

FIRST REGULAR SESSION

HOUSE BILL NO. 1237

101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HILL.

2502H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 354.400, RSMo, and to enact in lieu thereof one new section relating to Medicaid managed care.

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

Section A. Section 354.400, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 354.400, to read as follows:

354.400. As used in sections 354.400 to 354.636, the following terms shall mean:

(1) "Basic health care services", health care services which an enrolled population might reasonably require in order to be maintained in good health, including, as a minimum, emergency care, inpatient hospital and physician care, and outpatient medical services;

(2) "Community-based health maintenance organization", a health maintenance organization which:

(a) Is wholly owned and operated by hospitals, hospital systems, physicians, or other health care providers or a combination thereof who provide health care treatment services in the service area described in the application for a certificate of authority from the director;

(b) Is operated to provide a means for such health care providers to market their services directly to consumers in the service area of the health maintenance organization;

(c) Is governed by a board of directors that exercises fiduciary responsibility over the operations of the health maintenance organization and of which a majority of the directors consist of equal numbers of the following:

a. Physicians licensed pursuant to chapter 334;

b. Purchasers of health care services who live in the health maintenance organization's service area;

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.

18 c. Enrollees of the health maintenance organization elected by the enrollees of such
19 organization; and

20 d. Hospital executives, if a hospital is involved in the corporate ownership of the health
21 maintenance organization;

22 (d) Provides for utilization review, as defined in section 374.500, under the auspices of
23 a physician medical director who practices medicine in the service area of the health maintenance
24 organization, using review standards developed in consultation with physicians who treat the
25 health maintenance organization's enrollees;

26 (e) Is actively involved in attempting to improve performance on indicators of health
27 status in the community or communities in which the health maintenance organization is
28 operating, including the health status of those not enrolled in the health maintenance
29 organization;

30 (f) Is accountable to the public for the cost, quality and access of health care treatment
31 services and for the effect such services have on the health of the community or communities in
32 which the health maintenance organization is operating on a whole;

33 (g) Establishes an advisory group or groups comprised of enrollees and representatives
34 of community interests in the service area to make recommendations to the health maintenance
35 organization regarding the policies and procedures of the health maintenance organization;

36 (h) Enrolls fewer than fifty thousand covered lives;

37 (3) "Covered benefit" or "benefit", a health care service to which an enrollee is entitled
38 under the terms of a health benefit plan;

39 (4) "Director", the director of the department of commerce and insurance;

40 (5) "Emergency medical condition", the sudden and, at the time, unexpected onset of a
41 health condition that manifests itself by symptoms of sufficient severity that would lead a
42 prudent lay person, possessing an average knowledge of health and medicine, to believe that
43 immediate medical care is required, which may include, but shall not be limited to:

44 (a) Placing the person's health in significant jeopardy;

45 (b) Serious impairment to a bodily function;

46 (c) Serious dysfunction of any bodily organ or part;

47 (d) Inadequately controlled pain; or

48 (e) With respect to a pregnant woman who is having contractions:

49 a. That there is inadequate time to effect a safe transfer to another hospital before
50 delivery; or

51 b. That transfer to another hospital may pose a threat to the health or safety of the woman
52 or unborn child;

53 (6) "Emergency services", health care items and services furnished or required to screen
54 and stabilize an emergency medical condition, which may include, but shall not be limited to,
55 health care services that are provided in a licensed hospital's emergency facility by an appropriate
56 provider;

57 (7) "Enrollee", a policyholder, subscriber, covered person or other individual
58 participating in a health benefit plan;

59 (8) "Evidence of coverage", any certificate, agreement, or contract issued to an enrollee
60 setting out the coverage to which the enrollee is entitled;

61 (9) "Health care services", any services included in the furnishing to any individual of
62 medical or dental care or hospitalization, or incident to the furnishing of such care or
63 hospitalization, as well as the furnishing to any person of any and all other services for the
64 purpose of preventing, alleviating, curing, or healing human illness, injury, or physical disability;

65 (10) "Health maintenance organization", any person, **including a Medicaid managed**
66 **care organization defined in 42 U.S.C. Section 1396b(m) that provides or arranges health**
67 **care services for MO HealthNet enrollees in Missouri**, which undertakes to provide or arrange
68 for basic and supplemental health care services to enrollees on a prepaid basis, or which meets
69 the requirements of Section 1301 of the United States Public Health Service Act;

70 (11) "Health maintenance organization plan", any arrangement whereby any person,
71 **including a Medicaid managed care organization defined in 42 U.S.C. Section 1396b(m)**
72 **that provides or arranges health care services for MO HealthNet enrollees in Missouri**,
73 undertakes to provide, arrange for, pay for, or reimburse any part of the cost of any health care
74 services and at least part of such arrangement consists of providing and assuring the availability
75 of basic health care services to enrollees, as distinguished from mere indemnification against the
76 cost of such services, on a prepaid basis through insurance or otherwise, and as distinguished
77 from the mere provision of service benefits under health service corporation programs;

78 (12) "Individual practice association", a partnership, corporation, association, or other
79 legal entity which delivers or arranges for the delivery of health care services and which has
80 entered into a services arrangement with persons who are licensed to practice medicine,
81 osteopathy, dentistry, chiropractic, pharmacy, podiatry, optometry, or any other health profession
82 and a majority of whom are licensed to practice medicine or osteopathy. Such an arrangement
83 shall provide:

84 (a) That such persons shall provide their professional services in accordance with a
85 compensation arrangement established by the entity; and

86 (b) To the extent feasible for the sharing by such persons of medical and other records,
87 equipment, and professional, technical, and administrative staff;

88 (13) "Medical group/staff model", a partnership, association, or other group:

89 (a) Which is composed of health professionals licensed to practice medicine or
90 osteopathy and of such other licensed health professionals (including dentists, chiropractors,
91 pharmacists, optometrists, and podiatrists) as are necessary for the provisions of health services
92 for which the group is responsible;

93 (b) A majority of the members of which are licensed to practice medicine or osteopathy;
94 and

95 (c) The members of which (i) as their principal professional activity over fifty percent
96 individually and as a group responsibility engaged in the coordinated practice of their profession
97 for a health maintenance organization; (ii) pool their income from practice as members of the
98 group and distribute it among themselves according to a prearranged salary or drawing account
99 or other plan, or are salaried employees of the health maintenance organization; (iii) share
100 medical and other records and substantial portions of major equipment and of professional,
101 technical, and administrative staff; (iv) establish an arrangement whereby an enrollee's
102 enrollment status is not known to the member of the group who provides health services to the
103 enrollee;

104 (14) "Person", any partnership, association, or corporation;

105 (15) "Provider", any physician, hospital, or other person which is licensed or otherwise
106 authorized in this state to furnish health care services;

107 (16) "Uncovered expenditures", the costs of health care services that are covered by a
108 health maintenance organization, but that are not guaranteed, insured, or assumed by a person
109 or organization other than the health maintenance organization, or those costs which a provider
110 has not agreed to forgive enrollees if the provider is not paid by the health maintenance
111 organization.

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