



MHA 2025 Legislative Update

Federal Update

President Trump 2.0: The 1st 100 Days

- Lowest 100 day Presidential approval rating in past 80 years. Majority of voters disapprove of many of Trump's policies (approve/disapprove)
 - Trump 2.0: 39 / 55
 - Biden: 53 / 42
 - Trump 1.0: 42 / 53
 - Obama: 69 / 26
- 137 Executive Orders / 5 Bills signed into law (FDR 157 EO, Trump lowest number of bills signed)
- Trump has picked 290 nominees to fill key roles in his administration. To date, 57 have been confirmed.



President Trump 2.0: Key Executive Orders (EO)

- Healthcare Pricing Transparency EO
 - Ensure “actual prices” disclosed
 - Issue guidance on standardization of pricing information
 - Increase enforcement
- NIH Guidance EO
 - Reduce grant indirect rates to 15%
 - Halts funding for research that could enhance the pathogenicity of pathogens, which could potentially be linked to the COVID-19 pandemic

President Trump 2.0: Key Executive Orders (EO)

Drug Pricing EO

- The Department of Health and Human Services to ensure within 90 days grants to federally funded health centers are conditioned upon offering insulin and injectable epinephrine at or below the discounted price paid by the health center grantee or sub-grantee under the 340B Prescription Drug Program to eligible patients.
 - HHS to evaluate and propose regulations, as appropriate, within 180 days to ensure payment within Medicare is not encouraging a shift in drug administration volume away from physician office settings to hospital outpatient departments.
 - HHS to carry out within 180 days an acquisition cost survey for covered outpatient drugs at hospital outpatient departments. HHS must then propose any appropriate adjustments consistent with budget neutrality provisions.
 - HHS to develop and implement rulemaking within 60 days for a new payment model for high-cost prescription drugs.



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Advancing Health in Montana

President Trump 2.0: Tariffs

Importance of International Sourcing:

- 69% of US Medical Devices manufactured abroad
- 30% of active pharmaceutical ingredients (API) from China
- 50% of API's for non-IV drugs from EU or India
- 90% of generic sterile injectables depend on ingredients from China or India

Complexity of Manufacturing Goods

- Items made in the US often contain international components
- As an example, a typical infusion pump manufactured in the US contains parts from more than 20 other countries

President Trump 2.0: Legal Challenges

- More than 200 lawsuits have been filed to date
- Challenges to full range of executive actions
 - (Executive Orders, deportations, firings, DOGE activities, grant decisions, etc.)
- How do these typically unfold:
 - Lawsuits filed in “friendlier” jurisdictions
 - Preliminary relief granted
- Key Question: What will Court of Appeals and the Supreme Court do?



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Congressional Update: Reconciliation Status

- February 25: House Adopts Budget Resolution
- April 4: Senate Adopts revised budget resolution
- April 10: House agrees to revised budget resolution
- Memorial Day: House target to pass package
- **X** Date: US risks default on obligations
- July 4 / August Recess: Senate Target to pass package
- September 30: Budget resolution expires, end of FY 2025

Past as a predictor....

Tax Cuts and Jobs ACT (TCJA) (2017):

- Passed less than 2 months after final budget resolution

American Rescue Plan Act (2021)

- Passed 5 weeks after final budget resolution

Inflation Reduction Act (2022)

- Passed almost one year after final budget resolution adopted

FY 2025 Budget Resolutions Provisions

- \$4.5 T in spending for tax cuts
 - Assumes “current policy baseline” to make the tax cuts within TCJA permanent
- Raise debt ceiling
 - \$4 T (what the House wants) vs. \$5T (what the Senate wants)
- \$2 T in spending cuts
- May 9 Deadline: House and Senate to report legislation
 - This is not a binding deadline

House Plan: Over 10 years

- House Committee:

• Agriculture:	\$230 B savings
• Armed Services:	\$100 B increase
• Education and Workforce:	\$330 B savings
• Energy and Commerce:	\$880 B in savings
• Financial Services:	\$1 B savings
• Homeland Security:	\$1 B savings
• Judiciary:	\$110 B spending
• Natural Resources:	\$1 B savings
• Oversight:	\$0
• Transportation and Infrastructure:	\$10 B savings
• Ways and Means:	\$4500 B spending

