

FIRST REGULAR SESSION

[CORRECTED]

[PERFECTED]

HOUSE BILL NO. 589

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HOUGH.

1393H.01P

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 208.152, RSMo, and to enact in lieu thereof one new section relating to the MO HealthNet program.

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

Section A. Section 208.152, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 208.152, to read as follows:

208.152. 1. MO HealthNet payments shall be made on behalf of those eligible needy persons as defined in section 208.151 who are unable to provide for it in whole or in part, with any payments to be made on the basis of the reasonable cost of the care or reasonable charge for the services as defined and determined by the MO HealthNet division, unless otherwise hereinafter provided, for the following:

(1) Inpatient hospital services, except to persons in an institution for mental diseases who are under the age of sixty-five years and over the age of twenty-one years; provided that the MO HealthNet division shall provide through rule and regulation an exception process for coverage of inpatient costs in those cases requiring treatment beyond the seventy-fifth percentile professional activities study (PAS) or the MO HealthNet children's diagnosis length-of-stay schedule; and provided further that the MO HealthNet division shall take into account through its payment system for hospital services the situation of hospitals which serve a disproportionate number of low-income patients;

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.

14 (2) All outpatient hospital services, payments therefor to be in amounts which represent
15 no more than eighty percent of the lesser of reasonable costs or customary charges for such
16 services, determined in accordance with the principles set forth in Title XVIII A and B, Public
17 Law 89-97, 1965 amendments to the federal Social Security Act (42 U.S.C. Section 301, et
18 seq.), but the MO HealthNet division may evaluate outpatient hospital services rendered under
19 this section and deny payment for services which are determined by the MO HealthNet division
20 not to be medically necessary, in accordance with federal law and regulations;

21 (3) Laboratory and X-ray services;

22 (4) Nursing home services for participants, except to persons with more than five
23 hundred thousand dollars equity in their home or except for persons in an institution for mental
24 diseases who are under the age of sixty-five years, when residing in a hospital licensed by the
25 department of health and senior services or a nursing home licensed by the department of health
26 and senior services or appropriate licensing authority of other states or government-owned and
27 -operated institutions which are determined to conform to standards equivalent to licensing
28 requirements in Title XIX of the federal Social Security Act (42 U.S.C. Section 301, et seq.), as
29 amended, for nursing facilities. The MO HealthNet division may recognize through its payment
30 methodology for nursing facilities those nursing facilities which serve a high volume of MO
31 HealthNet patients. The MO HealthNet division when determining the amount of the benefit
32 payments to be made on behalf of persons under the age of twenty-one in a nursing facility may
33 consider nursing facilities furnishing care to persons under the age of twenty-one as a
34 classification separate from other nursing facilities;

35 (5) Nursing home costs for participants receiving benefit payments under subdivision
36 (4) of this subsection for those days, which shall not exceed twelve per any period of six
37 consecutive months, during which the participant is on a temporary leave of absence from the
38 hospital or nursing home, provided that no such participant shall be allowed a temporary leave
39 of absence unless it is specifically provided for in his plan of care. As used in this subdivision,
40 the term "temporary leave of absence" shall include all periods of time during which a participant
41 is away from the hospital or nursing home overnight because he is visiting a friend or relative;

42 (6) Physicians' services, whether furnished in the office, home, hospital, nursing home,
43 or elsewhere;

44 (7) Drugs and medicines when prescribed by a licensed physician, dentist, podiatrist, or
45 an advanced practice registered nurse; except that no payment for drugs and medicines
46 prescribed on and after January 1, 2006, by a licensed physician, dentist, podiatrist, or an
47 advanced practice registered nurse may be made on behalf of any person who qualifies for
48 prescription drug coverage under the provisions of P.L. 108-173;

49 (8) Emergency ambulance services and, effective January 1, 1990, medically necessary
50 transportation to scheduled, physician-prescribed nonelective treatments;

51 (9) Early and periodic screening and diagnosis of individuals who are under the age of
52 twenty-one to ascertain their physical or mental defects, and health care, treatment, and other
53 measures to correct or ameliorate defects and chronic conditions discovered thereby. Such
54 services shall be provided in accordance with the provisions of Section 6403 of P.L. 101-239 and
55 federal regulations promulgated thereunder;

56 (10) Home health care services;

57 (11) Family planning as defined by federal rules and regulations; provided, however, that
58 such family planning services shall not include abortions unless such abortions are certified in
59 writing by a physician to the MO HealthNet agency that, in the physician's professional
60 judgment, the life of the mother would be endangered if the fetus were carried to term;

61 (12) Inpatient psychiatric hospital services for individuals under age twenty-one as
62 defined in Title XIX of the federal Social Security Act (42 U.S.C. Section 1396d, et seq.);

