

## CCS HCS SS SCS SB 577 -- MO HEALTHNET PROGRAM

This bill 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, dentists, podiatrists, chiropractors, nurses, optometrists, psychologists, professional counselors, social workers, and pharmacists 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 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.

### INCOME TAX DEDUCTION FOR LONG-TERM CARE INSURANCE

Beginning January 1, 2007, the bill authorizes an income tax deduction for 100% of the nonreimbursed qualified long-term care insurance premiums paid by the taxpayer to the extent the amount is not already included in the taxpayer's itemized deductions.

### HEALTHCARE ACCESS

The Missouri Healthcare Access Fund is created, subject to appropriations, to expand health care services in state and federally designated areas with health care 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 an income tax credit.

Psychiatrists and psychologists, as defined in Section 632.005, and psychiatrists, psychologists, and other mental health providers, professional counselors, and social workers licensed under Chapter 337 are added to the list of providers who are allowed to receive enhanced payments from the Health Access

Incentive Fund in designated shortage areas.

#### MO HEALTHNET FRAUD AND ABUSE

The bill:

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

(2) 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;

(3) Specifies that any person who is the original source of information regarding a violation will receive 10% of any recovery unless he or she participated in the fraud or abuse;

(4) 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;

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

(6) 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;

(7) Creates the crime of knowingly destroying or concealing records of claims submitted or payments received for the previous five years. Any person committing this crime will be guilty of a class A misdemeanor;

(8) Creates the crime of intentionally filing a false report or claim of alleged violations. Any person committing this crime will be guilty of a class A misdemeanor for the first offense and a class D felony for any subsequent offense;

(9) Creates the crime of receiving compensation for failure to report violations. Any person committing this crime will be guilty of a class D felony; and

(10) Renames the Medicaid Fraud Reimbursement Fund to the MO HealthNet Fraud Reimbursement Fund and allows the moneys to be used for increasing MO HealthNet provider reimbursements until the average provider reimbursement equals the average federal Medicare Program provider reimbursement for comparable services.

#### CHRONIC KIDNEY DISEASE TASK FORCE

The Chronic Kidney Disease Task Force is established to educate the public and health care professionals about early screening, prevention, diagnosis, treatment, and complications of chronic kidney disease. The task force must submit a report of its findings and recommendations to the General Assembly within one year of the first task force meeting.

#### ASSISTED LIVING FACILITIES

Assisted living facilities are required to immediately implement any physician order and, within 24 hours, review and update a resident's care plan when the resident returns from a hospital or skilled nursing facility.

#### MISAPPROPRIATION OF FUNDS

The bill 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.

#### TICKET TO WORK HEALTH ASSURANCE PROGRAM

The bill establishes the Ticket to Work Health Assurance Program which requires the Department of Social Services 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 bill:

(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 to qualify for assistance;

(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 \$5,000 from the asset limits for eligibility.

#### MISSOURI CONTINUING HEALTH IMPROVEMENT ACT

The bill:

(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 the eligibility for health insurance for a drug court participant to 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) Expands coverage to include independent foster care adolescents younger than 21 years of age without regard to income or assets;

(4) Adds hospice services to the list of covered services and adds durable medical equipment, dental services, and optometry to the list of covered benefits when it is based on a medical necessity;

(5) Requires the division to establish by July 1, 2008, a four-year plan to increase the MO HealthNet provider reimbursement rates to the federal Medicare Program rates;

(6) Requires the division to develop pay-for-performance program guidelines;

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

(8) 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, the expense will be allowed as a deduction to future required spenddown for up to three months;

(9) Establishes the Professional Services Payment Committee to monitor the pay-for-performance program;

(10) Establishes, subject to appropriation and approval by the MO HealthNet Oversight Committee, a premium offset program pilot project in one urban and one rural area of the state. Qualified individuals must be uninsured for one year and must have an income of less than or equal to 185% of the federal poverty level. No employer will be allowed to participate in the pilot project for more than five years;

