



CASE STUDY: THE IMPACT OF THE MONTANA RECOVERY AGENDA

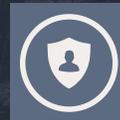


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LETTER FROM KENDALL COTTON



As the Frontier Institute was getting off the ground in the middle part of 2020, Montana appeared poised to elect a wave of reform-minded lawmakers and political leaders, including Montana's first Republican Governor in nearly two decades.

The Frontier Institute developed and promoted The **Montana Recovery Agenda** - an extensive report outlining eight specific policy proposals aimed at limiting government growth, reforming the state's healthcare system, and protecting individual rights. With aligned goals, Frontier hoped that policymakers could rely on the powerful information and research in the **Montana Recovery Agenda** to guide their policy decisions and build consensus.

Immediately after the election, Frontier began with a series of meetings with the newly elected Governor Gianforte's transition team and legislative leaders to present the proposals in the **Montana Recovery Agenda** and offer support. Frontier released a series of in-depth policy briefs to assist in educating lawmakers about these issues, and the proposals were also highlighted by statewide TV, radio and newspaper media coverage.

By the end of the 2021 legislative session, 7 of the 8 proposals had been enacted, an astounding success rate. Here is how it happened.

A handwritten signature in black ink that reads "Kendall Cotton".

Kendall Cotton

President, CEO



Educating legislators about Montana's regulatory burden.

VICTORY 1:



Pass a Conservative Montana Budget

PROBLEM:

As candidates vowed to hold the line on government spending, debates swirled among Conservative and Moderate lawmakers about how much Montana's state budget had grown and how much spending needed to be cut. *What exactly does a conservative budget look like?* was the question we heard over and over.

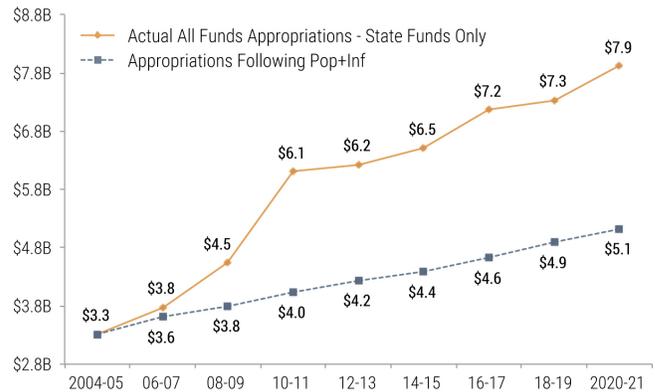
Responsible state budget will drive Montana's economic comeback

Wylie Galt, Casey Knudsen, Sue Vinton May 7, 2021
| Independent Record

“The biennial budget keeps government spending well below inflation plus population growth which is what free-market think tanks recommend for a conservative budget.”

- MT Speaker of the House Op-Ed about budget

MONTANA'S STATE BUDGET EXCEEDS POPULATION GROWTH PLUS INFLATION SINCE 2004-05 (STATE-FUNDS ONLY)



Source: Montana state budget publications

WHAT FRONTIER DID:

We worked with leading national economists to assess Montana's budget history and develop a clear and easy-explainable fiscal benchmark for spending growth based on the growth of Montana's economy, as measured by population growth plus inflation. If spending grew less than 4.4% this biennium, our analysis found that to be a Conservative Montana Budget.

RESULT:

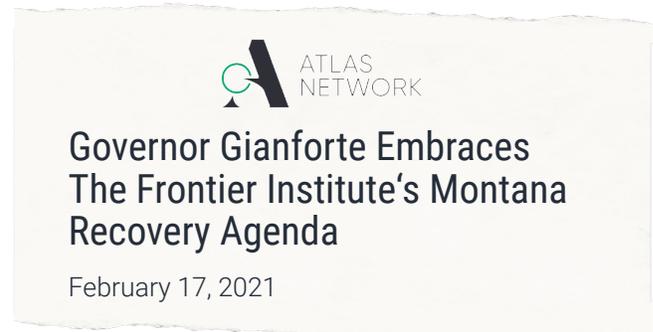
In meeting with lawmakers and staff, our research and rationale took hold. Legislative leaders adopted and cited our Conservative Montana Budget metric of population growth plus inflation. Conservative and Moderate Republicans alike were able to find consensus around our budget limit and ended up passing a budget that grew only 1-2% - a substantial reduction compared to the last 16 years.

