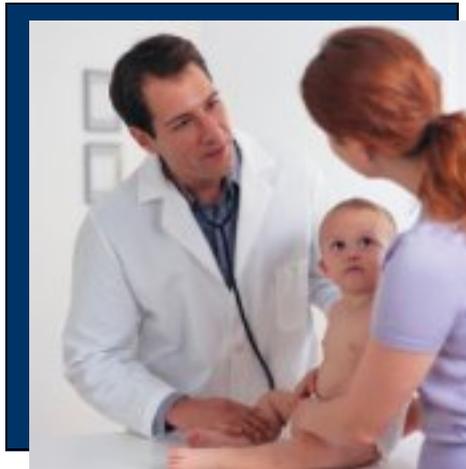
Who Is Eligible For Insure Montana?

To qualify for premium incentive and assistance payments employers and employees must meet following criteria:

- The employer does not currently provide employee health insurance
- The employer has between 2 to 9 employees
- The employer begins to provide health insurance through the State Health Insurance Purchasing Pool or another qualified Association Plan
- No employee is paid more than \$75,000 per year (owner excluded)
- The employer provides health insurance to eligible employees (working more than 30 hours or more than 20 hours if the employer requests)
- Employees meet the income and other eligibility criteria

To qualify for a refundable tax credit employers must meet the following criteria:

- Provide employee group health insurance paid to a licensed health insurer
- Provide employment for between 2 to 9 employees
- Do not pay any employee more than \$75,000 in a year
- Do not pay premiums from a medical savings account



How Many Businesses Enrolled in the Premium Incentive and Assistance Program In FY 2008?



- The figure below shows the actual enrollment in the premium incentive and assistance program and the tax credit program in FY 2008. Insure Montana contracted with a private insurer to provide health care benefits to eligible employees.

Insure Montana Statistics FY 2008				
	Number of Businesses	Number of Employees	Number of Dependents	Total Members
Purchasing Pool	747	2,055	1,931	3,986
Tax Credit	711	2,409	1,620	4,029

The average employer premium incentive amount over this period was \$198.00 per month and the average employee premium assistance amount was \$156.00. The program is fully enrolled and currently has a waiting list of 712.

Employee premium amounts range from 20 percent–90 percent depending on family annual income. The lower the family income the higher the amount of the premium assistance to the employee.

In FY 2008, Insure Montana spent \$5.4 million on premium assistance incentives. In FY 2009, they are budgeted to spend \$6.6 million on premium assistance incentives in the program.