

SECOND REGULAR SESSION

SENATE BILL NO. 966

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHAAF.

Read 1st time January 25, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

6155S.011

AN ACT

To repeal sections 37.005, 103.005, 103.008, 103.010, 103.014, 103.016, 103.019, 103.020, 103.023, 103.025, 103.027, 103.029, 103.032, 103.036, 103.039, 103.042, 103.045, 103.047, 103.050, 103.055, 103.059, 103.061, 103.064, 103.070, 103.075, 103.079, 103.080, 103.083, 103.084, 103.085, 103.095, 103.098, 103.100, 103.105, 103.110, 103.115, 103.130, 103.133, 103.145, 103.155, 103.158, 103.163, 103.165, 103.175, and 103.178, RSMo, and to enact in lieu thereof twenty-nine new sections relating to the Missouri consolidated health care plan, with an effective date for certain sections.

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

Section A. Sections 37.005, 103.005, 103.008, 103.010, 103.014, 103.016, 2 103.019, 103.020, 103.023, 103.025, 103.027, 103.029, 103.032, 103.036, 103.039, 3 103.042, 103.045, 103.047, 103.050, 103.055, 103.059, 103.061, 103.064, 103.070, 4 103.075, 103.079, 103.080, 103.083, 103.084, 103.085, 103.095, 103.098, 103.100, 5 103.105, 103.110, 103.115, 103.130, 103.133, 103.145, 103.155, 103.158, 103.163, 6 103.165, 103.175, and 103.178, RSMo, are repealed and twenty-nine new sections 7 enacted in lieu thereof, to be known as sections 37.005, 103.005, 103.008, 103.010, 8 103.016, 103.036, 103.039, 103.042, 103.055, 103.061, 103.064, 103.079, 103.080, 9 103.083, 103.084, 103.085, 103.095, 103.098, 103.100, 103.105, 103.110, 103.115, 10 103.130, 103.133, 103.145, 103.155, 103.158, 103.163, and 103.165, to read as 11 follows:

37.005. 1. Except as provided herein, the office of administration shall be 2 continued as set forth in house bill 384, seventy-sixth general assembly and shall 3 be considered as a department within the meaning used in the Omnibus State 4 Reorganization Act of 1974. The commissioner of administration shall appoint

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

5 directors of all major divisions within the office of administration.

6 2. The commissioner of administration shall be a member of the
7 governmental emergency fund committee as ex officio comptroller and the director
8 of the department of revenue shall be a member in place of the director of the
9 division of facilities management, design and construction.

10 3. The office of administration is designated the "Missouri State Agency
11 for Surplus Property" as required by Public Law 152, eighty-first Congress as
12 amended, and related laws for disposal of surplus federal property. All the
13 powers, duties and functions vested by sections 37.075 and 37.080, and others,
14 are transferred by type I transfer to the office of administration as well as all
15 property and personnel related to the duties. The commissioner shall integrate
16 the program of disposal of federal surplus property with the processes of disposal
17 of state surplus property to provide economical and improved service to state and
18 local agencies of government. The governor shall fix the amount of bond required
19 by section 37.080. All employees transferred shall be covered by the provisions
20 of chapter 36 and the Omnibus State Reorganization Act of 1974.

21 4. The commissioner of administration shall replace the director of
22 revenue as a member of the board of fund commissioners and assume all duties
23 and responsibilities assigned to the director of revenue by sections 33.300 to
24 33.540 relating to duties as a member of the board and matters relating to bonds
25 and bond coupons.

26 5. All the powers, duties and functions of the administrative services
27 section, section 33.580 and others, are transferred by a type I transfer to the
28 office of administration and the administrative services section is abolished.

29 6. The commissioner of administration shall, in addition to his or her
30 other duties, cause to be prepared a comprehensive plan of the state's field
31 operations, buildings owned or rented and the communications systems of state
32 agencies. Such a plan shall place priority on improved availability of services
33 throughout the state, consolidation of space occupancy and economy in operations.

34 7. The commissioner of administration shall from time to time examine
35 the space needs of the agencies of state government and space available and
36 shall, with the approval of the board of public buildings, assign and reassign
37 space in property owned, leased or otherwise controlled by the state. Any other
38 law to the contrary notwithstanding, upon a determination by the commissioner
39 that all or part of any property is in excess of the needs of any state agency, the
40 commissioner may lease such property to a private or government entity. Any

41 revenue received from the lease of such property shall be deposited into the fund
42 or funds from which moneys for rent, operations or purchase have been
43 appropriated. The commissioner shall establish by rule the procedures for leasing
44 excess property.

