

SECOND REGULAR SESSION

# SENATE BILL NO. 1123

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR SHIELDS.

Read 1st time February 27, 2006, and ordered printed.

TERRY L. SPIELER, Secretary.

5375S.011

## AN ACT

To amend chapter 208, RSMo, by adding thereto two new sections relating to medical assistance pilot programs for the aged, blind, or disabled population.

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

Section A. Chapter 208, RSMo, is amended by adding thereto two new sections, to be known as sections 208.950 and 208.955, to read as follows:

**208.950. 1. The department of social services shall request the appropriate waiver or waivers from the secretary of the federal Department of Health and Human Services to permit the establishment of both a "coordinated care" pilot program and an "administrative services organization" (ASO) pilot program for recipients of medical assistance who receive such assistance on the basis of being aged, blind, or disabled, as specified in subdivision (24) of section 208.151. Enrollments for such pilot programs shall be completed by July 1, 2007. For purposes of this section, in designating who shall receive medical assistance on the basis of being aged, blind, or disabled, the department shall not include any of the following:**

**(1) Individuals who are under twenty-one years of age;**  
**(2) Individuals who are institutionalized;**  
**(3) Individuals who are dually eligible under the state medical assistance program and the Medicare program established under Title XVIII of the Social Security Act, 79 Stat. 286 (1965), 42 U.S.C. 1395, as amended.**

**2. The department shall implement:**

**(1) The coordinated care pilot program in at least one of the following areas:**

**(a) Greater St. Louis area;**

22 (b) Greater Kansas City area; or

23 (c) Greater Springfield area.

24 (2) The ASO pilot program in at least one of the following areas:

25 (a) Greater St. Louis area;

26 (b) Greater Kansas City area; or

27 (c) Greater Springfield area.

28 The coordinated care pilot program and ASO pilot programs shall not  
29 be implemented in the same areas.

30 3. Participation in the coordinated care and administrative  
31 service organization programs shall be mandatory for those recipients  
32 of medical assistance specified under subsection 1 of this section,  
33 except that the department shall promulgate rules for a formalized  
34 exemption process for recipients whose current treating physicians are  
35 not participating in the coordinated care network in order to prevent  
36 interruption in the continuity of medical care.

37 4. The department shall require participants in the coordinated  
38 care program to select a primary care provider from the approved  
39 coordinated care plan within thirty days of enrollment in the program.  
40 If the participant does not select a primary care provider, a provider  
41 will be selected for the participant.

42 5. The department shall promulgate rules for the implementation  
43 of the coordinated care and administrative service organization pilot  
44 programs that shall incorporate the following elements:

45 (1) For the coordinated care program, there shall be the  
46 establishment of risk-based coordinated care with a guaranteed savings  
47 level that is actuarially sound while limiting the profit that is  
48 generated to the coordinated care vendor. The coordinated care  
49 program shall operate generally under a traditional managed care  
50 model, including offering a consolidation of pharmacy management,  
51 claims adjudication, utilization review, and care coordination;

52 (2) For the administrative service organization program, the  
53 financial terms will require that the vendor fees be reduced if savings  
54 and quality targets specified by the department are not met. The ASO  
55 program shall provide care coordination, utilization management, and  
56 participant education. The state shall continue to retain provider  
57 reimbursement, pharmacy management, eligibility determination, and  
58 provider network management;

59           **(3) For the coordinated care pilot program, there shall be a**  
60 **competitive request for proposal process with a maximum of two**  
61 **awards for each pilot program area. For the ASO program, there shall**  
62 **be a competitive request for proposal process with one ASO vendor**  
63 **selected in each operating area. The department shall establish**  
64 **criteria for award selection to include preference for Missouri-based**  
65 **vendors and prior experience;**

66           **(4) For both pilot programs, there will be three-year contract**  
67 **terms subject to annual savings and quality targets determined by the**  
68 **department and which shall include consumer and provider satisfaction**  
69 **levels;**

70           **(5) For both pilot programs, there shall be mechanisms in place**  
71 **to promote and determine the appropriate use of in-home care for**  
72 **participants prior to admissions in custodial skilled nursing facilities;**

73           **(6) For both pilot programs, there shall be monthly reporting of**  
74 **participant and provider quality and satisfaction indicators including,**  
75 **but not limited to, complaints, prompt payment of providers, call center**  
76 **statistics, and denials of care, to be determined by the department, to**  
77 **ensure the highest levels of care;**

