FIRST REGULAR SESSION

# SENATE BILL NO. 243

**90TH GENERAL ASSEMBLY**

INTRODUCED BY SENATOR BLAND.

Read 1st time January 11, 1999, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

L0718.01I



## AN ACT

Relating to certain health care benefits with a conditional effective date for certain sections, and submitting said act to the voters of the state for approval or rejection under referendum provisions of the constitution.

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

**Section 1. 1. Sections 1 to 24 of this act may be known and shall be cited as the "Missouri Universal Health Assurance Program".**

**2. The Missouri universal health assurance program is hereby created for the purpose of providing a single, publicly financed statewide insurance program to provide comprehensive coverage for all necessary health care services for all residents of this state. This program shall have as its goals:**

**(1) Control of health care costs;**

**(2) The provision of adequate funding for the state's health care delivery system;**

**(3) Timely access to needed health services of the highest quality for every resident of the state so that individuals, businesses and providers of health care may all benefit.**

**3. As used in sections 1 to 24 of this act, the following terms mean:**

**(1) "Board", the board of governors of the Missouri universal health assurance program;**

**(2) "Eligible person", any person who qualifies for benefits pursuant to section 12 of this act;**

**(3) "Fund", the Missouri health care trust fund;**

**(4) "Participating provider", any person who is authorized to furnish covered services pursuant to the provisions of sections 1 to 24 of this act and pursuant to rules adopted by the board of governors of the Missouri universal health assurance program;**

**(5) "Program", the Missouri universal health assurance program.**

**Section 2. The Missouri universal health assurance program shall be a body corporate and an instrumentality of the state. In the program shall be vested the powers and duties specified in sections 1 to 24 of this act and such other powers as may be necessary or proper to enable it, its officers, employees and agents to carry out the purposes of sections 1 to 24 of this act.**

**Section 3. 1. The director of the department of health shall divide the population of the state into six regional health planning and policy development districts of roughly equal population within the state. An advisory council in each district shall:**

**(1) Assist the board in the development of a comprehensive state health care plan pursuant to section 6 of this act and in the development of budgetary allocations for health care services and of operating policies and procedures for the program;**

**(2) Develop a transportation plan to enable indigents, elderly persons and persons with disabilities to have access to necessary nonemergency health care services.**

**2. Not later than thirty days after the first meeting of the board of governors appointed pursuant to section 4 of this act, the board shall submit to the governor a list of names of qualified persons who reside in each of the six regional health planning and policy development districts. From such list the governor shall appoint to each district, an advisory council composed of the following seven members:**

**(1) One representative of business;**

**(2) One representative of a labor organization;**

**(3) One representative of a political subdivision within the district;**

**(4) One physician;**

**(5) One representative of health care providers who is not a physician;**

**(6) Two representatives of consumers of health care services.**

**3. The terms of the initial appointees to each of the district councils shall be as follows: three shall be appointed for a term of four years and four for a term of two years. Thereafter all terms shall be for a term of four years, but any member appointed to fill a vacancy in an unexpired term shall serve only for the remainder of that term. No member may be appointed to serve more than two consecutive terms.**

**Section 4. 1. The Missouri universal health assurance program shall be administered by a board of governors composed of nineteen members:**

**(1) Ten of whom shall be appointed by the governor with the advice and consent of the senate as follows:**

**(a) One representative of a hospital;**

**(b) One physician;**

**(c) One nurse;**

**(d) One representative of a community health center;**

**(e) One representative of a mental health care provider;**

**(f) One person whose annual income does not exceed the federal poverty level;**

**(g) One person sixty-five years of age or older;**

**(h) One representative of a labor organization;**

**(i) One representative of employers; and**

**(j) One member who is a licensed health care professional other than a physician or a nurse;**

**(2) Six of whom shall represent the regional health planning and policy development districts established pursuant to section 3 of this act, one such member to be selected by each of the district advisory councils; and**

