

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2354
94TH GENERAL ASSEMBLY

Reported from the Special Committee on Ticket to Work April 17, 2008 with recommendation that House Committee Substitute for House Bill No. 2354 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

4805L.05C

AN ACT

To repeal sections 135.535 and 208.146 RSMo, and to enact in lieu thereof three new sections relating to health care benefits and assistance.

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

Section A. Sections 135.535 and 208.146, RSMo, are repealed and three new sections
2 enacted in lieu thereof, to be known as sections 135.535, 208.146, and 208.148, to read as
3 follows:

135.535. 1. A corporation, limited liability corporation, partnership or sole
2 proprietorship, which moves its operations from outside Missouri or outside a distressed
3 community into a distressed community, or which commences operations in a distressed
4 community on or after January 1, 1999, and in either case has more than seventy-five percent of
5 its employees at the facility in the distressed community, and which has fewer than one hundred
6 employees for whom payroll taxes are paid, and which is a manufacturing, biomedical, medical
7 devices, scientific research, animal research, computer software design or development,
8 computer programming, including Internet, web hosting, and other information technology,
9 wireless or wired or other telecommunications or a professional firm shall receive a forty percent
10 credit against income taxes owed pursuant to chapter 143, 147 or 148, RSMo, other than taxes
11 withheld pursuant to sections 143.191 to 143.265, RSMo, for each of the three years after such
12 move, if approved by the department of economic development, which shall issue a certificate
13 of eligibility if the department determines that the taxpayer is eligible for such credit. The

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

14 maximum amount of credits per taxpayer set forth in this subsection shall not exceed one
15 hundred twenty-five thousand dollars for each of the three years for which the credit is claimed.
16 The department of economic development, by means of rule or regulation promulgated pursuant
17 to the provisions of chapter 536, RSMo, shall assign appropriate North American Industry
18 Classification System numbers to the companies which are eligible for the tax credits provided
19 for in this section. Such three-year credits shall be awarded only one time to any company which
20 moves its operations from outside of Missouri or outside of a distressed community into a
21 distressed community or to a company which commences operations within a distressed
22 community. A taxpayer shall file an application for certification of the tax credits for the first
23 year in which credits are claimed and for each of the two succeeding taxable years for which
24 credits are claimed.

25 2. Employees of such facilities physically working and earning wages for that work
26 within a distressed community whose employers have been approved for tax credits pursuant to
27 subsection 1 of this section by the department of economic development for whom payroll taxes
28 are paid shall also be eligible to receive a tax credit against individual income tax, imposed
29 pursuant to chapter 143, RSMo, equal to one and one-half percent of their gross salary paid at
30 such facility earned for each of the three years that the facility receives the tax credit provided
31 by this section, so long as they were qualified employees of such entity. The employer shall
32 calculate the amount of such credit and shall report the amount to the employee and the
33 department of revenue.

34 3. A tax credit against income taxes owed pursuant to chapter 143, 147 or 148, RSMo,
35 other than the taxes withheld pursuant to sections 143.191 to 143.265, RSMo, in lieu of the
36 credit against income taxes as provided in subsection 1 of this section, may be taken by such an
37 entity in a distressed community in an amount of forty percent of the amount of funds expended
38 for computer equipment and its maintenance, medical laboratories and equipment, research
39 laboratory equipment, manufacturing equipment, fiber optic equipment, high speed
40 telecommunications, wiring or software development expense up to a maximum of seventy-five
41 thousand dollars in tax credits for such equipment or expense per year per entity and for each of
42 three years after commencement in or moving operations into a distressed community. 4. A
43 corporation, partnership or sole partnership, which has no more than one hundred employees for
44 whom payroll taxes are paid, which is already located in a distressed community and which
45 expends funds for such equipment pursuant to subsection 3 of this section in an amount
46 exceeding its average of the prior two years for such equipment, shall be eligible to receive a tax
47 credit against income taxes owed pursuant to chapters 143, 147 and 148, RSMo, in an amount
48 equal to the lesser of seventy-five thousand dollars or twenty-five percent of the funds expended
49 for such additional equipment per such entity. Tax credits allowed pursuant to this subsection

50 or subsection 1 of this section may be carried back to any of the three prior tax years and carried
51 forward to any of the five **subsequent** tax years.

