

HCS HB 608 -- MO HEALTHNET ELECTRONIC BENEFIT TRANSFER PAYMENT SYSTEM

SPONSOR: Frederick

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Health Care Policy by a vote of 11 to 0.

Beginning July 1, 2014, subject to appropriations and subject to receipt of waivers from the Department of Health and Human Services, this substitute requires the MO HealthNet Division within the Department of Social Services to establish a pilot program implementing an electronic benefit transfer (EBT) payment system for the receipt of MO HealthNet services by participating recipients.

The system must:

- (1) Allow participating recipients to receive MO HealthNet services from providers they select through direct pay to the provider, a health insurance plan, a managed care plan, a health services plan, a health savings account, or any other available health care product approved by the division;
- (2) Require recipients to use EBT cards to pay for MO HealthNet services;
- (3) Require recipients to receive minimum health care services each year as determined by the department, such as annual exams, preventative health care screenings, dental care, and eye care;
- (4) Provide educational opportunities for recipients relating to budgeting, planning, and appropriate use of health care options;
- (5) Provide incentives to encourage recipients to seek health care services on an as-needed basis while retaining a portion of any savings achieved from efficient use of their EBT cards;
- (6) Provide additional assistance to recipients for health savings accounts, payment of health insurance premiums, and other health-related costs not covered under the MO HealthNet Program;
- (7) Provide reimbursement of all willing providers at a rate of 100% of the Medicare reimbursement rate for the same or similar services provided; and
- (8) Provide demographic and cost efficiency information to determine the feasibility of a statewide implementation of the EBT payment system.

The Department of Social Services must seek all waivers from the Department of Health and Human Services necessary to implement these provisions. If the waivers are not granted, the Department of Social Services cannot be required to implement these provisions.

The substitute also:

(1) Requires the division to establish at least three, but not more than six, pilot project areas within Missouri that must include at least 10% of the total MO HealthNet recipient population in the first two years of the pilot project. In the third year, the division may increase the total number of pilot project areas to up to 10 areas and the number of participants must increase to at least 20% of the total recipient population;

(2) Requires the EBT payment system to apply to every MO HealthNet recipient if the pilot project is automatically implemented on a statewide basis;

(3) Requires the demographics of the pilot project population to reflect the current percentages of recipients in the MO HealthNet Program population regarding age, gender, socioeconomic status, healthy versus chronically ill populations, urban versus rural populations, and other demographics as determined by the division. These provisions cannot be construed as requiring the division to obtain the exact and precise demographics of the current recipient population in the pilot project or to include or exclude recipients based solely on the pilot project's demographic requirements;

(4) Requires the division to compile and include a summary of the demographic information for the pilot project and the current MO HealthNet Program in all required reports to the General Assembly and the Governor;

(5) Requires the division to permit MO HealthNet recipients in the pilot project areas to volunteer to participate in the pilot project. In order to obtain the necessary demographics of the pilot program, the division may require all or a portion of the recipients in a pilot program area to participate;

(6) Requires any willing provider for the pilot project to be reimbursed for services to pilot project recipients at a rate of 100% of the Medicare reimbursement rate for the same or similar provided services;

(7) Requires the division to determine the amount credited to each EBT card for each recipient by assessing the estimated health care

costs for services required and the method selected for delivery of the services, as well as:

(a) For current recipients, his or her prior history of health care usage, and

(b) For new recipients, any available information obtained in the application process regarding the recipient's medical history, lifestyle choices, age, preexisting conditions, and any other relevant factors as determined by the division by rule;

(8) Prohibits the reimbursement of participating recipients for health care services necessitated as a direct result of alcohol, tobacco, or illegal drug use;

(9) Requires participating recipients to be permitted to designate a third party to act on behalf of the participating recipient in the case of incapacity, incompetence, or other physical or mental condition as determined by rule of the division which necessitates a designee to act on behalf of the participating recipient. In the event a designee is not selected, the division must act on behalf of the recipient;

(10) Requires participating providers to swipe a recipient's EBT card for every visit or service received regardless of the balance on the EBT card; requires the division to maintain a record of every visit or service received by a recipient, regardless of whether payment was obtained from the recipient's EBT card; requires participating recipients to permit, and if required sign a waiver for, disclosure of the information; and limits the disclosure to the name of the provider, the date, and the general nature of the visit or service;

(11) Requires any balance remaining on a recipient's EBT card at the end of the benefit year to be apportioned to the recipient if he or she receives the mandated health services or to the division if the recipient did not receive the mandated health services;

(12) Limits the amount a recipient may receive at the end of the benefit year to up to 25% of the total amount credited to the EBT at the beginning of the benefit year;

(13) Requires the division to prepare and submit the following reports to the General Assembly and the Governor:

(a) Beginning with the first calendar quarter of the pilot project and continuing until the termination of the project, a report detailing the number of participants, amount of MO HealthNet moneys allocated to the project, provider participation, and any

information relating to recipient usage; and

(b) By September 1 of each year, an annual report detailing the demographics, provider participation, recipient participation, costs of the pilot project, recommendations of the division concerning the feasibility of statewide implementation, and any additional relevant information;

(14) Prohibits the disclosure, use, or sale of any information provided to or obtained by a provider, business, or vendor under the pilot project unless disclosure is expressly authorized under the program or pursuant to a court order. A violation of this provision is a class A misdemeanor;

(15) Creates the MO HealthNet EBT Payment System Fund that will consist of moneys from EBT remaining balance funds not allocated to the recipient and moneys collected by the department from outside sources, including foundations, corporations, and federal and other governmental funding programs. The division must seek technical assistance from foundations and other nongovernmental resources to search and apply for available grant and funding opportunities. The moneys are to be used to provide pilot project recipients with additional benefits for health services costs incurred due to unanticipated health conditions as determined by rule by the department and additional assistance for health savings accounts, health insurance premiums, and other health-related costs not covered under the MO HealthNet Program; and

(16) Requires the pilot project to automatically be implemented on a statewide basis beginning July 1, 2017, unless these provisions are repealed by an act of the General Assembly.

PROPOSERS: Supporters say that the current Medicaid Program is not ideal and before expanding Medicaid coverage Missouri should fix and improve the program. The bill makes Medicaid payments analogous to EBT payments and allows the recipient to keep 25% of any leftover money at the end of the year to use on future health care purchases. The bill requires health care provider reimbursement to be identical to Medicare reimbursement rates. The bill requires the recipient to schedule and attend one appointment with a primary care provider to receive benefits.

Testifying for the bill was Representative Frederick.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that the bill is a unique idea and it has potential to fix some problems with the Medicaid system. The emphasis on health care costs is a good idea

and will help increase health literacy. Studies show that increasing participation by a recipient and putting some responsibility on a recipient can help to produce better health outcomes and decrease health care costs.

Testifying on the bill was Missouri Foundation for Health; Missouri State Medical Association; Missouri Ambulatory Surgery Center Association; and Missouri Society of Anesthesiologists.