



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0682.01: Generally revise laws regarding gender transition treatment

Primary Sponsor: Greg Kmetz Status: As Introduced

☐ Included in the Executive Budget ☒ Needs to be included in HB 2 ☐ Significant Local Gov Impact
☐ Significant Long-Term Impacts ☐ Technical Concerns ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$515	\$0	\$0	\$0
State Special Revenue (02)	\$4,639	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Proprietary Fund	\$1,095	\$1,128	\$1,162	\$1,197
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Net Impact	<u>(\$515)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Description of fiscal impact

HB 682 generally revises gender transition treatment services. There will be a minimal fiscal impact to the State Health Benefit Plan if this proposed legislation is passed.

FISCAL ANALYSIS

Assumptions

Commissioner of Higher Education

- HB 682 requires reciprocal coverage for detransition treatment. The Montana University System (MUS) has had very few individuals undergo gender transition under the MUS Group Insurance Plan. With the national average of those choosing to detransition at 6%, the result of how many would actually choose this route under the MUS Group Insurance Plan is unknown but the fiscal impact is anticipated to be minimal.

Department of Administration

- There will be a minimal impact to the State Health Benefit Plan from HB 682. The fiscal impact is as follows
 - Annual average of plan cost for gender transition treatment is \$19,939.
 - Adjustment for claims incurred but not reported (IBNR) is 1.006.
 - Estimated claims trend from midpoint to FY 2026 is 1.137.
 - Estimated FY 2026 plan cost for gender transition treatment is \$22,807 ($19,939 \times 1.006 \times 1.137$).
 - Expected percentage of claimants later executing detransition is 6%.

- Expected cost of detransition relative to transition is 80%.
- Estimated additional plan cost of gender detransition coverage under bill is \$1,095 ($22,807 \times 0.06 \times 0.80$).
- Year over year trend factor to estimate FY 2027 through FY 2029 is 3.0%.

Department of Public Health and Human Services (DPHHS/department)

- HB 682 generally revises gender transition treatment services by requiring the Department of Public Health and Human Services to provide reciprocal coverage of detransition treatment services for Montana Medicaid and Healthy Montana Kids members.
- From FY 2019 through FY 2024, the department has reimbursed for reversible surgical gender transition treatment services for 86 distinct adults. This equates to an average of 14 adults per year. Information on the prevalence of surgical gender transition treatment regret is not widely available from unbiased sources. For this analysis, DPHHS assumes that for the period from FY 2026 through FY 2029, 1 member on Montana Medicaid or Healthy Montana Kids will seek detransition treatment.
- The cost to the DPHHS depends on the eligibility group. For this analysis, the member is on Medicaid Expansion, with a state share is 10%, and a federal share of 90%.

State Auditor's Office

- The Qualified Health Plans (QHPs) sold in the individual and small group markets on and off-exchange in the state of Montana currently offer the coverage required in HB 682. There will be no state defrayal requirements if the proposed legislation is passed.

Fiscal Analysis Table**Department of Administration**

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Benefits	\$1,095	\$1,128	\$1,162	\$1,197
TOTAL Expenditures	\$1,095	\$1,128	\$1,162	\$1,197
<u>Funding of Expenditures</u>				
Other	\$0	\$0	\$0	\$0
Proprietary Fund	\$1,095	\$1,128	\$1,162	\$1,197
TOTAL Funding of Expenditures	\$1,095	\$1,128	\$1,162	\$1,197
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
Other	\$0	\$0	\$0	\$0
Proprietary Fund	(\$1,095)	(\$1,128)	(\$1,162)	(\$1,197)

Department of Public Health and Human Services

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Benefits	\$5,154	\$0	\$0	\$0
TOTAL Expenditures	\$5,154	\$0	\$0	\$0

Funding of Expenditures

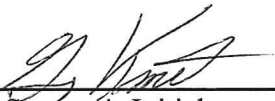
General Fund (01)	\$515	\$0	\$0	\$0
State Special Revenue (02)	\$4,639	\$0	\$0	\$0
TOTAL Funding of Expenditures	\$5,154	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0

Revenues**Net Impact to Fund Balance (Revenue minus Funding of Expenditures)**

General Fund (01)	(\$515)	\$0	\$0	\$0
State Special Revenue (02)	(\$4,639)	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0

STATEWIDE SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<u>Fiscal Impact</u>				
TOTAL Fiscal Impact	0.00	0.00	0.00	0.00
<u>Expenditures</u>				
Benefits	\$6,249	\$1,128	\$1,162	\$1,197
TOTAL Expenditures	\$6,249	\$1,128	\$1,162	\$1,197
<u>Funding of Expenditures</u>				
General Fund (01)	\$515	\$0	\$0	\$0
State Special Revenue (02)	\$4,639	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Proprietary Fund	\$1,095	\$1,128	\$1,162	\$1,197
TOTAL Funding of Expenditures	\$6,249	\$1,128	\$1,162	\$1,197
<u>Revenues</u>				
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$515)	\$0	\$0	\$0
State Special Revenue (02)	(\$4,639)	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Proprietary Fund	(\$1,095)	(\$1,128)	(\$1,162)	(\$1,197)


Sponsor's Initials

3 4 25
Date


Budget Director's Initials

3/4/2025
Date