#### SECOND REGULAR SESSION

# **SENATE BILL NO. 1024**

### 94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCOTT.

Read 1st time January 28, 2008, and ordered printed.

TERRY L. SPIELER, Secretary.

#### 3344S.04I

## AN ACT

To repeal sections 105.711, 226.095, 537.600, and 537.610, RSMo, and to enact in lieu thereof three new sections relating to civil actions against government entities, agents, officers, and employees.

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

Section A. Sections 105.711, 226.095, 537.600, and 537.610, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 105.711, 537.600, and 537.610, to read as follows:

105.711. 1. There is hereby created a "State Legal Expense Fund" which
2 shall consist of moneys appropriated to the fund by the general assembly and
3 moneys otherwise credited to such fund pursuant to section 105.716.

4 2. Moneys in the state legal expense fund shall be available for the
5 payment of any claim or any amount required by any final judgment rendered by
6 a court of competent jurisdiction against:

7 (1) The state of Missouri, or any agency of the state, pursuant to section
8 536.050 or 536.087, RSMo, or section 537.600, RSMo;

9 (2) Any officer or employee of the state of Missouri or any agency of the 10 state, including, without limitation, elected officials, appointees, members of state 11 boards or commissions, and members of the Missouri national guard upon conduct 12 of such officer or employee arising out of and performed in connection with his or 13 her official duties on behalf of the state, or any agency of the state, provided that 14 moneys in this fund shall not be available for payment of claims made under 15 chapter 287, RSMo;

(3) (a) Any physician, psychiatrist, pharmacist, podiatrist, dentist, nurse,
or other health care provider licensed to practice in Missouri under the provisions

of chapter 330, 332, 334, 335, 336, 337 or 338, RSMo, who is employed by the 1819 state of Missouri or any agency of the state, under formal contract to conduct disability reviews on behalf of the department of elementary and secondary 2021education or provide services to patients or inmates of state correctional facilities 22on a part-time basis, and any physician, psychiatrist, pharmacist, podiatrist, 23dentist, nurse, or other health care provider licensed to practice in Missouri under the provisions of chapter 330, 332, 334, 335, 336, 337, or 338, RSMo, who 2425is under formal contract to provide services to patients or inmates at a county jail 26on a part-time basis;

27(b) Any physician licensed to practice medicine in Missouri under the 28provisions of chapter 334, RSMo, and his professional corporation organized pursuant to chapter 356, RSMo, who is employed by or under contract with a city 29or county health department organized under chapter 192, RSMo, or chapter 205, 30 31RSMo, or a city health department operating under a city charter, or a combined city-county health department to provide services to patients for medical care 32caused by pregnancy, delivery, and child care, if such medical services are 33 provided by the physician pursuant to the contract without compensation or the 34physician is paid from no other source than a governmental agency except for 35patient co-payments required by federal or state law or local ordinance; 36

37(c) Any physician licensed to practice medicine in Missouri under the 38provisions of chapter 334, RSMo, who is employed by or under contract with a 39federally funded community health center organized under Section 315, 329, 330 40or 340 of the Public Health Services Act (42 U.S.C. 216, 254c) to provide services 41to patients for medical care caused by pregnancy, delivery, and child care, if such medical services are provided by the physician pursuant to the contract or 42employment agreement without compensation or the physician is paid from no 43other source than a governmental agency or such a federally funded community 44 45health center except for patient co-payments required by federal or state law or local ordinance. In the case of any claim or judgment that arises under this 46 paragraph, the aggregate of payments from the state legal expense fund shall be 47limited to a maximum of one million dollars for all claims arising out of and 4849judgments based upon the same act or acts alleged in a single cause against any 50such physician, and shall not exceed one million dollars for any one claimant;

51 (d) Any physician licensed pursuant to chapter 334, RSMo, who is 52 affiliated with and receives no compensation from a nonprofit entity qualified as 53 exempt from federal taxation under Section 501(c)(3) of the Internal Revenue

