

FIRST REGULAR SESSION

# SENATE BILL NO. 450

92ND GENERAL ASSEMBLY

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INTRODUCED BY SENATORS MATHEWSON, GIBBONS, STEELMAN, CASKEY,  
GOODE, BRAY AND CHILDERS.

Read 1st time February 6, 2003, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

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## AN ACT

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

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

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

**37.625. Given 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 eleven members who shall be appointed by the governor, with the advice and consent of the senate except where the provisions of subsection 2 of this section do not provide the governor any discretion.

2. The initial members of the board shall consist of:

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

(2) One member of the senate, who shall be appointed by the president pro tem;

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

(4) The director of the office of administration or their designee;

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

(6) One commissioner from the Missouri senior Rx program;

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

(8) One member from the state highways and transportation commission;

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

(10) One member of the state conservation commission; and

(11) One member of the board of curators of the university of the state of Missouri.

3. After December 1, 2004, four additional members of the board shall be appointed 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; and

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

4. The members of the board shall serve for two-year terms and may be reappointed indefinitely. Vacancies in office shall be filled by appointment by the governor in the same manner as the appointment to the position on the board which becomes vacant, except for the board members described in subdivisions (5), (6), and (7) of subsection 2 of this section who shall be appointed 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 discretionary appointment shall be submitted to the senate for confirmation at the next session of the general assembly.

5. There shall be a chairperson of the board elected by and from the membership of the board who shall be the presiding officer of the board.

6. The members of the board shall receive a per diem allowance and expenses as shall be 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 the state 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 shall be as follows:

(1) The division of medical services, as it existed on June 30, 2004, is continued in existence on and after July 1, 2004, but shall thereafter be known as the "Office of Medical Services" within the division;

(2) The commission for the Missouri senior Rx program, as it existed on June 30, 2004, is continued in existence on and after July 1, 2004, but 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, as it existed on June 30, 2004, is continued in existence on and after July 1, 2004, but 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 the social services employees health care plan;

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

(7) The office of the university of the state 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 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, and political subdivisions of the state and 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 is authorized to 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 an entity listed in subsection 1 of section 37.635 on June 30, 2004, shall, on July 1, 2004, become employees of the division within the office into which such predecessor agency has become. Where 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 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 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 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 said employees on June 30, 2004, shall be retained by said employees as employees of the division.

2. The division shall succeed to 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. 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 by this chapter shall continue to exist; and none of these 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 succeed 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, 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 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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