

HCS SS SCS SB 577 -- MO HEALTHNET PROGRAM

SPONSOR: Shields (Schaaf)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Healthcare Facilities by a vote of 6 to 1.

This substitute changes the laws regarding the state medical assistance program, known as the Missouri Medicaid Program, including changing its name to the MO HealthNet Program.

STATE LEGAL EXPENSE FUND

Physicians and dentists who provide specialty care without compensation and who were referred by their city or county health department, city health department operating under a city charter, combined city-county health department, a nonprofit community health center, or any social welfare board established under Section 205.770, RSMo, are allowed to be included in the list for whom the State Legal Expense Fund is available. The fund is not available to a physician who performs an abortion procedure.

Any claim or judgment arising from these provisions is limited to a maximum of \$1 million based upon the same act or acts in a single cause of action and \$1 million for any one claimant. Liability or malpractice insurance will not be considered available to pay any portion of the judgment when the fund is liable.

HEALTH PROFESSIONAL SHORTAGE AREAS

The Missouri Healthcare Access Fund is created to expand healthcare services in state and federally designated areas with healthcare shortages. The Department of Health and Senior Services is authorized to designate eligible facilities in an area of defined need and is required to re-evaluate eligible facilities every six years. Beginning January 1, 2007, individuals making a donation in excess of \$100 to the fund will be eligible for a tax credit.

CERVICAL CANCER PREVENTION PUBLIC AWARENESS CAMPAIGN

The substitute:

(1) Establishes a public awareness campaign to educate parents, health care providers, and women about the causes and risk factors associated with cervical cancer, the human papilloma virus (HPV), and the prevention of cervical cancer;

(2) Requires school districts to establish procedures to provide to the department the names and addresses of all parents, conservators, and guardians of female students entering the sixth grade;

(3) Requires that each informational mailing sent to parents, conservators, and guardians include a voluntary return form indicating the student's immunization status or if the parent, conservator, or guardian has chosen not to have the child immunized;

(4) Specifies that a student will be allowed to attend school if the parent, guardian, or conservator has opted not to have the student immunized against HPV; and

(5) Allows the HPV vaccination to be administered by any licensed physician or anyone under a physician's direction.

HEALTH ACCESS INCENTIVE FUND

The substitute adds psychiatrists and psychologists to the list of providers who are allowed to receive enhanced payments in designated shortage areas.

MO HEALTHNET FRAUD AND ABUSE

The substitute changes the laws regarding fraud and abuse in the MO HealthNet Program. The substitute:

(1) Expands the definition of "health care provider" to include any employee, representative, or subcontractor of the state;

(2) Specifies that the terms "knowing" and "knowingly" mean intentionally;

(3) Increases the penalty for making a false statement to a class C felony for a first conviction and a class B felony for a subsequent conviction. A person who attempts to or willfully prevents, obstructs, misleads, or delays the communication of information relating to a violation will be guilty of a class D felony and upon conviction will be excluded from participating as a provider;

(4) Specifies that any person who is the original source of information regarding a violation will be compensated unless he or she participated in the fraud or abuse;

(5) Prevents an employer from discriminating against an employee for participating in a court action relating to a violation unless the employee filed a frivolous claim, participated in the

violation, or is convicted of criminal conduct related to the violation;

(6) Requires the Office of the Attorney General and the Department of Social Services to report information regarding violations to the Governor and General Assembly by January 1, 2008, and annually thereafter;

(7) Requires the State Auditor to complete a financial audit of the MO HealthNet fraud unit within the Office of the Attorney General and the program integrity unit within the Department of Social Services;

(8) Creates a penalty for destroying or concealing records of claims submitted or payments received and for filing false reports or claims of alleged violations and receiving compensation for failure to report violations;

(9) Establishes an advisory working group, beginning September 1, 2007, to determine the need for an Office of Inspector General to oversee the state's medical assistance programs; and

(10) Creates a fund for the deposit of moneys recovered to be used for increasing MO HealthNet provider reimbursements until the average provider reimbursement equals the average federal Medicare Program provider reimbursement.

MISAPPROPRIATION OF FUNDS

The substitute specifies that a person assuming the responsibility of managing the financial affairs of an elderly person is guilty of misappropriation of funds for failure to pay for the care of an elderly or disabled person.

