

HB 437 -- Health Insurance

Co-Sponsors: Luetkemeyer, Abel, Hobbs, Portwood, Moore, Ward, Richard

This bill amends the law relating to group health insurance, the health insurance pool, and the Small Employer Health Insurance Availability Act. In its main provisions, the bill:

- (1) Defines a variety of terms, including "pre-existing condition exclusions" and "waiting period";
- (2) Prohibits group health insurance issuers from establishing enrollment eligibility requirements based on "health status-related factors," which include medical history and genetic information;
- (3) Prohibits health insurance issuers that offer group health insurance coverage from requiring any individual, as a condition of enrollment, to pay a premium or other contribution that is greater than that made by other similarly situated individuals enrolled in the plan on the basis of health status-related factors;
- (4) Requires health insurance issuers offering large group health plan coverage to renew or continue coverage in force at the option of the plan sponsor;
- (5) Outlines conditions under which health insurance issuers can non-renew or discontinue group health plan coverage, particular types of large group health insurance coverage, and all large group health insurance coverage;
- (6) Permits health insurance issuers to modify coverage for a large group health plan at the time of coverage renewal;
- (7) Changes the definition of the term "placement" as it pertains to coverage of adopted children. In current law, placement means that the child is in the physical custody of the adoptive parent. The bill changes it to mean the assumption and retention by the insured of a legal obligation for total or partial support of a child in anticipation of adoption;
- (8) Adds to the defined terms relating to the health insurance pool the terms "church plan" and "federal defined eligible individual";
- (9) Designates as eligible for pool coverage individuals who are residents of Missouri and who provide evidence of: (a) refusal by one insurer to issue substantially similar insurance for

health reasons; or (b) refusal by an insurer to issue insurance except at a rate exceeding 150% of the standard risk rate;

(10) Makes eligible for pool coverage persons who terminated coverage in the pool less than 12 months prior, persons on whose behalf the pool has paid out \$1 million in benefits, and persons receiving treatment for drug or alcohol abuse. Under current law, these persons are ineligible for pool coverage;

(11) Allows persons who do not maintain residency in Missouri to be terminated at the end of the policy period;

(12) Changes the percentage limit on pool rates from 200% to 150% of the rates applicable to individual standard risks;

(13) Changes the time within which a person has to apply for pool coverage (in order to have a waiver of pre-existing condition exclusions) from 60 days to 63 days;

(14) Adds to definitions for the Small Employer Health Insurance Availability Act a variety of terms, including "creditable coverage," "excepted benefits," "health status-related factor," and "medical care";

(15) Modifies the definition of the term "small employer" as it pertains to a group health plan to include political subdivisions. A small employer is one who employs two to 50 eligible employees. Under current law, a small employer has three to 25 employees;

(16) Modifies conditions under which small employer health benefit plans are not renewable;

(17) Lists conditions under which small employer carriers can discontinue a particular type of small group health benefit plan and discontinue all small employer health insurance coverage;

(18) Repeals the requirement for small employer carriers electing to non-renew all of its small employer health plans in the state to provide certain types of notice;

(19) Allows small employer carriers offering coverage through a network plan not to offer coverage to an eligible person who no longer lives or works in the service area or to a small employer who no longer has an enrollee in the plan who lives or works in the service area;

(20) Requires small employer carriers to offer all health benefit plans they actively market to small employers in the state. Current law requires small employer carriers to offer at

least two health benefit plans: a basic and a standard health benefit plan;

(21) Changes the way small employer health benefit plans can define pre-existing conditions. The bill specifies that a pregnancy existing on the effective date of coverage is not considered a pre-existing condition;

(22) Changes the requirement that creditable coverage be continuous to a date not less than 63 days prior to application for new coverage. Current law is 30 days prior to the effective date of new coverage;

(23) Establishes cases where small employer carriers are prohibited from imposing any pre-existing condition exclusion; and

(24) Abolishes the Missouri Small Employer Reinsurance Program, effective December 31, 2004. The program will not take on any risk after October 1, 2003.