

FIRST REGULAR SESSION

# SENATE BILL NO. 18

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATORS BRAY AND JUSTUS.

Pre-filed December 1, 2008, and ordered printed.

TERRY L. SPIELER, Secretary.

0250S.011

## AN ACT

To amend chapter 354, RSMo, by adding thereto twenty-two new sections relating to the Missouri universal health assurance program, with a contingent effective date for certain sections.

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

Section A. Chapter 354, RSMo, is amended by adding thereto twenty-two  
2 new sections, to be known as sections 354.750, 354.753, 354.756, 354.759,  
3 354.762, 354.765, 354.768, 354.769, 354.770, 354.771, 354.774, 354.777, 354.780,  
4 354.783, 354.786, 354.789, 354.792, 354.795, 354.807, 354.810, 354.813, and  
5 354.816, to read as follows:

**354.750. 1. Sections 354.750 to 354.816 may be known and shall  
2 be cited as the "Missouri Universal Health Assurance Program".**

**3 2. The Missouri universal health assurance program is hereby  
4 created for the purpose of providing a single, publicly financed  
5 statewide program to provide comprehensive necessary health care  
6 services, including preventive screening, for all residents of this  
7 state. This program shall have as its goals:**

**8 (1) Timely access to health services of the highest quality for  
9 every resident of the state so that all may benefit;**

**10 (2) The provision of adequate funding for health care;**

**11 (3) Lower health care spending through streamlined  
12 administration, a single bill, and uniform payments.**

**13 3. As used in sections 354.750 to 354.816, the following terms  
14 mean:**

**15 (1) "Board", the board of governors of the Missouri universal  
16 health assurance program;**

17           (2) "Eligible person", any person who qualifies for benefits under  
18 section 354.783;

19           (3) "Fund", the Missouri health care trust fund;

20           (4) "Participating provider", any person who is authorized to  
21 furnish services under the provisions of sections 354.750 to 354.816 and  
22 under rules adopted by the board of governors of the Missouri  
23 universal health assurance program;

24           (5) "Program", the Missouri universal health assurance program.  
              354.753. The Missouri universal health assurance program shall  
2 be a body corporate and an instrumentality of the state. In the  
3 program shall be vested the powers and duties specified in sections  
4 354.750 to 354.816 and to enable it, its officers, employees, and agents  
5 to carry out the purposes of sections 354.750 to 354.816.

              354.756. 1. The director of the department of health and senior  
2 services shall divide the population of the state into six regional health  
3 planning and policy development districts of roughly equal population.  
4 An advisory council in each district shall:

5           (1) Assist the board in the development of a comprehensive state  
6 health care plan under section 354.765 and in the development of  
7 budgetary allocations for health care services and of operating policies  
8 and procedures for the program;

9           (2) Develop a transportation plan to enable indigents, elderly  
10 persons, and persons with disabilities to have access to non-emergency  
11 health care services.

12           2. Not later than thirty days after the first meeting of the board  
13 of governors appointed under section 354.759, the board shall submit  
14 to the governor a list of names of qualified persons who reside in each  
15 of the six regional health planning and policy development  
16 districts. From such list the governor shall appoint to each district, an  
17 advisory council composed of the following nine members:

18           (1) Two physicians;

19           (2) One registered nurse;

20           (3) One licensed health care provider who is neither a physician  
21 nor a registered nurse;

22           (4) One dentist;

23           (5) One medical director of a mental health facility;

24           (6) One municipal or county public health administrator;

25 (7) One person with a physical disability; and

26 (8) One professional consumer advocate.

27 3. The terms of the initial appointees to each of the district  
28 councils shall be as follows: four shall be appointed for a term of four  
29 years, three for a term of three years, and two for a term of two  
30 years. Thereafter all terms shall be for four years, but any member  
31 appointed to fill a vacancy in an unexpired term shall serve only for  
32 the remainder of that term. No member may be appointed to serve  
33 more than two consecutive terms.

