

SECOND REGULAR SESSION

HOUSE BILL NO. 3255

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE TERRY.

6979H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 354, RSMo, by adding thereto twenty-one new sections relating to the Missouri universal health assurance program, with a contingent effective date for certain sections.

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

Section A. Chapter 354, RSMo, is amended by adding thereto twenty-one new sections, to be known as sections 354.750, 354.753, 354.756, 354.759, 354.762, 354.765, 354.768, 354.769, 354.770, 354.771, 354.774, 354.777, 354.780, 354.783, 354.786, 354.789, 354.792, 354.795, 354.807, 354.810, and 354.813, to read as follows:

354.750. 1. Sections 354.750 to 354.813 shall be known and may be cited as the "Missouri Universal Health Assurance Program".

2. The Missouri universal health assurance program is hereby created for the purpose of providing a publicly financed statewide program to provide comprehensive necessary health, mental health, and dental health care services, including preventive screenings, for all residents of this state. The program shall have as its goals:

(1) Timely access to health care services of the highest quality for every resident of the state so that all may benefit;

(2) The provision of adequate funding for health care; and

(3) Lower health care spending through streamlined administration, a single bill, and uniform payments.

3. As used in sections 354.750 to 354.813, the following terms mean:

(1) "Board", the board of governors of the Missouri universal health assurance program;

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.

15 (2) "Eligible person", any person who qualifies for benefits under section
16 354.783;

17 (3) "Fund", the Missouri health care trust fund;

18 (4) "Participating provider", any person who is authorized to furnish services
19 under the provisions of sections 354.750 to 354.813 and under rules adopted by the
20 board of governors of the Missouri universal health assurance program;

21 (5) "Program", the Missouri universal health assurance program.

 354.753. The Missouri universal health assurance program shall be a body
2 corporate and an instrumentality of the state. In the program shall be vested the powers
3 and duties specified in sections 354.750 to 354.813 and those powers necessary to enable
4 the program and the program's officers, employees, and agents to carry out the
5 purposes of sections 354.750 to 354.813.

 354.756. 1. The director of the department of health and senior services shall
2 divide the population of the state into six regional health planning and policy
3 development districts of roughly equal population. An advisory council in each district
4 shall:

5 (1) Assist the board in the development of a comprehensive state health care
6 plan under section 354.765 and in the development of budgetary allocations for health
7 care services and of operating policies and procedures for the program; and

8 (2) Develop a transportation plan to enable indigents, elderly persons, and
9 persons with disabilities to have access to nonemergency health care services.

10 2. Not later than thirty days after the first meeting of the board of governors
11 appointed under section 354.759, the board shall submit to the governor a list of names
12 of qualified persons who reside in each of the six regional health planning and policy
13 development districts. From such list, the governor shall appoint to each district an
14 advisory council composed of the following nine members:

15 (1) Two physicians;

16 (2) One registered nurse;

17 (3) One licensed health care provider who is neither a physician nor a registered
18 nurse;

19 (4) One dentist;

20 (5) One medical director of a mental health facility;

21 (6) One municipal or county public health administrator;

22 (7) One person with a physical disability; and

23 (8) One professional consumer advocate.

24 3. The terms of the initial appointees to each of the district advisory councils
25 shall be as follows: four shall be appointed for a term of four years, three for a term of

26 three years, and two for a term of two years. Thereafter, all terms shall be for four
27 years, but any member appointed to fill a vacancy in an unexpired term shall serve only
28 for the remainder of that term. No member shall be appointed to serve more than two
29 consecutive terms.

354.759. 1. The Missouri universal health assurance program shall be
2 administered by a board of governors composed of twenty-three members:

3 (1) Fourteen of whom shall be appointed by the governor with the advice and
4 consent of the senate as follows:

5 (a) One representative of a hospital;

6 (b) Two physicians;

7 (c) One registered nurse;

8 (d) One epidemiologist;

9 (e) One representative of a community health center;

10 (f) One mental health care provider;

11 (g) One professional consumer advocate;

12 (h) Two persons whose annual income does not exceed twice the federal poverty
13 level;

14 (i) One person sixty-five years of age or older;

15 (j) One person who is a licensed health care professional other than a physician
16 or a nurse;

17 (k) One person trained in bioethics; and

18 (l) One dentist;

19 (2) Six of whom shall represent the regional health planning and policy
20 development districts established under section 354.756, appointed by the director of the
21 department of health and senior services; and

22 (3) Three of whom shall be the following ex officio members:

23 (a) The director of the department of health and senior services;

24 (b) The director of the department of social services; and

25 (c) The director of the department of mental health.