Code of 1986, as amended, which offers a free health screening in any setting or 5455any physician, nurse, physician assistant, dental hygienist, dentist, or other health care professional licensed or registered under chapter 330, 331, 332, 334, 56 57335, 336, 337, or 338, RSMo, who provides health care services within the scope of his or her license or registration at a city or county health department 5859organized under chapter 192, RSMo, or chapter 205, RSMo, a city health 60 department operating under a city charter, or a combined city-county health department, or a nonprofit community health center qualified as exempt from 61 62federal taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, if such services are restricted to primary care and preventive health 63 services, provided that such services shall not include the performance of an 64 abortion, and if such health services are provided by the health care professional 65 66 licensed or registered under chapter 330, 331, 332, 334, 335, 336, 337, or 338, RSMo, without compensation. MO HealthNet or Medicare payments for primary 67 care and preventive health services provided by a health care professional 68 licensed or registered under chapter 330, 331, 332, 334, 335, 336, 337, or 338, 69 70RSMo, who volunteers at a free health clinic is not compensation for the purpose of this section if the total payment is assigned to the free health clinic. For the 71purposes of the section, "free health clinic" means a nonprofit community health 7273center qualified as exempt from federal taxation under Section 501 (c)(3) of the 74Internal Revenue Code of 1987, as amended, that provides primary care and preventive health services to people without health insurance coverage for the 7576services provided without charge. In the case of any claim or judgment that 77arises under this paragraph, the aggregate of payments from the state legal expense fund shall be limited to a maximum of five hundred thousand dollars, for 78all claims arising out of and judgments based upon the same act or acts alleged 79in a single cause and shall not exceed five hundred thousand dollars for any one 80 claimant, and insurance policies purchased pursuant to the provisions of section 81 105.721 shall be limited to five hundred thousand dollars. Liability or 82malpractice insurance obtained and maintained in force by or on behalf of any 83 health care professional licensed or registered under chapter 330, 331, 332, 334, 84 85335, 336, 337, or 338, RSMo, shall not be considered available to pay that portion 86 of a judgment or claim for which the state legal expense fund is liable under this 87 paragraph;

(e) Any physician, nurse, physician assistant, dental hygienist, or dentist
licensed or registered to practice medicine, nursing, or dentistry or to act as a

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90 physician assistant or dental hygienist in Missouri under the provisions of 91chapter 332, RSMo, chapter 334, RSMo, or chapter 335, RSMo, who provides medical, nursing, or dental treatment within the scope of his license or 9293registration to students of a school whether a public, private, or parochial elementary or secondary school, if such physician's treatment is restricted to 94primary care and preventive health services and if such medical, dental, or 95nursing services are provided by the physician, dentist, physician assistant, 96 97dental hygienist, or nurse without compensation. In the case of any claim or 98 judgment that arises under this paragraph, the aggregate of payments from the state legal expense fund shall be limited to a maximum of five hundred thousand 99 100dollars, for all claims arising out of and judgments based upon the same act or acts alleged in a single cause and shall not exceed five hundred thousand dollars 101 for any one claimant, and insurance policies purchased pursuant to the provisions 102

103 of section 105.721 shall be limited to five hundred thousand dollars; or
104 (f) Any physician licensed under chapter 334, RSMo, or dentist licensed

under chapter 332, RSMo, providing medical care without compensation to an 105individual referred to his or her care by a city or county health department 106organized under chapter 192 or 205, RSMo, a city health department operating 107under a city charter, or a combined city-county health department, or nonprofit 108 109 health center qualified as exempt from federal taxation under Section 501(c)(3)110of the Internal Revenue Code of 1986, as amended, or a federally funded 111 community health center organized under Section 315, 329, 330, or 340 of the 112Public Health Services Act, 42 U.S.C. Section 216, 254c; provided that such treatment shall not include the performance of an abortion. In the case of any 113claim or judgment that arises under this paragraph, the aggregate of payments 114from the state legal expense fund shall be limited to a maximum of one million 115dollars for all claims arising out of and judgments based upon the same act or 116acts alleged in a single cause and shall not exceed one million dollars for any one 117claimant, and insurance policies purchased under the provisions of section 118105.721 shall be limited to one million dollars. Liability or malpractice insurance 119obtained and maintained in force by or on behalf of any physician licensed under 120121chapter 334, RSMo, or any dentist licensed under chapter 332, RSMo, shall not 122be considered available to pay that portion of a judgment or claim for which the 123state legal expense fund is liable under this paragraph;