63 (13) Outpatient surgical procedures, including presurgical diagnostic services performed
64 in ambulatory surgical facilities which are licensed by the department of health and senior
65 services of the state of Missouri; except, that such outpatient surgical services shall not include
66 persons who are eligible for coverage under Part B of Title XVIII, Public Law 89-97, 1965
67 amendments to the federal Social Security Act, as amended, if exclusion of such persons is
68 permitted under Title XIX, Public Law 89-97, 1965 amendments to the federal Social Security
69 Act, as amended;

70 (14) Personal care services which are medically oriented tasks having to do with a
71 person's physical requirements, as opposed to housekeeping requirements, which enable a person
72 to be treated by his or her physician on an outpatient rather than on an inpatient or residential
73 basis in a hospital, intermediate care facility, or skilled nursing facility. Personal care services
74 shall be rendered by an individual not a member of the participant's family who is qualified to
75 provide such services where the services are prescribed by a physician in accordance with a plan
76 of treatment and are supervised by a licensed nurse. Persons eligible to receive personal care
77 services shall be those persons who would otherwise require placement in a hospital,
78 intermediate care facility, or skilled nursing facility. Benefits payable for personal care services
79 shall not exceed for any one participant one hundred percent of the average statewide charge for
80 care and treatment in an intermediate care facility for a comparable period of time. Such
81 services, when delivered in a residential care facility or assisted living facility licensed under
82 chapter 198 shall be authorized on a tier level based on the services the resident requires and the
83 frequency of the services. A resident of such facility who qualifies for assistance under section
84 208.030 shall, at a minimum, if prescribed by a physician, qualify for the tier level with the

85 fewest services. The rate paid to providers for each tier of service shall be set subject to
86 appropriations. Subject to appropriations, each resident of such facility who qualifies for
87 assistance under section 208.030 and meets the level of care required in this section shall, at a
88 minimum, if prescribed by a physician, be authorized up to one hour of personal care services
89 per day. Authorized units of personal care services shall not be reduced or tier level lowered
90 unless an order approving such reduction or lowering is obtained from the resident's personal
91 physician. Such authorized units of personal care services or tier level shall be transferred with
92 such resident if he or she transfers to another such facility. Such provision shall terminate upon
93 receipt of relevant waivers from the federal Department of Health and Human Services. If the
94 Centers for Medicare and Medicaid Services determines that such provision does not comply
95 with the state plan, this provision shall be null and void. The MO HealthNet division shall notify
96 the revisor of statutes as to whether the relevant waivers are approved or a determination of
97 noncompliance is made;

98 (15) Mental health services. The state plan for providing medical assistance under Title
99 XIX of the Social Security Act, 42 U.S.C. Section 301, as amended, shall include the following
100 mental health services when such services are provided by community mental health facilities
101 operated by the department of mental health or designated by the department of mental health
102 as a community mental health facility or as an alcohol and drug abuse facility or as a
103 child-serving agency within the comprehensive children's mental health service system
104 established in section 630.097. The department of mental health shall establish by administrative
105 rule the definition and criteria for designation as a community mental health facility and for
106 designation as an alcohol and drug abuse facility. Such mental health services shall include:

107 (a) Outpatient mental health services including preventive, diagnostic, therapeutic,
108 rehabilitative, and palliative interventions rendered to individuals in an individual or group
109 setting by a mental health professional in accordance with a plan of treatment appropriately
110 established, implemented, monitored, and revised under the auspices of a therapeutic team as a
111 part of client services management;

112 (b) Clinic mental health services including preventive, diagnostic, therapeutic,
113 rehabilitative, and palliative interventions rendered to individuals in an individual or group
114 setting by a mental health professional in accordance with a plan of treatment appropriately
115 established, implemented, monitored, and revised under the auspices of a therapeutic team as a
116 part of client services management;

117 (c) Rehabilitative mental health and alcohol and drug abuse services including home and
118 community-based preventive, diagnostic, therapeutic, rehabilitative, and palliative interventions
119 rendered to individuals in an individual or group setting by a mental health or alcohol and drug
120 abuse professional in accordance with a plan of treatment appropriately established,

121 implemented, monitored, and revised under the auspices of a therapeutic team as a part of client
122 services management. As used in this section, mental health professional and alcohol and drug
123 abuse professional shall be defined by the department of mental health pursuant to duly
124 promulgated rules. With respect to services established by this subdivision, the department of
125 social services, MO HealthNet division, shall enter into an agreement with the department of
126 mental health. Matching funds for outpatient mental health services, clinic mental health
127 services, and rehabilitation services for mental health and alcohol and drug abuse shall be
128 certified by the department of mental health to the MO HealthNet division. The agreement shall
129 establish a mechanism for the joint implementation of the provisions of this subdivision. In
130 addition, the agreement shall establish a mechanism by which rates for services may be jointly
131 developed;

