## FIRST REGULAR SESSION SENATE COMMITTEE SUBSTITUTE FOR HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 552

#### 96TH GENERAL ASSEMBLY

Reported from the Committee on Financial and Governmental Organizations and Elections, May 10, 2011, with recommendation that the Senate Committee Substitute do pass.

#### 1601S.06C

TERRY L. SPIELER, Secretary.

### AN ACT

To repeal section 208.152, RSMo, and to enact in lieu thereof two new sections relating to the standard of care for the treatment of persons with bleeding disorders.

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

Section A. Section 208.152, RSMo, is repealed and two new sections 2 enacted in lieu thereof, to be known as sections 208.152 and 338.400, to read as 3 follows:

208.152. 1. MO HealthNet payments shall be made on behalf of those eligible needy persons as defined in section 208.151 who are unable to provide for it in whole or in part, with any payments to be made on the basis of the reasonable cost of the care or reasonable charge for the services as defined and determined by the MO HealthNet division, unless otherwise hereinafter provided, for the following:

7 (1) Inpatient hospital services, except to persons in an institution for 8 mental diseases who are under the age of sixty-five years and over the age of 9 twenty-one years; provided that the MO HealthNet division shall provide through rule and regulation an exception process for coverage of inpatient costs in those 10 cases requiring treatment beyond the seventy-fifth percentile professional 11 activities study (PAS) or the MO HealthNet children's diagnosis length-of-stay 12schedule; and provided further that the MO HealthNet division shall take into 13account through its payment system for hospital services the situation of 14hospitals which serve a disproportionate number of low-income patients; 15

16 (2) All outpatient hospital services, payments therefor to be in amounts 17which represent no more than eighty percent of the lesser of reasonable costs or customary charges for such services, determined in accordance with the principles 18 19set forth in Title XVIII A and B, Public Law 89-97, 1965 amendments to the federal Social Security Act (42 U.S.C. 301, et seq.), but the MO HealthNet 2021division may evaluate outpatient hospital services rendered under this section 22and deny payment for services which are determined by the MO HealthNet division not to be medically necessary, in accordance with federal law and 2324regulations;

25 (3)

(3) Laboratory and X-ray services;

26(4) Nursing home services for participants, except to persons with more than five hundred thousand dollars equity in their home or except for persons in 27an institution for mental diseases who are under the age of sixty-five years, when 2829residing in a hospital licensed by the department of health and senior services or a nursing home licensed by the department of health and senior services or 30appropriate licensing authority of other states or government-owned and 3132-operated institutions which are determined to conform to standards equivalent to licensing requirements in Title XIX of the federal Social Security Act (42 33 U.S.C. 301, et seq.), as amended, for nursing facilities. The MO HealthNet 3435division may recognize through its payment methodology for nursing facilities 36those nursing facilities which serve a high volume of MO HealthNet patients. The MO HealthNet division when determining the amount of the 3738benefit payments to be made on behalf of persons under the age of twenty-one in a nursing facility may consider nursing facilities furnishing care to persons under 39the age of twenty-one as a classification separate from other nursing facilities; 40

(5) Nursing home costs for participants receiving benefit payments under 41subdivision (4) of this subsection for those days, which shall not exceed twelve per 42any period of six consecutive months, during which the participant is on a 43temporary leave of absence from the hospital or nursing home, provided that no 44 such participant shall be allowed a temporary leave of absence unless it is 45specifically provided for in his plan of care. As used in this subdivision, the term 4647"temporary leave of absence" shall include all periods of time during which a 48participant is away from the hospital or nursing home overnight because he is 49visiting a friend or relative;

50 (6) Physicians' services, whether furnished in the office, home, hospital,
51 nursing home, or elsewhere;

52 (7) Drugs and medicines when prescribed by a licensed physician, dentist, 53 or podiatrist; except that no payment for drugs and medicines prescribed on and 54 after January 1, 2006, by a licensed physician, dentist, or podiatrist may be made 55 on behalf of any person who qualifies for prescription drug coverage under the 56 provisions of P.L. 108-173;

57 (8) Emergency ambulance services and, effective January 1, 1990,
58 medically necessary transportation to scheduled, physician-prescribed nonelective
59 treatments;

