

FIRST REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
HOUSE SUBSTITUTE FOR  
HOUSE COMMITTEE SUBSTITUTE FOR

**HOUSE BILLS NOS. 517, 94,  
149, 150 & 342**

**92ND GENERAL ASSEMBLY**

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Reported from the Committee on Pensions and General Laws, April 28, 2003, with recommendation that the Senate Committee Substitute do pass.

1169S.10C

TERRY L. SPIELER, Secretary.

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**AN ACT**

To repeal section 208.565, RSMo, and to enact in lieu thereof two new sections relating to stabilization of income for the elderly, with an emergency clause and an effective date for a certain section.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Section 208.565, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 137.106 and 208.565, to read as follows:

**137.106. 1. This section may be known and may be cited as "The Missouri Homestead Preservation Act".**

**2. Pursuant to article X, section 6(a) of the Constitution of Missouri, if a county or city not within a county shall increase the amount of property tax due on any parcel of subclass (1) real property by more than five percent as a result of an assessment conducted pursuant to subsection 1 of section 137.115, then the taxing authority shall exempt a portion of the assessed valuation of the property such that the tax due by the owner or owners of the homestead does not exceed a five percent increase in the amount of tax due by the owner or owners of the homestead per assessment period. If a political subdivision suffers a loss of revenue by reason of such exemption, the political subdivision shall be entitled to restitution from the state for lost**

**EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

13 **revenue. To achieve this restitution, the general assembly shall appropriate**  
14 **funds to be distributed to the affected political subdivision. For the purposes**  
15 **of this subsection the term "property tax due" means the actual tax liability**  
16 **attributed to an owner or owners of a homestead, excluding:**

17 **(1) Increases due to new construction or improvements;**

18 **(2) Increases due to any voter approved new or modified tax levy; and**

19 **(3) Increases due to a change to the assessed valuation as a result of**  
20 **the property being sold, devised or otherwise changing ownership.**

21 **3. Notwithstanding other provisions of law, any taxpayer of a county,**  
22 **or other political subdivision shall have standing to bring suit in a circuit**  
23 **court of proper venue to enforce the provisions of this section, and, if the suit**  
24 **is sustained, shall receive from the applicable unit of government his or her**  
25 **costs, including reasonable attorneys' fees incurred in maintaining such suit.**

26 **4. This section shall become effective January 1, 2006, and shall apply**  
27 **to all taxable years beginning after December 31, 2003.**

208.565. 1. The [division] **department of health and senior services** shall  
2 negotiate with manufacturers for participation in the program. The [division]  
3 **department of health and senior services** shall issue a certificate of participation  
4 to pharmaceutical manufacturers participating in the Missouri Senior Rx program. A  
5 pharmaceutical manufacturer may apply for participation in the program with an  
6 application form prescribed by the commission. A certificate of participation shall  
7 remain in effect for an initial period of not less than one year and shall be automatically  
8 renewed unless terminated by either the manufacturer or the state with sixty days'  
9 notification.

10 **2. For all transactions occurring prior to July 1, 2003, the rebate**  
11 **amount for each drug shall be fifteen percent of the average manufacturer's**  
12 **price as defined in 42 U.S.C. Section 1396r-8(k)(1). For all transactions**  
13 **occurring on and after July 1, 2003, the rebate amount for [each drug] name brand**  
14 **prescription drugs shall be fifteen percent and the rebate amount for generic**  
15 **prescription drugs shall be eleven percent** of the average manufacturers' price as  
16 defined pursuant to 42 U.S.C. **Section 1396r-8(k)(1).** No other discounts shall apply. In  
17 order to receive a certificate of participation a manufacturer or distributor participating  
18 in the Missouri Senior Rx program shall provide the [division of aging] **department of**  
19 **health and senior services** the average manufacturers' price for their contracted  
20 products. The following shall apply to the providing of average manufacturers' price  
21 information to the [division of aging] **department of health and senior services:**

22 (1) Any manufacturer or distributor with an agreement under this section that  
23 knowingly provides false information is subject to a civil penalty in an amount not to  
24 exceed one hundred thousand dollars for each provision of false information. Such  
25 penalties shall be in addition to other penalties as prescribed by law;

26 (2) Notwithstanding any other provision of law, information disclosed by  
27 manufacturers or wholesalers pursuant to this subsection or under an agreement with  
28 the [division] **department of health and senior services** pursuant to this section is  
29 confidential and shall not be disclosed by the [division] **department of health and**  
30 **senior services** or any other state agency or contractor therein in any form which  
31 discloses the identity of a specific manufacturer or wholesaler or prices charged for drugs  
32 by such manufacturer or wholesaler, except to permit the state auditor to review the  
33 information provided and the [division of medical services] **department of health and**  
34 **senior services** for rebate administration.

35 3. All rebates received through the program shall be used toward refunding the  
36 program. If a pharmaceutical manufacturer refuses to participate in the rebate program,  
37 such refusal shall not affect the manufacturer's status under the current Medicaid  
38 program. There shall be no drug formulary, prior approval system, or any similar  
39 restriction imposed on the coverage of outpatient drugs made by pharmaceutical  
40 manufacturers who have agreements to pay rebates for drugs utilized in the Missouri  
41 Senior Rx program, provided that such outpatient drugs were approved by the Food and  
42 Drug Administration.

43 4. Any prescription drug of a manufacturer that does not participate in the  
44 program shall not be reimbursable.

Section B. Because immediate action is necessary to ensure the fiscal stability  
2 of the Senior Rx program, the repeal and reenactment of section 208.565 of section A of  
3 this act is deemed necessary for the immediate preservation of the public health, welfare,  
4 peace, and safety, and is hereby declared to be an emergency act within the meaning of  
5 the constitution, and the repeal and reenactment of section 208.565 of section A of this  
6 act shall be in full force and effect upon its passage and approval.