124 (4) Staff employed by the juvenile division of any judicial circuit;

125 (5) Any attorney licensed to practice law in the state of Missouri who

126 practices law at or through a nonprofit community social services center qualified 127as exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or through any agency of any federal, state, or local 128129government, if such legal practice is provided by the attorney without 130compensation. In the case of any claim or judgment that arises under this 131subdivision, the aggregate of payments from the state legal expense fund shall be 132limited to a maximum of five hundred thousand dollars for all claims arising out 133of and judgments based upon the same act or acts alleged in a single cause and 134shall not exceed five hundred thousand dollars for any one claimant, and insurance policies purchased pursuant to the provisions of section 105.721 shall 135136 be limited to five hundred thousand dollars; or

137 (6) Any social welfare board created under section 205.770, RSMo, and the members and officers thereof upon conduct of such officer or employee while 138acting in his or her capacity as a board member or officer, and any physician, 139nurse, physician assistant, dental hygienist, dentist, or other health care 140professional licensed or registered under chapter 330, 331, 332, 334, 335, 336, 141142337, or 338, RSMo, who is referred to provide medical care without compensation by the board and who provides health care services within the scope of his or her 143license or registration as prescribed by the board. 144

1453. The department of health and senior services shall promulgate rules regarding contract procedures and the documentation of care provided under 146147paragraphs (b), (c), (d), (e), and (f) of subdivision (3) of subsection 2 of this 148section. The limitation on payments from the state legal expense fund or any 149policy of insurance procured pursuant to the provisions of section 105.721, provided in subsection 7 of this section, shall not apply to any claim or judgment 150arising under paragraph (a), (b), (c), (d), (e), or (f) of subdivision (3) of subsection 1512 of this section. Any claim or judgment arising under paragraph (a), (b), (c), (d), 152(e), or (f) of subdivision (3) of subsection 2 of this section shall be paid by the 153154state legal expense fund or any policy of insurance procured pursuant to section 155105.721, to the extent damages are allowed under sections 538.205 to 538.235, 156RSMo. Liability or malpractice insurance obtained and maintained in force by 157any health care professional licensed or registered under chapter 330, 331, 332, 158334, 335, 336, 337, or 338, RSMo, for coverage concerning his or her private 159practice and assets shall not be considered available under subsection 7 of this 160section to pay that portion of a judgment or claim for which the state legal expense fund is liable under paragraph (a), (b), (c), (d), (e), or (f) of subdivision (3) 161

162of subsection 2 of this section. However, a health care professional licensed or 163 registered under chapter 330, 331, 332, 334, 335, 336, 337, or 338, RSMo, may purchase liability or malpractice insurance for coverage of liability claims or 164165judgments based upon care rendered under paragraphs (c), (d), (e), and (f) of subdivision (3) of subsection 2 of this section which exceed the amount of liability 166167coverage provided by the state legal expense fund under those paragraphs. Even if paragraph (a), (b), (c), (d), (e), or (f) of subdivision (3) of subsection 2 of this 168169section is repealed or modified, the state legal expense fund shall be available for 170damages which occur while the pertinent paragraph (a), (b), (c), (d), (e), or (f) of subdivision (3) of subsection 2 of this section is in effect. 171