60 (9) Early and periodic screening and diagnosis of individuals who are 61 under the age of twenty-one to ascertain their physical or mental defects, and 62 health care, treatment, and other measures to correct or ameliorate defects and 63 chronic conditions discovered thereby. Such services shall be provided in 64 accordance with the provisions of Section 6403 of P.L. 101-239 and federal 65 regulations promulgated thereunder;

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(10) Home health care services;

(11) Family planning as defined by federal rules and regulations;
provided, however, that such family planning services shall not include abortions
unless such abortions are certified in writing by a physician to the MO HealthNet
agency that, in his professional judgment, the life of the mother would be
endangered if the fetus were carried to term;

(12) Inpatient psychiatric hospital services for individuals under age
twenty-one as defined in Title XIX of the federal Social Security Act (42 U.S.C.
1396d, et seq.);

(13) Outpatient surgical procedures, including presurgical diagnostic 75services performed in ambulatory surgical facilities which are licensed by the 76department of health and senior services of the state of Missouri; except, that 7778such outpatient surgical services shall not include persons who are eligible for coverage under Part B of Title XVIII, Public Law 89-97, 1965 amendments to the 79federal Social Security Act, as amended, if exclusion of such persons is permitted 80 under Title XIX, Public Law 89-97, 1965 amendments to the federal Social 81 Security Act, as amended; 82

(14) Personal care services which are medically oriented tasks having to with a person's physical requirements, as opposed to housekeeping requirements, which enable a person to be treated by his physician on an outpatient rather than on an inpatient or residential basis in a hospital, intermediate care facility, or skilled nursing facility. Personal care services shall

be rendered by an individual not a member of the participant's family who is 88 89 qualified to provide such services where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a licensed 90 91 nurse. Persons eligible to receive personal care services shall be those persons 92who would otherwise require placement in a hospital, intermediate care facility, 93 or skilled nursing facility. Benefits payable for personal care services shall not 94exceed for any one participant one hundred percent of the average statewide 95charge for care and treatment in an intermediate care facility for a comparable period of time. Such services, when delivered in a residential care facility or 96 97assisted living facility licensed under chapter 198 shall be authorized on a tier 98 level based on the services the resident requires and the frequency of the services. A resident of such facility who qualifies for assistance under section 208.030 99 shall, at a minimum, if prescribed by a physician, qualify for the tier level with 100 101 the fewest services. The rate paid to providers for each tier of service shall be set subject to appropriations. Subject to appropriations, each resident of such facility 102who qualifies for assistance under section 208.030 and meets the level of care 103 104 required in this section shall, at a minimum, if prescribed by a physician, be authorized up to one hour of personal care services per day. Authorized units of 105personal care services shall not be reduced or tier level lowered unless an order 106 107 approving such reduction or lowering is obtained from the resident's personal 108physician. Such authorized units of personal care services or tier level shall be 109 transferred with such resident if her or she transfers to another such 110facility. Such provision shall terminate upon receipt of relevant waivers from the federal Department of Health and Human Services. If the Centers for Medicare 111 and Medicaid Services determines that such provision does not comply with the 112state plan, this provision shall be null and void. The MO HealthNet division 113shall notify the revisor of statutes as to whether the relevant waivers are 114

115 approved or a determination of noncompliance is made;

116 (15) Mental health services. The state plan for providing medical assistance under Title XIX of the Social Security Act, 42 U.S.C. 301, as amended, 117shall include the following mental health services when such services are 118119provided by community mental health facilities operated by the department of 120mental health or designated by the department of mental health as a community 121mental health facility or as an alcohol and drug abuse facility or as a child-serving agency within the comprehensive children's mental health service 122system established in section 630.097. The department of mental health shall 123

establish by administrative rule the definition and criteria for designation as a
community mental health facility and for designation as an alcohol and drug
abuse facility. Such mental health services shall include:

(a) Outpatient mental health services including preventive, diagnostic,
therapeutic, rehabilitative, and palliative interventions rendered to individuals
in an individual or group setting by a mental health professional in accordance
with a plan of treatment appropriately established, implemented, monitored, and
revised under the auspices of a therapeutic team as a part of client services
management;

