

HCS HB 1495 -- HEALTH INSURANCE AND POLICIES OF THE DEPARTMENT OF SOCIAL SERVICES

SPONSOR: Schaaf

COMMITTEE ACTION: Voted "do pass" by the Committee on Healthcare Transformation by a vote of 9 to 2.

This substitute changes the laws regarding the policies of the Department of Social Services, co-payments for prescription drugs, and standardized insurance application forms.

POLICIES OF THE DEPARTMENT OF SOCIAL SERVICES (Section 208.024, RSMo)

The Department of Social Services will be required to develop, implement, enforce, and distribute to its staff a policy by September 30, 2010, which subjects any department employee to immediate termination if he or she fails to report the suspected illegal drug use or the suspected fraudulent reporting of total household size or income by a recipient or potential recipient of benefits under any public assistance program administered by the department including the Temporary Assistance for Needy Families (TANF) Program.

Supervisory department employees with hiring authority cannot use or threaten to use his or her authority to knowingly discriminate against, dismiss, penalize, or in any way retaliate against or harass an employee because he or she in good faith reported or disclosed this information and cannot in any way attempt to dissuade, prevent, or interfere with an employee wishing to report or disclose the information.

CO-PAYMENTS FOR PRESCRIPTION DRUGS (Sections 354.535 and 376.387)

When the usual and customary retail price of a prescription drug is less than the co-payment applied by a health maintenance organization or health insurer, the enrollee will only be required to pay the usual and customary retail price of the prescription drug and there will be no further charge to the enrollee or plan sponsor for the prescription. If the price is more than the co-payment, the enrollee will only be required to pay the usual and customary retail price of the prescription drug and there will be no further charge to the enrollee or plan sponsor for the prescription.

STANDARDIZED INSURANCE APPLICATION FORMS (Section 374.184)

The substitute requires the Director of the Department of Insurance, Financial Institutions and Professional Registration,

after consultation with specified health insurers and health maintenance organizations and a public hearing, to establish by rule uniform insurance application forms to be used by all insurers for group health insurance policies, except for certain group health plans for small employers.

FISCAL NOTE: No impact on state funds in FY 2011, FY 2012, and FY 2013.

PROPOSERS: Supporters say that in an effort to control health care costs, specifically prescription drug costs, we need legislation which specifies that if the actual cost of a prescription is less than an individual's health insurance co-pay, the individual should only be charged the actual cost. Uniform insurance application forms help control costs and increase efficiency. Most-favored nations clauses are a way for insurance companies to make more money by locking out lower cost insurers and to ensure that there is no single set price. The bill prohibits these contract clauses and allows physicians to set different prices for services with different contracts. Any willing provider laws are good for competition and give more consideration to the doctor-patient relationship than to health insurance contracts made between hospitals and health insurance carriers. Requiring a patient to be tied to a specific provider market instead of to the care increases health care and administrative costs and is a burden to the care of the patient. These laws also open up free market and competition and create transparency by changing the policies that govern health care insurance contracting.

Testifying for the bill were Representative Schaaf; Marsha Taylor; Missouri Association of Osteopathic Physicians and Surgeons; Missouri Optometric Association; Missouri State Medical Association; and Missouri Academy of Family Physicians.

OPPONENTS: Those who oppose the bill say that the any willing provider provisions will increase health care costs because not having a fixed set of providers will increase costs and decrease the quality of care. Employer-based health care is driven by the employer's need to find the cheapest insurance plan. Limiting an employer's ability to negotiate health care insurance rates is not good policy.

Testifying against the bill were Anthem Blue Cross and Blue Shield; Blue Cross Blue Shield of Kansas City; Missouri Insurance Coalition; United Healthcare Services, Incorporated; Missouri Hospital Association; Associated Industries of Missouri; and Express Scripts.