

FIRST REGULAR SESSION

SENATE BILL NO. 49

91ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR SIMS.

Pre-filed December 1, 2000, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

0239S.011

AN ACT

To repeal sections 103.003, 103.083, 103.095, 103.141 and 103.150, RSMo 2000, relating to long term care insurance for state employees, and to enact in lieu thereof six new sections relating to the same subject.

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

Section A. Sections 103.003, 103.083, 103.095, 103.141 and 103.150, RSMo 2000, are repealed and six new sections enacted in lieu thereof, to be known as sections 103.003, 103.083, 103.095, 103.141, 103.150 and 103.176, to read as follows: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;

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

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

(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) **"Long term care insurance", any policy, contract, certificate, evidence of coverage or rider advertised, marketed, offered or designed to provide coverage for not less than twelve consecutive months for each covered person on an expense-incurred, indemnity, prepaid or other basis; for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance of personal care services, provided in a setting other than an acute care unit of a hospital. Such term includes group and individual annuities and life insurance policies or riders which provide directly or which supplement long-term care insurance. Such term also includes a policy or rider which provides for payment of benefits based upon cognitive impairment or the loss of functional capacity. Long-term care insurance may be issued by insurers; fraternal benefit societies; health services corporations; prepaid health plans; and health maintenance organizations to the extent they are otherwise authorized. Long-term care insurance shall not include any insurance policy which is offered primarily to provide basic Medicare supplement coverage, basic hospital expense coverage, basic medical-surgical expense coverage, hospital confinement indemnity coverage, major medical expense coverage, disability income or related asset protection coverage, accident only coverage, specified disease or specified accident coverage, or limited benefit health coverage;**

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

[(13)] (14) "Medical expenses", costs for services performed by a provider and covered under

the plan;

[(14)] (15) "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)] (16) "Officer", an elected official of the state of Missouri;

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

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

[(18)] (19) "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)] (20) "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.

103.083. **1.** The board shall provide or contract, or both, on its own behalf, for medical benefits coverage and services for persons covered under sections 103.003 to 103.175 and enrolled in the plan. The board may contract for medical benefits coverage with alternative delivery health care programs where available. Medical expenses shall also include expenses for comparable benefits for employees who rely solely on spiritual means through prayer for healing.

2. Pursuant to the provisions of sections 376.951 to 376.958, the board shall contract for long term care insurance coverage for persons covered under sections 103.003 to 103.175 and enrolled in the plan and for all relatives of such persons as defined pursuant to section 103.141. Such coverage shall also be available to all employees of the University of Missouri system and their relatives, as defined pursuant to section 103.141. The board will not be responsible for any costs associated with an employee's contract with the long term care insurance company. An employee covered by this section who elects for long term care insurance coverage and subsequently ceases to be an active employee may elect to continue his or her coverage indefinitely.

103.095. Notwithstanding any other provision of law to the contrary, any member of the general assembly and any elected state official holding a statewide elective state office, who ceases to hold elective office, or any person employed by the elected official or employed by a member of the general assembly, whose employment is terminated because such elected official or member of the general assembly ceases to hold elective office, may elect to continue insurance benefits to cover medical expenses provided [under] **pursuant to** sections 103.003 to 103.175, **or long term care insurance coverage contracted for pursuant to section 103.083**, by paying the cost of such

benefits as determined by the board. If an eligible person does not elect to continue the coverage within thirty-one days from the last day of the month in which the eligible person ceases to be an employee, he may not later elect to be covered under this section.

103.141. The persons in each participating member agency eligible for coverage by the plan **or for long term care insurance coverage** shall include, subject to the limitations contained in sections 103.003 to 103.175:

(1) All employees, retirees, former employees entitled to a retirement benefit because of service with the participating member agency, employees eligible for a disability benefit from the participating member agency, employees on a leave of absence, and their dependents;

(2) All persons, and their dependents, who become employees of a participating member agency on or after the date such agency becomes covered under the plan, and who wish to enroll in the plan; [and]

(3) All persons who become eligible for retirement benefits because of service with the participating member agency, persons who become eligible for a disability benefit from the participating member agency, and their unemancipated dependents, on or after the date such participating member agency becomes covered under the plan, and who have been continuously covered by the benefits under sections 103.003 to 103.175 for at least the shorter of:

(a) Two years prior to the date of disability of the employee or his eligibility for normal or early retirement; or

(b) From the initial date of eligibility for the benefits provided by sections 103.003 to 103.175; **and**

(4) For purposes of long term care insurance coverage only, additional relatives of employees eligible for coverage, as defined by rule, pursuant to chapter 536, RSMo.

103.150. Notwithstanding any other law to the contrary and with the exception of a retiree of the participating member agency or a former employee of the participating member agency who is entitled to retirement benefits from the participating member agency **or an employee or his or her relatives, as defined pursuant to section 103.141, who elect to take long term care insurance coverage**, when a person is no longer an employee of a participating member agency covered by the plan, that person and his dependents shall thereupon cease to be covered by the plan.

103.176. The board shall annually evaluate and report to the general assembly on the progress and results of its contracts with long term care insurance companies to provide long term care insurance coverage to employees. The board shall also educate employees about long term care insurance coverage options.