(b) Clinic mental health services including preventive, diagnostic,
therapeutic, rehabilitative, and palliative interventions rendered to individuals
in an individual or group setting by a mental health professional in accordance
with a plan of treatment appropriately established, implemented, monitored, and
revised under the auspices of a therapeutic team as a part of client services
management;

139(c) Rehabilitative mental health and alcohol and drug abuse services 140 including home and community-based preventive, diagnostic, therapeutic, rehabilitative, and palliative interventions rendered to individuals in an 141142individual or group setting by a mental health or alcohol and drug abuse 143professional in accordance with a plan of treatment appropriately established, 144implemented, monitored, and revised under the auspices of a therapeutic team as a part of client services management. As used in this section, mental health 145146professional and alcohol and drug abuse professional shall be defined by the department of mental health pursuant to duly promulgated rules. With respect 147to services established by this subdivision, the department of social services, MO 148149 HealthNet division, shall enter into an agreement with the department of mental 150health. Matching funds for outpatient mental health services, clinic mental health services, and rehabilitation services for mental health and alcohol and 151152drug abuse shall be certified by the department of mental health to the MO 153HealthNet division. The agreement shall establish a mechanism for the joint implementation of the provisions of this subdivision. In addition, the agreement 154155shall establish a mechanism by which rates for services may be jointly developed; 156(16) Such additional services as defined by the MO HealthNet division to

be furnished under waivers of federal statutory requirements as provided for and
authorized by the federal Social Security Act (42 U.S.C. 301, et seq.) subject to
appropriation by the general assembly;

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160 (17) Beginning July 1, 1990, the services of a certified pediatric or family 161 nursing practitioner with a collaborative practice agreement to the extent that 162 such services are provided in accordance with chapters 334 and 335, and 163 regulations promulgated thereunder;

164 (18) Nursing home costs for participants receiving benefit payments under 165 subdivision (4) of this subsection to reserve a bed for the participant in the 166 nursing home during the time that the participant is absent due to admission to 167 a hospital for services which cannot be performed on an outpatient basis, subject 168 to the provisions of this subdivision:

169 (a) The provisions of this subdivision shall apply only if:

a. The occupancy rate of the nursing home is at or above ninety-seven percent of MO HealthNet certified licensed beds, according to the most recent quarterly census provided to the department of health and senior services which was taken prior to when the participant is admitted to the hospital; and

b. The patient is admitted to a hospital for a medical condition with ananticipated stay of three days or less;

(b) The payment to be made under this subdivision shall be provided fora maximum of three days per hospital stay;

(c) For each day that nursing home costs are paid on behalf of a participant under this subdivision during any period of six consecutive months such participant shall, during the same period of six consecutive months, be ineligible for payment of nursing home costs of two otherwise available temporary leave of absence days provided under subdivision (5) of this subsection; and

(d) The provisions of this subdivision shall not apply unless the nursing home receives notice from the participant or the participant's responsible party that the participant intends to return to the nursing home following the hospital stay. If the nursing home receives such notification and all other provisions of this subsection have been satisfied, the nursing home shall provide notice to the participant or the participant's responsible party prior to release of the reserved bed;

(19) Prescribed medically necessary durable medical equipment. An
electronic web-based prior authorization system using best medical evidence and
care and treatment guidelines consistent with national standards shall be used
to verify medical need;

194 (20) Hospice care. As used in this [subsection] subdivision, the term 195 "hospice care" means a coordinated program of active professional medical

attention within a home, outpatient and inpatient care which treats the 196 197 terminally ill patient and family as a unit, employing a medically directed interdisciplinary team. The program provides relief of severe pain or other 198 199physical symptoms and supportive care to meet the special needs arising out of 200physical, psychological, spiritual, social, and economic stresses which are 201experienced during the final stages of illness, and during dying and bereavement 202and meets the Medicare requirements for participation as a hospice as are 203provided in 42 CFR Part 418. The rate of reimbursement paid by the MO 204HealthNet division to the hospice provider for room and board furnished by a 205nursing home to an eligible hospice patient shall not be less than ninety-five 206 percent of the rate of reimbursement which would have been paid for facility services in that nursing home facility for that patient, in accordance with 207208subsection (c) of Section 6408 of P.L. 101-239 (Omnibus Budget Reconciliation Act 209 of 1989);

