

HB 818 -- Health Insurance Portability and Accessibility Act

Sponsor: Ervin

This bill changes the laws regarding the Missouri Health Insurance Pool and establishes the Missouri Health Insurance Portability and Accessibility Act.

MISSOURI HEALTH INSURANCE POOL

In its main provisions, the bill:

- (1) Requires, effective January 1, 2009, or the date established by the board of the pool, all insurers and insurance arrangements who provide health plans to be members of the pool;
- (2) Gives pool members voting rights;
- (3) Allows pool members to decide which individuals or groups may be ceded into the pool;
- (4) Requires pool members ceding a risk to the pool to retain at least 20% of the risk and to pay a premium as determined by the rules governing the pool. The premium must be at least the amount charged to the insured. Risks may be ceded to the pool for as long as the insured is covered;
- (5) Does not require pool members to provide coverage to any person or group; and
- (6) Allows pool members to request verification of employment or residence for eligibility determination.

HEALTH INSURANCE PORTABILITY AND ACCESSIBILITY ACT

In its main provisions, the bill:

- (1) Allows the Governor to establish the Missouri Health Insurance Exchange, a private, nonprofit corporation to implement the provisions of the act by providing individuals with greater access, choice, and portability of health insurance products;
- (2) Establishes a board of directors of the exchange to be composed of nine members including the Director of the Department of Insurance, Financial Institutions, and Professional Registration; the Director of the Department of Social Services; the administrator of the Missouri High Risk Pool; the Director of the Missouri Consolidated Health Care Plan; a member of the Senate; a member of the House of Representatives; and three private sector individuals appointed by the Governor;

(3) Authorizes the exchange to enter into contracts for the operation of the exchange;

(4) Requires the exchange to establish and administer procedures to enroll, elect, and manage coverages;

(5) Requires the exchange to hold open enrollment for eligible individuals in November of each year. Eligible individuals cannot be denied coverage during open enrollment with some exceptions;

(6) Requires certified health carriers offering insurance through the exchange to be licensed in Missouri;

(7) Requires carriers offering plans at standard rates based on age, geography, lifestyle, and family composition to be actuarially sound. Rates may be adjusted because of experience and modifications to plan benefits;

(8) Establishes rules governing pre-existing conditions for current and new plan participants as follows:

(a) Participants who choose a different plan or option for the next year are not subject to the pre-existing condition provisions;

(b) New participants with 18 or more months of credible coverage are not subject to the pre-existing condition provisions;

(c) New participants with partial credible coverage of two to 17 months may enroll subject to the pre-existing condition provisions for up to 12 months or be charged a premium of up to 125% of the standard rate for up to three years;

(d) New participants with less than two months of credible coverage will be subject to the pre-existing condition provisions for up to 12 months or be charged a premium of up to 150% of the standard rate for up to three years;

(e) New eligible dependents are not subject to the pre-existing condition provisions unless previously specified in the insured's plan; and

(f) Carriers may elect to waive the pre-existing condition provisions and instead extend the rate surcharge for one additional year;

(9) Establishes rules for eligible individuals to retain coverage and procedures for resolving disputes about the operations of the exchange;

(10) Allows employers to contract with the exchange to provide health insurance benefits to plan enrollees if:

(a) The sponsoring employer plan is administered by the exchange director;

(b) The participating employer plan is restricted to the coverage and benefits offered by the participating insurance plan;

(c) Any individual who is eligible for coverage under the employer's participating plan can elect coverage under any participating insurance plan;

(d) The employer offers supplemental benefits to those offered through the exchange;

(e) The employer agrees not to offer individuals eligible to participate in the exchange because of their eligibility under the employer's participating employer plan any separate or competing health plan offering similar benefits as those provided by other insurance plans in the exchange;

(f) The employer reserves the right to determine the terms and contribution amount for participating employer plans; and

(g) Participating employer plans do not provide additional or different services or benefits not provided or offered to all other participating employer plans;

(11) Allows Missouri-licensed producers to enroll eligible individuals in the exchange for a commission; and

(12) Prohibits a carrier from issuing or renewing an individual health plan benefit or a group health plan to employers with less than 51 employees after the first day of the plan year following open enrollment.