

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 450
92ND GENERAL ASSEMBLY

Reported from the Committee on Ways and Means, March 6, 2003, with recommendation that the Senate Committee Substitute do pass.

TERRY L. SPIELER, Secretary.

1332S.03C

AN ACT

To amend chapter 37, RSMo, by adding thereto six new sections relating to the reorganization of the state health care system, with an emergency clause.

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

Section A. Chapter 37, RSMo, is amended by adding thereto six new sections, to be known as sections 37.625, 37.630, 37.635, 37.640, 37.645, and 1, to read as follows:

37.625. With the growing concern and complexities of health issues in this state, it is the intent of the general assembly to create a "Division of Community Health" within the office of administration dedicated to health issues. Recognizing that the manner in which health care is currently administered at the state level is fragmented and often unresponsive to health care issues, the new division is created for the following purposes:

(1) To serve as the lead planning state entity for all health issues in the state to remedy the current situation wherein the responsibility for health care policy, purchasing, planning, and regulation is spread among many different agencies and departments;

(2) To permit the state to maximize its purchasing power inasmuch as the state now has none of its health care purchasing coordinated;

(3) To minimize duplication and maximize administrative efficiency in the state's health care systems by removing overlapping functions and streamlining uncoordinated programs;

(4) To allow the state to develop a better health care infrastructure that is more responsive to the consumers it serves while improving access to and coverage for health care; and

(5) To focus more attention and divisional procedures on the issue of wellness, including diet, exercise, and personal responsibility.

37.630. 1. There is hereby created a "Board of Community Health" within the office of administration which shall establish the general policy to be followed by the division of community health. The initial board shall consist of the following eleven members:

(1) One member of the house of representatives appointed by the speaker of the house of representatives;

(2) One member of the senate appointed by the president pro tem of the senate;

(3) The director of the department of insurance or the director's designee;

(4) The commissioner of the office of administration or the commissioner's designee;

(5) The director of the division of medical services or the director's designee;

(6) One commissioner of the commission for the Missouri senior Rx program, appointed by the governor with the advice and consent of the senate;

(7) The executive director of the Missouri consolidated health care plan or the director's designee;

(8) One member of the state highways and transportation commission, appointed by the governor with the advice and consent of the senate;

(9) The director of the department of social services or the director's designee;

(10) One member of the state conservation commission, appointed by the governor with the advice and consent of the senate; and

(11) One member of the board of curators of the University of Missouri, appointed by the governor with the advice and consent of the senate.

2. After December 1, 2004, five additional members of the board shall be appointed by the governor with the advice and consent of the senate. The new members shall consist of:

(1) One member of the Missouri school boards association;

(2) One member of the Missouri community colleges association;

(3) One representative of the public four-year institutions of higher education, excluding the University of Missouri; and

(4) Two individual representatives of small business in this state.

3. The members of the board listed in subdivisions (6), (8), (10), and (11) of subsection 1 of this section and subdivisions (1) to (3) of subsection 2 of this section shall serve for two-year terms and may be reappointed. Vacancies in office shall be filled in the same manner as the position on the board which becomes vacant; except that, the members of the board listed in subdivisions (5), (6), and (7) of subsection 2 of

this section shall, after June 30, 2004, be appointed by the governor from the office of medical services, the office of the Missouri senior Rx program, and the office of the Missouri consolidated health care plan, respectively. Each appointment by the governor shall be submitted to the senate for confirmation at the next session of the general assembly.

4. A chairperson of the board shall be elected by and from the membership of the board and such chairperson shall be the presiding officer of the board.

5. The members of the board shall receive a per diem allowance and expenses as set and approved by the office of administration in conformance with rates and allowances set for members of other state boards.

37.635. 1. The division of community health shall carry out all powers, duties, and functions previously performed by:

- (1) The division of medical services pursuant to section 208.201, RSMo;
- (2) The commission of the Missouri senior Rx program as established by section 208.553, RSMo;
- (3) The state highways and transportation commission, relating to the furnishing of health insurance benefits to cover medical expenses for members of the highways and transportation employees' and highway patrol retirement system;
- (4) The board of trustees of the Missouri consolidated health care plan pursuant to chapter 103, RSMo;
- (5) The department of social services, relating to the administration of a program to pay for health care for uninsured children pursuant to sections 208.631 to 208.657, RSMo;
- (6) The state conservation commission, relating to the furnishing of health insurance for department of conservation employees and their dependents and retirees;
- (7) The board of curators of the University of Missouri, relating to the furnishing of health insurance plans for employees of the university system and their dependents and retirees.

2. After June 30, 2004, the offices of the division of community health shall be as follows:

(1) The division of medical services shall be transferred to the division of community health on July 1, 2004, and shall thereafter be known as the "Office of Medical Services" within the division;

(2) The commission for the Missouri senior Rx program shall be transferred to the division of community health on July 1, 2004, and shall thereafter be known as the "Office of the Missouri Senior Rx Program" within the division;

(3) The board of trustees of the Missouri consolidated health care plan shall be transferred to the division of community health on July 1, 2004, and shall thereafter be known as the "Office of the Missouri Consolidated Health Care Plan";

(4) The office of the transportation employees health care plan;

(5) The office of health care for uninsured children;

(6) The office of the conservation commission employees health care plan;

(7) The office of the University of Missouri employees health care plan; and

(8) Such other offices as the board may establish within the division.