26 2. The terms of the initial members who are appointed under subdivision (1) of
27 subsection 1 of this section shall be staggered as follows: five shall be appointed for a
28 term of four years, five for a term of three years, and four for a term of two years. The
29 initial terms of the members selected under subdivision (2) of subsection 1 of this section
30 shall be staggered so that the members selected from even-numbered districts shall
31 serve an initial term of three years and those from odd-numbered districts shall serve
32 four years. Thereafter, all terms shall be for four years, but a member appointed to fill

33 a vacancy in an unexpired term shall serve only for the remainder of that term. No
34 member shall be appointed to serve more than two consecutive terms.

35 3. Members of the board shall at all times include:

36 (1) Sufficient representatives of racial, ethnic, and gender diversity so that the
37 makeup of the board shall accurately reflect the racial, ethnic, and gender diversity of
38 the state population; and

39 (2) At least two members who are defined as disabled under the Americans with
40 Disabilities Act, 42 U.S.C. Section 12101 et seq.

41 4. The board shall elect a chair and vice chair.

42 5. Meetings shall be called by the chair or by any thirteen members. The board
43 shall meet at least six times per year. All meetings of the board shall be announced in
44 advance and open to the public, except as provided by chapter 610.

45 6. Thirteen members of the board constitute a quorum, and an affirmative vote
46 of at least thirteen members shall be necessary for any action to be taken by the board.

47 7. The members of the board shall be reimbursed from the Missouri health care
48 trust fund for mileage and any necessary and actual expenses incurred while engaged in
49 the business of the board.

354.762. 1. The board of governors of the Missouri universal health assurance
2 program shall be responsible for:

3 (1) Establishing budget and policy guidelines for the program through the
4 development of a comprehensive state health care plan under section 354.765;

5 (2) Establishing fee schedules using the last available calendar year as a base
6 year;

7 (3) Determining aggregate capital expenditures in keeping with the goals
8 established under subdivision (2) of subsection 1 of section 354.765;

9 (4) Approving additions to services offered by the program;

10 (5) Administering and implementing the program and administering the
11 Missouri health care trust fund created under section 354.770;

12 (6) Adopting rules under chapter 536;

13 (7) Monitoring the operation of the program;

14 (8) Studying means of incorporating institutional long-term care benefits into
15 the program, studying immigration into the state for the purpose of receiving health
16 care services under the program, and reporting on the progress of such studies to the
17 speaker of the house of representatives, the president pro tempore of the senate, and the
18 governor;

19 (9) Reporting annually to the speaker of the house of representatives, the
20 president pro tempore of the senate, and the governor on the program's activities and

21 recommending any changes to insurance and health care laws to improve access to
22 health care for residents of this state;

23 (10) Disseminating to providers of services and to the public information
24 concerning the program and the persons eligible to receive the benefits of the program;

25 (11) Conducting necessary investigations and inquiries and compelling the
26 submission of information, documents, and records the board considers necessary to
27 carry out its duties under the provisions of sections 354.750 to 354.813;

28 (12) Conducting utilization reviews of patients and providers to identify abuses
29 of the program and reporting abuses to state agencies;

30 (13) Employing and supervising staff;

31 (14) Conducting other activities the board considers necessary to carry out the
32 purposes of sections 354.750 to 354.813;

33 (15) Establishing standards and procedures for negotiating and entering into
34 contracts with participating providers; and

35 (16) Initiating and responding to lawsuits.

36 2. The board, after providing notice to consumers, providers, the director of the
37 department of health and senior services, and other interested parties, may hold
38 hearings in connection with any action that it proposes to take under subsection 1 of this
39 section. Nothing in this section shall be construed as authorizing the board to adopt
40 rules under subdivision (6) or (15) of subsection 1 of this section or to conduct
41 evaluations or investigations under subdivision (11) of subsection 1 of this section
42 without holding public hearings.