45 8. The commissioner of administration is hereby authorized to coordinate
46 and control the acquisition and use of network, telecommunications, and data
47 processing services in the executive branch of state government. For this
48 purpose, the office of administration will have authority to:

49 (1) Develop and implement a long-range computer facilities plan for the
50 use of network, telecommunications, and data processing services in Missouri
51 state government. Such plan may cover, but is not limited to, operational
52 standards, standards for the establishment, function and management of service
53 centers, coordination of the data processing education, and planning standards
54 for application development and implementation;

55 (2) Approve all additions and deletions of network, telecommunications,
56 and data processing services hardware, software, and support services, and
57 service centers;

58 (3) Establish standards for the development of annual data processing
59 application plans for each of the service centers. These standards shall include
60 review of post-implementation audits. These annual plans shall be on file in the
61 office of administration and shall be the basis for equipment approval requests;

62 (4) Review of all state network, telecommunications, and data processing
63 services applications to assure conformance with the state information systems
64 plan, and the information systems plans of state agencies and service centers;

65 (5) Establish procurement procedures for network, telecommunications,
66 and data processing services hardware, software, and support service;

67 (6) Establish a charging system to be used by all service centers when
68 performing work for any agency;

69 (7) Establish procedures for the receipt of service center charges and
70 payments for operation of the service centers.

71 The commissioner shall maintain a complete inventory of all state-owned or
72 -leased network, telecommunications, and data processing services equipment,
73 and annually submit a report to the general assembly which shall include
74 starting and ending network, telecommunications, and data processing services
75 costs for the fiscal year previously ended, and the reasons for major increases or
76 variances between starting and ending costs. The commissioner shall also adopt,

77 after public hearing, rules and regulations designed to protect the rights of
78 privacy of the citizens of this state and the confidentiality of information
79 contained in computer tapes or other storage devices to the maximum extent
80 possible consistent with the efficient operation of the office of administration and
81 contracting state agencies.

82 9. Except as provided in subsection 12 of this section, the fee title to all
83 real property now owned or hereafter acquired by the state of Missouri, or any
84 department, division, commission, board or agency of state government, other
85 than real property owned or possessed by the state highways and transportation
86 commission, conservation commission, state department of natural resources, and
87 the University of Missouri, shall on May 2, 1974, vest in the governor. The
88 governor may not convey or otherwise transfer the title to such real property,
89 unless such conveyance or transfer is first authorized by an act of the general
90 assembly. The provisions of this subsection requiring authorization of a
91 conveyance or transfer by an act of the general assembly shall not, however,
92 apply to the granting or conveyance of an easement to any rural electric
93 cooperative as defined in chapter 394, municipal corporation, quasi-governmental
94 corporation owning or operating a public utility, or a public utility, except
95 railroads, as defined in chapter 386. The governor, with the approval of the
96 board of public buildings, may, upon the request of any state department, agency,
97 board or commission not otherwise being empowered to make its own transfer or
98 conveyance of any land belonging to the state of Missouri which is under the
99 control and custody of such department, agency, board or commission, grant or
100 convey without further legislative action, for such consideration as may be agreed
101 upon, easements across, over, upon or under any such state land to any rural
102 electric cooperative, as governed in chapter 394, municipal corporation, or
103 quasi-governmental corporation owning or operating a public utility, or a public
104 utility, except railroad, as defined in chapter 386. The easement shall be for the
105 purpose of promoting the general health, welfare and safety of the public and
106 shall include the right of ingress or egress for the purpose of constructing,
107 maintaining or removing any pipeline, power line, sewer or other similar public
108 utility installation or any equipment or appurtenances necessary to the operation
109 thereof, except that railroad as defined in chapter 386 shall not be included in the
110 provisions of this subsection unless such conveyance or transfer is first authorized
111 by an act of the general assembly. The easement shall be for such consideration
112 as may be agreed upon by the parties and approved by the board of public

113 buildings. The attorney general shall approve the form of the instrument of
114 conveyance. The commissioner of administration shall prepare management
115 plans for such properties in the manner set out in subsection 7 of this section.

116 10. The commissioner of administration shall administer a revolving
117 "Administrative Trust Fund" which shall be established by the state treasurer
118 which shall be funded annually by appropriation and which shall contain moneys
119 transferred or paid to the office of administration in return for goods and services
120 provided by the office of administration to any governmental entity or to the
121 public. The state treasurer shall be the custodian of the fund, and shall approve
122 disbursements from the fund for the purchase of goods or services at the request
123 of the commissioner of administration or the commissioner's designee. The
124 provisions of section 33.080 notwithstanding, moneys in the fund shall not lapse,
125 unless and then only to the extent to which the unencumbered balance at the
126 close of any fiscal year exceeds one-eighth of the total amount appropriated, paid,
127 or transferred to the fund during such fiscal year, and upon approval of the
128 oversight division of the joint committee on legislative research. The
129 commissioner shall prepare an annual report of all receipts and expenditures
130 from the fund.

131 11. All the powers, duties and functions of the department of community
132 affairs relating to statewide planning are transferred by type I transfer to the
133 office of administration.

134 12. The titles which are vested in the governor by or pursuant to this
135 section to real property assigned to any of the educational institutions referred
136 to in section 174.020 on June 15, 1983, are hereby transferred to and vested in
137 the board of regents of the respective educational institutions, and the titles to
138 real property and other interests therein hereafter acquired by or for the use of
139 any such educational institution, notwithstanding provisions of this section, shall
140 vest in the board of regents of the educational institution. The board of regents
141 may not convey or otherwise transfer the title to or other interest in such real
142 property unless the conveyance or transfer is first authorized by an act of the
143 general assembly, except as provided in section 174.042, and except that the
144 board of regents may grant easements over, in and under such real property
145 without further legislative action.