**(3) Three of whom shall be the following ex officio members:**

**(a) The director of the department of health;**

**(b) The director of the department of social services;**

**(c) The director of the department of mental health.**

**2. The terms of the initial members who are appointed pursuant to subdivision (1) of subsection 1 of this section shall be staggered as follows: three shall be appointed for a term of four years, three for a term of three years, and four for a term of two years. The initial terms of the members selected pursuant to subdivision (2) of subsection 1 of this section shall be staggered so that the members selected from even-numbered districts shall serve an initial term of three years and those from odd-numbered districts shall serve four years. Thereafter all terms shall be for a term for four years each, but a member appointed to fill a vacancy in an unexpired term shall serve only for the remainder of that term. No member may be appointed to serve more than two consecutive terms.**

**3. Members of the board shall at all times include:**

**(1) A sufficient representative of racial and ethnic minorities so that the makeup of the board shall accurately reflect the racial and ethnic diversity of the state and of persons eligible for coverage under the program; and**

**(2) At least two members who are defined as disabled pursuant to the Americans with Disabilities Act, P.L. 101-336.**

**4. The board shall elect a chairperson. The chairperson shall select a vice chairperson.**

**5. Meetings shall be called by the chairperson or by any twelve members. The board shall meet at least six times per year. All meetings of the board shall be announced in advance and open to the public, except as provided by chapter 610, RSMo.**

**6. Ten members of the board constitute a quorum, and affirmative vote of ten**

**members shall be necessary for any action to be taken by the board.**

**7. The members of the board shall be reimbursed from the Missouri health care trust fund for mileage and their necessary and actual expenses incurred while engaged in the business of the board.**

**Section 5. 1. The board of governors of the Missouri universal health assurance program shall:**

**(1) Establish budget and policy guidelines for the program through the development of a comprehensive state health care plan pursuant to section 6 of this act;**

**(2) Establish fee schedules using the calendar year 1999 as a base year;**

**(3) Determine aggregate capital expenditures in keeping with the goals established pursuant to subdivision (2) of subsection 1 of section 6 of this act;**

**(4) Approve changes in coverage offered by the program;**

**(5) Administer and implement the program, and administer the Missouri universal health care trust fund created pursuant to section 8 of this act or contract with a not for profit entity for the administration and implementation of the program or the administration of the trust fund, or both;**

**(6) Adopt rules pursuant to chapter 536, RSMo;**

**(7) Monitor the operation of the program;**

**(8) Study means of incorporating institutional long-term care benefits into the program and study immigration into the state for the purpose of receiving health care services under the program and report on the progress of such studies to the speaker of the house of representatives, the president pro tempore of the senate and the governor;**

**(9) Report annually to the speaker of the house of representatives, the president pro tempore of the senate and the governor on the program's activities and recommend any changes in insurance and health care laws to improve access to health care for residents of this state;**

**(10) Disseminate, to providers of services and to the public, information concerning the program and the persons eligible to receive the benefits of the program;**

**(11) Conduct necessary investigations and inquiries and compel the submission of information, documents and records the board considers necessary to carry out its duties pursuant to the provisions of sections 1 to 24 of this act;**

**(12) Conduct utilization review of patients and providers to identify abuses of the program;**

**(13) Employ and supervise staff;**

**(14) Conduct other activities it considers necessary to carry out the purposes of sections 1 to 24 of this act;**

**(15) Establish standards and procedures for negotiating and entering into**

**contracts with participating providers;**

**(16) Sue and be sued.**

**2. The board, after providing notice to consumers, providers, the director of the department of health and other interested parties, may hold hearings in connection with any action that it proposed to take pursuant to subsection 1 of this section. Nothing in this section shall be construed as authorizing the board to adopt rules pursuant to subdivision (6) or (15) of subsection 1 of this section, or to conduct evaluations or investigations pursuant to subdivision (11) of subsection 1 of this section without holding public hearings.**

**Section 6. 1. The board, in cooperation with the district advisory councils established pursuant to section 3 of this act, shall develop annually a comprehensive state health care plan. The plan shall include the following:**

**(1) A comprehensive budget for the program within the limits of funds made available through the measures instituted in sections 1 to 24 of this act. The budget shall include specific amounts to be allocated respectively to:**

