

FIRST REGULAR SESSION

SENATE BILL NO. 121

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR WHITE.

1097S.011

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 354.400, RSMo, and to enact in lieu thereof one new section relating to MO HealthNet managed care.

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

Section A. Section 354.400, RSMo, is repealed and one new
2 section enacted in lieu thereof, to be known as section 354.400,
3 to read as follows:

354.400. As used in sections 354.400 to 354.636, the
2 following terms shall mean:

3 (1) "Basic health care services", health care services
4 which an enrolled population might reasonably require in
5 order to be maintained in good health, including, as a
6 minimum, emergency care, inpatient hospital and physician
7 care, and outpatient medical services;

8 (2) "Community-based health maintenance organization",
9 a health maintenance organization which:

10 (a) Is wholly owned and operated by hospitals,
11 hospital systems, physicians, or other health care providers
12 or a combination thereof who provide health care treatment
13 services in the service area described in the application
14 for a certificate of authority from the director;

15 (b) Is operated to provide a means for such health
16 care providers to market their services directly to
17 consumers in the service area of the health maintenance
18 organization;

19 (c) Is governed by a board of directors that exercises
20 fiduciary responsibility over the operations of the health
21 maintenance organization and of which a majority of the
22 directors consist of equal numbers of the following:

- 23 a. Physicians licensed pursuant to chapter 334;
24 b. Purchasers of health care services who live in the
25 health maintenance organization's service area;
26 c. Enrollees of the health maintenance organization
27 elected by the enrollees of such organization; and
28 d. Hospital executives, if a hospital is involved in
29 the corporate ownership of the health maintenance
30 organization;

31 (d) Provides for utilization review, as defined in
32 section 374.500, under the auspices of a physician medical
33 director who practices medicine in the service area of the
34 health maintenance organization, using review standards
35 developed in consultation with physicians who treat the
36 health maintenance organization's enrollees;

37 (e) Is actively involved in attempting to improve
38 performance on indicators of health status in the community
39 or communities in which the health maintenance organization
40 is operating, including the health status of those not
41 enrolled in the health maintenance organization;

42 (f) Is accountable to the public for the cost, quality
43 and access of health care treatment services and for the
44 effect such services have on the health of the community or
45 communities in which the health maintenance organization is
46 operating on a whole;

47 (g) Establishes an advisory group or groups comprised
48 of enrollees and representatives of community interests in
49 the service area to make recommendations to the health

50 maintenance organization regarding the policies and
51 procedures of the health maintenance organization;

52 (h) Enrolls fewer than fifty thousand covered lives;

53 (3) "Covered benefit" or "benefit", a health care
54 service to which an enrollee is entitled under the terms of
55 a health benefit plan;

56 (4) "Director", the director of the department of
57 commerce and insurance;

58 (5) "Emergency medical condition", the sudden and, at
59 the time, unexpected onset of a health condition that
60 manifests itself by symptoms of sufficient severity that
61 would lead a prudent lay person, possessing an average
62 knowledge of health and medicine, to believe that immediate
63 medical care is required, which may include, but shall not
64 be limited to:

65 (a) Placing the person's health in significant
66 jeopardy;

67 (b) Serious impairment to a bodily function;

68 (c) Serious dysfunction of any bodily organ or part;

69 (d) Inadequately controlled pain; or

70 (e) With respect to a pregnant woman who is having
71 contractions:

72 a. That there is inadequate time to effect a safe
73 transfer to another hospital before delivery; or

74 b. That transfer to another hospital may pose a threat
75 to the health or safety of the woman or unborn child;

76 (6) "Emergency services", health care items and
77 services furnished or required to screen and stabilize an
78 emergency medical condition, which may include, but shall
79 not be limited to, health care services that are provided in
80 a licensed hospital's emergency facility by an appropriate
81 provider;

(7) "Enrollee", a policyholder, subscriber, covered person or other individual participating in a health benefit plan;

(8) "Evidence of coverage", any certificate, agreement, or contract issued to an enrollee setting out the coverage to which the enrollee is entitled;

(9) "Health care services", any services included in the furnishing to any individual of medical or dental care or hospitalization, or incident to the furnishing of such care or hospitalization, as well as the furnishing to any person of any and all other services for the purpose of preventing, alleviating, curing, or healing human illness, injury, or physical disability;

(10) "Health maintenance organization", any person, **including a Medicaid managed care organization defined in 42 U.S.C. 1396b(m) which provides or arranges health care services for MO HealthNet enrollees in Missouri**, which undertakes to provide or arrange for basic and supplemental health care services to enrollees on a prepaid basis, or which meets the requirements of Section 1301 of the United States Public Health Service Act;

(11) "Health maintenance organization plan", any arrangement whereby any person, **including a Medicaid managed care organization defined in 42 U.S.C. 1396b(m) which provides or arranges health care services for MO HealthNet enrollees in Missouri**, undertakes to provide, arrange for, pay for, or reimburse any part of the cost of any health care services and at least part of such arrangement consists of providing and assuring the availability of basic health care services to enrollees, as distinguished from mere indemnification against the cost of such services, on a prepaid basis through insurance or otherwise, and as

114 distinguished from the mere provision of service benefits
115 under health service corporation programs;

116 (12) "Individual practice association", a partnership,
117 corporation, association, or other legal entity which
118 delivers or arranges for the delivery of health care
119 services and which has entered into a services arrangement
120 with persons who are licensed to practice medicine,
121 osteopathy, dentistry, chiropractic, pharmacy, podiatry,
122 optometry, or any other health profession and a majority of
123 whom are licensed to practice medicine or osteopathy. Such
124 an arrangement shall provide:

125 (a) That such persons shall provide their professional
126 services in accordance with a compensation arrangement
127 established by the entity; and

128 (b) To the extent feasible for the sharing by such
129 persons of medical and other records, equipment, and
130 professional, technical, and administrative staff;

131 (13) "Medical group/staff model", a partnership,
132 association, or other group:

133 (a) Which is composed of health professionals licensed
134 to practice medicine or osteopathy and of such other
135 licensed health professionals (including dentists,
136 chiropractors, pharmacists, optometrists, and podiatrists)
137 as are necessary for the provisions of health services for
138 which the group is responsible;

139 (b) A majority of the members of which are licensed to
140 practice medicine or osteopathy; and

141 (c) The members of which (i) as their principal
142 professional activity over fifty percent individually and as
143 a group responsibility engaged in the coordinated practice
144 of their profession for a health maintenance organization;
145 (ii) pool their income from practice as members of the group

146 and distribute it among themselves according to a
147 prearranged salary or drawing account or other plan, or are
148 salaried employees of the health maintenance organization;
149 (iii) share medical and other records and substantial
150 portions of major equipment and of professional, technical,
151 and administrative staff; (iv) establish an arrangement
152 whereby an enrollee's enrollment status is not known to the
153 member of the group who provides health services to the
154 enrollee;

155 (14) "Person", any partnership, association, or
156 corporation;

157 (15) "Provider", any physician, hospital, or other
158 person which is licensed or otherwise authorized in this
159 state to furnish health care services;

160 (16) "Uncovered expenditures", the costs of health
161 care services that are covered by a health maintenance
162 organization, but that are not guaranteed, insured, or
163 assumed by a person or organization other than the health
164 maintenance organization, or those costs which a provider
165 has not agreed to forgive enrollees if the provider is not
166 paid by the health maintenance organization.

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