



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0947.01: Revise insurance laws relating to continuous glucose monitors and supplies**

Primary Sponsor: **Fiona Nave**

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

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Expenditures				
General Fund (01)	\$25,000	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Proprietary Fund	\$520,260	\$594,333	\$647,823	\$706,127
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Net Impact	<u>(\$25,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance				

Description of fiscal impact

HB 947 applies to individual and group policies issued, amended, or renewed on or after January 1, 2026, and requires coverage of continuous glucose monitors and monitor supplies if a person is diagnosed with type I or type II diabetes and a monitor is determined medically necessary and prescribed by the individual's health care provider. There is a \$25,000 general fund appropriation to the Department of Administration for the 2027 Biennium to administer the requirements of this proposed legislation.

The effect of this legislation, in combination with other legislation that requires certain benefit coverage, may over time require increases to employee contributions or the state share as set by 2-18-703, MCA, or both.

FISCAL ANALYSIS

Assumptions

Commissioner of Higher Education

1. The Montana University System (MUS) Group Insurance Plan currently provides coverage for continuous glucose monitors and supplies. There is no fiscal impact to the MUS from HB 947.

Department of Administration

2. There is a fiscal impact for the State Health Benefit Plan, as described below:
 - Annual average of plan cost of glucose monitors and supplies is \$676,691.
 - Adjustment for claims incurred by not reported (IBNR) is 1.003.
 - Estimated claims trend from midpoint to FY 2026 is 1.228.

- Estimated FY 2026 plan cost of glucose monitors and supplies is \$833,469 ($676,691 \times 1.003 \times 1.228$).
 - Percentage of adults aged 18-64 with diabetes is 10.7%.
 - Percentage of adults aged 18-64 with pre-diabetes is 35.0%.
 - Expected percentage of pre-diabetic adults with medical necessity is 20.0%.
 - Estimated additional plan cost of glucose monitor coverage under bill is \$545,260 ($833,469 \times 0.350 \div 0.107 \times 0.200$).
 - Year over year inflationary factor is 9.0%. Plan costs based on 2023 and 2024 actual paid claims for State of Montana employees and dependents.
 - IBNR adjustment assumes 1.5 month claim lag for medical and 0.5 month claim lag for prescriptions.
 - Claims trends based on low trend scenario with medical at 6.0% trended from December 2023 to June 2026 (29 months).
 - Diabetic and pre-diabetic percentages are from the US CDC National Diabetes Statistics Report.
3. A general fund appropriation of \$25,000 is provided in HB 947 for the 2027 Biennium to help the Department of Administration administer the requirements of this proposed legislation. For purposes of this fiscal note, it is assumed this appropriation will be used to offset benefit payments in FY 2026.
 4. The effect of this legislation, in combination with other legislation that requires certain benefit coverage, may over time require increases to employee contributions or the state share as set by 2-18-703, MCA, or both.

State Auditor's Office

5. 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 by HB 947. There will be no defrayal obligations for the new benefit mandate.

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	\$545,260	\$594,333	\$647,823	\$706,127
TOTAL Expenditures	\$545,260	\$594,333	\$647,823	\$706,127
<u>Funding of Expenditures</u>				
General Fund (01)	\$25,000	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Proprietary Fund	\$520,260	\$594,333	\$647,823	\$706,127
TOTAL Funding of Expenditures	\$545,260	\$594,333	\$647,823	\$706,127
<u>Revenues</u>				
Other	\$0	\$0	\$0	\$0
Proprietary Fund	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$25,000)	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Proprietary Fund	(\$520,260)	(\$594,333)	(\$647,823)	(\$706,127)

NOT SIGNED BY SPONSOR

Sponsor's Initials Date



Budget Director's Initials 4/4/2025
Date