

FIRST REGULAR SESSION

# SENATE BILL NO. 1

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HEGEMAN.

0544S.01H

ADRIANE D. CROUSE, Secretary

## AN ACT

To repeal sections 190.839, 198.439, 208.437, 208.480, 338.550, and 633.401, RSMo, and to enact in lieu thereof six new sections relating to reimbursement allowance taxes.

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

Section A. Sections 190.839, 198.439, 208.437, 208.480,  
2 338.550, and 633.401, RSMo, are repealed and six new sections  
3 enacted in lieu thereof, to be known as sections 190.839,  
4 198.439, 208.437, 208.480, 338.550, and 633.401, to read as  
5 follows:

190.839. Sections 190.800 to 190.839 shall expire on  
2 September 30, [2021] **2023**.

198.439. Sections 198.401 to 198.436 shall expire on  
2 September 30, [2021] **2023**.

208.437. 1. A Medicaid managed care organization  
2 reimbursement allowance period as provided in sections  
3 208.431 to 208.437 shall be from the first day of July to  
4 the thirtieth day of June. The department shall notify each  
5 Medicaid managed care organization with a balance due on the  
6 thirtieth day of June of each year the amount of such  
7 balance due. If any managed care organization fails to pay  
8 its managed care organization reimbursement allowance within  
9 thirty days of such notice, the reimbursement allowance  
10 shall be delinquent. The reimbursement allowance may remain  
11 unpaid during an appeal.

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

12           2. Except as otherwise provided in this section, if  
13 any reimbursement allowance imposed under the provisions of  
14 sections 208.431 to 208.437 is unpaid and delinquent, the  
15 department of social services may compel the payment of such  
16 reimbursement allowance in the circuit court having  
17 jurisdiction in the county where the main offices of the  
18 Medicaid managed care organization are located. In  
19 addition, the director of the department of social services  
20 or the director's designee may cancel or refuse to issue,  
21 extend or reinstate a Medicaid contract agreement to any  
22 Medicaid managed care organization which fails to pay such  
23 delinquent reimbursement allowance required by sections  
24 208.431 to 208.437 unless under appeal.

25           3. Except as otherwise provided in this section,  
26 failure to pay a delinquent reimbursement allowance imposed  
27 under sections 208.431 to 208.437 shall be grounds for  
28 denial, suspension or revocation of a license granted by the  
29 department of commerce and insurance. The director of the  
30 department of commerce and insurance may deny, suspend or  
31 revoke the license of a Medicaid managed care organization  
32 with a contract under 42 U.S.C. Section 1396b(m) which fails  
33 to pay a managed care organization's delinquent  
34 reimbursement allowance unless under appeal.

35           4. Nothing in sections 208.431 to 208.437 shall be  
36 deemed to effect or in any way limit the tax-exempt or  
37 nonprofit status of any Medicaid managed care organization  
38 with a contract under 42 U.S.C. Section 1396b(m) granted by  
39 state law.

40           5. Sections 208.431 to 208.437 shall expire on  
41 September 30, [2021] **2023**.

208.480. Notwithstanding the provisions of section  
2 208.471 to the contrary, sections 208.453 to 208.480 shall  
3 expire on September 30, ~~[2021]~~ **2023**.

338.550. 1. The pharmacy tax required by sections  
2 338.500 to 338.550 shall expire ninety days after any one or  
3 more of the following conditions are met:

4 (1) The aggregate dispensing fee as appropriated by  
5 the general assembly paid to pharmacists per prescription is  
6 less than the fiscal year 2003 dispensing fees reimbursement  
7 amount; or

8 (2) The formula used to calculate the reimbursement as  
9 appropriated by the general assembly for products dispensed  
10 by pharmacies is changed resulting in lower reimbursement to  
11 the pharmacist in the aggregate than provided in fiscal year  
12 2003; or

13 (3) September 30, ~~[2021]~~ **2023**.