**(a) The prevention account established pursuant to subsection 1 of section 9 of this act;**

**(b) The health services account established pursuant to subsection 2 of section 9 of this act;**

**(c) The research and development account established pursuant to subsection 3 of section 9 of this act;**

**(d) The state of Missouri for deposit in the health professional education and training fund established pursuant to section 10 of this act; and**

**(e) Administration of the program in an amount not to exceed four percent of the total funds available to the program;**

**(2) Specific goals for the total portion of funds in the health services account to be expended for the capital needs of providers pursuant to section 15 of this act;**

**(3) An evaluation of the health care and mental health needs of each regional health care planning and policy development district and of the state which shall include, but not be limited to, assessments of:**

**(a) Local need for medical technology and other investments in health care equipment and capital improvements;**

**(b) The extent to which state and local efforts to coordinate the activities of the health care delivery system have been effective;**

**(c) Any other unmet local health care or mental health needs;**

**(4) Goals for geographic distribution of health care providers and personnel with strategies for using the authority over reimbursements pursuant to section 15 of this act and resources from the health professional education and training fund**

**established in section 10 of this act to achieve these goals;**

**(5) Quantitative goals for the use of health and mental health services by eligible persons;**

**(6) Specific goals for the physical and mental health status of Missourians and for quality of care rendered pursuant to the program;**

**(7) An evaluation of the adequacy of total funds available to the program. Any recommendation made by the board or staff of the program to the general assembly for increases in either the health premium surcharge enacted in section 17 of this act or the health premium surcharge enacted in section 19 of this act shall:**

**(a) Maintain the relative proportion of funding from these two sources; and**

**(b) Limit, except in emergency situations, growth in total state health care expenditures to no more than two percent above the total percentage increase in the state's gross domestic product for the previous year.**

**2. Prior to promulgation of the comprehensive state health plan the board shall:**

**(1) Appoint a subcommittee composed of medical research experts to make recommendations to the board regarding grants for medical and other health care research and development;**

**(2) Appoint a subcommittee of experts in medical and health care ethics to advise the board on the ethical issues relating to the allocation of health care resources;**

**(3) Instruct each district advisory council to conduct at least one public hearing in its region to gather public comment on the proposed plan. The board shall provide the district advisory councils with staff assistance in the development of such hearings;**

**(4) Hold at least two public hearings to gather public comment on the proposed plan.**

**3. The comprehensive state health plan shall, to the extent practical, seek to assure the most cost-effective delivery of health care by reflecting the following priorities:**

**(1) Quality of care to be achieved through the following:**

**(a) Increased emphasis on primary and preventive services;**

**(b) Accountability of providers to payers and consumers for both the outcomes and consumer acceptability of the care they render;**

**(c) Continuity of care, as embodied in coordination of services to individuals and the community; and**

**(d) Positive efforts to improve and assure high levels of professional competence and expertise among health care providers;**

**(2) Access to care through the equitable distribution of resources within the health care delivery system on the basis of community need;**

**(3) Efficient use of resources through:**

**(a) Elimination of unnecessary administrative and overhead expense;**

**(b) Increased emphasis on innovative and cost-effective modes of care, including, but not limited to:**

**a. Community, nonmedical or in-home services that provide alternatives to institutional long-term care;**

**b. Community health nursing;**

**c. Services provided by nurse practitioners; and**

**d. Psychiatric and other mental health services provided on an outpatient basis.**

**Section 7. 1. The board of governors of the Missouri universal health assurance program shall appoint the executive director of the program.**

**2. The executive director shall serve as secretary to the board and shall perform such duties in the administration of the plan as the board may assign.**

**3. The board may delegate to the executive director any of its functions or duties pursuant to sections 1 to 24 of this act except the issuance of rules and the determination of the program.**

