

OFFICE OF THE GOVERNOR
STATE OF MONTANA

GREG GIANFORTE
GOVERNOR



KRISTEN JURAS
LT. GOVERNOR

May 22, 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:

Over the past four years, we've demonstrated our shared, bipartisan goal of increasing Montanans' access to affordable, quality behavioral health care. We're proud of our work with the Legislature to rebuild Montana's behavioral health system and increase access to affordable, quality care by cutting red tape, increasing competition, and expanding consumer choice. We've made great strides to lower health care costs and expand access for Montanans through conservative, free market principles, not government mandates.

While well intentioned, Senate Bill 244 falls short of what has successfully guided us. Insurance mandates, like those included in Senate Bill 244, increase the overall cost of health insurance through higher premiums for consumers and higher costs to insurers.

Senate Bill 244 is an unfunded mandate that, if implemented, impacts both the State of Montana Benefit Plan (State Plan) and the Montana University System Health Plan (MUS Plan), costing Montana taxpayers more than \$1.2 million over the next four years alone. Furthermore, although the bill's fiscal note projected a \$1.2 million cost for Senate Bill 244's insurance mandate, the Legislature did not appropriate funding to offset the expense.

In the attached letter, the Department of Administration outlines its concerns with Senate Bill 244, which impacts the State Plan, which the department oversees, and the MUS Plan, which it does not oversee. As you know, the State Plan provides health insurance to nearly 30,000 employees, legislators, retirees, and their dependents.

According to the department's letter, which solely addresses the bill's impact on the State Plan, should Senate Bill 244 become law, the state would need to seek increased contributions from

employees and/or use more taxpayer resources to maintain the financial solvency of the State Plan.

Additionally, the Department of Administration notes the “generous behavioral health benefits already provided through the [State Plan], including integrated primary and behavioral health services available at the Montana Health Centers, wellness programs and workshops, substance use coverage, and the robust benefits available through our comprehensive Employee Assistance Program (EAP).” The department further emphasizes that plan members can access many of these existing services at no cost and even virtually for plan members who live in more remote areas.

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 Senate Bill 244: “AN ACT REQUIRING HEALTH INSURANCE TO PROVIDE COVERAGE FOR BEHAVIORAL HEALTH SCREENING AND ASSESSMENTS; INCLUDING THE COVERAGE IN MANDATORY PROVISIONS OF THE STATE EMPLOYEE GROUP BENEFIT PLANS; PROVIDING THAT THE BEHAVIORAL HEALTH SCREENING AND ASSESSMENTS ARE OPTIONAL AND MUST BE REQUESTED BY THE INSURED; REQUIRING COVERAGE FOR THE ASSESSMENTS IN DISABILITY INSURANCE OFFERED IN THE STATE, IN HEALTH MAINTENANCE ORGANIZATIONS, AND IN SELF-FUNDED MULTIPLE WELFARE EMPLOYMENT ARRANGEMENTS; AMENDING SECTIONS 2-18-704, 33-31-111, AND 33-35-306, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE.”

Sincerely,



Greg Gianforte
Governor

Enclosure

cc: Legislative Services Division
Christi Jacobsen, Secretary of State



MONTANA DEPARTMENT OF ADMINISTRATION

Director's Office

Greg Gianforte, Governor
Misty Ann Giles, Director

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May 20, 2025

Governor Greg Gianforte
Office of the Governor
1301 E. 6th Ave.
Helena, MT 59620

Dear Governor Gianforte:

As Director of the Department of Administration, I am responsible for overseeing the State of Montana Benefit Plan (State Plan), which insures nearly 30,000 employees, legislators, retirees, and their dependents. The State Plan is funded by both taxpayer dollars, also known as the State Share, and employee contributions. Under your administration, through good stewardship and strong financial management of the funds entrusted to us, we have been able to achieve significant cost savings with the State Plan. During this session, however, the 69th Legislature approved several bills that will increase costs, reduce reserves, and threaten the progress we have made.

One of those bills, Senate Bill 244 (SB 244), requires insurance companies and the State Plan to cover the cost of providing behavioral health screenings at no out-of-pocket cost to the insured or plan member. If SB 244 is enacted, the State Plan will incur an additional \$160,000-\$200,000 in annual costs to provide behavioral health screenings to plan members without a fee.

Typically, the State Share and employee contributions to the State Plan are a major focus of collective bargaining with state employees and the unions who represent them. Prior to session, the state and unions negotiated and agreed to the State Share amount and indirectly, the employee contributions that were ultimately included in House Bill 13 (HB 13). With your encouragement, HB 13 received broad, bipartisan support from the Legislature and you signed it into law earlier this year.

During negotiations with employees, there was no indication they wanted the State Plan to cover behavioral health screenings with no out-of-pocket cost sharing. Thus, no funding was included in the state's budget or HB 13 to pay for behavioral health screenings with no out-of-pocket cost to plan members. Although the additional cost of behavioral health screenings to the State Plan was noted in the fiscal note for SB 244, no appropriation was included to offset the expense.

As a result, the costs associated with SB 244 will be paid from and deplete the State Plan's reserve funds. This will add to the likelihood that the state will need to increase the amount of tax dollars used to support the State Plan (the State Share), negotiate with employees to increase their contributions to the State Plan, or agree to a reduction in other benefits offered under the State Plan.

Alternatively, if you chose to exercise your power to veto SB 244, this issue could be subject to negotiations with state employees prior to the next session, included in that session's pay plan bill, or brought forward in a standalone bill that includes the funding necessary to provide behavioral health screenings without plan member cost sharing. In the meantime, we would encourage plan members to access the generous behavioral health benefits already provided through the plan, including integrated primary and behavioral health services available at the Montana Health Centers, wellness programs and workshops, substance use coverage, and the robust benefits available through our comprehensive Employee Assistance Program (EAP). Many of these services are available at no cost to the plan member and some services can be accessed virtually for plan members who reside in remote locations.

Given the extensive coverage and options already available through the state plan, and in the spirit of financial responsibility that has guided our efforts to keep a lid on health plan increases, we respectfully request that you carefully consider whether SB 244's mandated coverage is aligned with your goal to carefully and conservatively manage state finances.

Sincerely,

A handwritten signature in black ink, appearing to read 'Misty Ann Giles', with a stylized, cursive script.

Misty Ann Giles
Director