78           **(7) For both pilot programs, there shall be prompt payment to**  
79 **the providers within thirty days of receipt of a claim of reimbursement;**

80           **(8) For both pilot programs, the vendors shall establish**  
81 **participant call centers based in Missouri;**

82           **(9) For both pilot programs, there shall be a participant**  
83 **ombudsman program established with the assistance of an advocacy**  
84 **organization;**

85           **(10) For both pilot programs, if the programs are established in**  
86 **an area where there is a federally qualified health center or rural**  
87 **health clinic, the vendors shall establish partnerships with such health**  
88 **centers and clinics to ensure availability of care.**

89           **6. Any rule or portion of a rule, as that term is defined in section**  
90 **536.010, RSMo, that is created under the authority delegated in this**  
91 **section shall become effective only if it complies with and is subject to**  
92 **all of the provisions of chapter 536, RSMo, and, if applicable, section**  
93 **536.028, RSMo. This section and chapter 536, RSMo, are nonseverable**  
94 **and if any of the powers vested with the general assembly pursuant to**  
95 **chapter 536, RSMo, to review, to delay the effective date, or to**

96 disapprove and annul a rule are subsequently held unconstitutional,  
97 then the grant of rulemaking authority and any rule proposed or  
98 adopted after August 28, 2006, shall be invalid and void.

208.955. 1. There is hereby established in the department of  
2 social services an "Oversight Committee on Coordinated Care and  
3 Administrative Service Organizations". The oversight committee shall  
4 consist of eleven members:

5 (1) Two members of the house of representatives from the joint  
6 committee on health appointed by the speaker, with one member from  
7 each party, or if the joint committee on health is not established, two  
8 members of the house, one from each party, appointed by the speaker;

9 (2) Two members of the senate from the joint committee on  
10 health appointed by the president pro tem, with one member from each  
11 party, or if the joint committee on health is not established, two  
12 members of the senate, one from each party, appointed by the president  
13 pro tem;

14 (3) Two consumer representatives, not from the same geographic  
15 area;

16 (4) Two healthcare providers, not from the same geographic  
17 area;

18 (5) Two healthcare advocates; and

19 (6) The director of the department of social services or the  
20 director's designee.

21 2. The members of the committee, other than the members from  
22 the general assembly and ex-officio members, shall be appointed by the  
23 governor with the advice and consent of the senate and shall serve for  
24 a term of four years. Members shall serve on the committee without  
25 compensation but may be reimbursed for their actual and necessary  
26 expenses from moneys appropriated by the department of social  
27 services for that purpose. The oversight committee shall:

28 (1) Meet on at least four occasions the first year and then on at  
29 least two occasions each year thereafter;

30 (2) Review the monthly participant and provider satisfaction  
31 reports required of the pilot program vendors under subdivision (6) of  
32 subsection 5 of section 208.950;

33 (3) Review the call center statistics required to be maintained by  
34 the pilot program vendors under subdivision (8) of subsection 5 of

35 **section 208.950;**

36 **(4) Review reports from the pilot program ombudsman;**

37 **(5) Determine how the data collected from subdivisions (2) to (4)**  
38 **of this subsection shall be analyzed to determine the health outcomes**  
39 **and cost savings from the pilot programs and how such findings may be**  
40 **communicated to consumers, health care providers, and public officials;**

41 **(6) Report significant findings indicating satisfaction or**  
42 **dissatisfaction of the programs to the joint committee on health, as**  
43 **necessary, or if the joint committee on health is not established, to the**  
44 **general assembly;**

45 **(7) Perform any other necessary tasks to ensure quality of care,**  
46 **availability, participant satisfaction and status information on the pilot**  
47 **programs.**

48 **3. Pursuant to section 23.253, RSMo, of the Missouri sunset act:**

49 **(1) The provisions of the new program authorized under sections**  
50 **208.950 to 208.955 shall automatically sunset six years after the**  
51 **effective date unless reauthorized by an act of the general assembly;**  
52 **and**

53 **(2) If such program is reauthorized, the program authorized**  
54 **under sections 208.950 to 208.955 shall automatically sunset twelve**  
55 **years after the effective date of the reauthorization of sections 208.950**  
56 **to 208.955; and**

57 **(3) Sections 208.950 to 208.955 shall terminate on September first**  
58 **of the calendar year immediately following the calendar year in which**  
59 **the program authorized under sections 208.950 to 208.955 is sunset.**

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