SECOND REGULAR SESSION

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 885

90TH GENERAL ASSEMBLY

Reported from the Committee on Public Health and Welfare, March 2, 2000, with recommendation that the Senate Committee Substitute do pass.

TERRY L. SPIELER, Secretary.

3801S.02C

AN ACT

To repeal sections 103.130 and 103.136, RSMo 1994, and section 103.003, RSMo Supp. 1999, relating to health plan for state employees, and to enact in lieu thereof three new sections relating to the same subject.

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

Section A. Sections 103.130 and 103.136, RSMo 1994, and section 103.003, RSMo Supp. 1999, are repealed and three new sections enacted in lieu thereof, to be known as sections 103.003, 103.130 and 103.136, to read as follows:

103.003. As used in sections 103.003 to 103.175, the following terms mean:

(1) "Actuarial reserves", the necessary funding required to pay all the medical expenses for services provided to members of the plan but for which the claims have not yet been received by the claims administrator;

(2) "Actuary", a member of the American Academy of Actuaries or who is an enrolled actuary under the Employee Retirement Income Security Act of 1974;

(3) "Agency", a state-sponsored institution of higher learning, political subdivision or governmental entity or instrumentality;

(4) "Alternative delivery health care program", a plan of covered benefits that pays medical expenses through an alternate mechanism rather than on a fee-for-service basis. This includes, but is not limited to, health maintenance organizations and preferred provider organizations, all of which shall include chiropractic physicians licensed under chapter 331, RSMo, in the provider networks or organizations;

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

(5) "Board", the board of trustees of the Missouri consolidated health care plan;

(6) "Claims administrator", an agency contracted to process medical claims submitted from providers or members of the plan and their dependents;

(7) "Coordination of benefits", to work with another group-sponsored health care plan which also covers a member of the plan to ensure that both plans pay their appropriate amount of the health care expenses incurred by the member;

(8) "Covered benefits", a schedule of covered services, including chiropractic services, which are payable under the plan;

(9) "Employee", any person employed full time by the state or a participating member agency, or a person eligible for coverage by a state-sponsored retirement system or a retirement system sponsored by a participating member agency of the plan;

(10) "Evidence of good health", medical information supplied by a potential member of the plan that is reviewed to determine the financial risk the person represents to the plan and the corresponding determination of whether or not he or she should be accepted into the plan;

(11) "Health care plan", any group medical benefit plan providing coverage on an expense-incurred basis, any HMO, any group service or indemnity contract issued by a health plan of any type or description;

(12) "Medical benefits coverages" shall include services provided by chiropractic physicians as well as physicians licensed under chapter 334, RSMo;

(13) "Medical expenses", costs for services performed by a provider and covered under the plan;

(14) "Missouri consolidated health care plan benefit fund account", the benefit trust fund account containing all payroll deductions, payments, and income from all sources for the plan;

(15) "Officer", an elected official of the state of Missouri;

(16) "Participating member agency", a state-sponsored institution of higher learning, political subdivision or governmental entity or instrumentality that has elected to join the plan and has been accepted by the board;

(17) "Plan year", a twelve-month period designated by the board which is used to calculate the annual rate categories and the appropriate coverage;

(18) "Provider", a physician, hospital, pharmacist, psychologist, chiropractic physician or other licensed practitioner who or which provides health care services within the respective scope of practice of such practitioner pursuant to state law and regulation;

(19) "Retiree", a person who is not an employee and is receiving or is entitled to receive an annuity benefit from a state-sponsored retirement system or a retirement system of a participating member agency of the plan or becomes eligible for retirement benefits because of service with a participating member agency.

103.130. Each participating member agency may elect by majority vote of its governing

body, to join the plan and cover its employees, retirees, and their dependents under the plan as follows:

(1) The clerk or secretary of the participating member agency shall certify the election to the board within ten working days after the vote of the governing body;

(2) The board shall establish a procedure for considering the election of the agencies. Acceptance of the agency into the plan shall be by action of the board and shall be based upon an actuarial analysis or any other determination that the board deems appropriate;

(3) The agency shall supply all available information requested by the board that is necessary to complete an actuarial analysis of the agency and make a determination of the fiscal impact that inclusion of the agency would have on the plan;

(4) The effective date of the participating member agency's coverage will be the first day **[**of the month so requested by the agency and approved by the board**] of the year following open enrollment and acceptance of the application of an agency pursuant to this section, to be accepted into the plan**;

(5) The participating member agency must offer coverage under the plan to all of its eligible employees, retirees, and dependents.

103.136. Any participating member agency terminating its coverage under the plan will not be eligible for participation in the plan for a period of two years after its termination date **[**except by a majority vote of the board**]**.

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