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

(12) Establishes rules for personal care contracts which will not cause an institutionalized individual to be ineligible for federal Medicare Program benefits based on an improper transfer of assets;

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

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

(15) Establishes the Public Assistance Beneficiary Employer Disclosure Act which requires the department to submit the Missouri Health Care Responsibility Report quarterly to the Governor and requires applicants for MO HealthNet benefits to disclose their employer;

(16) Requires the departments of Social Services, Mental Health, and Health and Senior Services to collaborate in addressing common problems of the elderly;

(17) 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;

(18) Changes affordability requirements for uninsured children without access to affordable health care. Health insurance plans that do not cover a child's pre-existing condition are not considered affordable employer-sponsored health care insurance. A child is also considered uninsured under these provisions when the child exceeds the annual coverage limits for all health care services;

(19) Changes the eligibility requirements for the Uninsured Women's Health Program to include a woman at least 18 years of age with a net family income at or below 185% of the federal

poverty level who has assets of less than \$250,000 and no access to employer-sponsored health insurance;

(20) Allows the use of telehealth services in the MO HealthNet Program;

(21) Establishes the Missouri Long-term Care Partnership Program Act which provides incentives for individuals to purchase insurance for their long-term care needs;

(22) Extends the expiration date for consumer-directed personal care services from June 30, 2008, to June 30, 2019;

(23) Requires the Department of Social Services to establish health improvement plans for all participants with the advice and approval of the MO HealthNet Oversight Committee. The health improvement plans will include, but are not limited to, risk-bearing coordinated care plans, administrative services organizations, and coordinated fee-for-service plans;

(24) Requires the development of and enrollment into the health improvement plans to begin July 1, 2008, and be completed by July 1, 2011;

(25) Requires that contracts for risk-bearing coordinated care plans and administrative services organization plans have a financial penalty if quality targets are not met;

(26) Specifies that every program participant will be enrolled in a health improvement plan and be provided a health care home;

(27) Specifies that no aged, blind, or disabled program participant will be required to enroll in a risk-bearing coordination plan;

(28) Requires the department to commission an independent survey to evaluate health and wellness outcomes of program participants and report the results of the survey within six months to the Governor, General Assembly, and the MO HealthNet Oversight Committee;

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

(30) Requires all health improvement plans to complete a health risk assessment and develop a plan of care for enrolled participants by July 1, 2008;

(31) Requires that there be a competitive bid process for any

necessary contracts related to the purchase of products or services required to administer the program;

(32) Establishes the Joint Committee on MO HealthNet to study the resources needed to continue and improve the program;

(33) Establishes the MO HealthNet Oversight Committee to 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. The committee must report its findings to the Governor and General Assembly, at least annually, beginning January 1, 2009;

(34) Establishes a subcommittee within the oversight committee to advise the department on the development of a comprehensive entry-point system. The subcommittee is required to report its findings to the Governor and General Assembly by October 1, 2008;

(35) Creates the Health Care Technology Fund to be administered by the Department of Social Services to promote technological advances in health care delivery. The MO HealthNet Oversight Committee must report to the Governor and General Assembly regarding the expenditures of moneys appropriated to the fund by January 1, 2008;

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

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

(38) Specifies that there will not be a single, statewide contract for any health improvement plan; and

(39) Abolishes the Medicaid Reform Commission.

The provisions regarding the tax credit for donations to the Missouri Healthcare Access Fund and medical assistance for employed persons with a disability will expire six years from the effective date. The provisions regarding the MO HealthNet Oversight Committee's report on the expenditures of the Health Care Technology Fund will expire April 15, 2008. The provisions regarding the Chronic Kidney Disease Task Force will expire August 30, 2008. The provisions regarding the premium offset program pilot project will expire June 30, 2011.

The provisions regarding the eligibility of certain foster care participants in the MO HealthNet Program contain an emergency clause.