**Section 8. 1. The board shall establish and administer the "Missouri Health Care Trust Fund", in which shall be placed all federal payments received as a result of any waiver of requirements granted by the United States Secretary of Health and Human Services under health care programs established pursuant to Title XVIII and Title XIX of the Social Security Act, as amended, all moneys collected pursuant to sections 17 and 19 of this act, and all moneys appropriated by the general assembly to the program pursuant to sections 1 to 24 of this act. Except as provided in sections 17 and 19 of this act, moneys in the fund shall be used solely to establish and maintain primary community prevention programs, to pay participating providers, to provide grants for medical research and development and to support construction, renovation, equipping of health care institutions in accordance with sections 1 to 24 of this act and rules established by the board of governors of the program and for no other purpose. The board shall have power, in the name and on behalf of the program, to purchase, acquire, hold, invest, lend, lease, sell, assign, transfer and dispose of all property, rights and securities, and enter into written contracts, all as may be necessary or proper to carry out the purposes of sections 1 to 24 of this act.**

**2. All money received by or belonging to the program shall be paid to the executive director and deposited by the executive director to the credit of the plan in one or more banks or trust companies. No such money shall be deposited in or be retained by any bank or trust company which does not have on deposit with and for the board at the time the kind and value of collateral required by sections 30.240 and 30.270, RSMo, for depositaries of the state treasurer. The executive director shall be responsible for all funds, securities and property belonging to the program and shall**

**give such corporate surety bond for the faithful handling of the same as the board shall require.**

**3. Revenues held in the trust fund are not subject to appropriation or allotment by the state or any political subdivision of the state.**

**4. The board of governors shall administer the fund and shall conduct a quarterly review of the expenditures from and revenues received by the fund.**

**5. The board may invest the funds of the program as permitted by law.**

**6. On and after January 1, 2003, the amount of reserves in the fund at any time shall equal at least the amount of expenditures from the fund during the entire three preceding months.**

**Section 9. 1. The "Prevention Account" is hereby created within the Missouri health care trust fund. Moneys in the prevention account shall be used solely to establish and maintain primary community prevention programs, including preventive screening tests. The board of governors of the Missouri universal health assurance program shall administer the prevention account and shall determine the amount to be allocated to it.**

**2. The "Health Services Account" is hereby created within the Missouri health care trust fund. Moneys in the health services account shall be used solely to pay participating providers in accordance with section 15 of this act.**

**3. The "Research and Development Account" is hereby created within the Missouri health care trust fund. Moneys in the research and development account shall be used solely to:**

**(1) Provide grants in aid for medical or other health care research and development; and**

**(2) Provide funding for pilot projects designed to develop innovative and cost-effective means of delivering and coordinating health care services.**

**Section 10. 1. There is hereby created within the state treasury the "Health Professional Education and Training Fund" which shall consist of all moneys received from federal health professional training moneys and any other funds so allocated by the board pursuant to section 6 of this act. Upon appropriation by the general assembly, moneys in the health professional education and training fund shall be used by the board solely to pay for the education and training of health professionals.**

**2. During the five-year period commencing on January first following the effective date of this section, the annual amount of state expenditures for the education and training of health professionals shall not be reduced below the level of such expenditures in calendar year 1999.**

**Section 11. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, the moneys in the health professional education and training fund at the end**

**of any biennium shall not be transferred and placed to the credit of the general revenue fund.**

**Section 12. 1. Every person regardless of preexisting conditions who is a resident of this state is eligible to receive benefits for covered services pursuant to the Missouri universal health assurance program. No person eligible for benefits pursuant to the Missouri universal health assurance program who receives covered services from a participating provider shall be charged an additional amount for such services.**

**2. Persons who are not residents of this state but who work in Missouri and for whom a health premium surcharge is paid, either by such person or by an employer, may receive benefits for himself or herself and his or her dependents pursuant to the Missouri universal health assurance program, if such person also pays the health premium surcharge required in section 19 of this act.**

**3. If a person who is not a resident of the state of Missouri and is not eligible for benefits pursuant to subsection 2 of this section receives medical treatment in Missouri, such person is subordinated to the state of Missouri for reimbursement from a third-party payor for such medical treatment.**