- Total: \$3298 Spending Increase

Potential Medicaid Policy Changes

- Medicaid Proposals: (MT Hospital Impact - 10 years)
 - Per Capita Caps (all Medicaid): \$1.4 Billion
 - Per Capita Caps (ME Only): \$911 Million
 - Reduce FMAP for ME to Traditional Rate: \$1.5 Billion
 - Reduce FMAP Floor to 45% (No Impact)
- Reduce Maximum Provider Tax from 6% to 5% (No Impact)
- Other Medicaid Changes:
 - Work Requirements
 - Stricter Medicaid eligibility verification (every 3 or 6 months)
 - Allow Medicaid Copays and Premiums
 - Limit Retroactivity to 30 days (currently 90 days)

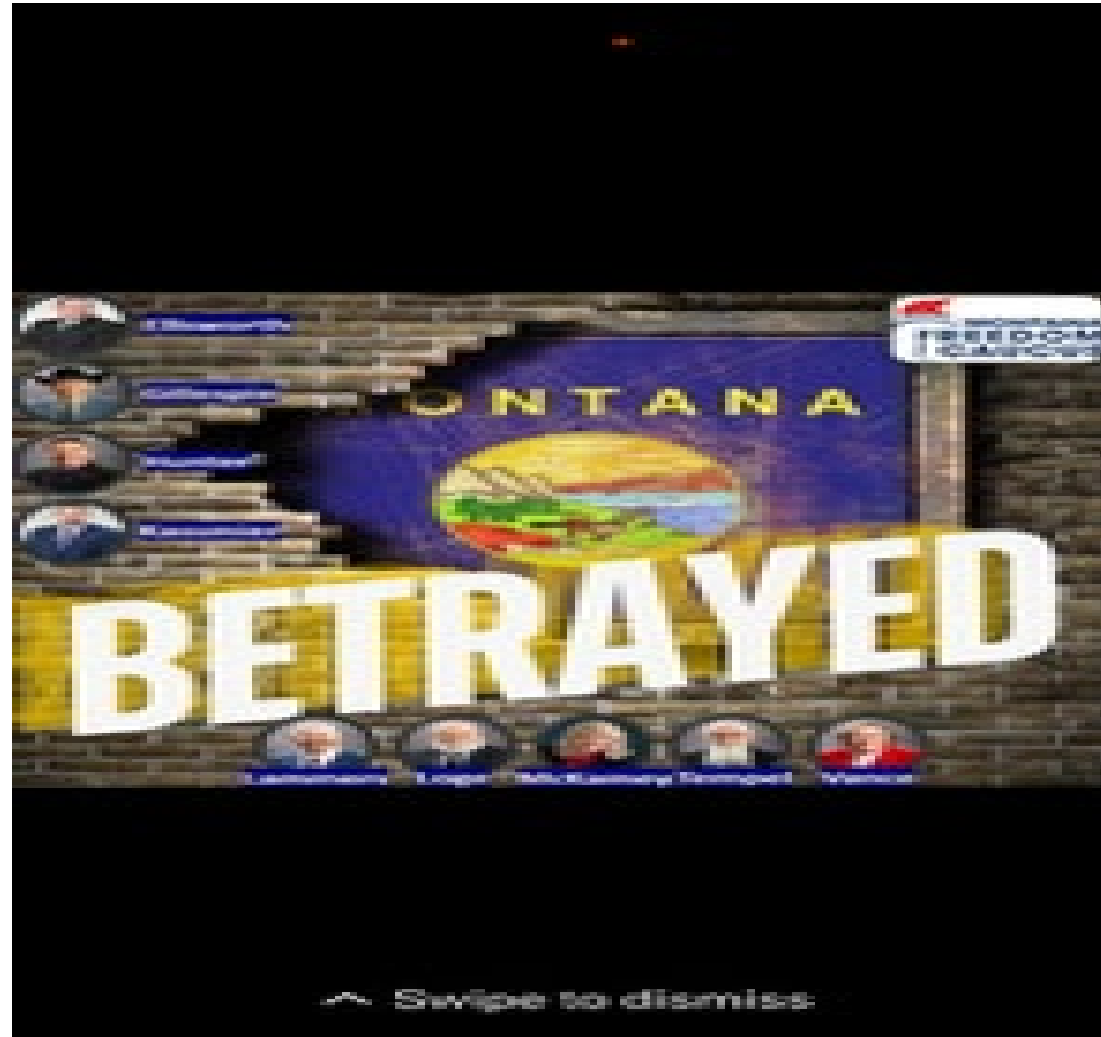
Montana Legislative Update



Meanwhile, the Legislative Chambers



Meanwhile, the Legislative Chambers



2025 MHA Priorities Overview

MHA Priorities

- Lift the sunset from the Medicaid Expansion program: Passed
- Protect the Hospital Utilization Fee Program from reduction/redirection: Died
- Secure increases to Medicaid provider rates: Passed

Other Issues

- Community Benefit requirements: Amended and Passed
- Capping patient charges: Died

2025 Session Overview

HB 337: Revise Income Tax Laws: Rep. Ler (R-Savage)

- Drops top rate from 5.9% to 5.65% over the next 2 years
- Income under \$47,500 taxes at 4.7%
- Increases EITC

HB 231: Revise Property Tax Rates: Rep. Jones (R-Conrad)

SB 542: Generally revise property tax laws: Sen. Galt (R-Martinsdale)

- \$400 rebate for 2025
- Raises property taxes on 2nd Homes or Short-Term Rentals
- Drops taxes on Primary Homes and Long-Term Rentals
- Increases taxes on business and agriculture property
- Estimated Savings: \$360,000 value house: property tax decrease of \$719

Show me the MONEY!

- HB 2: State Budget Bill
 - Provider rate increase (3% for SFY)
 - No changes to CAH/Physicians reimbursement (Medical CPI est. 2.4% 2026)
 - Additional Funding: Increase bed capacity at Warm Springs
 - Additional Funding: Increase bed capacity at Lewistown Center for the Aged
 - Additional Funding: Increase in Air Ambulance Rates (\$4.3 million)



Medicaid Reimbursement