1724. The attorney general shall promulgate rules regarding contract procedures and the documentation of legal practice provided under subdivision 173(5) of subsection 2 of this section. The limitation on payments from the state 174legal expense fund or any policy of insurance procured pursuant to section 175105.721 as provided in subsection 7 of this section shall not apply to any claim 176or judgment arising under subdivision (5) of subsection 2 of this section. Any 177claim or judgment arising under subdivision (5) of subsection 2 of this section 178shall be paid by the state legal expense fund or any policy of insurance procured 179pursuant to section 105.721 to the extent damages are allowed under sections 180181 538.205 to 538.235, RSMo. Liability or malpractice insurance otherwise obtained 182and maintained in force shall not be considered available under subsection 7 of 183this section to pay that portion of a judgment or claim for which the state legal 184expense fund is liable under subdivision (5) of subsection 2 of this 185section. However, an attorney may obtain liability or malpractice insurance for coverage of liability claims or judgments based upon legal practice rendered 186under subdivision (5) of subsection 2 of this section that exceed the amount of 187liability coverage provided by the state legal expense fund under subdivision (5) 188of subsection 2 of this section. Even if subdivision (5) of subsection 2 of this 189190 section is repealed or amended, the state legal expense fund shall be available for damages that occur while the pertinent subdivision (5) of subsection 2 of this 191section is in effect. 192

5. All payments shall be made from the state legal expense fund by the commissioner of administration with the approval of the attorney general. Payment from the state legal expense fund of a claim or final judgment award against a health care professional licensed or registered under chapter 330, 331, 332, 334, 335, 336, 337, or 338, RSMo, described in paragraph (a), (b), (c),

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198 (d), (e), or (f) of subdivision (3) of subsection 2 of this section, or against an 199 attorney in subdivision (5) of subsection 2 of this section, shall only be made for 200 services rendered in accordance with the conditions of such paragraphs. In the 201case of any claim or judgment against an officer or employee of the state or any 202agency of the state based upon conduct of such officer or employee arising out of 203and performed in connection with his or her official duties on behalf of the state 204or any agency of the state that would give rise to a cause of action under section 205537.600, RSMo, the state legal expense fund shall be liable[, excluding punitive 206damages,] for an amount not to exceed:

207 (1) [Economic damages to any one claimant] Two million dollars for
208 all claims arising out of a single accident or occurrence; and

(2) [Up to three hundred fifty thousand dollars for noneconomic damages]
Three hundred thousand dollars for any one person in a single accident
or occurrence.

212The state legal expense fund shall be the exclusive remedy and shall preclude any 213other civil actions or proceedings for money damages arising out of or relating to 214the same subject matter against the state officer or employee, or the officer's or employee's estate. No officer or employee of the state or any agency of the state 215216shall be individually liable in his or her personal capacity for conduct of such 217officer or employee arising out of and performed in connection with his or her 218official duties on behalf of the state or any agency of the state. The provisions of 219this subsection shall not apply to any defendant who is not an officer or employee 220of the state or any agency of the state in any proceeding against an officer or 221employee of the state or any agency of the state. Nothing in this subsection shall 222limit the rights and remedies otherwise available to a claimant under state law 223or common law in proceedings where one or more defendants is not an officer or 224employee of the state or any agency of the state.

2256. The limitation on awards [for noneconomic damages] provided for in 226[this] subsection 5 of this section shall be increased or decreased on an annual basis effective January first of each year in accordance with the Implicit Price 227Deflator for Personal Consumption Expenditures as published by the Bureau of 228229Economic Analysis of the United States Department of Commerce. The current 230value of the limitation shall be calculated by the director of the department of 231insurance, who shall furnish that value to the secretary of state, who shall 232publish such value in the Missouri Register as soon after each January first as 233practicable, but it shall otherwise be exempt from the provisions of section

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234 536.021, RSMo.

2357. Except as provided in subsection 3 of this section, in the case of any claim or judgment that arises under sections 537.600 and 537.610, RSMo, against 236237the state of Missouri, or an agency of the state, the aggregate of payments from 238the state legal expense fund and from any policy of insurance procured pursuant 239to the provisions of section 105.721 shall not exceed the limits of liability as 240provided in sections 537.600 to 537.610, RSMo. No payment shall be made from 241the state legal expense fund or any policy of insurance procured with state funds 242pursuant to section 105.721 unless and until the benefits provided to pay the claim by any other policy of liability insurance have been exhausted. 243

8. The provisions of section 33.080, RSMo, notwithstanding, any moneys remaining to the credit of the state legal expense fund at the end of an appropriation period shall not be transferred to general revenue.