146 13. Notwithstanding any provision of subsection 12 of this section to the
147 contrary, the board of governors of Missouri Western State University, University
148 of Central Missouri, Missouri State University, or Missouri Southern State

149 University, or the board of regents of Southeast Missouri State University,
150 Northwest Missouri State University, or Harris-Stowe State University, or the
151 board of curators of Lincoln University may convey or otherwise transfer for fair
152 market value, except in fee simple, the title to or other interest in such real
153 property without authorization by an act of the general assembly.

154 14. All county sports complex authorities, and any sports complex
155 authority located in a city not within a county, in existence on August 13, 1986,
156 and organized under the provisions of sections 64.920 to 64.950, are assigned to
157 the office of administration, but such authorities shall not be subject to the
158 provisions of subdivision (4) of subsection 6 of section 1 of the Omnibus State
159 Reorganization Act of 1974, Appendix B, RSMo, as amended.

160 15. All powers, duties, and functions vested in the administrative hearing
161 commission, sections 621.015 to 621.205 and others, are transferred to the office
162 of administration by a type III transfer.

163 **16. Beginning January 1, 2017, all powers, duties, and functions**
164 **vested in the board of trustees of the Missouri consolidated health care**
165 **plan, sections 103.003 to 103.178, and others, are transferred to the**
166 **office of administration by a type I transfer. The board of trustees of**
167 **the Missouri consolidated health care plan shall continue its existence**
168 **in an advisory capacity to the office of administration for matters**
169 **relating to state and public employee health insurance.**

103.005. For the purpose of covering medical expenses of the officers,
2 employees and retirees, the eligible dependents of officers, employees and retirees
3 and to the surviving spouses and children of deceased officers, employees and
4 retirees of the state and participating member agencies of the state, there is
5 hereby created and established a health care plan [which shall be a body
6 corporate,] which shall be under the management of the [board of trustees herein
7 described] **office of administration**, and shall be known as the "Missouri
8 Consolidated Health Care Plan". [Notwithstanding any provision of law to the
9 contrary, such plan may sue and be sued, transact business, contract, invest
10 funds and hold cash, securities and other property and shall be vested with such
11 other powers as may be necessary or proper to enable it, its officers, employees,
12 and agents to carry out fully and effectively all the purposes of sections 103.003
13 to 103.175.]

103.008. 1. **Beginning January 1, 2017**, the general administration
2 and the responsibility for the proper operation of the plan is vested in [a] **the**

3 **office of administration. On January 1, 2017, the board of trustees shall**
4 **serve in an advisory capacity to the office of administration. The board**
5 of trustees **shall consist** of thirteen persons, as follows: the director of the
6 department of health and senior services, the director of the department of
7 insurance, financial institutions and professional registration, the commissioner
8 of the state office of administration serving ex officio, one member of the senate
9 from the majority party appointed by the president pro tem of the senate and one
10 member of the senate from the minority party appointed by the president pro tem
11 of the senate with the concurrence of the minority floor leader of the senate, one
12 member of the house of representatives from the majority party appointed by the
13 speaker of the house of representatives and one member of the house of
14 representatives from the minority party appointed by the speaker of the house of
15 representatives with the concurrence of the minority floor leader of the house of
16 representatives, and six members appointed by the governor with the advice and
17 consent of the senate. Of the six members appointed by the governor, three shall
18 be citizens of the state of Missouri who are not members of the plan, but who are
19 familiar with medical issues. The remaining three members shall be members
20 of the plan and may be selected from any state agency or any participating
21 member agency.

22 2. Except for the legislative members, the director of the department of
23 health and senior services, the director of the department of insurance, financial
24 institutions and professional registration, and the commissioner of the office of
25 administration, trustees shall be chosen for terms of four years from the first day
26 of January next following their election or appointment. Any vacancies occurring
27 in the office of trustee shall be filled in the same manner the office was filled
28 previously.

103.010. [MOSERS medical staff will serve jointly on both boards. All
2 decisions on rates and services for dates prior to January 1, 1994, shall be
3 determined by the MOSERS board. All decisions after that date shall be
4 determined by the Missouri consolidated health care plan board.] **Prior to**
5 **January 1, 2017, the Missouri consolidated health care plan board, in**
6 **cooperation with the office of administration, shall perform all acts**
7 **necessary to transfer the administrative control of the Missouri**
8 **consolidated health care plan to the office of administration. On and**
9 **after January 1, 2017, the board shall serve in an advisory capacity to**
10 **the office of administration.**

103.016. [The executive director and] All [other] employees of the plan
2 shall be state employees and eligible for all corresponding benefits. [Except by
3 the unanimous vote of the board,] No person who has served as a trustee of the
4 board may become an employee of the plan until four years have expired between
5 the date of his or her resignation, termination, or other removal as trustee and
6 the date of his or her appointment as an employee of the plan.

103.036. The [board] **office of administration** shall set up and
2 maintain a benefit trust fund account in which shall be placed all payroll
3 deductions, payments, and income from all sources. All property, money, funds,
4 investments, and rights which shall belong to or be available for expenditure or
5 use by the plan shall be dedicated to and held in trust for the members and for
6 the purposes herein set out and no other. The [board] **office of administration**
7 shall have power, in the name and on behalf of the plan, to purchase, acquire,
8 hold, invest, lend, lease, sell, assign, transfer, and dispose of all property, rights,
9 and securities, and enter into written contracts as may be necessary and proper
10 to carry out its duties.