MEDICAL ASSISTANCE FOR EMPLOYED PERSONS WITH DISABILITIES

The Department of Social Services is required to determine the eligibility of an employed disabled person requesting medical assistance whose family gross income is less than 250% of the federal poverty level. The substitute:

(1) Requires that an individual meet the definition of a disabled person under the federal Supplemental Security Income Program or of an employed individual with a medically improved disability under the federal Ticket to Work and Work Incentives Improvement Act of 1999;

(2) Requires an individual whose net income does not exceed the limit for permanent and total disability to receive non-spenddown

MO HealthNet benefits;

(3) Requires any participant whose gross income exceeds 100% of the federal poverty level to pay a premium for participation in the program;

(4) Requires an individual to participate in an employer-sponsored health insurance plan if the department determines that it is more cost effective;

(5) Exempts any income earned through certified extended employment at a sheltered workshop for the purpose of determining eligibility; and

(6) Exempts medical savings accounts and independent living accounts not exceeding \$2,500 from the asset limits for eligibility.

MISSOURI CONTINUING HEALTH IMPROVEMENT ACT

The substitute:

(1) Establishes the Missouri Continuing Health Improvement Act and changes the name of the Division of Medical Services within the Department of Social Services to the MO HealthNet Division;

(2) Extends eligibility for health insurance for a drug court participant for 60 days from the time his or her dependent child is removed from his or her custody, subject to the approval of the federal Centers for Medicare and Medicaid Services;

(3) Requires the department to study various aspects relating to the MO HealthNet Program and its potential expansion;

(4) Expands coverage to independent foster care adolescents younger than 21 years of age;

(5) Adds durable medical equipment, hospice care, dental services, podiatry, optometry, orthopedic devices, physical therapy services, and comprehensive day rehabilitation services to the list of covered benefits when based on a medical necessity;

(6) Requires the division to establish a three-year plan to increase the MO HealthNet provider reimbursement rate to the federal Medicare Program rates;

(7) Establishes the State Pay for Performance Program when MO HealthNet provider reimbursement rates have reached at least 100% of the federal Medicare Program payment for the same service and

the federal Pay for Performance Program is in operation;

(8) Specifies that any Social Security cost-of-living increase will be disregarded as income until the federal poverty level for the year is implemented;

(9) Specifies that if a MO HealthNet recipient prepays his or her spenddown in cash to the division and subsequently pays a valid out-of-pocket medical bill, that expense will be allowed as a deduction to future required spenddown for up to three months;

(10) Establishes the Professional Services Payment Committee to monitor the performance program;

(11) Allows income from annuity investments to be excluded when determining MO HealthNet eligibility;

(12) Establishes rules for personal care contracts;

(13) Requires health benefit plans to pay all properly submitted claims for a period of three years from the date of service;

(14) Specifies the department's rights to third-party benefits;

(15) Requires compliance with the federal Health Insurance Portability and Accountability Act;

(16) Specifies how the per diem reimbursement rates will be calculated for nursing home facility providers new in the MO HealthNet Program;

(17) Requires the department to submit a MO HealthNet beneficiary report quarterly to the Governor and requires applicants for MO HealthNet benefits to disclose their employer;

(18) Changes the eligibility requirement for the State Children's Health Insurance Program and specifies that the program will remain in effect only if the federal government appropriates funds;

(19) Changes affordability requirements for children without access to affordable health care and specifies that health insurance plans that do not cover a child's pre-existing condition are not considered affordable employer-sponsored health care insurance;

(20) Changes the eligibility requirements for the Uninsured Women's Health Program;

(21) Allows the use of telehealth services in the MO HealthNet

Program;

(22) Establishes the Long-Term Care Partnership Program that provides incentives for individuals to purchase insurance for their long-term care needs;

(23) Specifies that providers receive sufficient reimbursement for their services;

(24) Specifies that an administrative services organization (ASO) or a managed care organization (MCO) can be used to deliver and manage health care to MO HealthNet participants. ASOs provide services to a defined population of non-risk bearing participants using care management, participant education, utilization management, and primary care case management. MCOs provide services on a risk-bearing, prepaid, capitated basis using care management, utilization management, coverage, and provider reimbursement;

(25) Specifies that the state point-of-service plan will be available everywhere in the state and will be used to provide care to specific populations on a point-of-service basis;

(26) Requires the automatic enrollment in the state plan of individuals not enrolled in managed care plans. As new plans are established, individuals will be given 30 days to select a new health improvement plan. If the individual does not select a plan, the MO HealthNet Division will place the individual in an appropriate plan;

(27) Specifies that the division will use tools such as health risk assessment and risk prediction to identify high-risk individuals for more intense care coordination and management plans. High-risk state point-of-service participants can be enrolled in the Chronic Care Improvement Plan designed for specific populations of high-risk participants;

(28) Allows the division to implement pilot projects to determine the best way to achieve good health outcomes and cost savings in health care delivery;

(29) Requires the department to use a public process for the design, development, and implementation of health improvement plans;

