

FIRST REGULAR SESSION

# HOUSE BILL NO. 471

## 98TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE CONWAY (104).

0969H.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal section 208.166, RSMo, and to enact in lieu thereof one new section relating to managed care organizations.

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

Section A. Section 208.166, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 208.166, to read as follows:

208.166. 1. As used in this section, the following terms mean:

- 2 (1) "Department", the Missouri department of social services;
- 3 (2) "Prepaid capitated", a mode of payment by which the department periodically  
4 reimburse a contracted health provider plan or primary care physician sponsor for delivering  
5 health care services for the duration of a contract to a maximum specified number of members  
6 based on a fixed rate per member, notwithstanding:
  - 7 (a) The actual number of members who receive care from the provider; or
  - 8 (b) The amount of health care services provided to any members;
- 9 (3) "Primary care case-management", a mode of payment by which the department  
10 reimburses a contracted primary care physician sponsor on a fee-for-service schedule plus a  
11 monthly fee to manage each recipient's case;
- 12 (4) "Primary care physician sponsor", a physician licensed pursuant to chapter 334 who  
13 is a family practitioner, general practitioner, pediatrician, general internist or an obstetrician or  
14 gynecologist;
- 15 (5) "Specialty physician services arrangement", an arrangement where the department  
16 may restrict recipients of specialty services to designated providers of such services, even in the  
17 absence of a primary care case-management system.

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18           2. The department or its designated division shall maximize the use of prepaid health  
19 plans, where appropriate, and other alternative service delivery and reimbursement  
20 methodologies, including, but not limited to, individual primary care physician sponsors or  
21 specialty physician services arrangements, designed to facilitate the cost-effective purchase of  
22 comprehensive health care.

23           3. In order to provide comprehensive health care, the department or its designated  
24 division shall have authority to:

25           (1) Purchase medical services for recipients of public assistance from prepaid health  
26 plans, health maintenance organizations, health insuring organizations, preferred provider  
27 organizations, individual practice associations, local health units, community health centers, or  
28 primary care physician sponsors;

29           (2) Reimburse those health care plans or primary care physicians' sponsors who enter  
30 into direct contract with the department on a prepaid capitated or primary care case-management  
31 basis on the following conditions:

32           (a) That the department or its designated division shall ensure, whenever possible and  
33 consistent with quality of care and cost factors, that publicly supported neighborhood and  
34 community-supported health clinics shall be utilized as providers;

35           (b) That the department or its designated division shall ensure reasonable access to  
36 medical services in geographic areas where managed or coordinated care programs are initiated;  
37 and

38           (c) That the department shall ensure full freedom of choice for prescription drugs at any  
39 Medicaid participating pharmacy;

40           (3) Limit providers of medical assistance benefits to those who demonstrate efficient and  
41 economic service delivery for the level of service they deliver, and provided that such limitation  
42 shall not limit recipients from reasonable access to such levels of service;

43           (4) Provide recipients of public assistance with alternative services as provided for in  
44 state law, subject to appropriation by the general assembly;

45           (5) Designate providers of medical assistance benefits to assure specifically defined  
46 medical assistance benefits at a reduced cost to the state, to assure reasonable access to all levels  
47 of health services and to assure maximization of federal financial participation in the delivery  
48 of health related services to Missouri citizens; provided, all qualified providers that deliver such  
49 specifically defined services shall be afforded an opportunity to compete to meet reasonable state  
50 criteria and to be so designated;

51           (6) Upon mutual agreement with any entity of local government, to elect to use local  
52 government funds as the matching share for Title XIX payments, as allowed by federal law or  
53 regulation;

54 (7) To elect not to offset local government contributions from the allowable costs under  
55 the Title XIX program, unless prohibited by federal law and regulation.

56 4. Nothing in this section shall be construed to authorize the department or its designated  
57 division to limit the recipient's freedom of selection among health care plans or primary care  
58 physician sponsors, as authorized in this section, who have entered into contract with the  
59 department or its designated division to provide a comprehensive range of health care services  
60 on a prepaid capitated or primary care case-management basis, except in those instances of  
61 overutilization of [Medicaid] MO HealthNet services by the recipient.

62 **5. The department of social services shall provide an additional payment for low**  
63 **birth weight babies to managed care organizations that provide MO HealthNet services**  
64 **under a contract with the department. For purposes of this section, the term “low birth**  
65 **weight babies” shall mean resident infants born alive and weighing under two thousand**  
66 **five hundred grams but more than one thousand five hundred grams. The department**  
67 **shall promulgate rules and regulations to determine the amount of such payment based**  
68 **upon actuarially sound principles which shall be budget neutral to the MO HealthNet**  
69 **managed care program. Any rule or portion of a rule, as that term is defined in section**  
70 **536.010, that is created under the authority delegated in this section shall become effective**  
71 **only if it complies with and is subject to all of the provisions of chapter 536 and, if**  
72 **applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of**  
73 **the powers vested with the general assembly pursuant to chapter 536 to review, to delay**  
74 **the effective date, or to disapprove and annul a rule are subsequently held**  
75 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**  
76 **after August 28, 2015, shall be invalid and void.**

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