103.039. All moneys received by or belonging to the plan shall be paid to
2 the [executive director] **office of administration** and promptly deposited by the
3 [executive director] **office of administration** to the credit of the plan in one or
4 more banks or trust companies or other financial institutions as selected by the
5 [board] **office of administration**. No such money shall be deposited in or be
6 retained by any bank or trust company which does not have on deposit with and
7 for the [board] **office of administration** at the time, the kind and value of
8 collateral required by sections 30.240 and 30.270, for depositories of the state
9 treasurer. These moneys are funds of the plan and shall not be commingled with
10 any funds in the state treasury. The [executive director] **office of**
11 **administration** shall be responsible for all funds, securities, and property
12 belonging to the plan and shall be provided with such corporate surety bond for
13 the faithful handling of the same as the [board] **office of administration** shall
14 require.

103.042. The board shall serve without compensation for their **advisory**
2 services as such, but shall be paid for any necessary expenses incurred in
3 attending meetings of the board or committees thereof or in the performance of
4 other duties authorized by the [board] **office of administration**. Duties
5 performed for the plan by any member of the board shall be considered duties in
6 connection with the regular employment of the individual, and he or she shall

7 suffer no loss in regular compensation by reason of the performance of such
8 duties.

103.055. Should any error result in any member or provider receiving
2 more or less than he or she would have been entitled to receive had the error not
3 occurred, the [board] **office of administration** shall correct such error, and to
4 this end may recover any overpayments.

103.061. The accounts and records of any state department, agency,
2 institution, political subdivision or governmental entity participating in the plan
3 or requesting participation shall be open to inspection by the [board of trustees]
4 **office of administration** and its employees for the purpose of obtaining
5 information necessary in the performance of the duties of the board.

103.064. The [board] **office of administration** shall have the power to
2 subpoena witnesses or obtain the production of records when necessary for the
3 performance of its duties.

103.079. The health care programs sponsored by the departments of
2 transportation and conservation shall become a part of this plan only upon
3 request to and acceptance by the [board of trustees] **office of administration**
4 by the highways and transportation commission or the conservation commission
5 and any such transfer into this plan shall be deemed reviewable by such
6 department every three years. Such department may withdraw from the plan
7 upon approval by such department's commission and by providing the [board]
8 **office of administration** a minimum of six months' notice prior to the end of
9 the then current plan year and termination of coverage will become effective at
10 the end of the then current plan year. For any of the foregoing state agencies
11 choosing to participate, the plan shall not assume responsibility for any liabilities
12 incurred by the agency or its eligible employees, retirees, or dependents prior to
13 its effective date.

103.080. 1. As used in this section, the following terms shall mean:

2 (1) "Health savings account" or "account", shall have the same meaning
3 ascribed to it as in 26 U.S.C. Section 223(d), as amended;

4 (2) "High deductible health plan", a policy or contract of health insurance
5 or health care plan that meets the criteria established in 26 U.S.C. Section
6 223(c)(2), as amended, and any regulations promulgated thereunder.

7 2. Beginning with the open enrollment period for the 2009 plan year, the
8 [board] **office of administration** shall offer to all qualified state employees and
9 retirees, in addition to the plans currently offered including but not limited to

10 health maintenance organization plans, preferred provider organization plans,
11 copay plans, and participating public entities the option of receiving health care
12 coverage through a high deductible health plan and the establishment of a health
13 savings account. The health savings account shall conform to the guidelines to
14 be established by the Internal Revenue Service for the current tax year but in no
15 case shall a qualified employee or retiree be required to contribute more than the
16 minimum amount allowed by law. A qualified employee or retiree may contribute
17 up to the maximum allowed by law. In order for a qualified individual to obtain
18 a high deductible health plan through the Missouri consolidated health care plan,
19 such individual shall present evidence, in a manner prescribed by regulation, to
20 the [board] **office of administration** that he or she has established a health
21 savings account in compliance with 26 U.S.C. Section 223, and any amendments
22 and regulations promulgated thereto.

23 3. Beginning with the open enrollment period for the 2012 plan year, the
24 high deductible health plan offered under subsection 2 of this section shall have
25 monthly subscriber premiums that are materially lower than non-high deductible
26 health plan monthly subscriber premiums with a goal of monthly subscriber
27 premiums being at least fifty percent lower than non-high deductible health plan
28 premiums. The amount of the annual deductible for the high deductible health
29 plan offered under subsection 2 of this section shall be no greater than two
30 hundred percent of the minimum annual deductible for self-only coverage and
31 family coverage as established by the Internal Revenue Service for the current
32 tax year. The coverage afforded by the high deductible health plan, after the
33 applicable deductible has been met, shall be substantially similar or better than
34 the average coverage provided by the non-high deductible health plans.