52 5. An existing corporation, partnership or sole proprietorship that is located within a
53 distressed community and that relocates employees from another facility outside of the distressed
54 community to its facility within the distressed community, and an existing business located
55 within a distressed community that hires new employees for that facility may both be eligible for
56 the tax credits allowed by subsections 1 and 3 of this section. To be eligible for such tax credits,
57 such a business, during one of its tax years, shall employ within a distressed community at least
58 twice as many employees as were employed at the beginning of that tax year. A business hiring
59 employees shall have no more than one hundred employees before the addition of the new
60 employees. This subsection shall only apply to a business which is a manufacturing, biomedical,
61 medical devices, scientific research, animal research, computer software design or development,
62 computer programming or telecommunications business, or a professional firm.

63 6. Tax credits shall be approved for applicants meeting the requirements of this section
64 in the order that such applications are received. Certificates of tax credits issued in accordance
65 with this section may be transferred, sold or assigned by notarized endorsement which names the
66 transferee.

67 7. The tax credits allowed pursuant to subsections 1, 2, 3, 4 and 5 of this section shall
68 be for an amount of no more than ten million dollars for each year beginning in 1999. To the
69 extent there are available tax credits remaining under the ten million dollar cap provided in this
70 section, up to one [hundred thousand] **million** dollars in the remaining credits shall first be used
71 for tax credits authorized under section 135.562. The total maximum credit for all entities
72 already located in distressed communities and claiming credits pursuant to subsection 4 of this
73 section shall be seven hundred and fifty thousand dollars. The department of economic
74 development in approving taxpayers for the credit as provided for in subsection 6 of this section
75 shall use information provided by the department of revenue regarding taxes paid in the previous
76 year, or projected taxes for those entities newly established in the state, as the method of
77 determining when this maximum will be reached and shall maintain a record of the order of
78 approval. Any tax credit not used in the period for which the credit was approved may be carried
79 over until the full credit has been allowed.

80 8. A Missouri employer relocating into a distressed community and having employees
81 covered by a collective bargaining agreement at the facility from which it is relocating shall not
82 be eligible for the credits in subsection 1, 3, 4 or 5 of this section, and its employees shall not be
83 eligible for the credit in subsection 2 of this section if the relocation violates or terminates a
84 collective bargaining agreement covering employees at the facility, unless the affected collective
85 bargaining unit concurs with the move.

86 9. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax
87 credits allowed in this section and the tax credits otherwise allowed in section 135.110, or the
88 tax credits, exemptions, and refund otherwise allowed in sections 135.200, 135.220, 135.225 and
89 135.245, respectively, for the same business for the same tax period.

 208.146. 1. The program established under this section shall be known as the "Ticket
2 to Work Health Assurance Program". Subject to appropriations and in accordance with the
3 federal Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIA), Public Law
4 106-170, the medical assistance provided for in section 208.151 may be paid for a person who
5 is employed and who:

6 (1) Except for earnings, meets the definition of disabled under the Supplemental Security
7 Income Program or meets the definition of an employed individual with a medically improved
8 disability under TWWIA;

9 (2) Has earned income, as defined in subsection 2 of this section;

10 (3) Meets the asset limits in subsection 3 of this section;

11 (4) Has net income, as defined in subsection 3 of this section, that does not exceed the
12 limit for permanent and totally disabled individuals to receive nonspenddown MO HealthNet
13 under subdivision (24) of subsection 1 of section 208.151; and

14 (5) Has a gross income of two hundred fifty percent or less of the federal poverty level,
15 excluding any earned income of the worker with a disability between two hundred fifty and three
16 hundred percent of the federal poverty level. For purposes of this subdivision, "gross income"
17 includes all income of the person and the person's spouse that would be considered in
18 determining MO HealthNet eligibility for permanent and totally disabled individuals under
19 subdivision (24) of subsection 1 of section 208.151. Individuals with gross incomes in excess
20 of one hundred percent of the federal poverty level shall pay a premium for participation in
21 accordance with subsection 4 of this section.

22 2. For income to be considered earned income for purposes of this section, the
23 department of social services shall document that Medicare and Social Security taxes are
24 withheld from such income. Self-employed persons shall provide proof of payment of Medicare
25 and Social Security taxes for income to be considered earned.

26 3. (1) For purposes of determining eligibility under this section, the available asset limit
27 and the definition of available assets shall be the same as those used to determine MO HealthNet
28 eligibility for permanent and totally disabled individuals under subdivision (24) of subsection
29 1 of section 208.151 except for:

30 (a) Medical savings accounts limited to deposits of earned income and earnings on such
31 income while a participant in the program created under this section with a value not to exceed
32 five thousand dollars per year; and

33 (b) Independent living accounts limited to deposits of earned income and earnings on
34 such income while a participant in the program created under this section with a value not to
35 exceed five thousand dollars per year. For purposes of this section, an "independent living
36 account" means an account established and maintained to provide savings for transportation,
37 housing, home modification, and personal care services and assistive devices associated with
38 such person's disability.

