

OFFICE OF THE GOVERNOR
STATE OF MONTANA

GREG GIANFORTE
GOVERNOR



KRISTEN JURAS
LT. GOVERNOR

June 13, 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 health care. We're proud of our work with the Legislature to 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 422 falls short of what has successfully guided us. Insurance mandates, like those included in Senate Bill 422, increase the overall cost of health insurance through higher premiums for consumers and higher costs to insurers.

Senate Bill 422 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 \$4 million over the next four years alone. Furthermore, although the bill's fiscal note projected a \$4.1 million cost for Senate Bill 422'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 422, which impacts the State Plan, the health insurance provided to nearly 30,000 employees, legislators, retirees, and their dependents. As a result of Senate Bill 422's unfunded mandate, the state will need to seek increased contributions from employees, reduce other benefits for employees, and/or use more taxpayer resources to maintain the financial solvency of the plan.

In another attached letter, Ali Bovingdon, chief legal counsel for the Office of the Commissioner of Higher Education and on behalf of the Montana University System (MUS), raises “significant financial concerns” with Senate Bill 422, writing that the bill could “put[] the financial stability of the entire MUS plan at risk.”

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 422: “AN ACT PROVIDING REQUIREMENTS FOR HEALTH INSURANCE COVERAGE RELATING TO ADVANCED OR METASTATIC CANCER; PROHIBITING INSURERS FROM REQUIRING CERTAIN ACTS FROM THE INSURED RELATED TO PRESCRIPTION DRUGS AND ADVANCED OR METASTATIC CANCER; AND AMENDING SECTIONS 2-18-704, 33-31-111, AND 33-35-306, MCA.”

Sincerely,



Greg Gianforte
Governor

Enclosures

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 1, 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/retiree 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 422 (SB 422), requires insurance companies and the State Plan to cover the cost of using any FDA-approved medication for treatment of "terminal cancer," regardless of whether the patient has previously attempted treatment with another, less costly medication. To control premium costs, insurance companies and the State Plan typically encourage insureds and plan members, in consultation with their providers, to first seek treatment with less costly alternatives. SB 422 would allow plan members to disregard treatment options that may be equally effective and less costly. We project this will increase costs by approximately \$500,000 annually for the nearly 30,000 members of the State Plan.

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 discussion of offering members of the health plan the ability to choose more expensive cancer medications without first attempting treatment with more affordable alternatives. Therefore, this concept was not included in the agreement with employees or ultimately incorporated in the state's budget

and HB 13. Although the additional cost to the State Plan was noted in the fiscal note for SB 422, no appropriation was included to offset the expense.

As a result, the costs associated with SB 422 will be paid from and deplete the State Plan's reserve funds. This adds 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 422, 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 expand medication options. 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 422 is aligned with your goal to carefully and conservatively manage state finances.

Sincerely,

A handwritten signature in black ink, appearing to read 'MAG', with a stylized, cursive flourish at the end.

Misty Ann Giles
Director



MONTANA UNIVERSITY SYSTEM
OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION

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Office of Legal Counsel
Ali Bovingdon, Chief Legal Counsel
Hannah Tokerud, Associate Legal Counsel

May 6, 2025

Governor Greg Gianforte
P.O. Box 200801
Helena, MT 59620-0801

RE: MUS Veto Request for SB 422

Dear Governor Gianforte:

On behalf of the Montana University System ("MUS"), I am writing to share our concerns with SB 422, "An Act Providing for Health Insurance Coverage Relating to Advanced Metastatic Cancer; Prohibiting Insurers from Requiring Certain Acts from the Insured Related to Prescription Drugs and Advanced or Metastatic Cancer."

The Legislation would result in increased costs of, \$974,942, to the MUS health plan that were not accounted for in the FY26 planning, premiums and benefit design. Over time this legislation may require increases to employee contributions, or the state share as set by 2-8-703, MCA, or both. SB 422 has the potential to reduce the Authorized Control Level (ACL) to a level that puts the financial stability of the entire MUS plan at risk.

Because of these significant financial concerns, the MUS respectfully requests that you consider vetoing this bill.

Sincerely,


Ali Bovingdon
Chief Legal Counsel