35 4. It is the intent of the Missouri general assembly to promote the use of
36 consumer-driven health care plans such as health savings account compatible
37 high deductible health plans by active state employees as an alternative to using
38 traditional managed care plans. If, after the completion of the open enrollment
39 period for the 2012 plan year, fewer than ten percent of Missouri's active state
40 employees have enrolled in a high deductible health plan described in this
41 section, then the [board] **office of administration** shall offer a more
42 competitive high deductible health plan with increased financial and coverage
43 incentives, including but not limited to alternative annual deductibles,
44 out-of-pocket expenses, and other health plan design features, all within the
45 established federal guidelines, with the goal of having forty percent of Missouri's

46 active state employees enrolling in a health savings account compatible high
47 deductible health plan by the open enrollment period for the 2015 plan year.

48 5. The [board] **office of administration** is authorized to promulgate
49 rules and regulations for the administration and implementation of this
50 section. Any rule or portion of a rule, as that term is defined in section 536.010,
51 that is created under the authority delegated in this section shall become effective
52 only if it complies with and is subject to all of the provisions of chapter 536 and,
53 if applicable, section 536.028. This section and chapter 536 are nonseverable and
54 if any of the powers vested with the general assembly pursuant to chapter 536 to
55 review, to delay the effective date, or to disapprove and annul a rule are
56 subsequently held unconstitutional, then the grant of rulemaking authority and
57 any rule proposed or adopted after August 28, 2007, shall be invalid and void.

58 6. The [board] **office of administration** shall issue a request for
59 proposals from companies interested in offering a high deductible health plan in
60 connection with a health savings account.

103.083. The [board] **office of administration** shall provide or contract,
2 or both, on its own behalf, for medical benefits coverage and services for persons
3 covered under sections 103.003 to 103.175 and enrolled in the plan. The [board]
4 **office of administration** may contract for medical benefits coverage with
5 alternative delivery health care programs where available. Medical expenses
6 shall also include expenses for comparable benefits for employees who rely solely
7 on spiritual means through prayer for healing.

103.084. Due to the differences between the appropriations process and
2 the current contract methodology used by the [board] **office of administration**,
3 the general assembly hereby recommends that the board, with respect to health
4 care provider contracts, implement a plan year based upon a fiscal year beginning
5 October first rather than [the] a calendar year period [currently employed by the
6 board].

103.085. Except as otherwise provided by sections 103.003 to 103.080,
2 medical benefits coverage as provided by sections 103.003 to 103.080 shall
3 terminate when the member ceases to be an active employee; except persons
4 receiving or entitled to receive an annuity or retirement benefit or disability
5 benefit or the spouse of or unemancipated children of deceased persons receiving
6 or entitled to receive an annuity or retirement benefit or disability benefit from
7 the state, participating member agency, institution, political subdivision or
8 governmental entity may elect to continue coverage, provided the individuals to

9 be covered have been continuously covered for health care benefits:

10 (1) Under a separate group or individual policy for the six-month period
11 immediately preceding the member's date of death or disability or eligibility for
12 normal or early retirement; or

13 (2) Pursuant to sections 103.003 to 103.080, since the effective date of the
14 most recent open enrollment period prior to the member's date of death or
15 disability or eligibility for normal or early retirement; or

16 (3) From the initial date of eligibility for the benefits provided by sections
17 103.003 to 103.080; or

18 (4) Within sixty days of a loss of group coverage, provided that such
19 coverage was in place for at least twelve consecutive months immediately prior
20 to the loss and that such loss was due to the dependent's termination of
21 employment or termination of group coverage by the dependent's employer. This
22 subdivision only applies to qualifying dependents of members receiving or entitled
23 to receive an annuity or retirement benefit from the state, participating member
24 agency, institution, political subdivision, or governmental entity.

25 Cost for coverage continued pursuant to this section shall be determined by the
26 [board] **office of administration**. If an eligible person does not elect to
27 continue the coverage within thirty-one days of the first day of the month
28 following the date on which the eligible person ceases to be an employee, he or
29 she may not later elect to be covered pursuant to this section.

103.095. Notwithstanding any other provision of law to the contrary, any
2 member of the general assembly and any elected state official holding a statewide
3 elective state office, who ceases to hold elective office, or any person employed by
4 the elected official or employed by a member of the general assembly, whose
5 employment is terminated because such elected official or member of the general
6 assembly ceases to hold elective office, may elect to continue insurance benefits
7 to cover medical expenses provided under sections 103.003 to 103.175, by paying
8 the cost of such benefits as determined by the [board] **office of administration**.
9 If an eligible person does not elect to continue the coverage within thirty-one days
10 from the last day of the month in which the eligible person ceases to be an
11 employee, he may not later elect to be covered under this section.

103.098. There shall be a thirty-day enrollment period, at a time
2 designated by the [board] **office of administration**, during which retirees and
3 surviving dependents of retirees or employees of state agencies participating in
4 the plan but not then covered by the medical care plan shall be able to enroll in

5 the plan upon provision, at their own expense, of evidence of good health
6 satisfactory to the [board] **office of administration**. A preexisting condition
7 will not be covered until a person has been a plan participant for twelve
8 consecutive months.

103.100. 1. Before each October first, the [board] **office of**
2 **administration** shall separately certify to each participating member agency an
3 actuarially determined estimate of the amount which will be necessary during the
4 next plan year to pay all the liabilities for that individual state-sponsored plan
5 or participating member agency plan, including the costs of administration, which
6 shall exist or accrue pursuant to providing the medical benefits of the plan. The
7 estimate shall be computed based on the medical benefit program or programs
8 adopted by the [board] **office of administration** and shall be certified in total
9 expected expenditures, including the expected expenditures per person for each
10 separately rated category of coverage.