354.759. 1. The Missouri universal health assurance program  
2 shall be administered by a board of governors composed of twenty-  
3 three members:

4 (1) Fourteen of whom shall be appointed by the governor with  
5 the advice and consent of the senate as follows:

6 (a) One representative of a hospital;

7 (b) Two physicians;

8 (c) One registered nurse;

9 (d) One epidemiologist;

10 (e) One representative of a community health center;

11 (f) One mental health care provider;

12 (g) One professional consumer advocate;

13 (h) Two persons whose annual income does not exceed twice the  
14 federal poverty level;

15 (i) One person sixty-five years of age or older;

16 (j) One member who is a licensed health care professional other  
17 than a physician or a nurse;

18 (k) One person trained in bioethics; and

19 (l) One dentist;

20 (2) Six of whom shall represent the regional health planning and  
21 policy development districts established under section 354.756, one  
22 such member to be selected by each of the district advisory councils;  
23 and

24 (3) Three of whom shall be the following ex officio members:

25 (a) The director of the department of health and senior services;

26 (b) The director of the department of social services; and

27 (c) The director of the department of mental health.

28 2. The terms of the initial members who are appointed under

29 subdivision (1) of subsection 1 of this section shall be staggered as  
30 follows: five shall be appointed for a term of four years, five for a term  
31 of three years, and four for a term of two years. The initial terms of the  
32 members selected under subdivision (2) of subsection 1 of this section  
33 shall be staggered so that the members selected from even-numbered  
34 districts shall serve an initial term of three years and those from odd-  
35 numbered districts shall serve four years. Thereafter all terms shall be  
36 for a term for four years each, but a member appointed to fill a vacancy  
37 in an unexpired term shall serve only for the remainder of that term.  
38 No member may be appointed to serve more than two consecutive  
39 terms.

40 3. Members of the board shall at all times include:

41 (1) Sufficient representatives of racial, ethnic, and gender  
42 diversity so that the makeup of the board shall accurately reflect the  
43 racial, ethnic, and gender diversity of the state population;

44 (2) At least two members who are defined as disabled under the  
45 Americans with Disabilities Act, P.L. 101-336.

46 4. The board shall elect a chairperson and vice chairperson.

47 5. Meetings shall be called by the chairperson or by any thirteen  
48 members. The board shall meet at least six times per year. All  
49 meetings of the board shall be announced in advance and open to the  
50 public, except as provided by chapter 610, RSMo.

51 6. Thirteen members of the board constitute a quorum, and  
52 affirmative vote of thirteen members shall be necessary for any action  
53 to be taken by the board.

54 7. The members of the board shall be reimbursed from the  
55 Missouri health care trust fund for mileage and their necessary and  
56 actual expenses incurred while engaged in the business of the board.

354.762. 1. The board of governors of the Missouri universal  
2 health assurance program shall be responsible for:

3 (1) Establishing budget and policy guidelines for the program  
4 through the development of a comprehensive state health care plan  
5 under section 354.765;

6 (2) Establishing fee schedules using the last available calendar  
7 year as a base year;

8 (3) Determining aggregate capital expenditures in keeping with  
9 the goals established under subdivision (2) of subsection 1 of section

10 **354.765;**

11 **(4) Approving additions to services offered by the program;**

12 **(5) Administering and implementing the program, and**  
13 **administering the Missouri universal health care trust fund created**  
14 **under section 354.770;**

15 **(6) Adopting rules under chapter 536, RSMo;**

16 **(7) Monitoring the operation of the program;**

17 **(8) Studying means of incorporating institutional long-term care**  
18 **benefits into the program, studying immigration into the state for the**  
19 **purpose of receiving health care services under the program, and**  
20 **reporting on the progress of such studies to the speaker of the house**  
21 **of representatives, the president pro tempore of the senate, and the**  
22 **governor;**

23 **(9) Reporting annually to the speaker of the house of**  
24 **representatives, the president pro tempore of the senate, and the**  
25 **governor on the program's activities and recommend any changes in**  
26 **insurance and health care laws to improve access to health care for**  
27 **residents of this state;**

28 **(10) Disseminating, to providers of services and to the public,**  
29 **information concerning the program and the persons eligible to receive**  
30 **the benefits of the program;**

31 **(11) Conducting necessary investigations and inquiries and**  
32 **compelling the submission of information, documents, and records the**  
33 **board considers necessary to carry out its duties under the provisions**  
34 **of sections 354.750 to 354.816;**