(21) Prescribed medically necessary dental services. Such services shall
be subject to appropriations. An electronic web-based prior authorization system
using best medical evidence and care and treatment guidelines consistent with
national standards shall be used to verify medical need;

(22) Prescribed medically necessary optometric services. Such services
shall be subject to appropriations. An electronic web-based prior authorization
system using best medical evidence and care and treatment guidelines consistent
with national standards shall be used to verify medical need;

(23) Blood clotting products-related services. For persons
diagnosed with a bleeding disorder, as defined in section 338.400,
reliant on blood clotting products, as defined in section 338.400, such
services include:

(a) Home delivery of blood clotting products and ancillary
infusion equipment and supplies, including the emergency deliveries
of the product when medically necessary;

(b) Medically necessary ancillary infusion equipment and
supplies required to administer the blood clotting products; and

(c) In-home assessments conducted by a pharmacist, nurse, or
local home health care agency trained in bleeding disorders when
deemed necessary by the participant's treating physician;

(24) The MO HealthNet division shall, by January 1, 2008, and annually
thereafter, report the status of MO HealthNet provider reimbursement rates as

232compared to one hundred percent of the Medicare reimbursement rates and 233compared to the average dental reimbursement rates paid by third-party payors licensed by the state. The MO HealthNet division shall, by July 1, 2008, provide 234235to the general assembly a four-year plan to achieve parity with Medicare 236reimbursement rates and for third-party payor average dental reimbursement rates. Such plan shall be subject to appropriation and the division shall include 237238in its annual budget request to the governor the necessary funding needed to 239complete the four-year plan developed under this subdivision.

240 2. Additional benefit payments for medical assistance shall be made on 241 behalf of those eligible needy children, pregnant women and blind persons with 242 any payments to be made on the basis of the reasonable cost of the care or 243 reasonable charge for the services as defined and determined by the division of 244 medical services, unless otherwise hereinafter provided, for the following:

245 (1) Dental services;

246 (2) Services of podiatrists as defined in section 330.010;

247 (3) Optometric services as defined in section 336.010;

(4) Orthopedic devices or other prosthetics, including eye glasses,dentures, hearing aids, and wheelchairs;

(5) Hospice care. As used in this subsection, the term "hospice care" 250251means a coordinated program of active professional medical attention within a 252home, outpatient and inpatient care which treats the terminally ill patient and 253family as a unit, employing a medically directed interdisciplinary team. The 254program provides relief of severe pain or other physical symptoms and supportive 255care to meet the special needs arising out of physical, psychological, spiritual, social, and economic stresses which are experienced during the final stages of 256illness, and during dying and bereavement and meets the Medicare requirements 257for participation as a hospice as are provided in 42 CFR Part 418. The rate of 258reimbursement paid by the MO HealthNet division to the hospice provider for 259room and board furnished by a nursing home to an eligible hospice patient shall 260261not be less than ninety-five percent of the rate of reimbursement which would have been paid for facility services in that nursing home facility for that patient, 262263in accordance with subsection (c) of Section 6408 of P.L. 101-239 (Omnibus 264Budget Reconciliation Act of 1989);

265 (6) Comprehensive day rehabilitation services beginning early posttrauma
266 as part of a coordinated system of care for individuals with disabling
267 impairments. Rehabilitation services must be based on an individualized,

268goal-oriented, comprehensive and coordinated treatment plan developed, 269implemented, and monitored through an interdisciplinary assessment designed to restore an individual to optimal level of physical, cognitive, and behavioral 270271function. The MO HealthNet division shall establish by administrative rule the 272definition and criteria for designation of a comprehensive day rehabilitation 273service facility, benefit limitations and payment mechanism. Any rule or portion 274of a rule, as that term is defined in section 536.010, that is created under the 275authority delegated in this subdivision shall become effective only if it complies 276with and is subject to all of the provisions of chapter 536 and, if applicable, 277section 536.028. This section and chapter 536 are nonseverable and if any of the 278powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held 279280unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2005, shall be invalid and void. 281