39 (2) To determine net income, the following shall be disregarded:

40 (a) All earned income of the disabled worker;

41 (b) The first sixty-five dollars and one-half of the remaining earned income of a
42 nondisabled spouse's earned income;

43 (c) A twenty dollar standard deduction;

44 (d) Health insurance premiums;

45 (e) A seventy-five dollar a month standard deduction for the disabled worker's dental and
46 optical insurance when the total dental and optical insurance premiums are less than seventy-five
47 dollars;

48 (f) All Supplemental Security Income payments, and the first **two hundred** fifty dollars
49 of SSDI payments;

50 (g) A standard deduction for impairment-related employment expenses equal to one-half
51 of the disabled worker's earned income.

52 4. Any person whose gross income exceeds one hundred percent of the federal poverty
53 level shall pay a premium for participation in the medical assistance provided in this section.
54 Such premium shall be:

55 (1) For a person whose gross income is more than one hundred percent but less than one
56 hundred fifty percent of the federal poverty level, four percent of income at one hundred percent
57 of the federal poverty level;

58 (2) For a person whose gross income equals or exceeds one hundred fifty percent but is
59 less than two hundred percent of the federal poverty level, four percent of income at one hundred
60 fifty percent of the federal poverty level;

61 (3) For a person whose gross income equals or exceeds two hundred percent but less
62 than two hundred fifty percent of the federal poverty level, five percent of income at two hundred
63 percent of the federal poverty level;

64 (4) For a person whose gross income equals or exceeds two hundred fifty percent up to
65 and including three hundred percent of the federal poverty level, six percent of income at two
66 hundred fifty percent of the federal poverty level.

67 5. Recipients of services through this program shall report any change in income or
68 household size within ten days of the occurrence of such change. An increase in premiums

69 resulting from a reported change in income or household size shall be effective with the next
70 premium invoice that is mailed to a person after due process requirements have been met. A
71 decrease in premiums shall be effective the first day of the month immediately following the
72 month in which the change is reported.

73 6. If an eligible person's employer offers employer-sponsored health insurance and the
74 department of social services determines that it is more cost effective, such person shall
75 participate in the employer-sponsored insurance. The department shall pay such person's portion
76 of the premiums, co-payments, and any other costs associated with participation in the
77 employer-sponsored health insurance.

78 7. The provisions of this section shall expire six years after August 28, 2007.

**208.148. 1. As used in this section, "MO HealthNet" means the program described
2 in section 208.001.**

**3 2. Under the MO HealthNet program, any physician who is a provider in the
4 program and meets the requirements of this section shall receive enhanced reimbursement
5 for the specified services provided, subject to appropriations. In order to qualify for the
6 enhanced reimbursement, the physician provider shall:**

7 (1) Become the health care home for a MO HealthNet patient;

**8 (2) Complete a patient history and consultation, including but not limited to a
9 review of systems, a list of problems, and the initiation of coordination of care for the MO
10 HealthNet patient; and**

**11 (3) File a treatment plan for the MO HealthNet patient. Such plan may be filed
12 electronically.**

**13 3. If a physician provider meets the requirements of subsection 2 of this section, the
14 physician provider shall be reimbursed under the program at the following rates for all
15 services provided by the physician with the American Medical Association Current
16 Procedural Terminology (CPT) codes 99201 to 99205 for new patients and CPT codes
17 99211 to 99215 for established patients:**

**18 (1) For new patients, one hundred percent of the Medicare reimbursement rate for
19 such services; and**

**20 (2) For established patients, one hundred percent of the Medicare reimbursement
21 rate for such services.**

**22 4. (1) For purposes of this section, the MO HealthNet division, any third-party
23 administrator, or any other entity that contracts with the division for health care services
24 shall not change any diagnostic or current procedural terminology code submitted by the
25 health care provider for health care services without the express written permission of the
26 health care provider and without the examination of the patient record.**

27 (2) Every contract between the division or any agent of the division and a health
28 care provider shall specifically set forth the codes, including code modifiers, for which the
29 division shall provide compensation, remuneration, or reimbursement, and the amount of
30 compensation, remuneration, or reimbursement for each such code. The code and code
31 modifier shall refer to the most recent American Medical Association code book and other
32 recognized codes as adopted and used in the Medicare and Medicaid programs of the state
33 and federal government.

34 5. The MO HealthNet division may promulgate rules for implementation of this
35 section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,
36 that is created under the authority delegated in this section shall become effective only if
37 it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if
38 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable
39 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,
40 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
41 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
42 adopted after August 28, 2008, shall be invalid and void.

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