

HB 2413 -- Missouri Health Insurance Pool and Insure Missouri Program

Sponsor: Ervin

This bill changes the laws regarding the Missouri Health Insurance Pool and establishes the Insure Missouri Program to provide health insurance to certain low-income adults.

MISSOURI HEALTH INSURANCE POOL

The bill:

(1) Increases the lifetime benefit cap for an individual covered under the Missouri Health Insurance Pool (MHIP) from \$1 million to \$2 million;

(2) Reduces the pre-existing condition waiting period from 12 months to six months;

(3) Requires the pool to offer stop-loss coverage for any insurer in the private individual health insurance market to cover claim liability for an insured person who becomes uninsurable or an uninsurable dependent and to establish a two-year pilot program that offers small group stop-loss coverage to stabilize small group premiums when risks associated with specific individuals under a small group policy would result in increased premiums for the entire group. The MHIP board is required to submit a report to the General Assembly by January 1, 2011, regarding the pilot program and any recommendations to expand the program statewide;

(4) Allows the MHIP board to establish a premium subsidy program for low-income individuals;

(5) Requires the pool, beginning July 1, 2008, to offer at least one plan that meets the criteria of the federal Centers for Medicare and Medicaid for uninsurable individuals eligible under the Insure Missouri Program;

(6) Establishes premium rates for health insurance coverage through the pool. For individuals with incomes of less than 300% of the federal poverty level, the premium will be equal to the standard risk rate. For individuals with incomes of 300% or more of the federal poverty level, the premium will be a sliding scale rate based on his or her income of between 100% and 125% of the standard risk rate;

(7) Specifies that any licensed insurance agent or broker who sells a health insurance policy offered under the pool to an

eligible individual will receive a commission for the sale equal to 1% of the premium; and

(8) Eliminates insurer assessments under the pool and distributes premium taxes currently collected from insurers offering health-related insurance products to the pool beginning January 1, 2009.

INSURE MISSOURI PROGRAM

The bill:

(1) Establishes the Insure Missouri Program within the Department of Social Services to provide health care coverage to low-income working Missourians;

(2) Requires the department to apply to the United States Department of Health and Human Services for a waiver and/or a Medicaid state plan amendment to develop and implement the program and to submit the proposed application to the Joint Committee on MO HealthNet for its review and recommendations;

(3) Specifies that the program is not an entitlement program for noncustodial parents, custodial parents, or other participants with incomes over 85% of the federal poverty level. The maximum enrollment of program participants is dependent on the moneys appropriated by the General Assembly, and eligibility for the program can be phased in incrementally based on appropriations;

(4) Requires the department to establish certain specified standards for consumer protection;

(5) Requires the program to pay 100% of the premium costs for participants, except for transitional program participants;

(6) Specifies eligibility requirements for program participants and requires them to be subject to approval by the United States Department of Health and Human Services;

(7) Specifies covered, medically necessary services and that the program can include incentives designed to promote and encourage healthy lifestyles;

(8) Establishes a health care account for each eligible individual into which payments for his or her participation can be made by the individual, an employer, the state, or any philanthropic or charitable contributor. The account will be used to pay the individual's deductible under the program;

(9) Specifies that an individual's participation in the program

does not begin until the participant makes an initial payment of at least one-twelfth of the annual required payment;

(10) Specifies that a participant's annual required payment is the lesser of \$1,000 less any payments under the Mo HealthNet Program, the Children's Health Insurance Program, and the federal Medicare Program or a certain percentage of his or her household income;

(11) Requires the state to contribute the difference to the participant's account if his or her annual required payment is less than \$1,000;

(12) Specifies that a participant can be terminated from participation in the plan if his or her required payment is not made within 60 days after the required date. Written notice must be given before a participant can be terminated from the plan;

(13) Specifies that approved participants are eligible for a 12-month period but must file a renewal application to remain in the program;

(14) Specifies that an eligible individual who participates in the program without a break in service and has an income exceeding 225% of the federal poverty level at the time of renewal will be eligible for transitional participation in the program. Transitional participants will be eligible for coverage under the premium rates established for the program, but will be responsible for payment of the entire premium;

(15) Requires any moneys remaining in the health care account to be used to reduce the participant's payments for the subsequent program period if the individual renews his or her participation. The division must refund any amount remaining in the health care account less any healthy lifestyles incentive moneys to a participant who is no longer eligible, has not renewed participation, is terminated from the program, or is a transitional participant;

(16) Specifies how health insurance coverage will be obtained for approved program participants;

(17) Prohibits the deductible for any qualified plan under the program from exceeding \$2,500;

(18) Specifies that any licensed insurance agent or broker who sells a health insurance policy offered under the Missouri Health Insurance Pool (MHIP) to an individual eligible for the program will receive a commission equal to 1% of the premium; and

(19) Requires the department, in consultation and coordination with the Department of Insurance, Financial Institutions, and Professional Registration and the MHIP board of directors, to ensure that eligible participants are able to obtain health insurance coverage through licensed insurance agents and brokers.

Certain provisions regarding the MHIP become effective January 1, 2009.

The bill contains an emergency clause.