2823. The MO HealthNet division may require any participant receiving MO 283HealthNet benefits to pay part of the charge or cost until July 1, 2008, and an 284additional payment after July 1, 2008, as defined by rule duly promulgated by the 285MO HealthNet division, for all covered services except for those services covered 286under subdivisions (14) and (15) of subsection 1 of this section and sections 287208.631 to 208.657 to the extent and in the manner authorized by Title XIX of the 288federal Social Security Act (42 U.S.C. 1396, et seq.) and regulations 289thereunder. When substitution of a generic drug is permitted by the prescriber 290according to section 338.056, and a generic drug is substituted for a name-brand drug, the MO HealthNet division may not lower or delete the requirement to 291292make a co-payment pursuant to regulations of Title XIX of the federal Social 293 Security Act. A provider of goods or services described under this section must 294collect from all participants the additional payment that may be required by the MO HealthNet division under authority granted herein, if the division exercises 295296that authority, to remain eligible as a provider. Any payments made by 297 participants under this section shall be in addition to and not in lieu of payments 298made by the state for goods or services described herein except the participant 299portion of the pharmacy professional dispensing fee shall be in addition to and 300 not in lieu of payments to pharmacists. A provider may collect the co-payment 301 at the time a service is provided or at a later date. A provider shall not refuse to provide a service if a participant is unable to pay a required payment. If it is 302303 the routine business practice of a provider to terminate future services to an

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individual with an unclaimed debt, the provider may include uncollected 304 305co-payments under this practice. Providers who elect not to undertake the provision of services based on a history of bad debt shall give participants 306 307advance notice and a reasonable opportunity for payment. A provider, representative, employee, independent contractor, or agent of a pharmaceutical 308309 manufacturer shall not make co-payment for a participant. This subsection shall 310not apply to other qualified children, pregnant women, or blind persons. If the Centers for Medicare and Medicaid Services does not approve the Missouri MO 311312HealthNet state plan amendment submitted by the department of social services that would allow a provider to deny future services to an individual with 313314uncollected co-payments, the denial of services shall not be allowed. The department of social services shall inform providers regarding the acceptability 315of denying services as the result of unpaid co-payments. 316

317 4. The MO HealthNet division shall have the right to collect medication318 samples from participants in order to maintain program integrity.

5. Reimbursement for obstetrical and pediatric services under subdivision (6) of subsection 1 of this section shall be timely and sufficient to enlist enough health care providers so that care and services are available under the state plan for MO HealthNet benefits at least to the extent that such care and services are available to the general population in the geographic area, as required under subparagraph (a)(30)(A) of 42 U.S.C. 1396a and federal regulations promulgated thereunder.

6. Beginning July 1, 1990, reimbursement for services rendered in federally funded health centers shall be in accordance with the provisions of subsection 6402(c) and Section 6404 of P.L. 101-239 (Omnibus Budget Reconciliation Act of 1989) and federal regulations promulgated thereunder.

330 7. Beginning July 1, 1990, the department of social services shall provide 331 notification and referral of children below age five, and pregnant, breast-feeding, 332 or postpartum women who are determined to be eligible for MO HealthNet 333 benefits under section 208.151 to the special supplemental food programs for 334 women, infants and children administered by the department of health and senior 335 services. Such notification and referral shall conform to the requirements of 336 Section 6406 of P.L. 101-239 and regulations promulgated thereunder.

8. Providers of long-term care services shall be reimbursed for their costs
in accordance with the provisions of Section 1902 (a)(13)(A) of the Social Security
Act, 42 U.S.C. 1396a, as amended, and regulations promulgated thereunder.

9. Reimbursement rates to long-term care providers with respect to a total change in ownership, at arm's length, for any facility previously licensed and certified for participation in the MO HealthNet program shall not increase payments in excess of the increase that would result from the application of Section 1902 (a)(13)(C) of the Social Security Act, 42 U.S.C. 1396a (a)(13)(C).

345 10. The MO HealthNet division, may enroll qualified residential care
346 facilities and assisted living facilities, as defined in chapter 198, as MO
347 HealthNet personal care providers.

