

HCS SCS SB 842, 799 & 809 -- MO HEALTHNET PROGRAM

SPONSOR: Schmitt (Stream)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on General Laws by a vote of 14 to 0.

This substitute changes the laws regarding the procedures and regulations of the MO HealthNet Program within the Department of Social Services. In its main provisions, the substitute:

(1) Requires, subject to appropriations, the department to establish a rate for the reimbursement of physicians and optometrists for services rendered to patients under the program which provides equal reimbursement for the same or similar services;

(2) Establishes criteria for the payment of MO HealthNet subrogation claims by health benefit plans, third-party administrators, administrative service organizations, and pharmacy benefits managers. A claim will be paid for up to three years from the date services were provided or rendered but will not be required to reimburse for items or services which are not covered under MO HealthNet or for items or services not covered by a plan subject to a subrogation claim. A claim may not be denied solely based on the date the claim is submitted, the type or format of the claim form, failure to present proper documentation at the point of sale, or failure to provide prior authorization. The amount of reimbursement is limited to the amount properly billed at the point of sale; and

(3) Specifies that the computerized records of the MO HealthNet Division, certified by the department director or his or her designee, will be prima facie evidence of proof of moneys expended and due to the state.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$1,066,936 in FY 2011, \$1,327,695 in FY 2012, and \$1,376,820 in FY 2013. Estimated Income on Other State Funds of Unknown but Greater than \$367,100 in FY 2011, FY 2012, and FY 2013.

PROPOSERS: Supporters say that current law only allows a three-month period for subrogation claims by MO HealthNet. The bill will allow a three-year period and result in up to \$7 million in additional recovery for the state. It often takes time to discover and litigate subrogation claims. The bill will enable the state to be in compliance with federal cost recovery mandates.

Testifying for the bill were Senator Schmitt; and MO HealthNet

Division, Department of Social Services.

OPPONENTS: There was no opposition voiced to the committee.