- **HB 245:** Revise the Montana HELP Act workforce development provisions and termination date: Rep. Buttrey (R-Great Falls)
- **HB 56:** Establish ambulance provider assessment fee program: Rep. Buttrey (R-Great Falls)
- **HB 419:** Implementing cost reporting for certain Medicaid service provider types: Rep. Bedey (R-Hamilton)
- **HB 732:** Establish prompt cost report reimbursement act: Rep. Bedey (R-Hamilton)
- **HB 474:** Revise date for annual supplemental Medicaid payment to hospitals: Rep. Gillette (R-Three Forks)
- **HB 585 *:** Revise provider rate for physical therapists, speech-pathologists and occupation therapists: Rep. Buttrey (R-Great Falls)

Hospital Community Benefit

- **SB 260: Provide for a hospital community benefit fee: Sen. Regier (R-Kalispell)**
 - Defines Community Benefit as: the federally reported community benefit calculated using the net community benefit expenses, net community building expenses, and total bad debt and Medicare shortfall amounts listed by the nonprofit hospital on internal revenue service form 990 schedule H.
 - Effective January 1, 2027 for PPS Facilities
 - Effective January 1, 2031 for CAH Facilities
 - Continues same reporting requirements as currently in place for DPHHS
 - DPHHS is sending out letters to facilities that have not reported their required info. Each facility is required to provide (annually) their 990 report and all attachments for their fiscal year that ended in 2023.

Behavioral Health

- SB 430 - Generally revise laws related to civil commitment and emergency detention of mentally ill persons: Sen. Esp (R-Big Timber)
- HB 574 - Authorizing implementation of the Certified Community Behavioral Health Clinic (CCBHC) model: Rep. Gillette (R-Three Forks)

Workforce

- HB 183: Enact PA licensure compact: Rep. Etchart (R-Billings)
- HB 241: Adopt the psychology interjurisdictional compact: Rep. Etchart (R-Billings)
- SB 140: Social Work Compact: Sen. Kerr-Carpenter (D-Billings)
- HB 447: Enact the Respiratory Care Interstate compact: Rep. Buttrey (R-Great Falls)
- SB 279: Adopt the dietician licensure compact: Sen. McKamey (R-Great Falls)

