

FIRST REGULAR SESSION

# SENATE BILL NO. 419

98TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR SILVEY.

Read 1st time February 9, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

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## AN ACT

To amend chapter 660, RSMo, by adding thereto one new section relating to the healthcare transformation trust fund.

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

Section A. Chapter 660, RSMo, is amended by adding thereto one new  
2 section, to be known as section 660.013, to read as follows:

**660.013. 1. The department of social services shall seek the  
2 necessary approval to operate Missouri's MO HealthNet program under  
3 a block grant. Subject to federal approval, the Medicaid block grant  
4 shall be administered in the following ways:**

5 (1) There shall be created in the state treasury the "Healthcare  
6 Transformation Trust Fund" which shall consist of moneys received  
7 from the federal block grant; other state funds, excluding general  
8 revenue, which are specifically appropriated to the fund; and money  
9 collected under subdivision 2 of this subsection. The state treasurer  
10 shall be custodian of the fund. In accordance with sections 30.170 and  
11 30.180, the state treasurer may approve disbursements. The fund shall  
12 be a dedicated fund and money in the fund shall be used solely by the  
13 department of social services for the purposes of subsection 2 of this  
14 section. Notwithstanding the provisions of 33.080 to the contrary, any  
15 moneys remaining in the fund at the end of the biennium shall not  
16 revert to the credit of the general revenue fund. The state treasurer  
17 shall invest moneys in the fund in the same manner as other funds  
18 invested. Any interest and moneys earned on such investments shall be  
19 credited to the fund;

20 (2) The office of administration in conjunction with the  
21 departments of social services, health and senior services, and mental

22 health shall track the general revenue savings achieved due to:

23 (a) The reduction of state MO HealthNet spending as a result of  
24 increased federal funding percentages for MO HealthNet-eligible  
25 individuals; and

26 (b) The reduction in the number of participants in state  
27 programs paid for with state-only funds as a result of greater federal  
28 funding through the block grant;

29 (3) By October first of each year, the office of administration  
30 shall report the amount identified pursuant to subdivision 2 of this  
31 subsection for the prior fiscal year to the governor, the chair of the  
32 house committee on the budget, and the chair of the senate committee  
33 on appropriations;

34 (4) The office of administration shall, subject to appropriation,  
35 transfer the amounts reported pursuant to subdivision 3 of this  
36 subsection to the healthcare transformation trust fund. The transfers  
37 shall be made in three installments of relatively equal size no later  
38 than November, February, and May of each fiscal year. No general  
39 revenue funds shall be appropriated to the fund one year after its  
40 creation;

41 (5) The healthcare transformation trust fund shall be the sole  
42 mechanism by which the state's MO HealthNet financial obligations  
43 shall be paid. If moneys in the fund become unable to meet the state's  
44 MO HealthNet financial obligations, all payments to all MO HealthNet  
45 providers shall be equally reduced on a pro rata basis. The department  
46 of social services shall seek all waivers and authorization from the  
47 federal Department of Health and Human Services and the Centers for  
48 Medicare and Medicaid Services as may be necessary to implement  
49 reduced MO HealthNet provider payments. If the reduced MO  
50 HealthNet provider payments are not approved or are later reversed by  
51 legislative, judicial, or administrative action, then all payments to MO  
52 HealthNet providers shall be suspended until such time as the  
53 department acquires the requisite authorization or waiver;

54 (6) Each year following the establishment of the healthcare  
55 transformation trust fund, the oversight division of the joint committee  
56 on legislative research shall, in consultation with the office of  
57 administration, publish a three year projection of the solvency of the  
58 fund. If the projection indicates a possible funding shortfall, the office

59 of administration shall notify MO HealthNet providers of potential  
60 future reimbursement reductions;

61 (7) Each year following the establishment of the healthcare  
62 transformation trust fund, the state auditor shall review and publish  
63 a report on the amount and appropriateness of funding flows to and  
64 from the fund; and

65 (8) Beginning in 2020 and every two years thereafter, the  
66 University of Missouri shall study or contract with an independent  
67 research company to study the effect of the healthcare transformation  
68 trust fund in creating economic activity and employment in the state,  
69 as well as the generation of resultant state tax revenue. The cost of  
70 conducting the study shall be borne by the fund. The results of the  
71 study shall be provided to the chair of the senate committee on  
72 appropriations, the chair of the house committee on the budget, and the  
73 state budget director. The governor may propose and the general  
74 assembly may consider the appropriation of funds other than state  
75 general revenue to the healthcare transformation trust fund in  
76 recognition of the revenue generated by such economic activity.

77 2. A joint committee, consisting of five members of the house of  
78 representatives appointed by the speaker of the house of  
79 representatives and five members of the senate appointed by president  
80 pro tempore of the senate, shall promulgate rules to implement the  
81 provisions of this section, including but not limited to:

82 (1) Covered benefits comparable in scope and breadth to non-  
83 Medicaid insurance coverage, provided that such benefits include  
84 health savings account options;

85 (2) Expanded coverage through private option insurance plans  
86 as delivered through health homes, provider-directed care  
87 coordination, or managed care;

88 (3) Eligibility requirements, including work participation  
89 requirements for adults, provided that out of state enrollees are not  
90 granted MO HealthNet benefits; and

91 (4) Standards of personal responsibility, including maximized  
92 cost-sharing obligations and healthy behavior incentives for MO  
93 HealthNet participants.

94 3. Any rule or portion of a rule, as that term is defined in section  
95 536.010, that is created under the authority delegated in this section

96 shall become effective only if it complies with and is subject to all of  
97 the provisions of chapter 536, and, if applicable, section 536.028. This  
98 section and chapter 536 are nonseverable and if any of the powers  
99 vested with the general assembly pursuant to chapter 536, to review, to  
100 delay the effective date, or to disapprove and annul a rule are  
101 subsequently held unconstitutional, then the grant of rulemaking  
102 authority and any rule proposed or adopted after August 28, 2015, shall  
103 be invalid and void.

104       4. The department of social services shall seek any necessary  
105 waivers and state plan amendments from the federal Department of  
106 Health and Human Services and the Centers for Medicare and Medicaid  
107 Services to implement the provisions of this section.

108       5. Notwithstanding section 23.253, the provisions of this section  
109 shall sunset if the federal medical assistance percentages set forth in  
110 Section 2001 of the Patient Protection and Affordable Care Act of 2010,  
111 P.L. No. 111-148, 42 U.S.C. Section 1396, 1396d(y), are changed or  
112 repealed.

Bill ✓

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