35 **(12) Conducting utilization review of patients and providers to**  
36 **identify abuses of the program and reporting abuses to state agencies;**

37 **(13) Employing and supervising staff;**

38 **(14) Conducting other activities it considers necessary to carry**  
39 **out the purposes of sections 354.750 to 354.816;**

40 **(15) Establishing standards and procedures for negotiating and**  
41 **entering into contracts with participating providers; and**

42 **(16) Suing and being sued.**

43 **2. The board, after providing notice to consumers, providers, the**  
44 **director of the department of health and senior services and other**  
45 **interested parties, may hold hearings in connection with any action**  
46 **that it proposes to take under subsection 1 of this section. Nothing in**

47 this section shall be construed as authorizing the board to adopt rules  
48 under subdivision (6) or (15) of subsection 1 of this section, or to  
49 conduct evaluations or investigations under subdivision (11) of  
50 subsection 1 of this section without holding public hearings.

354.765. 1. The board, in cooperation with the district advisory  
2 councils established under section 354.756, shall develop annually a  
3 comprehensive state health care plan. The plan shall include the  
4 following:

5 (1) A comprehensive budget for the program within the limits of  
6 funds made available through the measures instituted in sections  
7 354.750 to 354.816. The budget shall include specific amounts to be  
8 allocated respectively to:

9 (a) The health services account established under section  
10 354.774;

11 (b) The prescribed medications, durable and non-durable medical  
12 equipment account established under section 354.774;

13 (c) The regional capitol improvement account established under  
14 section 354.774;

15 (d) The health professional education and training fund  
16 established under section 354.777; and

17 (e) Administration of the program in an amount not to exceed  
18 four percent of the total funds available to the program;

19 (2) Specific goals for the total portion of funds in the health  
20 services account to be expended for the capital needs of providers  
21 under section 354.792;

22 (3) An evaluation of the health care and mental health needs of  
23 each regional health care planning and policy development district and  
24 of the state which shall include, but not be limited to, assessments of:

25 (a) Regional needs and other investments in health care  
26 equipment and capital improvements;

27 (b) The effectiveness of state and local efforts to coordinate the  
28 activities of the health care delivery system; and

29 (c) Any other unmet local health care or mental health needs;

30 (4) Goals for geographic distribution of health care providers  
31 and personnel with strategies for using the authority over  
32 reimbursements under section 354.792 and resources from the health  
33 professional education and training fund established in section 354.777

34 to achieve these goals;

35 (5) Quantitative goals for the use of health and mental health  
36 services by eligible persons;

37 (6) Specific goals for the physical and mental health status of  
38 Missourians and for quality of care rendered under the program;

39 (7) An evaluation of the adequacy of total funds available to the  
40 program; and

41 (8) Any recommendation made by the board or staff of the  
42 program to the general assembly for increases in the health premium  
43 shall:

44 (a) Limit, except in emergency situations, growth in total state  
45 health care expenditures to no more than two percent above the total  
46 percentage increase in the state's gross domestic product for the  
47 previous year;

48 (b) Exercise prescription drug cost containment by using the  
49 purchasing power of the state to obtain the lowest possible prices for  
50 prescription drugs, and by implementing a Most Favored Nation policy  
51 on reimbursement so that Missouri will not pay more for prescription  
52 drugs than does the United States Department of Veteran Affairs, and  
53 by establishing an evidence based system formulary for all prescription  
54 drugs, and by making discounted prices available to all Missouri  
55 residents, health care providers, wholesalers, and retailers of these  
56 products for use in the Missouri health care system.

57 2. Prior to promulgation of the comprehensive state health plan  
58 the board shall:

59 (1) Appoint a subcommittee of experts in medical and health care  
60 ethics to advise the board on the ethical issues relating to the  
61 allocation of health care resources;

62 (2) Appoint a subcommittee of licensed physicians, registered  
63 nurses and registered pharmacists to establish an evidence based  
64 system formulary for all prescription drugs and durable and  
65 nondurable medical equipment used by the Missouri health care  
66 system;

67 (3) Instruct each district advisory council to conduct at least one  
68 public hearing in at least two areas of its region to gather public  
69 comment on the proposed plan. The board shall provide the district  
70 advisory councils with staff assistance in the development of such

71 hearings; and

72 (4) Hold at least two public hearings to gather public comment  
73 on the proposed plan.