**Section 13. 1. Every person who is eligible to receive benefits under the program pursuant to section 12 of this act is entitled to receive benefits for any covered service furnished within this state by a participating provider, if the service is deemed by the patient and participating provider to be necessary or appropriate for the maintenance of physical and mental health or for the diagnosis or treatment of, or rehabilitation following, injury, disability or disease.**

**2. Covered services include, but are not limited to, all services provided pursuant to section 208.152, RSMo, and those community, nonmedical, or in-home services that provide an alternative to institutional long-term care, except:**

**(1) Surgery for cosmetic purposes other than for reconstructive surgery;**

**(2) Medical examinations conducted and medical reports prepared for either of the following purposes:**

**(a) Purchasing or renewing life insurance; or**

**(b) Participating as a plaintiff or defendant in a civil action for the recovery or settlement of damages;**

**(3) Custodial care rendered in a nursing home. As used in this subdivision "custodial care" means nonmedical services provided in a residential care facility I or residential care facility II as such terms are defined in section 198.006, RSMo;**

**(4) For persons who are not Medicaid eligible, skilled and intermediate nursing home care, to the extent such services are not otherwise allowable pursuant to the Medicare program.**

**Section 14. 1. No participating provider shall refuse to furnish services to an**

**eligible person on the basis of race, color, income level, national origin, religion, sex, sexual orientation or other nonmedical criteria.**

**2. An eligible person may choose any participating provider, including any physician whether practicing on an independent basis, in a small group, or in a capitated practice. An eligible person who enrolls in a capitated practice may choose providers only at stipulated intervals, which may not be more often than once each year.**

**3. The Missouri universal health assurance program shall reimburse participating providers that are located outside this state at reasonable rates for care rendered to Missouri eligible persons who require emergency medical care while outside of this state.**

**4. Every participating provider shall furnish such information as may be reasonably required by the board of governors of the plan for utilization review, for the making of payments and for statistical or other studies of the operation of the program.**

**5. Every participating provider shall permit the board of governors to examine its records as may be necessary for verification of payment.**

**Section 15. 1. The Missouri universal health assurance program shall pay the expenses of institutional providers of inpatient services on the basis of global budgets that are approved by the board of governors of the program. Such global budget shall include necessary construction, renovation or equipment so long as the board has determined that such construction, renovation or equipment will directly enhance public access to quality health care.**

**2. Each institutional provider shall negotiate an annual budget with the program to cover its anticipated services for the next year based on past performance and projected changes in factor prices and services levels, and provide a reasonable margin above operating expenses in order to provide for capital depreciation and other long-term needs of the institution.**

**3. Every physician or other provider employed by a globally budgeted institutional provider shall be paid through and in a manner determined by the institutional provider.**

**4. The program shall reimburse independent providers of health care services on a fee-for-service basis. The program shall annually negotiate the fee schedule with the appropriate professional group. The fee schedule shall be applied to health care services rendered by independent providers throughout the state. The appropriate professional group to negotiate the fee schedule shall be the professional association chosen by election of members of each health care profession. Votes for such elections shall be cast at the same time that license or registration fees are paid to the licensing authority.**

**5. A provider shall not charge rates that are higher than the negotiated reimbursement level. A provider shall not charge separately for covered services pursuant to section 13 of this act.**

**6. A multispecialty organization of providers may elect to be reimbursed on a capitation basis, or by global budget in lieu of the fee for service basis. Payment on a capitation basis does not include services rendered for inpatient services by institutional providers.**

**7. In any instance in which the health care provider or the professional group negotiating for the provider is unable to negotiate an annual budget or a fee schedule with the program, the annual budget or the fee schedule set by the board shall be presumed to be correct and a final administrative decision, which may be appealed in the circuit court of Cole County.**

**Section 16. Insurers, employers and other plans may offer benefits that do not duplicate coverage that is offered by the Missouri universal health assurance program.**

Section A. Sections 1 to 16 of this act shall be effective April first of the year following the notice to the revisor of statutes that a waiver has been obtained from the Secretary of the Department of Health and Human Services by the director of the department of social services based on a request filed pursuant to section 20 of this act.