More Workforce

- HB 336: Provide for apprenticeship programs for certain license types: Rep. Schomer (R-Billings)
- SB 347: Revise medical resident licensure laws: Sen. Vinton (R-Billings)
- HB 246: Provide for standardization of substantial equivalency determinations in professional licensing: Rep. Buttrey (R-Great Falls)
- HB 381: Provide for educational credit for students volunteering in long term care, nursing home, home care, and child care settings: Rep. Buttrey (R-Billings)

Legal Updates

- HB195: Revise noneconomic damages in medical malpractice actions: Rep. Mercer (R-Billings)
- HB 198: Revise laws that prohibit contracts that restrict practice of health care providers: Rep. Etchart (R-Billings)
- HB 442: Revise laws regarding reporting requirements for certain professional occupations: Rep. Moore (R-Plentywood)
- HB 491: Revise alcohol laws relating to community care retirement facility licenses: Rep. Zolnikov (R-Billings)
- HB 543: Repeal termination date on reporting and disclosure of violence against health care employees: Rep. Buttrey (R-Great Falls)

Prior Authorization Bills

- HB 398: Generally revise insurance laws related to prior authorization of chronic conditions: Rep. Karlen (D-Missoula)
- HB 399: Revise prior authorization laws: Rep. Karlen (D-Missoula)
- SB 446: Revise laws related to healthcare utilization review: Sen. Ricci (R-Billings)
- SB 447: Revise laws related to prior authorization: Sen. Ricci (R-Billings)
- SB 449: Generally revise health utilization review laws: Sen. Ricci (R-Billings)
- HB 544: Generally revise health insurance laws relating to health utilization review: Rep. Buttrey (R-Great Falls)
- SB 317: Prohibit health insurers from performing prior authorization on psychiatric drugs in shortage or discontinued: Sen. Lenz (R-Billings)

Prior Authorization Summary

- Extending Prior authorization certifications from a minimum of 3 months to 12 months.
- For chronic conditions will be valid for the duration of the condition, eliminating the need for re-certification for the same service. Defines chronic condition (condition lasting one year or more that requires ongoing medical attention or limits daily activities)
- Prohibits PA for certain prescription drugs, such as generic drug prescribed injectable antipsychotics, and specific medications for substance use disorders.
- Only a physician can review grievances related to adverse determinations, ensuring that these reviews are conducted by individuals with appropriate expertise adverse determinations must be made by qualified professionals, such as physicians or licensed health care professionals in the same field as the requesting provider.

Prior Authorization Summary

- Mandates that health insurance issuers must honor prior authorizations for at least 90 days when enrollees switch health plans (provided the medication cost does not exceed \$5,000 per day)
- Once prior authorization is granted for a covered service, it cannot be retroactively denied (unless for fraud and abuse)
- Prohibiting health insurance issuers from requiring prior authorization for specific categories of prescription drugs. These include oral and inhaled generic prescription drugs, inhaled prescription drugs used for treating asthma, chronic obstructive pulmonary disease, or chronic lung disease, and insulin for diabetes patients. This list will be updated on April 1, July 1, October 1, and January 1, and will remain in effect until the next quarterly update.

Bills that died

- SB 544: Generally revise laws related to hospitals operating as nonprofit care facilities: Senator Hertz (R-Polson)
- HB 526: Adopt the Advanced Practice Registered Nurse licensure compact: Rep. Regier (R-Kalispell)
- HB 689: Provide for pricing transparency requirements for hospitals: Rep. Mercer (R-Billings)
- SB 62: Provide for phaseout of Medicaid expansion program: Sen. Glimm (R-Kila)
- SB 199: Revise the Medicaid expansion program: Sen. Trebas (R-Great Falls)

What else died...social bills

- **SB 136:** Prohibit consent as a defense for physician assisted suicide: Sen. Glimm (R-Kila)
- **SB 164:** Revise offense of endangering the welfare of children: Fuller (R-Kalispell)
- **HB 371:** Ban mRNA vaccinations in Montana for humans: Rep. Kmetz (R-Miles City)

What passed...social bills

- **SB 218:** Provide for private right of action for injuries caused by certain medical interventions to treat gender dysphoria: Sen. Fuller (R-Kalispell)
- **HB 682:** Generally revise laws regarding gender transition treatment: Rep. Kmetz (R-Miles City)

Questions

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