74 3. The comprehensive state health plan shall, to the extent  
75 practical, seek to assure the most cost-effective delivery of health care  
76 by reflecting the following priorities:

77 (1) Quality of care to be achieved through the following:

78 (a) Primary and preventive services;

79 (b) Accountability of providers to payers and consumers for both  
80 the outcomes and consumer acceptability of the care they render;

81 (c) Continuity of care, as embodied in coordination of services  
82 to individuals and the community; and

83 (d) Maintain high levels of professional competence and  
84 expertise among health care providers according to professional  
85 practice standards;

86 (2) Access to care through the equitable distribution of resources  
87 within the health care delivery system on the basis of community need;

88 (3) Efficient use of resources through:

89 (a) Elimination of unnecessary administrative and overhead  
90 expense;

91 (b) Elimination of means testing;

92 (c) Establishment of cost containment pricing for  
93 reimbursements to manufacturers of pharmaceuticals and  
94 manufacturers of durable and nondurable medical equipment; and

95 (d) Innovative and cost-effective modes of care, including, but  
96 not limited to:

97 a. Community, non-medical or in-home services that provide  
98 alternatives to institutional long-term care;

99 b. Community health nursing;

100 c. Services provided by nurse practitioners; and

101 d. Psychiatric and other mental health services provided on an  
102 outpatient basis.

354.768. The board of governors of the Missouri universal health  
2 assurance program shall appoint the executive director of the program.

354.769. 1. The executive director shall serve as secretary to the  
2 board and shall perform such duties in the administration of the plan  
3 as the board may assign.



4           2. The board may delegate to the executive director any of its  
5 functions or duties under sections 354.750 to 354.816 except the  
6 issuance of rules and the determination of the program.

          354.770. The board shall establish and administer the "Missouri  
2 Health Care Trust Fund", in which shall be placed all federal payments  
3 received as a result of any waiver of requirements granted by the  
4 United States Secretary of Health and Human Services under health  
5 care programs established under Title XVIII and Title XIX of the Social  
6 Security Act, as amended, and all moneys appropriated by the general  
7 assembly to the program under sections 354.750 to 354.816. Moneys in  
8 the fund shall be used solely to establish and maintain primary  
9 community prevention programs, to pay participating providers, and  
10 to support construction, renovation, equipping of health care  
11 institutions in accordance with sections 354.750 to 354.816 and rules  
12 established by the board of governors of the program and for no other  
13 purpose. The board shall have power, in the name and on behalf of the  
14 program, to purchase, acquire, hold, invest, lend, lease, sell, assign,  
15 transfer, and dispose of all property, rights, and securities, and enter  
16 into written contracts, all as may be necessary or proper to carry out  
17 the purposes of sections 354.750 to 354.816.

          354.771. 1. All money received by or belonging to the program  
2 shall be paid to the executive director and deposited by the executive  
3 director to the credit of the plan in one or more banks or trust  
4 companies. No such money shall be deposited in or be retained by any  
5 bank or trust company which does not have on deposit with and for the  
6 board at the time the kind and value of collateral required by sections  
7 30.240 and 30.270, RSMo, for depositories of the state treasurer. The  
8 executive director shall be responsible for all funds, securities, and  
9 property belonging to the program and shall give such corporate surety  
10 bond for the faithful handling of the same as the board shall require.

          2. Revenues held in the trust fund are not subject to  
12 appropriation or allotment by the state or any political subdivision of  
13 the state.

          3. The board of governors shall administer the fund and shall  
15 conduct a quarterly review of the expenditures from and revenues  
16 received by the fund.

          4. The board shall submit each quarterly review to the state

18 auditor for oversight.

19           5. The board may invest or reinvest the funds of the program in  
20 bonds, stocks, deeds of trust, interest bearing accounts, financial  
21 institutions of this state, or other investment securities in the amounts  
22 and in the proportions that the board prudently selects.

23           6. The amount of reserves in the fund at any time shall equal at  
24 least the amount of expenditures from the fund during the entire three  
25 preceding months.