**Section 17. 1. As used in this section, the term "employer" means every person, partnership, association, corporation, trustee, receiver, the legal representatives of a deceased employer and every other person, including any person or corporation operating a railroad and any public service corporation, the state, county, municipal corporation, township, school or road, drainage, swamp and levee districts, or school boards, board of education, regents, curators, managers or control commission, board or any other political subdivision, corporation, or quasi-corporation, or cities under special charter, or under the commission form of government, using the service of another for pay in this state.**

**2. Every employer shall pay a health premium surcharge calculated as a percentage of the total amount such employer paid in wages to all persons providing services for pay to such employer. The percentage paid by the employer shall be based on the employer's number of employees and shall be as follows:**

**(1) For employers with fewer than five employees, five percent;**

**(2) For employers with more than four and fewer than fifty employees, six percent;**

**(3) For employers with more than forty-nine and fewer than one hundred employees, eight percent;**

**(4) For employers with more than ninety-nine and fewer than two hundred and fifty employees, nine percent;**

**(5) For employers with more than two hundred and forty-nine and fewer than five hundred employees, ten percent;**

**(6) For employers with more than four hundred and ninety-nine employees, twelve percent.**

**3. The health insurance premium surcharge required by this section to be paid by employers shall be paid to the department of revenue for deposit by the director of the department into the Missouri health care trust fund established pursuant to section 8 of this act. Such health insurance premium surcharge shall be paid at the same time that the employer is required to file a withholding return with the department of revenue pursuant to sections 143.191 to 143.265, RSMo. Any amounts withheld pursuant to this section which exceed the liability pursuant to this section shall be refunded to the employer on whose account it was withheld. The director of revenue shall order the board of governors of the Missouri universal health assurance program to refund such amounts out of the Missouri health care trust fund.**

**4. Self-employed persons or independent contractors shall make estimated quarterly payments of a health premium surcharge equal to five percent of such person's income which is subject to federal self-employment tax. Such premiums shall be paid to the department of revenue for deposit into the Missouri health care trust fund.**

**5. The director of the department of revenue shall provide forms and may promulgate rules and regulations to implement the provisions of this section.**

**6. The provisions of this section are effective for all tax years beginning on or after January first of the year following the receipt of notice by the revisor of statutes that the waivers requested pursuant to section 20 of this act have been received.**

**7. Any employer which has a contract with an insurer, health services corporation or health maintenance organization to provide health care services or benefits for its employees, which is in effect on the effective date of this section, shall be entitled to an income tax credit against taxes otherwise due pursuant to the provisions of chapter 143, RSMo, other than the taxes withheld pursuant to sections 143.191 to 143.265, RSMo, in an amount equal to the health premium surcharge due pursuant to this section.**

**Section 18. 1. Any insurer, health services corporation or health maintenance organization which provides health care services or benefits under a contract with an employer which is in effect on the effective date of section 17 of this act shall pay to the Missouri health care trust fund an amount equal to the health premium surcharge which would have been paid by the employer if the contract with the insurer, health services corporation or health maintenance organization were not in effect.**

**2. For purposes of this section, the term "insurer" includes union health and**

**welfare funds and self-insured employers.**

**Section 19. 1. For all tax years beginning on or after January first of the year following the receipt of notice by the revisor of statutes that the waivers requested pursuant to section 20 of this act have been received, there is hereby imposed in addition to the state income tax imposed pursuant to chapter 143, RSMo, an additional health premium surcharge on the Missouri adjusted gross income, as such term is defined in chapter 143, RSMo. Such health premium surcharge shall be imposed on the Missouri adjusted gross income of resident individuals as follows:**

| If the Missouri adjusted gross income is: | The surcharge is: |
|---|---|
| Not over $5,000 | 0% |
| Over $5,000 but not over $25,000 | 1.2% of Missouri adjusted gross income |
| Over $25,000 but not over $50,000 | $150.00 plus 1.8% of Missouri adjusted gross income which exceeds $25,000 |
| Over $50,000 but not over $75,000 | $450.00 plus 2.7% of Missouri adjusted gross income which exceeds $50,000 |
| Over $75,000 but not over $100,000 | $900.00 plus 3.15% of Missouri adjusted gross income which exceeds $75,000 |
| Over $100,000 | $1,425.00 plus 3.6% of Missouri adjusted gross income which exceeds $100,000. |