VICTORY 2:

Red Tape Task Force



Presenting recommendations to lawmakers during the 2021 legislative session



PROBLEM:

Governor-Elect Gianforte made reducing onerous regulations on business a key goal in his campaign platform but had not yet proposed a concrete plan of attack. As the Governor-Elect's transition team prioritized staff appointments, we identified a clear opportunity to get ahead of the administration's decision curve with a roadmap for reform.

WHAT FRONTIER DID:

We crystalized this issue into simple talking points: "It would take an individual about 263 hours—or nearly seven weeks—to read the entire administrative code." Our Montana Recovery Agenda report assessed the weaknesses in the system and put forward clear steps that policymakers could take to begin reform – stressing the importance of creating an independent task force of stakeholders to oversee the process. We met directly with lawmakers to discuss our recommendations and answer questions.

“WHEREAS, Montana citizens, farmers, ranchers, and business owners are required to spend too much time and resources understanding and complying with the regulations set forth in the Administrative Rules of Montana, which exceed 4.7 millions word and would require an average reader 263 hours (or almost 7 weeks) to read...”

- Executive Order No. 1-2021, the first executive order released by Gov. Gianforte upon assuming office

RESULT:

Governor Gianforte's very first executive order followed our recommendations to the letter, creating an independent task force to address Montana's burden of harmful red tape and regulations. Additionally, the order cited our report word for word, showing Frontier's ideas had a direct impact. The Lt. Governor has continued to seek our guidance as their team assembles the task force and outlines their plan for reform.

VICTORY 3:



Repeal Certificate of Need (CON) Laws

PROBLEM:

Montana was one of 35 states that still required soviet-style “certificate of need” (CON) for healthcare. Under the CON program, the government determines if a new health care business is “needed” and gives market incumbents the advantage in the process – stifling market competition and limiting Montanans’ access to healthcare. The most recent attempt to repeal the CON program in 2019 received a veto from former Governor Bullock.

Republican health care bills give Montana families more options

Rhonda Knudsen and Matt Regier, Feb 10, 2021 | Montana Standard

**“Republican health care bills give Montana families more options”:
“Under Montana’s CON program, the government gets to determine if new healthcare business is “needed”, requiring permission before starting or expanding a business. The effect limits competition that could give Montanans more choices and lower costs.”**



WHAT FRONTIER DID:

Rep. Matt Regier, the sponsor of the 2019 legislation, reached out to us for help in crafting another attempt. We worked directly with legislative services to draft HB 231 and provided expert testimony on the bill, walking lawmakers through the changes made. Our educational blog posts detailed problems with Montana’s CON program which Rep. Regier used to push back on the claims of opponents. Our social media marketing and earned media campaigns elevated this issue in the public eye.

RESULT:

HB 231 sailed through the legislature and was signed by Gov. Gianforte, repealing all but one of Montana’s CON laws. HB 231 became one of the flagship healthcare bills for the Republican Majority and they frequently cited our information word-for-word in op-eds and news releases. National experts called Montana’s reform “the most significant reform in any state in recent years”. A Billings nursing home testified that repealing CON regulations will allow them to remodel their facility to provide residents with more focused care in private rooms, without having to wait for government permission.

