

SECOND REGULAR SESSION

HOUSE BILL NO. 2179

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES LeBLANC (Sponsor), CURLS, McDONALD, SCAVUZZO, BROWN (50), SKAGGS, BURNETT, WEBB, JONES (63), MORRIS, CALLOWAY, WALTON GRAY, PACE, CARTER, TALBOY, BIERMANN, AULL, KIRKTON, RUCKER, SCHIEFFER, COLONA, HOLSMAN, NASHEED, McNARY AND KUESSNER (Co-sponsors).

4432L.03I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 376.986, RSMo, and to enact in lieu thereof one new section relating to the state health insurance pool.

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

Section A. Section 376.986, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 376.986, to read as follows:

- 376.986. 1. The pool shall offer major medical expense coverage to every person eligible for coverage under section 376.966. The coverage to be issued by the pool and its schedule of benefits, exclusions and other limitations, shall be established by the board with the advice and recommendations of the pool members, and such plan of pool coverage shall be submitted to the director for approval. The pool shall also offer coverage for drugs and supplies requiring a medical prescription and coverage for patient education services, to be provided at the direction of a physician, encompassing the provision of information, therapy, programs, or other services on an inpatient or outpatient basis, designed to restrict, control, or otherwise cause remission of the covered condition, illness or defect.
2. In establishing the pool coverage the board shall take into consideration the levels of health insurance provided in this state and medical economic factors as may be deemed appropriate, and shall promulgate benefit levels, deductibles, coinsurance factors, exclusions and limitations determined to be generally reflective of and commensurate with health insurance provided through a representative number of insurers in this state.

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.

15 3. The pool shall establish premium rates for pool coverage as provided in subsection
16 4 of this section. Separate schedules of premium rates based on age, sex and geographical
17 location may apply for individual risks. Premium rates and schedules shall be submitted to the
18 director for approval prior to use.

19 4. The pool, with the assistance of the director, shall determine the standard risk rate by
20 considering the premium rates charged by other insurers offering health insurance coverage to
21 individuals. The standard risk rate shall be established using reasonable actuarial techniques and
22 shall reflect anticipated experience and expenses for such coverage. Initial rates for pool
23 coverage shall not be less than one hundred twenty-five percent of rates established as applicable
24 for individual standard risks. Subject to the limits provided in this subsection, subsequent rates
25 shall be established to provide fully for the expected costs of claims including recovery of prior
26 losses, expenses of operation, investment income of claim reserves, and any other cost factors
27 subject to the limitations described herein. In no event shall pool rates exceed the following:

28 (1) For federally defined eligible individuals and trade act eligible individuals, rates shall
29 be equal to the percent of rates applicable to individual standard risks actuarially determined to
30 be sufficient to recover the sum of the cost of benefits paid under the pool for federally defined
31 and trade act eligible individuals plus the proportion of the pool's administrative expense
32 applicable to federally defined and trade act eligible individuals enrolled for pool coverage,
33 provided that such rates shall not exceed one hundred fifty percent of rates applicable to
34 individual standard risks; and

35 (2) For all other individuals covered under the pool, one hundred fifty percent of rates
36 applicable to individual standard risks.

37 5. Pool coverage established pursuant to this section shall provide an appropriate high
38 and low deductible to be selected by the pool applicant. The deductibles and coinsurance factors
39 may be adjusted annually in accordance with the medical component of the consumer price
40 index.

41 6. Pool coverage shall exclude charges or expenses incurred during the first twelve
42 months following the effective date of coverage as to any condition for which medical advice,
43 care or treatment was recommended or received as to such condition during the six-month period
44 immediately preceding the effective date of coverage. Such preexisting condition exclusions
45 shall be waived to the extent to which similar exclusions, if any, have been satisfied under any
46 prior health insurance coverage which was involuntarily terminated, if application for pool
47 coverage is made not later than sixty-three days following such involuntary termination and, in
48 such case, coverage in the pool shall be effective from the date on which such prior coverage was
49 terminated.

50 7. No preexisting condition exclusion shall be applied to the following:

51 (1) A federally defined eligible individual who has not experienced a significant gap in
52 coverage; or

53 (2) A trade act eligible individual who maintained creditable health insurance coverage
54 for an aggregate period of three months prior to loss of employment and who has not experienced
55 a significant gap in coverage since that time.

56 8. Benefits otherwise payable under pool coverage shall be reduced by all amounts paid
57 or payable through any other health insurance, or insurance arrangement, and by all hospital and
58 medical expense benefits paid or payable under any workers' compensation coverage, automobile
59 medical payment or liability insurance whether provided on the basis of fault or nonfault, and
60 by any hospital or medical benefits paid or payable under or provided pursuant to any state or
61 federal law or program except Medicaid. The insurer or the pool shall have a cause of action
62 against an eligible person for the recovery of the amount of benefits paid which are not for
63 covered expenses. Benefits due from the pool may be reduced or refused as a setoff against any
64 amount recoverable under this subsection.

65 9. Medical expenses shall include expenses for comparable benefits for those who rely
66 solely on spiritual means through prayer for healing.

67 **10. Subject to appropriations, the pool shall establish a premium assistance**
68 **program for individuals and their families. Under the program:**

69 (1) **An individual shall be eligible for premium assistance:**

70 (a) **If the individual qualifies for pool coverage under section 376.966 and the**
71 **individual's income does not exceed the income eligibility level established under**
72 **subdivision (3) of this subsection for the premium assistance program; or**

73 (b) **If the individual does not qualify for pool coverage under section 376.966, but**
74 **the premium rate for such individual for a policy comparable to the policies offered under**
75 **the pool would exceed twenty percent of such individual's take-home pay. For purposes**
76 **of this paragraph, "take-home pay" means the individual's gross income less any federal,**
77 **state, and local taxes, deductions, or other subtractions;**

78 (2) **Premium assistance shall be available for an individual who is employed if such**
79 **individual's employer or the individual, or both, contribute their respective shares of the**
80 **required premium. If the employer of an individual does not participate, the individual,**
81 **or such employed individual and such individual's spouse, may directly enroll in the**
82 **premium assistance program. Any moneys awarded to the pool through a grant or from**
83 **a federal agency for the purpose of premium assistance shall be used through the pool's**
84 **premium assistance program;**

85 **(3) Premium assistance shall be provided based on sliding income scale to be**
86 **established by the pool; except that, any person with an income exceeding four hundred**
87 **percent of the federal poverty level shall be ineligible for the premium assistance program;**

88 **(4) All policies under the premium assistance program shall include wellness**
89 **benefits and shall not be subject to any preexisting condition exclusion;**

90 **(5) Any cost-sharing requirements, such as deductibles, co-payments, or co-**
91 **insurance, shall be established by the pool.**

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