

FIRST REGULAR SESSION

SENATE BILL NO. 48

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR MAXWELL.

Pre-filed December 1, 1998, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

S0141.011

AN ACT

To repeal sections 103.005 and 103.036, RSMo 1994, and section 103.003, RSMo Supp. 1998, and to enact in lieu thereof four new sections relating to health insurance for small employers, with an effective date.

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

Section A. Sections 103.005 and 103.036, RSMo 1994, and section 103.003, RSMo Supp. 1998, are repealed and four new sections enacted in lieu thereof, to be known as sections 103.003, 103.005, 103.036 and 103.080, to read as follows:

103.003. As used in sections 103.003 to 103.175, the following terms mean:

(1) "Actuarial reserves", the necessary funding required to pay all the medical expenses for services provided to members of the plan but for which the claims have not yet been received by the claims administrator;

(2) "Actuary", a member of the American Academy of Actuaries or who is an enrolled actuary under the Employee Retirement Income Security Act of 1974;

(3) "Agency", a state-sponsored institution of higher learning, political subdivision or governmental entity or instrumentality;

(4) "Alternative delivery health care program", a plan of covered benefits that pays medical expenses through an alternate mechanism rather than on a fee-for-service basis. This includes, but is not limited to, health maintenance organizations and preferred provider organizations, all of which shall include chiropractic physicians licensed under chapter 331, RSMo, in the provider networks or organizations;

(5) "Board", the board of trustees of the Missouri consolidated health care plan;

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

(6) "Claims administrator", an agency contracted to process medical claims submitted from providers or members of the plan and their dependents;

(7) "Coordination of benefits", to work with another group-sponsored health care plan which also covers a member of the plan to ensure that both plans pay their appropriate amount of the health care expenses incurred by the member;

(8) "Covered benefits", a schedule of covered services, including chiropractic services, which are payable under the plan;

(9) "Employee", any person employed full time by the state or a participating member agency, or a person eligible for coverage by a state-sponsored retirement system or a retirement system sponsored by a participating member agency of the plan;

(10) "Evidence of good health", medical information supplied by a potential member of the plan that is reviewed to determine the financial risk the person represents to the plan and the corresponding determination of whether or not he or she should be accepted into the plan;

(11) "Health care plan", any group medical benefit plan providing coverage on an expense-incurred basis, any HMO, any group service or indemnity contract issued by a health plan of any type or description;

(12) "Medical benefits coverages" shall include services provided by chiropractic physicians as well as physicians licensed under chapter 334, RSMo;

(13) "Medical expenses", costs for services performed by a provider and covered under the plan;

(14) "Missouri consolidated health care plan benefit fund account", the benefit trust fund account containing all payroll deductions, payments, and income from all sources for the plan;

(15) "Officer", an elected official of the state of Missouri;

(16) "Participating member agency", a state-sponsored institution of higher learning, political subdivision or governmental entity or instrumentality that has elected to join the plan and has been accepted by the board;

(17) "Plan year", a twelve-month period designated by the board which is used to calculate the annual rate categories and the appropriate coverage;

(18) "Provider", a physician, hospital, pharmacist, psychologist, chiropractic physician or other licensed practitioner who or which provides health care services within the respective scope of practice of such practitioner pursuant to state law and regulation;

(19) "Retiree", a person who is not an employee and is receiving or is entitled to receive an annuity benefit from a state-sponsored retirement system or a retirement system of a participating member agency of the plan or becomes eligible for retirement benefits because of service with a participating member agency[.];

(20) "Small employer", in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least one

but not more than fifty persons during the preceding calendar year and who employs at least one person on the first day of the plan year. A small employer includes a sole proprietor and a partner of a partnership.

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

103.036. The board shall set up and maintain a benefit trust fund account in which shall be placed all payroll deductions, payments, and income from all sources **other than premiums, payments or other income from coverage provided to small employers which shall be maintained in a separate benefit trust fund account.** All property, money, funds, investments, and rights which shall belong to or be available for expenditure or use by the plan shall be dedicated to and held in trust for the members and for the purposes herein set out and no other. The board shall have power, in the name and on behalf of the plan, to purchase, acquire, hold, invest, lend, lease, sell, assign, transfer, and dispose of all property, rights, and securities, and enter into written contracts as may be necessary and proper to carry out its duties.

103.080. 1. The board shall establish a mechanism whereby small employers may be provided coverage under the plan.

2. The board shall have the same authority regarding the administration of coverage provided to small employers as it has with regard to the plan as a whole.

3. Any insurance agent or broker licensed to sell accident and health insurance in this state may be authorized to sell coverage under the plan to small employers. The board shall establish a schedule of commissions to pay for the services of the agent or broker.

Section B. The repeal and reenactment of sections 103.003, 103.005, 103.036 and 103.080 shall become effective on January 1, 2000.

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