VICTORY 4:



Authorize Direct Patient Care (DPC)

FEE

How Montana Is Revolutionizing Healthcare—With Markets

Lawrence W. Reed, Tuesday, July 13, 2021

PROBLEM:

Direct Patient Care (DPC) is a growing health-care model where patients bypass insurance entirely to pay doctors in the form of a low-cost monthly membership. Doctors who embrace DPC can provide affordable options to Montana patients struggling under growing healthcare costs. But Montana doctors feared overzealous bureaucrats would regulate them like an insurance plan for adopting the payment model, stifling this growing industry. Prior attempts to formally authorize DPC with protections from red tape and regulations were vetoed twice by former Governor Bullock, while Montana doctors and patients were left in the wind.

“The tremendous opportunity to finally expand access to affordable health care by making SB 101 Montana law has arrived. My Republican colleagues and I are ready to lead the legislature’s charge to deliver results for Montanans and make this necessary change in our health care system become a reality.”

- Republican Sen. Cary Smith



CEO Kendall Cotton joins Dr. Whitmoyer’s team at Flex Family Health DPC for the Governor’s bill signing ceremony.

WHAT FRONTIER DID:

In our **Montana Recovery Agenda**, we recommended that the legislature not only authorize DPC, but go farther than any other state by allowing specialists, dentists and all other healthcare practitioners the freedom to begin using this model. In a TV news clip aired statewide featuring our research, Senate Majority Leader Cary Smith said that he wanted to carry a bill with our proposal. We worked directly with Senator Smith to draft SB 101 and information in our report was widely cited by lawmakers and media coverage of the bill. We also held regular meetings with doctors and patients around the state to inform them about the progress of SB 101 and to help them engage with the process.

RESULT:

We celebrated with patients and doctors around Montana after the legislature passed SB 101 and Governor Gianforte signed it into law. We were invited to attend the bill signing and received a pen in recognition of our work. Thanks to our work, at least two additional DPC clinics have already opened up in Montana since SB 101 passed, providing hundreds of patients with low-cost health-care. Additionally, other states are looking to follow Montana’s model.

VICTORY 5:

Expand Telemedicine



PROBLEM:

Like many states, Montana lawmakers temporarily waived numerous regulations in response to the pandemic to expand access to telehealth. Thousands of Montanans benefited by using their phones and computers to talk to receive care from their doctors for the first time. However, Montanans would lose telehealth access once again when emergency orders ended and the regulations went back into effect.

House Bills introduced to expand telehealth availability, address Montana's Certificate of Need laws

Meridith Depping KFBB Digital Producer Feb 5, 2021
Updated Feb 5, 2021 | KULR8

“If these regulations on telehealth weren’t necessary during the COVID-19 pandemic, they probably were not necessary in the first place”

- Rhonda Knudsen



WHAT FRONTIER DID:

As the newly elected Insurance Commissioner transitioned into office, he asked us for help putting together legislation. We assisted the agency's attorneys in drafting the proposal based on our **Montana Recovery Agenda's** recommendations, and we met directly with influential Rep. Rhonda Knudsen to secure her as the bill sponsor. We provided Rep. Knudsen with data from our report and crystalized the issue into a clear talking point: "If these regulations had to be waived during COVID, were they needed in the first place?" Our op-eds and earned media reached thousands of Montanans and raised public awareness about the issue.

RESULT:

Widely viewed as one of the biggest reforms of the legislative session, HB 43 passed unanimously. Lawmakers of both parties adopted our talking points in their testimony and news releases, showing consensus around permanently repealing these unnecessary regulations once and for all.

VICTORY 6:



Allow Physicians to Dispense Medicine

PROBLEM:

Montana was one of just five other states that prohibited doctors from dispensing the medicine they prescribe in most instances, requiring patients to make an additional trip to the pharmacy. Doctors and pharmacists had fought over this law for nearly a century in the Montana legislature, with no resolution for patients. In 2020, three Montana doctors sued the state government for the right to dispense medicine to their patients, but the lawsuit had not yet reached the courtroom.