11 2. Before August first of each year, beginning with August 1, 1996, the
12 [board] **office of administration** shall notify the state division of budget and
13 planning of the medical benefit options authorized by the [board] **office of**
14 **administration**. In addition, the [board] **office of administration** shall
15 provide the cost of funding each category for each medical benefit option the plan
16 offers.

17 3. Before September first of each year, beginning September 1, 1996, the
18 entity designated by the governor to make recommendations on a total
19 compensation package for state employees shall analyze the medical benefit
20 options authorized by the [board] **office of administration** and the costs of
21 each such option, and shall make recommendations to the state division of budget
22 and planning on the portion of such costs, if any, to be paid by the state and the
23 portion to be paid by each state employee for each recommended option. The
24 extent of the recommendation shall be limited to the total state contribution
25 amount as it pertains to the basic covered benefit packages available and any new
26 ancillary benefits that may be available in addition to the basic covered benefit
27 packages. The [Missouri consolidated health care plan board of trustees] **office**
28 **of administration** shall maintain responsibility for the pricing strategy
29 regarding how the covered benefit packages are offered to state employees who
30 are members of the plan. The entity shall also notify the [board] **office of**
31 **administration** of the recommended state contribution.

32 4. The commissioner of administration shall request appropriations for

33 payments to the plan for covered state employees. Subject to appropriation, the
34 commissioner of administration monthly shall [requisition and certify the
35 payment to the executive director of the plan who shall] promptly deposit such
36 amounts to the benefit trust fund account.

103.105. The employing participating member agency of the members of
2 the plan who are not paid out of funds that have been deposited in the state
3 treasury shall promptly pay monthly to the [executive director] **office of**
4 **administration** an amount equal to the amount which the board has certified
5 based upon the actuarial study for that participating member agency. The
6 [executive director] **office of administration** shall promptly deposit such
7 amounts to the benefit trust fund account.

103.110. Before each October first, the [board] **office of administration**
2 shall certify to the state division of budget and planning an actuarially
3 determined amount which will be necessary during the next plan year to pay all
4 the liabilities, including the cost of administration, and any necessary actuarial
5 reserves which shall exist or accrue pursuant to providing the medical benefits
6 options as recommended by the entity. All such premium amounts shall be paid
7 to the [executive director] **office of administration** at the time that each
8 employee's wages or salary would normally be paid, but not later than the
9 fifteenth day of the month following. The premium amounts so remitted will be
10 promptly placed by the [executive director] **office of administration** in the
11 benefit trust fund account. In lieu of the availability of premium deductions the
12 [board] **office of administration** may establish alternative methods for the
13 collection of premium amounts.

103.115. Any former employee or any surviving spouse who is receiving
2 retirement benefits from the Missouri state employees' retirement system or the
3 transportation department employees' and highway patrol retirement system; or
4 any former judge or surviving spouse of a former judge who is receiving
5 retirement benefits pursuant to the provisions of sections 287.812 to 287.856, or
6 sections 476.450 to 476.686; or any former teacher or surviving spouse of a former
7 teacher who elected to remain in the public school retirement system pursuant
8 to the provisions of section 104.342 and who is receiving retirement benefits from
9 the public school retirement system and is, or becomes, a member of the Missouri
10 consolidated health care plan or an alternative delivery health care program
11 provided by the [board] **office of administration** on behalf of the state shall,
12 upon application with the [board of trustees] **office of administration**, be

13 made, constituted, appointed and employed by the [board] **office of**
14 **administration** as a special consultant on the problems of retiree health and,
15 in addition to duties prescribed in section 104.610, or any other law, and upon
16 request of the [board of trustees] **office of administration**, give the [board]
17 **office of administration**, orally or in writing, a short detailed statement of
18 physical, medical and health problems affecting retirees. As compensation for the
19 extra duty imposed by this section, each such special consultant as defined above
20 shall receive, in addition to all other compensation provided by law, an amount
21 contributed toward medical benefits coverage provided by the above-referenced
22 plan or plans as appropriated by law.

103.130. Each participating member agency may elect by majority vote of
2 its governing body, to join the plan and cover its employees, retirees, and their
3 dependents under the plan as follows:

4 (1) The clerk or secretary of the participating member agency shall certify
5 the election to the [board] **office of administration** within ten working days
6 after the vote of the governing body;

7 (2) The [board] **office of administration** shall establish a procedure for
8 considering the election of the agencies. Acceptance of the agency into the plan
9 shall be by action of the [board] **office of administration** and shall be based
10 upon an actuarial analysis or any other determination that the [board] **office**
11 **of administration** deems appropriate;

12 (3) The agency shall supply all available information requested by the
13 [board] **office of administration** that is necessary to complete an actuarial
14 analysis of the agency and make a determination of the fiscal impact that
15 inclusion of the agency would have on the plan;

16 (4) The effective date of the participating member agency's coverage will
17 be the first day of the month so requested by the agency and approved by the
18 [board] **office of administration**;

19 (5) The participating member agency must offer coverage under the plan
20 to all of its eligible employees, retirees, and dependents.