354.765. 1. The board, in cooperation with the district advisory councils
2 established under section 354.756, shall annually develop a comprehensive state health
3 care plan. The plan shall include the following:

4 (1) A comprehensive budget for the program within the limits of funds made
5 available through the measures instituted in sections 354.750 to 354.813. The budget
6 shall include specific amounts to be allocated respectively to:

7 (a) The health services account established under section 354.774;

8 (b) The prescribed medications and durable and nondurable medical equipment
9 account established under section 354.774;

10 (c) The regional capital improvement account established under section 354.774;

11 (d) The health professional education and training fund established under
12 section 354.777; and

13 (e) Administration of the program in an amount not to exceed four percent of
14 the total funds available to the program;

15 **(2) Specific goals for the total portion of funds in the health services account to**
16 **be expended for the capital needs of providers under section 354.792;**

17 **(3) An evaluation of the health care and mental health needs of the state and of**
18 **each regional health planning and policy development district including, but not limited**
19 **to, assessments of:**

20 **(a) Regional needs and other investments in health care equipment and capital**
21 **improvements;**

22 **(b) The effectiveness of state and local efforts to coordinate the activities of the**
23 **health care delivery system; and**

24 **(c) Any other unmet local health care or mental health needs;**

25 **(4) Goals for geographic distribution of health care providers and personnel,**
26 **with strategies for using the authority over reimbursements under section 354.792 and**
27 **resources from the health professional education and training fund established in**
28 **section 354.777 to achieve such goals;**

29 **(5) Quantitative goals for the use of health and mental health services by eligible**
30 **persons;**

31 **(6) Specific goals for the physical and mental health status of Missourians and**
32 **for quality of care rendered under the program; and**

33 **(7) An evaluation of the adequacy of total funds available to the program.**

34 **2. Prior to promulgation of the comprehensive state health care plan, the board**
35 **shall:**

36 **(1) Appoint a subcommittee of experts in medical and health care ethics to**
37 **advise the board on the ethical issues relating to the allocation of health care resources;**

38 **(2) Appoint a subcommittee of licensed physicians, registered nurses, and**
39 **registered pharmacists to establish an evidence-based system formulary for all**
40 **prescription drugs and durable and nondurable medical equipment used by the**
41 **Missouri health care system;**

42 **(3) Instruct each district advisory council to conduct at least one public hearing**
43 **in at least two areas of its region to gather public comment on the proposed plan. The**
44 **board shall provide the district advisory councils with staff assistance in conducting**
45 **such hearings; and**

46 **(4) Hold at least two public hearings to gather public comment on the proposed**
47 **plan.**

48 **3. The comprehensive state health care plan shall, to the extent practicable, seek**
49 **to assure the most cost-effective delivery of health care by reflecting the following**
50 **priorities:**

51 **(1) Quality of care to be achieved through the following:**

- 52 **(a) Primary and preventive services;**
53 **(b) Accountability of providers to payers and consumers for both the outcomes**
54 **and consumer acceptability of the care they render;**
55 **(c) Continuity of care, as embodied in coordination of services to individuals and**
56 **the community; and**
57 **(d) Maintenance of high levels of professional competence and expertise among**
58 **health care providers according to professional practice standards;**
59 **(2) Access to care through the equitable distribution of resources within the**
60 **health care delivery system on the basis of community need; and**
61 **(3) Efficient use of resources through:**
62 **(a) Elimination of unnecessary administrative and overhead expenses;**
63 **(b) Elimination of means testing;**
64 **(c) Establishment of cost-containment pricing for reimbursements to**
65 **manufacturers of pharmaceuticals and manufacturers of durable and nondurable**
66 **medical equipment; and**
67 **(d) Innovative and cost-effective models of care including, but not limited to:**
68 **a. Community, nonmedical, or in-home services that provide alternatives to**
69 **institutional long-term care;**
70 **b. Community health nursing;**
71 **c. Services provided by nurse practitioners; and**
72 **d. Psychiatric and other mental health services provided on an outpatient basis.**

354.768. The board of governors of the Missouri universal health assurance
2 **program shall appoint the executive director of the program.**

354.769. 1. The executive director of the program shall serve as secretary to the
2 **board and shall perform such duties in the administration of the program as the board**
3 **may assign.**

4 **2. The board may delegate to the executive director any of the board's functions**
5 **or duties under sections 354.750 to 354.813, except the issuance of rules and the**
6 **determination of the program.**

354.770. The board shall administer the "Missouri Health Care Trust Fund",
2 **which is hereby created in the state treasury, into which shall be placed all federal**
3 **payments received as a result of any waiver of requirements granted by the United**
4 **States Secretary of Health and Human Services under health care programs established**
5 **under Title XVIII and Title XIX of the Social Security Act, as amended, and all moneys**
6 **appropriated by the general assembly to the program under sections 354.750 to 354.813.**
7 **Moneys in the fund shall be used for comprehensive necessary health care services and**
8 **to support construction, renovation, and equipping of health care institutions based on**

9 regional needs in accordance with sections 354.750 to 354.813 and rules established by
10 the board of governors of the program and for no other purpose. The board shall have
11 power, in the name and on behalf of the program, to purchase, acquire, hold, lend, lease,
12 sell, assign, transfer, and dispose of all property and rights, and enter into written
13 contracts, all as may be necessary or proper to carry out the purposes of sections
14 354.750 to 354.813.