9. Any rule or portion of a rule, as that term is defined in section 536.010, 247RSMo, that is promulgated under the authority delegated in sections 105.711 to 248105.726 shall become effective only if it has been promulgated pursuant to the 249250provisions of chapter 536, RSMo. Nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to August 28, 1999, 251if it fully complied with the provisions of chapter 536, RSMo. This section and 252253chapter 536, RSMo, are nonseverable and if any of the powers vested with the 254general assembly pursuant to chapter 536, RSMo, to review, to delay the effective 255date, or to disapprove and annul a rule are subsequently held unconstitutional, 256then the grant of rulemaking authority and any rule proposed or adopted after 257August 28, 1999, shall be invalid and void.

537.600. 1. Such sovereign or governmental tort immunity as existed at common law in this state prior to September 12, 1977, except to the extent waived, abrogated or modified by statutes in effect prior to that date, shall remain in full force and effect; except that, the immunity of the public entity from liability and suit for compensatory damages for negligent acts or omissions is hereby expressly waived in the following instances:

7 (1) Injuries directly resulting from the negligent acts or omissions by
8 public employees arising out of the operation of motor vehicles or motorized
9 vehicles within the course of their employment;

10 (2) Injuries caused by the condition of a public entity's property if the 11 plaintiff establishes that the property was in dangerous condition at the time of 12 the injury, that the injury directly resulted from the dangerous condition, that the SB 1024

13dangerous condition created a reasonably foreseeable risk of harm of the kind of injury which was incurred, and that either a negligent or wrongful act or 14omission of an employee of the public entity within the course of his employment 1516created the dangerous condition or a public entity had actual or constructive notice of the dangerous condition in sufficient time prior to the injury to have 1718taken measures to protect against the dangerous condition. In any action under 19this subdivision wherein a plaintiff alleges that he was damaged by the negligent, 20defective or dangerous design of a highway or road, which was designed and 21constructed prior to September 12, 1977, the public entity shall be entitled to a defense which shall be a complete bar to recovery whenever the public entity can 22prove by a preponderance of the evidence that the alleged negligent, defective, or 23dangerous design reasonably complied with highway and road design standards 24generally accepted at the time the road or highway was designed and constructed. 25

26 2. Except as provided in subsection 5 of section 537.610, the 27 express waiver of sovereign immunity in the instances specified in subdivisions 28 (1) and (2) of subsection 1 of this section are absolute waivers of sovereign 29 immunity in all cases within such situations whether or not the public entity was 30 functioning in a governmental or proprietary capacity and whether or not the 31 public entity is covered by a liability insurance for tort.

32 3. The term "public entity" as used in this section shall include any 33 multistate compact agency created by a compact formed between this state and 34 any other state which has been approved by the Congress of the United States.

537.610. 1. The commissioner of administration, through the purchasing division, and the governing body of each political subdivision of this state,  $\mathbf{2}$ notwithstanding any other provision of law, may purchase liability insurance for 3 tort claims, made against the state or the political subdivision, but the maximum 4 amount of such coverage shall not exceed two million dollars for all claims arising 56 out of a single occurrence and shall not exceed three hundred thousand dollars 7for any one person in a single accident or occurrence, except for those claims governed by the provisions of the Missouri workers' compensation law, chapter 8 287, RSMo, and no amount in excess of the above limits shall be awarded or 9 10settled upon. Sovereign immunity for the state of Missouri and its political subdivisions is waived only to the maximum amount of and only for the purposes 11 12covered by such policy of insurance purchased pursuant to the provisions of this section and in such amount and for such purposes provided in any self-insurance 13plan duly adopted by the governing body of any political subdivision of the state. 14

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2. The liability of the state and its public entities on claims within the scope of sections 537.600 to 537.650, shall not exceed two million dollars for all claims arising out of a single accident or occurrence and shall not exceed three hundred thousand dollars for any one person in a single accident or occurrence, except for those claims governed by the provisions of the Missouri workers' compensation law, chapter 287, RSMo.