(30) Requires the division to establish a sliding scale schedule of co-payments for hospital emergency room visits;

(31) Requires all health improvement plans to help participants remain in the least restrictive level of care possible, use call

centers and nursing help lines, report participant and provider satisfaction information annually, and ensure that subcontracted vendors pay no less than the MO HealthNet service plan fee schedule;

(32) Requires all participants to have a primary care physician;

(33) Establishes the MO HealthNet Oversight Committee which will advise the department and study various aspects of the program including, but not limited to, satisfaction reports, pilot project results, and health risk assessment results;

(34) Establishes a subcommittee within the oversight committee to advise the department on the development of a comprehensive entry-point system;

(35) Establishes the Joint Committee on MO HealthNet to study the resources needed to continue improvements to the program;

(36) Establishes requirements for the MO HealthNet for Children and Families including, but not limited to, the use of existing MCOs and health improvement plans, placement in newly developed health plans, use of wellness coaches, and use of case management strategies;

(37) Establishes requirements for the MO HealthNet for the Aged, Blind, and Disabled including, but not limited to, the use of the least restrictive environment possible, use of existing health improvement plans, placement in newly developed health plans, use of individual support team coaches, and use of case management strategies;

(38) Requires the Department of Health and Senior Services to establish a universal informational and assessment system to provide information to participants through natural points of entry;

(39) Creates the Health Care Technology Fund to promote technological advances in health care delivery;

(40) Establishes the Missouri Health Profession Shortage Commission to develop recommendations regarding the health professionals workforce in the state;

(41) Requires the Legislative Budget Office to conduct a five-year rolling MO HealthNet budget forecast;

(42) Specifies that the fee for service policies that prescribe psychotropic medications will not include any new limits to the initial access requirements;

(43) Creates the MORx Pharmacy Rebate Fund; and

(44) Requires the Department of Social Services to study and develop an acuity-based reimbursement system for the payment of nursing home services.

The provisions of the substitute regarding the tax credit for donations to the Missouri Healthcare Access Fund will expire six years from the effective date. The provisions regarding medical assistance for employed persons with a disability will expire three years from the effective date.

The provision of the substitute regarding the eligibility of certain foster care participants in the MO HealthNet Program contains an emergency clause.

FISCAL NOTE: Estimated Cost on General Revenue Fund of Unknown Greater than \$61,346,642 to Unknown Greater than \$62,596,642 in FY 2008, Unknown Greater than \$40,997,327 to Unknown Greater than \$22,995,474 in FY 2009, and Unknown Greater than \$10,671,151 to Unknown Greater than \$15,738,776 in FY 2010. Estimated Cost on Other State Funds of \$36,922 to \$41,922 in FY 2008, \$49,679 in FY 2009, and \$51,169 in FY 2010.

PROPONENTS: Supporters say that the bill restores coverage to some participant groups; adds important services such as durable medical equipment and hospice services; does not force the aged, blind, and disabled populations into managed care; represents a good start for Medicaid reform; and expands eligibility for children. The comprehensive entry point is good for participants.

Testifying for the bill were Representative Schaaf; Senator Shields; Doug Bouldin, Troy Family Practice; Citizens for Missouri's Children; Partnership for Children; Missouri Alliance of Area Agencies on Aging; and Missouri Association of Homes for the Aging.

OPPONENTS: Those who oppose the bill say that the bill is vague and without details. The entry-point concept should be defined and in-home and consumer-driven service should remain in the control of the state. The bill falls short of reform, changes the doctor-patient relationship, cuts aren't restored, and doesn't serve participant needs.

Testifying against the bill were Missouri Budget Project; Missouri Association for Social Welfare; Missouri Catholic Conference; Catholic Charities Archdiocese of St. Louis; Epilepsy Foundation of the St. Louis Region; Craig Henning, Disability Resource Association of Jefferson County, Incorporated; Bob Pund;

DeAnna Noriega; Sidney Watson; Southwest Center for Independent Living; Ozark Independent Living; Dr. Katie Plax; Patricia Barnett, Metropolitan Congregations United; Rev. Dr. James T. Morris, Missouri Conference Christian Methodist Episcopal Church; Rev. Ronald L. Bobo, Sr., St. Louis Clergy Coalition; Dee Wilson, St. Louis and Missouri NAACP; Paraquad, Incorporated; and Mary Hussmann, Grass Roots Organizing.

OTHERS: Others testifying on the bill say that too much is left for chance and new bureaucracies are added. It does not restore cuts made in 2005. There are concerns about the premium offset program and the health care advocate.

Testifying on the bill were Timothy Hogan; and AARP.