14 The director of the department of social services shall  
15 notify the revisor of statutes of the expiration date as  
16 provided in this subsection. The provisions of sections  
17 338.500 to 338.550 shall not apply to pharmacies domiciled  
18 or headquartered outside this state which are engaged in  
19 prescription drug sales that are delivered directly to  
20 patients within this state via common carrier, mail or a  
21 carrier service.

22 2. Sections 338.500 to 338.550 shall expire on  
23 September 30, ~~[2021]~~ **2023**.

633.401. 1. For purposes of this section, the  
2 following terms mean:

3 (1) "Engaging in the business of providing health  
4 benefit services", accepting payment for health benefit  
5 services;

6           (2) "Intermediate care facility for the intellectually  
7 disabled", a private or department of mental health facility  
8 which admits persons who are intellectually disabled or  
9 developmentally disabled for residential habilitation and  
10 other services pursuant to chapter 630. Such term shall  
11 include habilitation centers and private or public  
12 intermediate care facilities for the intellectually disabled  
13 that have been certified to meet the conditions of  
14 participation under 42 CFR, Section 483, Subpart I;

15           (3) "Net operating revenues from providing services of  
16 intermediate care facilities for the intellectually  
17 disabled" shall include, without limitation, all moneys  
18 received on account of such services pursuant to rates of  
19 reimbursement established and paid by the department of  
20 social services, but shall not include charitable  
21 contributions, grants, donations, bequests and income from  
22 nonservice related fund-raising activities and government  
23 deficit financing, contractual allowance, discounts or bad  
24 debt;

25           (4) "Services of intermediate care facilities for the  
26 intellectually disabled" has the same meaning as the term  
27 services of intermediate care facilities for the mentally  
28 retarded, as used in Title 42 United States Code, Section  
29 1396b(w)(7)(A)(iv), as amended, and as such qualifies as a  
30 class of health care services recognized in federal Public  
31 Law 102-234, the Medicaid Voluntary Contribution and  
32 Provider-Specific Tax Amendments of 1991.

33           2. Beginning July 1, 2008, each provider of services  
34 of intermediate care facilities for the intellectually  
35 disabled shall, in addition to all other fees and taxes now  
36 required or paid, pay assessments on their net operating  
37 revenues for the privilege of engaging in the business of

38 providing services of the intermediate care facilities for  
39 the intellectually disabled or developmentally disabled in  
40 this state.

41 3. Each facility's assessment shall be based on a  
42 formula set forth in rules and regulations promulgated by  
43 the department of mental health.

44 4. For purposes of determining rates of payment under  
45 the medical assistance program for providers of services of  
46 intermediate care facilities for the intellectually  
47 disabled, the assessment imposed pursuant to this section on  
48 net operating revenues shall be a reimbursable cost to be  
49 reflected as timely as practicable in rates of payment  
50 applicable within the assessment period, contingent, for  
51 payments by governmental agencies, on all federal approvals  
52 necessary by federal law and regulation for federal  
53 financial participation in payments made for beneficiaries  
54 eligible for medical assistance under Title XIX of the  
55 federal Social Security Act, 42 U.S.C. Section 1396, et  
56 seq., as amended.

57 5. Assessments shall be submitted by or on behalf of  
58 each provider of services of intermediate care facilities  
59 for the intellectually disabled on a monthly basis to the  
60 director of the department of mental health or his or her  
61 designee and shall be made payable to the director of the  
62 department of revenue.

63 6. In the alternative, a provider may direct that the  
64 director of the department of social services offset, from  
65 the amount of any payment to be made by the state to the  
66 provider, the amount of the assessment payment owed for any  
67 month.

68 7. Assessment payments shall be deposited in the state  
69 treasury to the credit of the "Intermediate Care Facility

70 Intellectually Disabled Reimbursement Allowance Fund", which  
71 is hereby created in the state treasury. All investment  
72 earnings of this fund shall be credited to the fund.