3. In addition to its other powers, duties, and functions, the division of community health shall carry out the following objectives:

(1) Be the lead agency in coordinating and purchasing health care benefit plans for all state employees, dependents, and retirees and those recipients of programs provided in subsection 1 of this section, and study and recommend any additional functions needed to carry out the purposes of the division including the number and qualifications of employees that the division will require in fiscal year 2005. An analysis and status of the duties established in this subdivision, along with any recommendations, shall be made to the governor and general assembly by December 31, 2003;

(2) Be authorized to appoint a health care work force policy advisory committee to oversee and coordinate work force planning activities;

(3) Be authorized to solicit and accept donations, contributions, and gifts and receive, hold, and use grants, devises, and bequests of real, personal, and mixed property on behalf of the state to enable the division to carry out its functions and purposes; and

(4) After December 1, 2004, the division shall investigate coordinating and purchasing health care benefit plans for employees of the public schools, community colleges, political subdivisions of the state, and public four-year institutions of higher education, excluding the University of Missouri, and all such employees' dependents and investigate the lack of availability of health insurance coverage and the issues associated with the uninsured population of this state. The division is authorized to investigate the feasibility of creating and administering insurance programs for small businesses and to propose cost-effective solutions to reducing the numbers of uninsured in this state. An analysis and status of the duties established in this subdivision, along with any recommendations, shall be made to the governor and the general assembly by December 31, 2005.

4. After July 1, 2006, the division shall be the lead agency in coordinating and purchasing health care benefit plans for the employees and their dependents of the

public schools, community colleges, and political subdivisions of the state whenever such entities opt to join the collective purchasing power of the division.

5. After July 1, 2006, the division shall implement a program whereby small businesses with less than fifty employees and uninsured citizens may opt to join the collective purchasing power of the division.

37.640. 1. To assist in the transition of functions, all persons employed by any entity listed in subsection 1 of section 37.635 on June 30, 2004, shall on July 1, 2004, become employees of the division of community health within the office into which such predecessor agency has become. If the entity being transferred does not constitute an entire division, commission, department, or other state entity, the transfer of employees shall be limited to those employees performing the functions described in subsection 1 of section 37.635. Such employees shall be subject to the employment practices and policies of the division of community health on and after July 1, 2004, but the compensation and benefits of such transferred employees shall not be reduced as a result of such transfer. Employees who are under the state merit system of personnel administration and who are transferred to the division of community health shall retain all existing rights under the state merit system. Retirement rights of such transferred employees existing under the employees' retirement system of Missouri or other public retirement systems on June 30, 2004, shall not be impaired or interrupted by the transfer of such employees and membership in any such retirement system shall continue in the same status possessed by the transferred employees on June 30, 2004. Accrued annual and sick leave possessed by such employees on June 30, 2004, shall be retained by such employees as employees of the division of community health.

2. All rules, regulations, policies, procedures, and administrative orders of the predecessor agencies, board, or commissions which were in effect on June 30, 2004, or scheduled to go into effect on or after July 1, 2004, and which relate to the functions transferred to the division by sections 37.625 to 37.645 shall become the rules, regulations, policies, procedures, and administrative orders of the division of community health. Such rules, regulations, policies, procedures, and administrative orders shall remain in effect until amended, repealed, superseded, or nullified by the promulgation of rules by the office of administration which is hereby authorized. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to

chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2003, shall be invalid and void.

3. The rights, privileges, entitlements, and duties of parties to contracts, leases, agreements, and other transactions entered into before July 1, 2004, by any predecessor agency and which pertain to the functions transferred to the division of community health by this chapter shall continue to exist; and none of such rights, privileges, entitlements, and duties are impaired or diminished by reason of the transfer of the functions to the division. In all such instances, the division of community health shall be substituted for the predecessor agency, and the division of community health shall accede to the rights and duties pursuant to such contracts, leases, agreements, and other transactions.

4. The commissioner of community health is authorized to transfer division employees from one office to another office within the division.

5. Any appropriation made to an entity or program described pursuant to subsection 1 of section 37.635 prior to July 1, 2004, as such appropriation relates to the functions and duties transferred to the division of community health shall be transferred to the office of administration on July 1, 2004, for use by the division.

37.645. There is hereby created within the office of administration the position of commissioner of community health. The commissioner shall be the chief administrative officer of the division and shall be subject to appointment by the governor, with the advice and consent of the senate. Subject to the general policy established by the board, the commissioner shall supervise, direct, account for, organize, plan, administer, and execute the functions vested in the division. The commissioner shall be subject to removal by the governor.

Section 1. Pursuant to section 3.060, RSMo, the revisor of statutes shall have the authority to make all changes necessary to effectuate the purposes of sections 37.625 to 37.645, RSMo, including, but not limited to, substituting the name of agencies transferred by law, and transferring sections or dividing or combining sections consistent with the transfers made in sections 37.625 to 37.645, RSMo, without changing the meaning of such sections.

Section B. Because of the need to promote the health care of state employees and of citizens of this state, section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and section A of this act shall be in full force and effect upon its passage and approval.

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