          354.774. 1. The "Health Services Account" is hereby created  
2 within the Missouri health care trust fund. Moneys in the health  
3 services account shall be used solely to pay participating providers in  
4 accordance with section 354.792.

5           2. The "Prescribed Medications, Durable and Non-durable  
6 Medical Equipment Account" is hereby created within the Missouri  
7 health care trust fund. Moneys in the account shall be used solely for  
8 medications and durable and nondurable medical equipment prescribed  
9 by participating physicians in accordance with section 354.792.

10           3. The "Regional Capitol Improvement Account" is hereby created  
11 within the Missouri health care trust fund. Moneys in the account shall  
12 be used solely to pay for medical technology and capitol improvements  
13 needed in regions to improve access to health care resources in  
14 accordance with section 354.792.

          354.777. 1. There is hereby created within the state treasury the  
2 "Health Professional Education and Training Fund" which shall consist  
3 of all moneys received from federal health professional training moneys  
4 and any other funds so allocated by the board under section  
5 354.765. Upon appropriation by the general assembly, moneys in the  
6 health professional education and training fund shall be used by the  
7 board solely to pay for the education and training of health  
8 professionals, said loan to be forgiven if work in field of training is  
9 performed in underserved areas of the state for a length of time  
10 commensurate with the length of time spent in health profession  
11 education and training.

12           2. During the five-year period commencing on January first  
13 following the effective date of this section, the annual amount of state  
14 expenditures for the education and training of health professionals  
15 shall not be reduced below the level of such expenditures in the

16 previous calendar year.

354.780. Notwithstanding the provisions of section 33.080, RSMo,  
2 to the contrary, the moneys in the health care trust fund at the end of  
3 any biennium shall not be transferred and placed to the credit of the  
4 general revenue fund.

354.783. 1. Every person regardless of preexisting conditions  
2 who is a resident of this state is eligible to receive services under the  
3 Missouri universal health assurance program. No person eligible for  
4 services under the Missouri universal health assurance program who  
5 receives services from a participating provider shall be charged an  
6 additional amount for such services.

7 2. Persons who are not residents of this state but who work in  
8 Missouri and pay the health assurance premium may receive services  
9 for himself or herself and his or her dependents under the Missouri  
10 universal health assurance program.

11 3. If a person who is not a resident of the state of Missouri and  
12 is not eligible for benefits under subsection 2 of this section receives  
13 medical treatment in Missouri, such person is subordinated to the state  
14 of Missouri for reimbursement from a third-party payor for such  
15 medical treatment.

354.786. 1. Every person who is eligible to receive services under  
2 the program under section 354.783 is entitled to receive benefits for any  
3 covered service furnished within this state by a participating provider,  
4 if the service is deemed by the patient and participating provider to be  
5 necessary or appropriate for the maintenance of physical and mental  
6 health or for the diagnosis or treatment of, or rehabilitation following,  
7 injury, disability, or disease.

8 2. Health care services include, but are not limited to, all  
9 services provided under section 208.152, RSMo, and those community,  
10 nonmedical, or in-home services that provide an alternative to  
11 institutional long-term care, except:

12 (1) Surgery for cosmetic purposes other than for reconstructive  
13 surgery;

14 (2) Medical examinations conducted and medical reports  
15 prepared for either of the following purposes:

16 (a) Purchasing or renewing life insurance; or

17 (b) Participating as a plaintiff or defendant in a civil action for

18 the recovery or settlement of damages;

19 (3) Custodial care rendered in a nursing home. As used in this  
20 subdivision "custodial care" means nonmedical services provided in a  
21 residential care facility as such term is defined in section 198.006,  
22 RSMo.

354.789. 1. No participating provider shall refuse to furnish  
2 services to an eligible person on the basis of race, color, income level,  
3 national origin, religion, sex, sexual orientation, or other nonmedical  
4 criteria.

5 2. An eligible person may choose any participating provider.

6 3. Every participating provider shall furnish such information  
7 as may be reasonably required by the board of governors of the plan for  
8 utilization review, for the making of payments, and for statistical or  
9 other studies of the operation of the program.

10 4. Every participating provider shall permit the board of  
11 governors to examine the provider's records as may be necessary for  
12 verification of payment.