103.133. A participating member agency may elect to withdraw from the
2 plan by certifying such election of its governing body to the [board] **office of**
3 **administration**. Such certification must be received by the [board] **office of**
4 **administration** at least ninety days prior to the end of the then current plan
5 year and termination of the agency's coverage under the plan will become
6 effective at the end of the then current plan year.

103.145. There shall be a thirty-day enrollment period, at a time
2 designated by the [board] **office of administration**, during which retirees and
3 surviving dependents of retirees or employees of a participating member agency
4 who are not then covered by any health care plan offered by the participating
5 member agency shall be able to enroll in the plan upon provision, at their own
6 expense, of evidence of good health satisfactory to the [board] **office of**
7 **administration**. A preexisting condition will not be covered until a person has
8 been a plan participant for a period of twelve consecutive months.

103.155. If so determined by the [board] **office of administration**, a
2 participating member agency shall reimburse the plan for any initial start-up
3 costs that are incurred by the plan solely on behalf of the participating member
4 agency and necessary in order for the participating member agency to be included
5 in the plan.

103.158. Monthly, in accordance with a schedule developed by the [board]
2 **office of administration**, or its designee, each participating member agency
3 shall pay all applicable premium amounts to the [executive director] **office of**
4 **administration**. The premium amounts so remitted will be promptly deposited
5 by the [executive director] **office of administration** in the benefit trust fund
6 account.

103.163. If any participating member agency fails to make any payment
2 due the plan for a period of sixty days after the payment is due, the participating
3 member agency shall become delinquent and the amount of the delinquency shall
4 constitute a first lien of the funds of the participating member agency, and the
5 [board] **office of administration** is authorized to compel payment by
6 application for a writ of mandamus; and, in addition, such delinquency shall be
7 certified by the [board] **office of administration** to the state treasurer. Until
8 such delinquency, together with regular interest, is satisfied, the state treasurer
9 shall withhold all moneys due the participating member agency from the state.

103.165. If any participating member agency fails to make any payment
2 due the plan, the [board] **office of administration** may terminate the agency's
3 participation in the plan and stop paying claims accrued during the period of
4 nonpayment.

[103.014. The board shall appoint an executive director, not
2 one of their number, who shall be the executive officer of the board
3 and shall have charge of the offices, records and employees of the
4 plan, subject to the direction of the board.]

1 [103.019. 1. Employees of the plan shall receive such
2 salaries and necessary expenses as shall be fixed by the board.

3 2. Subject to the provisions of the constitution, the board of
4 trustees shall have exclusive jurisdiction and control over the funds
5 and property of the plan and may employ and fix the compensation
6 of necessary employees.]

[103.020. Any summons or other writ issued by the courts
2 of the state shall be served upon the executive director.]

[103.023. The board shall employ or contract with an
2 actuary or firm of actuaries familiar with health care financing as
3 technical advisor to the board on matters regarding the operation
4 and funding of the plan from an actuarial basis and shall perform
5 such duties as are from time to time required by the board.]

[103.025. The board shall arrange for annual audits of the
2 records and accounts of the plan by a certified public accountant or
3 firm of certified public accountants.]

[103.027. The board shall keep a record of its proceedings,
2 which shall be open to public inspection. The board shall prepare
3 annually and make available a report showing the financial
4 condition of the plan which shall contain, but not be limited to, a
5 financial balance sheet, a statement of income and disbursements,
6 a detailed statement of investments acquired and disposed of
7 during the year, together with a detailed statement of the annual
8 rates on investment return from all assets and from each type of
9 investment, a listing of all advisors and consultants retained by the
10 board and such other data as the board shall deem necessary or
11 desirable for a proper understanding of the condition of the plan.]

[103.029. The board may employ or contract with an
2 attorney at law or firm of attorneys to be the legal advisor of the
3 board and to represent the board in all legal proceedings.]

[103.032. The board may employ or contract with an
2 investment counselor or counselors to be the investment advisor to
3 the board. The board may delegate to such investment counselor
4 authority to act in place of the board in the investment and
5 reinvestment of all or part of the moneys of the plan, and may also
6 delegate to such counselor the authority to act in place of the board

7 in the holding, purchasing, selling, assigning, transferring or
8 disposing of any or all securities and investments in which such
9 moneys have been invested, as well as the proceeds of such
10 investments. Such investment counselor or counselors shall be
11 registered as an investment advisor with the United States
12 Securities and Exchange Commission. In exercising or delegating
13 its investment powers and authority, members of the board shall
14 exercise ordinary business care prudence under the facts and
15 circumstances prevailing at the time of the action or decision. In
16 so doing, the board shall consider long- and short-term needs of the
17 plan in carrying out its purposes, the plan's present and
18 anticipated financial requirements, the expected total return on the
19 plan's investment, general economic conditions, income, growth,
20 long-term net appreciation, and probable safety of funds. No
21 member of the board shall be liable for any action taken or omitted
22 with respect to the exercise of or delegation of these powers and
23 authority if such member shall have discharged the duties of his or
24 her position in good faith and with that degree of diligence, care,
25 and skill which prudent men and women would ordinarily exercise
26 under similar circumstances in a like position.]

