SECOND REGULAR SESSION

SENATE BILL NO. 907

89TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SINGLETON.

Read 1st time February 12, 1998, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

S3881.01I

AN ACT

To amend chapter 376, RSMo, by adding thereto five new sections relating to children's health insurance.

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

Section A. Chapter 376, RSMo, is amended by adding thereto five new sections, to be known as sections 376.1235, 376.1240, 376.1245, 376.1250 and 376.1255, to read as follows:

376.1235. 1. This act shall be known and may be cited as the "Missouri Children's Health Insurance Program".

2. As used in sections 376.1235 to 376.1255, the following terms shall mean:

(1) "Child", a natural person less than nineteen years of age who is a resident of Missouri;

(2) "Creditable health coverage", the meaning given the term "Creditable coverage" under section 2701 (c) of the federal Public Health Service Act, 42 U.S.C. 300gg(c), including coverage that meets the requirements of section 2103 of the federal Social Security Act provided to a targeted low-income child under sections 376.1235 to 376.1255 or under a waiver approved under section 2105 (c)(2)(B) of the federal Social Security Act;

(3) "Department", the Missouri department of social services;

(4) "Group health plan", the meaning given such term under section 2791 of the federal Public Health Service Act, 42 U.S.C. 300gg-91;

(5) "Health insurance coverage", the meaning given such term under section 2791 (b)(1) of the federal Public Health Service Act, 42 U.S.C. 300gg-91;

(6) "Low-income child", a child whose family income is at or below two hundred percent of the federal poverty level;

(7) "Participating insurer", any entity licensed to provide health insurance in

Missouri that has contracted with the department to offer health insurance coverage to targeted low-income children pursuant to sections 376.1235 to 376.1255;

(8) "Poverty", the meaning given such term in section 673(2) of the federal Community Service Block Grant Act, 42 U.S.C. 9902(2), as amended;

(9) "Preexisting condition exclusion", the meaning given such term in section 2701(b)(1)(A) of the federal Public Health Service Act, 42 U.S.C. 300gg(b)(1)(A);

(10) "Qualified child health plan", health insurance coverage provided by a participating insurer consistent with section 376.1255;

(11) "Target low-income child", a child, except as provided by paragraph (d) of this subdivision, who:

(a) Has been determined eligible under sections 376.1235 to 376.1255;

(b) Is a low-income child or is a child whose family income exceeds the medicaid-applicable income level by not more than fifty percent; and

(c) Is not found to be eligible for medical assistance as authorized in section 208.151, RSMo, or covered under a group health plan or under any other health insurance coverage;

(d) Such term does not include:

a. A child who is an inmate in a correctional facility or a patient in an institution for mental diseases; or

b. A child who is a member of a family that is eligible for health benefit coverage under a state employee health benefit plan.

376.1240. 1. The department shall prepare a state children's health insurance program for submission to the Secretary of the United States Department of Health and Human Services by January 1, 1999.

2. The department shall enter into contracts with at least two insurers and at least two health maintenance organizations that offer a qualified child health plan.

3. The department shall be responsible for certifying the eligibility of children for the state children's health insurance program.

4. Upon notice of enrollment of a targeted low-income child in a qualified child health plan, the department shall forward the annual negotiated cost of insuring each targeted low-income child to the appropriate participating insurer.

5. In no event shall more than ten percent of the federal and state funds be used for:

(1) Other children's health programs for targeted low-income children;

(2) Initiatives for improving the health of children, including targeted low-income and other low-income children;

(3) Outreach activities that inform families of children who are likely to be eligible for this program or other public or private health coverage programs, or for

coordination of the administration of this program with other public and private health insurance programs; and

(4) Other reasonable costs incurred by the state to administer the program.

376.1245. 1. To be eligible for the state payment, a participating insurer shall offer a qualified child health plan to eligible children without regard to health status and without the imposition of a preexisting condition exclusion, except that a preexisting condition exclusion may be applied if the qualified child health plan is provided through a group health plan or group health insurance coverage, consistent with the limitations on the imposition of preexisting condition exclusions in connection with such coverage under state and federal law.

2. Premium and cost-sharing amounts are limited to the following:

(1) No deductible, coinsurance or other cost-sharing is permitted with respect to benefits for well-baby and well-child care including age-appropriate immunizations;

(2) For children whose family income is at or below one hundred fifty percent of the federal poverty level:

(a) Premiums, enrollment fees or similar charges may not exceed the maximum monthly charge permitted consistent with standards established to carry out section 1916 (b)(l) of Title XIX of the federal Social Security Act, 42 U.S.C. 201 et seq.; and

(b) Deductibles and other cost-sharing shall not exceed an amount that is nominally consistent with standards provided under Section 1916 (a)(3) of Title XIX of the federal Social Security Act, 42 U.S.C. 301 et seq., as adjusted;

(3) For children whose family income is more than one hundred fifty percent of the federal poverty level, premiums, deductibles, and other cost-sharing may be imposed on a sliding scale related to income, provided that the total annual aggregate cost-sharing with respect to all targeted low-income children in a family under sections 376.1235 to 376.1255 shall not exceed five percent of such family's income for the year involved.

3. Existing health insurance sales and marketing methods, including the use of agents and payment of commissions, shall be utilized to inform families of the availability of the children's health insurance program and assist them in obtaining coverage for children under the program.

376.1250. 1. Targeted low-income children shall be eligible for coverage with a participating insurer regardless of health status.

2. Eligible children shall be allowed to change enrollment between participating insurers upon the annual coverage renewal date, provided that at least six months notice of an election to change enrollment is provided to the participating insurer with which the child is currently enrolled. The notice provision shall be reduced to sixty days if the child has changed residence to an area outside the geographic service area

of the participating insurer with which the child is currently enrolled.

376.1255. 1. A qualified child health plan shall contain benefits consistent with either subsection 2, 3 or 4 of this section. However, nothing in sections 376.1235 to 376.1255 shall be construed to prevent a qualified child health plan from offering a category of benefits that are not specified herein.

2. The first option is health insurance coverage equivalent to one of the following:

(1) The standard health services corporation preferred provider option under the Federal Employees Health Benefit Plan, 5 U.S.C. 8903 (1); or

(2) A health benefits coverage plan that is offered and generally available to state employees; or

(3) Health insurance coverage offered by the health maintenance organization that has the largest insured commercial, non-medicaid enrollment of covered lives in the state.

3. The second option is:

(1) Health insurance coverage that has an aggregate actuarial value at least equivalent to subdivision (1), (2) or (3) of subsection 1 of this section and that includes coverage for the following basic services:

(a) Inpatient and outpatient hospital services;

(b) Physicians' surgical and medical services;

(c) Laboratory and x-ray services; and

(d) Well-baby and well-child care, including age-appropriate immunizations;

(2) Health insurance coverage based on actuarial equivalence for basic services, as described in subdivision (1) of this subsection, may provide the following additional services if the coverage for such services has an actuarial value of at least seventy-five percent of the actuarial value of the coverage provided in that category of services in such package:

(a) Coverage of prescription drugs;

(b) Mental health services;

(c) Vision services;

(d) Hearing services.

4. The third option is, upon application by this state, any other health insurance coverage that has been approved by the United States Secretary of Health and Human Services.

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