354.771. 1. All moneys received by or belonging to the program shall be
2 deposited in the state treasury to the credit of the Missouri health care trust fund. No
3 such moneys shall be deposited in, or be retained by, any bank or trust company that
4 does not have on deposit at the time the kind and value of collateral required by sections
5 30.240 and 30.270 for depositories of the state treasurer. The executive director shall be
6 responsible for all property belonging to the program and shall give such corporate
7 surety bonds for the faithful handling of the property as the board shall require.

8 2. The board of governors shall administer the fund and shall conduct a
9 quarterly review of the expenditures from and revenues received by the fund.

10 3. The board shall submit each quarterly review to the state auditor for
11 oversight.

12 4. The state treasurer may invest funds of the program as permitted by law.

13 5. The amount of reserves in the fund at any time shall equal at least the amount
14 of expenditures from the fund during the three preceding months.

354.774. 1. The "Health Services Account" is hereby created within the
2 Missouri health care trust fund. Moneys in the health services account shall be used
3 solely to pay participating providers in accordance with section 354.792.

4 2. The "Prescribed Medications and Durable and Nondurable Medical
5 Equipment Account" is hereby created within the Missouri health care trust fund.
6 Moneys in the account shall be used solely for medications and durable and nondurable
7 medical equipment prescribed by participating physicians in accordance with section
8 354.792.

9 3. The "Regional Capital Improvement Account" is hereby created within the
10 Missouri health care trust fund. Moneys in the account shall be used solely to pay for
11 medical technology and capital improvements needed in regions to improve access to
12 health care resources in accordance with section 354.792.

354.777. 1. There is hereby created within the state treasury the "Health
2 Professional Education and Training Fund", which shall consist of all moneys received
3 from federal health professional training moneys and any other funds so allocated by
4 the board under section 354.765. Upon appropriation by the general assembly, moneys

5 in the health professional education and training fund shall be used by the board solely
6 to pay for the education and training of health professionals.

7 2. During the five-year period commencing on January first following the
8 effective date of this section, the annual amount of state expenditures for the education
9 and training of health professionals shall not be reduced below the level of such
10 expenditures in the previous calendar year.

354.780. Notwithstanding the provisions of section 33.080 to the contrary, the
2 moneys in the health care trust fund at the end of any biennium shall not be transferred
3 and placed to the credit of the general revenue fund.

354.783. 1. Every person, regardless of preexisting conditions, who is a resident
2 of this state is eligible to receive services under the Missouri universal health assurance
3 program. No person eligible for services under the Missouri universal health assurance
4 program who receives services from a participating provider shall be charged an
5 additional amount for such services.

6 2. If a person who is not a resident of the state of Missouri receives medical
7 treatment in Missouri, the state of Missouri is subrogated to the right to reimbursement
8 from any third-party payer for such medical treatment.

354.786. 1. Every person who is eligible to receive services under the program
2 under section 354.783 is entitled to receive benefits for any covered service furnished
3 within this state by a participating provider if the service is deemed by the patient and
4 participating provider to be necessary or appropriate for the maintenance of physical or
5 mental health or for the diagnosis or treatment of, or rehabilitation following, injury,
6 disability, or disease.

7 2. Health care services include, but are not limited to, all services provided under
8 section 208.152 and those community, nonmedical, or in-home services that provide an
9 alternative to institutional long-term care, except for:

10 (1) Surgery for cosmetic purposes other than for reconstructive surgery;

11 (2) Medical examinations conducted and medical reports prepared for either of
12 the following purposes:

13 (a) Purchasing or renewing life insurance; or

14 (b) Participating as a plaintiff or defendant in a civil action for the recovery or
15 settlement of damages; and

16 (3) Custodial care rendered in a nursing home. As used in this subdivision, the
17 term "custodial care" means nonmedical services provided in a residential care facility,
18 as defined in section 198.006.

