SECOND REGULAR SESSION

SENATE COMMITTEE SUBSTITUTE FOR

HOUSE SUBSTITUTE FOR

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HOUSE BILL NO. 1566

92ND GENERAL ASSEMBLY

Reported from the Committee on Governmental Accountability and Fiscal Oversight, April 8, 2004, with recommendation that the Senate Committee Substitute do pass.

TERRY L. SPIELER, Secretary.

4719S.08C

AN ACT

To amend chapter 208, RSMo, by adding thereto two new sections relating to medical assistance cost containment within the Medicaid program.

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

Section A. Chapter 208, RSMo, is amended by adding thereto two new sections, to be known as sections 208.147 and 208.212, to read as follows:

208.147. 1. The department shall conduct an annual income and eligibility verification review of each recipient of medical assistance. Such review shall be completed not later than twelve months after the recipient's last eligibility determination.

2. The annual eligibility review requirement may be satisfied by the completion of a periodic food stamp redetermination for the household.

3. (1) The department shall require recipients to provide documentation for income verification for purposes of the eligibility review described in subsection 1 of this section. Such documentation may include, but not be limited to:

(a) Current wage stubs;

(b) A current W-2 form;

(c) Statements from the recipient's employer; and

(d) A wage match with the division of employment security.

(2) The family support division may also verify information through inquiry into the personal property and driver's licensing systems of the department of revenue, or through other data matches.

4. The department shall by rule establish procedures that require

applicants or recipients to disclose at the time of application or the annual eligibility review whether their employer offers employer-sponsored health insurance that they are eligible to receive, whether the applicant or recipient participates in the employer-sponsored health insurance program, and to disclose the applicant's or recipient's reason for not participating in the employer-sponsored plan, if applicable. If the applicant or recipient is unemployed at the time of application or the annual eligibility review, the department shall also establish by rule procedures that require the applicant or recipient to disclose whether they have sought employment.

5. Notwithstanding the cost-sharing provisions in subsection 3 of section 208.152, the department shall promulgate rules that require all recipients of medical assistance to participate in cost-sharing activities, subject to the provisions of 42 U.S.C. Section 1396o. The provisions of this subsection shall not apply to subdivision (9) of subsection 1 of section 208.152, and sections 208.631 to 208.657. The provisions of this subsection shall not apply to home health or in-home services.

6. For purposes of determining the copayment amount described in subsection 5 of this section, the following guidelines shall apply:

(1) For services in which the state's payment for the service is ten dollars or less, the maximum copayment shall be fifty cents;

(2) For services in which the state's payment for the service is between ten dollars one cent and twenty-five dollars, the maximum copayment shall be one dollar;

(3) For services in which the state's payment for the service is between twenty-five dollars one cent and fifty dollars, the maximum copayment shall be two dollars; and

(4) For services in which the state's payment for the service is more than fifty dollars, the maximum copayment shall be three dollars.

7. Providers shall make a reasonable effort to collect the copayments set forth in subsections 5 and 6 of this section from the recipient at the time the service is provided. Any full or partial copayment made by the recipient shall be entered on the provider's submitted claim and deducted by the division of medical services from the usual payment to the provider. The payment made by the division of medical services to the provider shall not be decreased by the recipient's failure to pay the copayment.

8. When the division of medical services receives a claim from a provider for nonpayment of a mandatory copayment, the division shall send

a notice to the recipient. Such notice shall:

(1) Request the recipient to reimburse the division of medical services for the mandatory copayment made on the recipient's behalf; and

(2) Request information from the recipient to determine whether the mandatory copayment was not made because of a change in the financial situation of the recipient.

208.212. 1. For purposes of Medicaid eligibility, investment in annuities shall be limited to those annuities that:

(1) Are actuarially sound as measured against the Social Security Administration Life Expectancy Tables, as amended;

(2) Provide equal or nearly equal payments for the duration of the device and which exclude "balloon" style final payments; and

(3) Provide the state of Missouri secondary or contingent beneficiary status ensuring payment if the individual predeceases the duration of the annuity, in an amount equal to the Medicaid expenditure made by the state on the individual's behalf.

2. The department shall establish a thirty-six month look-back period to review any investment in an annuity by an applicant for Medicaid benefits. If an investment in an annuity is determined by the department to have been made in anticipation of obtaining or with an intent to obtain eligibility for Medicaid benefits, the department shall have available all remedies and sanctions permitted under federal and state law regarding such investment. The fact that an investment in an annuity which occurred prior to the effective date of this section does not meet the criteria established in subsection 1 of this section shall not automatically result in a disallowance of such investment.

3. The department of social services shall promulgate rules to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be invalid and void.

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