

SS SB 464 -- HEALTH INSURANCE EXCHANGE

SPONSOR: Schaaf (Burlison)

COMMITTEE ACTION: Voted "do pass" by the Committee on Health Insurance by a vote of 7 to 3.

This substitute specifies that no state-based health benefit exchange may be established, created, or operated within this state unless the authority is enacted by legislation, initiative petition, or referendum. A state-based health insurance exchange cannot be established by an executive order issued by the Governor.

No department, agency, instrumentality, or political subdivision of the state can establish or change any program or promulgate any rule, policy, guideline, or plan to establish, create, administer, or otherwise operate a state-based health insurance exchange unless the entity has received specified statutory authority to do so and from performing one or more of the responsibilities of a state-based health insurance exchange unless authorized by law.

No department, agency, instrumentality, or political subdivision of this state can apply for, accept, or expend federal moneys related to the creation, implementation, or operation of a state-based health insurance exchange or a federally-facilitated health benefit exchange unless the acceptance or expenditure is authorized by law.

No department, agency, instrumentality, political subdivision, public officer, or employee of the state can enter into any agreement or any obligation to establish, administer, or operate a federally-facilitated health benefit exchange unless the acceptance or expenditure is authorized by law. No department, agency, instrumentality, political subdivision, public officer, or state employee can provide assistance or resources of any kind to any department, agency, public official, employee, or agent of the federal government relating to the creation or operation of a federally-facilitated health benefit exchange unless the assistance or resources are authorized by state law or the assistance is specifically required by federal law.

The substitute specifies that any taxpayer or member of the General Assembly must have legal standing to bring suit against the State of Missouri or any official, department, division, agency, or political subdivision of this state which is in violation of these provisions in any court with jurisdiction to enforce these provisions. The court must award attorney fees, court costs, and reasonable expenses to a taxpayer or legislator

if the court finds that these provisions have been violated. In no case can the award of attorney fees, court costs, or reasonable expenses be paid from the Legal Defense Fund or can any department, division, agency, or political subdivision of this state request, or be granted, additional appropriations in order to satisfy an award.

The substitute contains a referendum clause and will be submitted to qualified voters in November 2012.

FISCAL NOTE: Estimated Net Effect on General Revenue Fund of an income of \$0 or a cost of More than \$7,000,000 in FY 2013, an income of \$0 in FY 2014, and an income of \$0 in FY 2015. No impact on Other State Funds in FY 2013, FY 2014, and FY 2015.

PROPOSERS: Supporters say that the bill is not about whether we should or shouldn't create an exchange. People should decide whether or not they want to revise the policies that currently take place to change the fundamentals of how people buy health insurance. The bill is good public policy.

Testifying for the bill were Senator Schaaf; and United for Missouri.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that an exchange does make it easier to be competitive in the insurance market and to be more transparent. If the bill passes, the state will be prohibited from a state-based exchange which means that if no action is taken by January 1, 2013, the state will be forced to have a federal exchange without any input.

Testifying on the bill was Dr. Sidney Watson, St. Louis University.