13 5. Physicians and other participating providers must practice  
14 according to state and federal laws and according to their accepted  
15 professional standards.

16 6. The Missouri universal health assurance program shall  
17 reimburse health care providers that are located outside this state at  
18 reasonable rates for care rendered to Missouri eligible persons who  
19 require emergency medical care.

354.792. 1. The Missouri universal health assurance program  
2 shall pay the expenses of institutional providers of inpatient services  
3 on the basis of global budgets that are approved by the board of  
4 governors of the program. Such global budget shall include necessary  
5 construction, renovation, or equipment so long as the board has  
6 determined that such construction, renovation, or equipment will  
7 directly enhance public access to quality health care.

8 2. Each institutional provider shall negotiate an annual budget  
9 with the program to cover its anticipated services for the next year  
10 based on past performance and projected changes in factor prices and  
11 services levels, and provide a reasonable margin above operating  
12 expenses in order to provide for capital depreciation and other long-  
13 term needs of the institution.

14           **3. Every physician or other provider employed by a globally**  
15 **budgeted institutional provider shall be paid through and in a manner**  
16 **determined by the institutional provider.**

17           **4. The program shall reimburse independent providers of health**  
18 **care services on a fee-for-service basis, using the federal Medicare**  
19 **reimbursement fees as a guideline. The program shall annually**  
20 **negotiate the fee schedule with the appropriate professional**  
21 **group. The fee schedule shall be applied to health care services**  
22 **rendered by independent providers throughout the state. The**  
23 **appropriate professional group to negotiate the fee schedule shall be**  
24 **the professional association chosen by election of members of each**  
25 **health care profession.**

26           **5. A provider shall not charge rates that are higher than the**  
27 **negotiated reimbursement level and shall not charge separately for**  
28 **services under subsection 1 of section 354.783.**

29           **6. In any instance in which the health care provider or the**  
30 **professional group negotiating for the provider is unable to negotiate**  
31 **an annual budget or a fee schedule with the program, the annual**  
32 **budget or the fee schedule set by the board shall be presumed to be**  
33 **correct and a final administrative decision, which may be appealed in**  
34 **the circuit court of Cole County.**

35           **7. Policies and rules of institutional providers must be consistent**  
36 **with state and federal laws and with accepted medical and professional**  
37 **nursing standards.**

**354.795. Insurers, employers, and other plans may offer benefits**  
2 **that do not duplicate services that are offered by the Missouri**  
3 **universal health assurance program.**

**354.807. Not later than thirty days after the effective date of this**  
2 **section, the department of social services shall do both of the following:**

3           **(1) Apply to the United States Secretary of Health and Human**  
4 **Services for all waivers of requirement under health care programs**  
5 **established under Title XVIII and Title XIX of the Social Security Act,**  
6 **as amended, that are necessary to enable this state to deposit all**  
7 **federal payments under such programs to the credit of the Missouri**  
8 **health care trust fund created in section 354.771;**

9           **(2) Identify any other federal programs that provide federal**  
10 **funds for payment of health care services to individuals. The**

11 **department shall comply with any requirements under those programs**  
12 **and apply for any waivers of those requirements that are necessary to**  
13 **enable this state to deposit such federal funds to the credit of the**  
14 **Missouri health care trust fund.**

**354.810. Not later than thirty days after the effective date of this**  
2 **section, the governor shall make the initial appointments to the board**  
3 **of governors of the Missouri universal health assurance program under**  
4 **section 354.759.**

**354.813. The board of governors of the Missouri universal health**  
2 **assurance program shall request that the program established under**  
3 **the provisions of sections 354.750 to 354.816 be approved for federal**  
4 **employees and retirees while they are residents of the state of Missouri.**

**354.816. The provisions of section 23.253, RSMo, shall not apply**  
2 **to sections 354.750 to 354.816.**

Section B. Sections 354.750 to 354.795 of section A of this act shall be  
2 effective April first of the year following the notice to the revisor of statutes that  
3 a waiver has been obtained from the Secretary of the Department of Health and  
4 Human Services by the director of the department of social services based on a  
5 request filed under section 354.807 of this act.

✓

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