213. The liability of the state or its public entities and any agent, officer, or employee of the state or its public entities arising out of the 22operation of a motor vehicle being operated within the course and 2324scope of their office, employment, or agency with the state or its public 25entities shall not exceed two million dollars for all claims against all 26such entities or individuals arising out of a single accident or 27occurrence, and shall not exceed three hundred thousand dollars for 28any one person in a single accident or occurrence, except for those 29claims governed by the provisions of the Missouri workers' compensation law, chapter 287, RSMo. When a claim against the state 30 or one of its public entities arises out of the operation of a motor 31vehicle as described in subdivision (1) of subsection 1 of section 32537.600, and a claim is also brought against an agent, officer, or 33employee of the state or its public entities arising out of the same 34accident or occurrence, the maximum allowable recovery against the 35state, one of its public entities, or any agent, officer, or employee of the 36 state or its public entities shall be reduced by any amount paid towards 37the claim by the state, its public entities, agents, officers or employees 3839of the same, or anyone acting on their behalf.

404. The liability of the state or its public entities and any agent, officer, or employee of the state or its political entities arising out of 41 any dangerous condition of property which the agent, officer, or 42employee allegedly caused or contributed to cause shall not exceed two 43million dollars for all claims against all such entities or individuals 44 arising out of the single accident or occurrence, and shall not exceed 45three hundred thousand dollars for any one person in a single accident 46or occurrence, except for those claims governed by the provisions of 47the Missouri workers' compensation law, chapter 287, RSMo. When a 4849claim against the state or its public entities arises out of a dangerous 50condition of property as described in subdivision (2) of subsection 1 of 51section 537.600, and the claim is also brought against an agent, officer

or employee of the state or its public entities for causing or 5253contributing to cause the dangerous condition, then the maximum allowable recovery against the state or its public entities or any agent, 54officer, or employee who allegedly caused or contributed to cause the 55dangerous condition shall be reduced by any amount paid toward the 56claim made by the state, its public entities, any agent, officer, or 57employee of the state or its public entities, or anyone acting on their 58behalf. 59

60 5. The liability of the state or its public entities for operation of a motor vehicle is vicarious to the liability of the operator of a motor 61 vehicle that is operated as described by subsection 3 of this 62section. Notwithstanding the provisions of section 537.600, should the 63 operator of the motor vehicle owned or operated on behalf of the state 64 or its public entities be found to be immune from liability for operation 65of a motor vehicle because of official immunity or otherwise, the state 66 67 or its public entities shall also have no liability arising from the operation of the motor vehicle. 68

69 6. No award for damages on any claim against a public entity within the
70 scope of sections 537.600 to 537.650, shall include punitive or exemplary
71 damages.

[4.] 7. If the amount awarded to or settled upon multiple claimants exceeds two million dollars, any party may apply to any circuit court to apportion to each claimant his proper share of the total amount limited by subsection 1 of this section. The share apportioned each claimant shall be in the proportion that the ratio of the award or settlement made to him bears to the aggregate awards and settlements for all claims arising out of the accident or occurrence, but the share shall not exceed three hundred thousand dollars.

79 [5.] 8. The limitation on awards for liability provided for in this section shall be increased or decreased on an annual basis effective January first of each 80 81 year in accordance with the Implicit Price Deflator for Personal Consumption 82Expenditures as published by the Bureau of Economic Analysis of the United States Department of Commerce. The current value of the limitation shall be 83 calculated by the director of the department of insurance, who shall furnish that 84 value to the secretary of state, who shall publish such value in the Missouri 85Register as soon after each January first as practicable, but it shall otherwise be 86 exempt from the provisions of section 536.021, RSMo. 87

- [6.] 9. Any claim filed against any public entity under this section shall
  be subject to the penalties provided by supreme court rule 55.03.
  - [226.095. Upon request of the plaintiff in a negligence action against the department of transportation as defendant, the
- action against the department of transportation as defendant, the
  case shall be arbitrated by a panel of three arbiters pursuant to the
- 4 provisions of chapter 435, RSMo.]



# Bill