

FIRST REGULAR SESSION

# SENATE BILL NO. 517

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR BLAND.

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

TERRY L. SPIELER, Secretary.

S2196.011

## AN ACT

To repeal sections 354.430 and 354.535, RSMo Supp. 1998, relating to health maintenance organizations, and to enact in lieu thereof two new sections relating to the same subject.

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

Section A. Sections 354.430 and 354.535, RSMo Supp. 1998, are repealed and two new sections enacted in lieu thereof, to be known as sections 354.430 and 354.535, to read as follows:

354.430. 1. Every enrollee residing in this state is entitled to evidence of coverage. If the enrollee obtains coverage through an insurance policy or a contract issued by a health services corporation, whether by option or otherwise, the insurer or the health services corporation shall issue the evidence of coverage. Otherwise the health maintenance organization shall issue the evidence of coverage.

2. No evidence of coverage, or amendment thereto, shall be issued or delivered to any person in this state until a copy of the form of the evidence of coverage, or amendment thereto, has been filed with the director.

3. An evidence of coverage shall contain:

(1) No provisions or statements which are unjust, unfair, inequitable, misleading, or deceptive, or which encourage misrepresentation, or which are untrue, misleading, or deceptive as defined in subsection 1 of section 354.460; [and]

(2) A clear and complete statement, if a contract, or a reasonably complete summary, if a certificate, of:

(a) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled;

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

(b) Any limitations on the services, kind of services, benefits or kinds of benefits to be provided, including any deductible or co-payment feature;

(c) Where and in what manner information is available as to how services may be obtained;

(d) The total amount of payment for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts; and

(e) A clear and understandable description of the health maintenance organization's method for resolving enrollee complaints, including the health maintenance organization's toll-free customer service number and the department of insurance's consumer complaint hot line number;  
**and**

**(3) No provisions which allow the health maintenance organization to change the coinsurance, co-payment, or deductible terms an enrollee must pay for prescriptions drugs during any policy or contract period.**

4. Any subsequent change in an evidence of coverage may be made in a separate document issued to the enrollee.

5. A copy of the form of the evidence of coverage to be used in this state, and any amendment thereto, shall be subject to the filing of subsection 2 of this section unless it is subject to the jurisdiction of the director under the laws governing health insurance or health services corporations, in which event the filing provisions of those laws shall apply.

354.535. 1. If a pharmacy, operated by or contracted with by a health maintenance organization, is closed or is unable to provide health care services to an enrollee in an emergency, a pharmacist may take an assignment of such enrollee's right to reimbursement, if the policy or contract provides for such reimbursement, for those goods or services provided to an enrollee of a health maintenance organization. No health maintenance organization shall refuse to pay the pharmacist any payment due the enrollee under the terms of the policy or contract.

2. No health maintenance organization, conducting business in the state of Missouri, shall contract with a pharmacy, pharmacy distributor or wholesale drug distributor, nonresident or otherwise, unless such pharmacy or distributor has been granted a permit or license from the Missouri board of pharmacy to operate in this state.

3. Every health maintenance organization shall apply the same coinsurance, co-payment and deductible factors to all drug prescriptions filled by a pharmacy provider who participates in the health maintenance organization's network if the provider meets the contract's explicit product cost determination. If any such contract is rejected by any pharmacy provider, the health maintenance organization may offer other contracts necessary to comply with any network adequacy provisions of this [act] **chapter**. However, nothing in this section shall be construed to prohibit the health maintenance organization from applying different coinsurance, co-payment and deductible factors between generic and brand name drugs.

**4. Health maintenance organizations shall not change the coinsurance, co-payment or deductible terms for prescription drugs an enrollee must pay during the policy or contract period.**

5. Health maintenance organizations shall not set a limit on the quantity of drugs which an enrollee may obtain at any one time with a prescription, unless such limit is applied uniformly to all pharmacy providers in the health maintenance organization's network.

[5.] **6.** Health maintenance organizations shall not insist or mandate any physician or other licensed health care practitioner to change an enrollee's maintenance drug unless the provider and enrollee agree to such change. For the purposes of this provision, a maintenance drug shall mean a drug prescribed by a practitioner who is licensed to prescribe drugs, used to treat a medical condition for a period greater than thirty days. Violations of this provision shall be subject to the penalties provided in section 354.444. Notwithstanding other provisions of law to the contrary, health maintenance organizations that change an enrollee's maintenance drug without the consent of the provider and enrollee shall be liable for any damages resulting from such change. Nothing in this subsection, however, shall apply to the dispensing of generically equivalent products for prescribed brand name maintenance drugs as set forth in section 338.056, RSMo.

Bill ✓

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