348 11. Any income earned by individuals eligible for certified extended
349 employment at a sheltered workshop under chapter 178 shall not be considered
350 as income for purposes of determining eligibility under this section.

338.400. 1. As used in this section, the following terms shall 2 mean:

3 (1) "Ancillary infusion equipment and supplies", the equipment
4 and supplies required to infuse a blood clotting therapy product into
5 a human vein, including syringes, needles, sterile gauze, field pads,
6 gloves, alcohol swabs, numbing creams, tourniquets, medical tape,
7 sharps or equivalent biohazard waste containers, and cold compression
8 packs;

9 (2) "Assay", the amount of a particular constituent of a mixture 10 or of the biological or pharmacological potency of a drug;

(3) "Bleeding disorder", a medical condition characterized by a
deficiency or absence of one or more essential blood-clotting
components in the human blood, including all forms of hemophilia, von
Willebrand's disease, and other bleeding disorders that result in
uncontrollable bleeding or abnormal blood clotting;

16(4) "Blood clotting product", a medicine approved for distribution 17by the federal Food and Drug Administration that is used for the treatment and prevention of symptoms associated with bleeding 1819 disorders, including but not limited to recombinant Factor VII, 20recombinant-activated Factor VIIa, recombinant Factor VIII, plasma-21derived Factor VIII, recombinant Factor IX, plasma-derived Factor IX, 22von Willebrand factor products, bypass products for patients with inhibitors, prothrombin complex concentrates; and activated 23prothrombin complex concentrates; 24

25 (5) "Home nursing services", specialized nursing care provided 26 in the home setting to assist a patient in the reconstitution and SCS HCS HB 552

27 administration of blood clotting products;

(6) "Home use", infusion or other use of a blood clotting product
in a place other than a hemophilia treatment center, hospital,
emergency room, physician's office, outpatient facility, or clinic;

31 (7) "Pharmacy", an entity engaged in practice of pharmacy as
32 defined in section 338.010 that provides patients with blood clotting
33 products and ancillary infusion equipment and supplies.

342. The Missouri state board of pharmacy shall promulgate rules 35governing the standard of care for pharmacies dispensing blood clotting therapies. Such rules shall include, when feasible, the 36 standards established by the medical advisory committees of the 37patient groups representing the hemophilia and von Willebrand 38diseases, including but not limited to Recommendation 188 of the 39National Hemophilia Foundation's Medical and Scientific Advisory 40Council. Such rules shall include safeguards to ensure the pharmacy: 41

42 (1) Has the ability to obtain and fill a physician prescription as 43 written of all brands of blood clotting products approved by the federal 44 Food and Drug Administration in multiple assay ranges of low, medium, 45 and high, as applicable, and vial sizes, including products 46 manufactured from human plasma and those manufactured from 47 recombinant technology techniques, provided manufacturer supply 48 exists and payer authorization is obtained;

49 (2) Provides for the shipment of prescribed blood clotting
50 products to the patient within two business days or less for established
51 patients and three business days or less for new patients in
52 nonemergency situations;

(3) Provides established patients with access to blood clotting
products within twelve hours of notification by the physician of the
patient's emergent need for blood clotting products;

56 (4) Provides all ancillary infusion equipment and supplies 57 necessary for established patients for administration of blood clotting 58 products;

(5) Has a pharmacist available twenty-four hours a day, seven
days a week, every day of the year, either onsite or on call, to fill
prescriptions for blood clotting products;

62 (6) Provides patients who have received blood clotting products
63 with a designated contact telephone number for reporting problems

64 with a delivery or product;

65 (7) Provides patients with notification of recalls and withdrawals 66 of blood clotting products and ancillary infusion equipment within 67 twenty-four hours of receipt of the notification; and

(8) Provides containers for the disposal of hazardous waste, and
provide patients with instructions on the proper collection, removal,
and disposal of hazardous waste under state and federal law.

3. Notwithstanding the provisions of subsection 2 of this section,
pharmacies and pharmacists shall exercise that degree of skill and
learning ordinarily exercised by members of their profession in the
dispensing and distributing of blood clotting products.