**2. The surcharge imposed pursuant to this section shall be collected in the same manner and at the same times as resident individual income tax is collected pursuant to chapter 143, RSMo, and shall be deposited in the Missouri health care trust fund established pursuant to section 8 of this act. All applicable provisions relating to withholding shall apply to the surcharge imposed by this section. Any amounts withheld pursuant to this section which exceed the liability pursuant to this section shall be refunded to the person on whose account it was withheld. The director of revenue shall order the board of governors of the Missouri universal health assurance program to refund such amounts out of the Missouri health care trust fund.**

**3. An employer may agree to pay all or part of the employee's surcharge imposed by the provisions of this section. Such payment shall not be considered income for Missouri income tax purposes.**

**4. The director of the department of revenue shall provide forms and shall promulgate rules and regulations necessary to implement the provisions of this section.**

**Section 20. Not later than thirty days after the effective date of this section, the department of social services shall do both of the following:**

**(1) Apply to the United States Secretary of Health and Human Services for all waivers of requirement under health care programs established pursuant to Title XVIII and Title XIX of the Social Security Act, as amended, that are necessary to enable this state to deposit all federal payments under such programs in the state treasury to the credit of the Missouri health care trust fund created in section 8 of this act;**

**(2) Identify any other federal programs that provide federal funds for payment of health care services to individuals. The department shall comply with any requirements under those programs and apply for any waivers of those requirements that are necessary to enable this state to deposit such federal funds to the credit of the Missouri health care trust fund.**

**Section 21. Not later than thirty days after the effective date of this section, the governor shall make the initial appointments to the board of governors of the Missouri universal health assurance program pursuant to section 4 of this act.**

**Section 22. The board of governors of the Missouri universal health assurance program shall request that the program established pursuant to the provisions of sections 1 to 22 of this act be approved for federal employees and retirees while they are residents of the state of Missouri.**

**Section 23. 1. For the five consecutive tax years beginning on or after January first of the first year following the receipt of notice by the revisor of statutes that the waivers requested pursuant to section 20 of this act have been received, any employer who employs twenty-five or fewer workers shall be allowed a credit against the tax otherwise due pursuant to sections 143.011 to 143.996, RSMo, other than the taxes withheld pursuant to sections 143.191 to 143.265, RSMo, in an amount equal to twenty-five dollars each month for each full-time employee for the first year of such tax credit, twenty dollars each month for each full-time employee for the second year of such tax credit, fifteen dollars each month for each full-time employee for the third year of such tax credit, ten dollars each month for each full-time employee for the fourth year of such tax credit, five dollars each month for each full-time employee for the fifth year of such tax credit, and a proration thereof for each part-time employee. For purposes of this section, a self-employed person shall be deemed an employee and shall be eligible for the credit prescribed in this section.**

**2. The tax credit allowed by this section shall be claimed by the taxpayer at the time he or she files his or her return and shall be applied against the income tax liability imposed by chapter 143, RSMo, after all other credits provided by law have been applied. The amount of the tax credit claimed in any taxable year pursuant to this section shall not exceed the employer's tax liability pursuant to chapter 143, RSMo, in that taxable year.**

**3. As used in this section, a "full-time employee" is an employee who works for the employer for forty hours or more each week.**

**Section 24. Within thirty days of the effective date of sections 1 to 16 of this act, the director of the department of insurance shall cause the rates of workers' compensation insurance to reflect a reduction of the employer's liability for medical expenses compensable pursuant to chapter 287, RSMo.**



Section B. This act is hereby submitted to the qualified voters of this state for approval or rejection at the general election which shall be held on Tuesday next following the first Monday in November, 2000, pursuant to the laws and constitutional provisions of this state applicable to general elections and the submission of referendum measures by initiative petitions, and it shall become effective when approved by a majority of the votes cast thereon at such election and not otherwise.