WHAT FRONTIER DID:

We published extensive research about how this regulation decreases healthcare access and drives up the cost of prescriptions for Montana patients. After reading our report, Senate Majority Leader Cary Smith wanted to take action. He reached out to us for help drafting legislation and for assistance with his committee testimony. During the drafting process, we facilitated dialogue between the medical and pharmacist lobbies and developed legislation that all sides could support.

WSJ

The Pharmacy Protection Racket

Montana moves to let doctors dispense prescribed meds directly to patients.

The Editorial Board, May 14, 2021

RESULT:

Despite nearly a century of contentious debates, SB 374 received no opponents. Frontier received accolades during testimony from industry representatives for our inclusive and open work developing the legislation. SB 374 sailed through the legislature and was quickly signed by Governor Gianforte. The three doctors dropped their lawsuit and finally are now able to offer their patients low-cost prescriptions, dispensed directly at the doctor's office. *The Wall Street Journal* Editorial Board described this win as a victory for competition and commonsense.

VICTORY 7:



Require a Warrant for Montanans' Digital Data

PROBLEM:

As countries around the world increased their surveillance capabilities during the pandemic, many Montanans feared for the privacy of their personal and online information. Public trust hit all-time lows, threatening to upend public health efforts to combat the virus. Rather than address Montanans' concerns about privacy, Government officials and media commentators admonished and shamed Montanans for not complying with public health efforts, creating further division.

WHAT FRONTIER DID:

Frontier Institute first commissioned a public opinion survey that provided lawmakers with key insights into what was driving concerns about government data collection in relation to the pandemic, showing that most Montanans wanted better protections from government surveillance and more security for their online data. Our **Montana Recovery Agenda** recommended two solutions: adding more protections for Montanans' online data in law and in our state constitution. Two lawmakers approached

us saying they were wanted to bring these reforms. We assisted in drafting these two bills and provided expert testimony during committees. Through digital marketing and media interviews, our research reached and influenced thousands of Montanans, even lawmakers.

“Montana’s Frontier Institute proved instrumental in ushering both of these bills through their state legislature. As a result of Frontier’s hard work, Montana joins a handful of other states extending privacy protections to digital data and communications.”

– Libertas Institute

Prioritizing your privacy rights at the Legislature

Sen. Jason Ellsworth Senate District 43, Hamilton, Feb 19, 2021 | Ravalli Republic

“Senate Bill 203 will make it explicitly clear that our digital information is protected from unreasonable government searches and seizures in our Constitution.”

RESULT:

The Republican Majority quickly adopted these reforms, and they passed with little opposition. Our research and commentary was heavily relied on by lawmakers. The Senate GOP quoted us in press releases, and the Senate President even wrote an op-ed supporting the legislation and echoing our recommendations to the letter.



OUR GOALS FOR 2022-2023 INCLUDE:

★ **Red Tape Relief**

Montanans face thousands of regulations that make it harder to find a job, start a business or build a home. Frontier Institute is working to eliminate unnecessary and burdensome regulations that hold back entrepreneurs from solving Montana's biggest challenges.

★ **Fiscal Responsibility**

Montanans are being taxed out of their homes. Frontier Institute is working to spotlight reckless government spending that drives taxation and promote fiscal restraint.

★ **Healthcare Reform**

Our healthcare system is broken. With bureaucratic middlemen and the government in control, the result has been higher costs, less access and lower quality. Frontier Institute is working to remove government barriers to free choice and empower patients with control of their health decisions.

★ **Active Forest Management**

Every season, forest fires seem to get worse. Frontier Institute is raising public awareness about how proactive forest management can help prevent catastrophic forest fires.

★ **Education Freedom**

The quality of our kids' education shouldn't be determined by their zip code. Frontier Institute brings key partners together to advance efforts that provide parents more freedom to find education options that best fit their child's needs.

If you share our vision for a thriving Montana, please consider making a generous investment to the Frontier Institute:

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