[103.045. The board shall meet within the state of Missouri
2 not less than once per calendar quarter, at a time set at a
3 previously scheduled meeting or at the request of the chairman or
4 any four trustees acting jointly. Notice of the meeting shall be
5 delivered to all trustees in person or by depositing notice in a
6 United States Post Office in a properly stamped and addressed
7 envelope not less than six days prior to the date fixed for the
8 meeting. The board may meet at any time by unanimous consent.]

[103.047. Each trustee shall be entitled to one vote. Six
2 trustees shall constitute a quorum for the transaction of business
3 and any official action of the board shall be based on the majority
4 vote of the trustees present. Unless otherwise expressly provided
5 in sections 103.003 to 103.175, a meeting need not be called or held
6 to make any decision on a matter before the board. Each member
7 must be sent by the executive director a copy of the matter to be
8 decided with full information on the question from the files of the

9 plan. The concurring decisions of six trustees may decide the issue
10 by signing a document declaring their decision and sending the
11 written document to the executive director within fifteen days after
12 the document and information was mailed to the trustee. If any
13 trustee is not in agreement with the six trustees, the matter is to
14 be passed on at a regular board meeting or a special meeting called
15 for that purpose.]

[103.050. The principal office of the plan shall be in
2 Jefferson City. The plan shall have a seal bearing the inscription
3 "Missouri Consolidated Health Care Plan", which shall be in the
4 custody of its executive director. The courts of the state shall take
5 judicial notice of the seal, and all copies of records, books, and
6 written instruments which are kept in the office of the system and
7 are certified by the director under the seal shall be proved or
8 admitted in any court or proceeding as provided by section
9 109.130.]

[103.059. Subject to the limitations of law, the board shall
2 formulate and adopt rules and regulations for the government of its
3 own proceedings and for the administration of the plan, and its
4 decisions as to all questions of fact shall be final and conclusive on
5 all persons except for the right of review as provided by law and
6 except for fraud or such gross mistake of fact as to have an effect
7 equivalent to fraud.]

[103.070. The assets of the plan shall be exempt from state,
2 county, municipal or other political subdivision taxes.]

[103.075. The plan shall become effective on January 1,
2 1994. The Missouri state employees' retirement system medical
3 care plan available for state employees, retirees, and their
4 dependents together with all assets and liabilities shall be
5 incorporated into the plan by June 30, 1994. Prior to January,
6 1994, all statutory provisions governing the Missouri state
7 employees' retirement system medical care plan shall remain in
8 effect.]

[103.175. The board shall study and report to the general
2 assembly, on or before December 15, 2003, on the feasibility of
3 including in this plan individuals who are employees of eligible

4 agencies which have not elected to join the plan or who are retirees
5 of school districts.]

[103.178. 1. Beginning on a date specified by the board of
2 trustees of the Missouri consolidated health care plan but not later
3 than July 1, 1995, the Missouri consolidated health care plan
4 established under section 103.005 shall implement a pilot project
5 to make available to those residing in the pilot project area who are
6 covered by the plan an alternative system of benefits for the
7 treatment of chemical dependency added to those benefits regularly
8 available to plan participants. The benefits provided under the
9 pilot project shall be similar in scope and comprehensiveness, but
10 not limited to, the benefits provided for the treatment and
11 rehabilitation of persons who are chemically dependent under the
12 department of mental health's comprehensive substance treatment
13 and rehabilitation program, popularly described as the C-STAR
14 program. Such a pilot project shall operate for a period not to
15 exceed four years. To the extent that participation in the pilot
16 project incurs additional cost to a person covered under the plan,
17 participation shall be voluntary. If no additional cost is incurred,
18 the alternative system of benefits may be made in lieu of the
19 regular benefits for the services in the pilot project area.

20 2. The Missouri state employees' retirement system or the
21 Missouri health care plan, as appropriate, shall in cooperation with
22 the department of mental health and the department of insurance,
23 financial institutions and professional registration design the pilot
24 project so as to generate data to evaluate the costs and benefits of
25 providing coverage of chemical dependency using an alternative set
26 of benefits as provided in this section. The Missouri consolidated
27 health care plan shall at the completion of the pilot project submit
28 to the governor and the members of the general assembly a report
29 which describes the results of the evaluation of this pilot project.
30 As authorized by appropriations made for that purpose, the
31 Missouri state employees' retirement system or the Missouri
32 consolidated health care plan may contract with persons to conduct
33 an independent evaluation of the pilot project established in this
34 section.]

Section B. The repeal of sections 103.014, 103.019, 103.020, 103.023,
2 103.025, 103.027, 103.029, 103.032, 103.045, 103.047, 103.050, 103.059, 103.070,
3 103.075, 103.175, and 103.178 and the repeal and reenactment of sections 37.005,
4 103.005, 103.008, 103.016, 103.036, 103.039, 103.042, 103.055, 103.061, 103.064,
5 103.079, 103.080, 103.083, 103.084, 103.085, 103.095, 103.098, 103.100, 103.105,
6 103.110, 103.115, 103.130, 103.133, 103.145, 103.155, 103.158, 103.163, and
7 103.165 of this act shall become effective January 1, 2017.

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