

OFFICE OF THE GOVERNOR
STATE OF MONTANA

GREG GIANFORTE
GOVERNOR



KRISTEN JURAS
LT. GOVERNOR

May 16, 2025

The Honorable Brandon Ler
Speaker of the House
State Capitol
Helena, MT 59620

The Honorable Matt Regier
President of the Senate
State Capitol
Helena, MT 59620

Dear Speaker Ler and President Regier:

House Bill 880 establishes a new government fund for Medicaid. House Bill 880 unnecessarily complicates the state's financial and budgeting processes by duplicating existing budget stabilization mechanisms and limiting needed flexibilities.

Medicaid is an entitlement program. As such, the Department of Public Health and Human Services (DPHHS) is required to fulfill the program's payment obligations, eliminating the need to set aside funds in a separate, restrictive reserve account.

Ultimately, House Bill 880 attempts to solve a problem that does not exist.

House Bill 880 raids funding that would otherwise flow to the state's "rainy day fund," or the budget stabilization reserve fund which the Legislature enacted in 2017. In strong economic times, DPHHS can request additional appropriation through House Bill 3, the supplemental appropriations bill, if Medicaid costs exceed current appropriations, as was done in the 2025 legislative session. In an economic downturn, the state can turn to the rainy day fund which can already be used to fill shortfalls in the state's Medicaid program, should they occur.

To her credit, when the sponsor testified on House Bill 880 before the Senate Finance and Claims Committee on April 15, 2025, she confessed, "I do steal it from the budget stabilization fund."

Therefore, in accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto House Bill 880: "AN ACT REVISING MEDICAID RESERVE FUNDING LAWS; ESTABLISHING THE MEDICAID STABILIZATION

Speaker Ler and President Regier
May 16, 2025
Page 2

RESERVE ACCOUNT; REVISING ALLOCATION OF REVERSIONS FOR MEDICAID;
PROVIDING LIMITATIONS ON APPROPRIATIONS FROM AND USE OF THE ACCOUNT;
PROVIDING AN APPROPRIATION; PROVIDING FOR A FUND TRANSFER; AMENDING
SECTIONS 17-7-130 AND 53-6-151, MCA; AND PROVIDING AN IMMEDIATE
EFFECTIVE DATE AND AN APPLICABILITY DATE.”

Sincerely,



Greg Gianforte
Governor

cc: Legislative Services Division
Christi Jacobsen, Secretary of State