73 Notwithstanding the provisions of section 33.080 to the  
74 contrary, any unexpended balance in the intermediate care  
75 facility intellectually disabled reimbursement allowance  
76 fund at the end of the biennium shall not revert to the  
77 general revenue fund but shall accumulate from year to  
78 year. The state treasurer shall maintain records that show  
79 the amount of money in the fund at any time and the amount  
80 of any investment earnings on that amount.

81 8. Each provider of services of intermediate care  
82 facilities for the intellectually disabled shall keep such  
83 records as may be necessary to determine the amount of the  
84 assessment for which it is liable under this section. On or  
85 before the forty-fifth day after the end of each month  
86 commencing July 1, 2008, each provider of services of  
87 intermediate care facilities for the intellectually disabled  
88 shall submit to the department of social services a report  
89 on a cash basis that reflects such information as is  
90 necessary to determine the amount of the assessment payable  
91 for that month.

92 9. Every provider of services of intermediate care  
93 facilities for the intellectually disabled shall submit a  
94 certified annual report of net operating revenues from the  
95 furnishing of services of intermediate care facilities for  
96 the intellectually disabled. The reports shall be in such  
97 form as may be prescribed by rule by the director of the  
98 department of mental health. Final payments of the  
99 assessment for each year shall be due for all providers of  
100 services of intermediate care facilities for the

101 intellectually disabled upon the due date for submission of  
102 the certified annual report.

103 10. The director of the department of mental health  
104 shall prescribe by rule the form and content of any document  
105 required to be filed pursuant to the provisions of this  
106 section.

107 11. Upon receipt of notification from the director of  
108 the department of mental health of a provider's delinquency  
109 in paying assessments required under this section, the  
110 director of the department of social services shall  
111 withhold, and shall remit to the director of the department  
112 of revenue, an assessment amount estimated by the director  
113 of the department of mental health from any payment to be  
114 made by the state to the provider.

115 12. In the event a provider objects to the estimate  
116 described in subsection 11 of this section, or any other  
117 decision of the department of mental health related to this  
118 section, the provider of services may request a hearing. If  
119 a hearing is requested, the director of the department of  
120 mental health shall provide the provider of services an  
121 opportunity to be heard and to present evidence bearing on  
122 the amount due for an assessment or other issue related to  
123 this section within thirty days after collection of an  
124 amount due or receipt of a request for a hearing, whichever  
125 is later. The director shall issue a final decision within  
126 forty-five days of the completion of the hearing. After  
127 reconsideration of the assessment determination and a final  
128 decision by the director of the department of mental health,  
129 an intermediate care facility for the intellectually  
130 disabled provider's appeal of the director's final decision  
131 shall be to the administrative hearing commission in  
132 accordance with sections 208.156 and 621.055.

133           13. Notwithstanding any other provision of law to the  
134 contrary, appeals regarding this assessment shall be to the  
135 circuit court of Cole County or the circuit court in the  
136 county in which the facility is located. The circuit court  
137 shall hear the matter as the court of original jurisdiction.

138           14. Nothing in this section shall be deemed to affect  
139 or in any way limit the tax-exempt or nonprofit status of  
140 any intermediate care facility for the intellectually  
141 disabled granted by state law.

142           15. The director of the department of mental health  
143 shall promulgate rules and regulations to implement this  
144 section. Any rule or portion of a rule, as that term is  
145 defined in section 536.010, that is created under the  
146 authority delegated in this section shall become effective  
147 only if it complies with and is subject to all of the  
148 provisions of chapter 536 and, if applicable, section  
149 536.028. This section and chapter 536 are nonseverable and  
150 if any of the powers vested with the general assembly  
151 pursuant to chapter 536 to review, to delay the effective  
152 date, or to disapprove and annul a rule are subsequently  
153 held unconstitutional, then the grant of rulemaking  
154 authority and any rule proposed or adopted after August 28,  
155 2008, shall be invalid and void.

156           16. The provisions of this section shall expire on  
157 September 30, [2021] **2023**.

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