2 **354.789. 1. No participating provider shall refuse to furnish services under the**
3 **program to an eligible person on the basis of race, color, income level, national origin,**
4 **religion, sex, sexual orientation, or other nonmedical criteria.**

5 **2. An eligible person may choose any participating provider.**

6 **3. Every participating provider shall furnish such information as may be**
7 **reasonably required by the board of governors of the program for utilization review, for**
8 **the making of payments, and for statistical or other studies of the operation of the**
9 **program.**

10 **4. Every participating provider shall permit the board of governors to examine**
11 **the provider's records as may be necessary for verification of payment.**

12 **5. Physicians and other participating providers shall practice according to state**
13 **and federal laws and according to their accepted professional standards.**

14 **6. The Missouri universal health assurance program shall reimburse health care**
15 **providers that are located outside this state at reasonable rates for required emergency**
16 **medical care rendered to eligible persons.**

17 **354.792. 1. The Missouri universal health assurance program shall pay the**
18 **expenses of institutional providers of inpatient services on the basis of global budgets**
19 **that are approved by the board of governors of the program. Such global budgets shall**
20 **include necessary construction, renovation, or equipment so long as the board has**
21 **determined that such construction, renovation, or equipment will directly enhance**
22 **public access to quality health care.**

23 **2. Each institutional provider shall negotiate an annual budget with the program**
24 **to cover its anticipated services for the next year based on past performance and**
25 **projected changes in prices and service levels and provide a reasonable margin above**
26 **operating expenses in order to provide for capital depreciation and other long-term**
27 **needs of the institution.**

28 **3. Every physician or other provider employed by a globally budgeted**
29 **institutional provider shall be paid through and in a manner determined by the**
30 **institutional provider.**

31 **4. The program shall reimburse independent providers of health care services on**
32 **a fee-for-service basis using the federal Medicare reimbursement fees as a guideline.**
33 **The program shall annually negotiate the fee schedule with the appropriate professional**
34 **group. The fee schedule shall be applied to health care services rendered by**
35 **independent providers throughout the state. The appropriate professional group to**
36 **negotiate the fee schedule shall be the professional association chosen by election of**
37 **members of each health care profession.**

22 **5. A provider shall not charge rates that are higher than the negotiated**
23 **reimbursement level and shall not charge separately for services under section 354.786.**

24 **6. In any instance in which the health care provider or the professional group**
25 **negotiating for the provider is unable to negotiate an annual budget or a fee schedule**
26 **with the program, the annual budget or the fee schedule set by the board shall be**
27 **presumed to be correct and a final administrative decision, which may be appealed in**
28 **the circuit court of Cole County.**

29 **7. Policies and rules of institutional providers shall be consistent with state and**
30 **federal laws and with accepted medical and professional standards of care.**

354.795. 1. It is unlawful for a private health insurer to sell health insurance
2 **coverage that duplicates the benefits provided under sections 354.750 to 354.813.**
3 **Nothing in sections 354.750 to 354.813 shall be construed as prohibiting insurers,**
4 **employers, or other plans from offering benefits that do not duplicate services that are**
5 **offered by the Missouri universal health assurance program.**

6 **2. Investor-ownership of health delivery facilities, including but not limited to**
7 **hospitals, health maintenance organizations, nursing homes, and clinics, is unlawful.**
8 **Investor-owners of health delivery facilities at the time of the effective date of this**
9 **section shall be compensated for the loss of their facilities but not for loss of business**
10 **opportunities or for administrative capacity not used by the program.**

354.807. Not later than thirty days after the effective date of this section, the
2 **department of social services shall:**

3 **(1) Apply to the United States Secretary of Health and Human Services for all**
4 **waivers of requirements under health care programs established under Title XVIII and**
5 **Title XIX of the Social Security Act, as amended, that are necessary to enable this state**
6 **to deposit all federal payments under such programs to the credit of the Missouri health**
7 **care trust fund created in section 354.770; and**

8 **(2) Identify any other federal programs that provide federal funds for payment**
9 **of health care services to individuals. The department shall comply with any**
10 **requirements under those programs and apply for any waivers of those requirements**
11 **that are necessary to enable this state to deposit such federal funds to the credit of the**
12 **Missouri health care trust fund.**

354.810. Not later than thirty days after the effective date of this section, the
2 **governor and the director of the department of health and senior services shall make the**
3 **initial appointments to the board of governors of the Missouri universal health**
4 **assurance program under section 354.759.**

354.813. The board of governors of the Missouri universal health assurance
2 **program shall request that the program established under the provisions of sections**

3 **354.750 to 354.813 be approved for federal employees and retirees while they are**
4 **residents of the state of Missouri.**

Section B. The enactment of sections 354.750 and 354.753 and sections 354.762 to
2 354.795 of this act shall be effective April first of the year following the notice to the revisor
3 of statutes that a waiver has been obtained from the Secretary of the Department of Health
4 and Human Services by the director of the department of social services based on a request
5 filed under section 354.807 of this act.

✓