132 (16) Such additional services as defined by the MO HealthNet division to be furnished
133 under waivers of federal statutory requirements as provided for and authorized by the federal
134 Social Security Act (42 U.S.C. Section 301, et seq.) subject to appropriation by the general
135 assembly;

136 (17) The services of an advanced practice registered nurse with a collaborative practice
137 agreement to the extent that such services are provided in accordance with chapters 334 and 335,
138 and regulations promulgated thereunder;

139 (18) Nursing home costs for participants receiving benefit payments under subdivision
140 (4) of this subsection to reserve a bed for the participant in the nursing home during the time that
141 the participant is absent due to admission to a hospital for services which cannot be performed
142 on an outpatient basis, subject to the provisions of this subdivision:

143 (a) The provisions of this subdivision shall apply only if:

144 a. The occupancy rate of the nursing home is at or above ninety-seven percent of MO
145 HealthNet certified licensed beds, according to the most recent quarterly census provided to the
146 department of health and senior services which was taken prior to when the participant is
147 admitted to the hospital; and

148 b. The patient is admitted to a hospital for a medical condition with an anticipated stay
149 of three days or less;

150 (b) The payment to be made under this subdivision shall be provided for a maximum of
151 three days per hospital stay;

152 (c) For each day that nursing home costs are paid on behalf of a participant under this
153 subdivision during any period of six consecutive months such participant shall, during the same
154 period of six consecutive months, be ineligible for payment of nursing home costs of two
155 otherwise available temporary leave of absence days provided under subdivision (5) of this
156 subsection; and

157 (d) The provisions of this subdivision shall not apply unless the nursing home receives
158 notice from the participant or the participant's responsible party that the participant intends to
159 return to the nursing home following the hospital stay. If the nursing home receives such
160 notification and all other provisions of this subsection have been satisfied, the nursing home shall
161 provide notice to the participant or the participant's responsible party prior to release of the
162 reserved bed;

163 (19) Prescribed medically necessary durable medical equipment. An electronic
164 web-based prior authorization system using best medical evidence and care and treatment
165 guidelines consistent with national standards shall be used to verify medical need;

166 (20) Hospice care. As used in this subdivision, the term "hospice care" means a
167 coordinated program of active professional medical attention within a home, outpatient and
168 inpatient care which treats the terminally ill patient and family as a unit, employing a medically
169 directed interdisciplinary team. The program provides relief of severe pain or other physical
170 symptoms and supportive care to meet the special needs arising out of physical, psychological,
171 spiritual, social, and economic stresses which are experienced during the final stages of illness,
172 and during dying and bereavement and meets the Medicare requirements for participation as a
173 hospice as are provided in 42 CFR Part 418. The rate of reimbursement paid by the MO
174 HealthNet division to the hospice provider for room and board furnished by a nursing home to
175 an eligible hospice patient shall not be less than ninety-five percent of the rate of reimbursement
176 which would have been paid for facility services in that nursing home facility for that patient,
177 in accordance with subsection (c) of Section 6408 of P.L. 101-239 (Omnibus Budget
178 Reconciliation Act of 1989);

179 (21) Prescribed medically necessary dental services. Such services shall be subject to
180 appropriations. An electronic web-based prior authorization system using best medical evidence
181 and care and treatment guidelines consistent with national standards shall be used to verify
182 medical need;

183 (22) Prescribed medically necessary optometric services. Such services shall be subject
184 to appropriations. An electronic web-based prior authorization system using best medical
185 evidence and care and treatment guidelines consistent with national standards shall be used to
186 verify medical need;

187 (23) Blood clotting products-related services. For persons diagnosed with a bleeding
188 disorder, as defined in section 338.400, reliant on blood clotting products, as defined in section
189 338.400, such services include:

190 (a) Home delivery of blood clotting products and ancillary infusion equipment and
191 supplies, including the emergency deliveries of the product when medically necessary;

192 (b) Medically necessary ancillary infusion equipment and supplies required to administer
193 the blood clotting products; and

194 (c) Assessments conducted in the participant's home by a pharmacist, nurse, or local
195 home health care agency trained in bleeding disorders when deemed necessary by the
196 participant's treating physician;

197 (24) The MO HealthNet division shall, by January 1, 2008, and annually thereafter,
198 report the status of MO HealthNet provider reimbursement rates as compared to one hundred
199 percent of the Medicare reimbursement rates and compared to the average dental reimbursement
200 rates paid by third-party payors licensed by the state. The MO HealthNet division shall, by July
201 1, 2008, provide to the general assembly a four-year plan to achieve parity with Medicare
202 reimbursement rates and for third-party payor average dental reimbursement rates. Such plan
203 shall be subject to appropriation and the division shall include in its annual budget request to the
204 governor the necessary funding needed to complete the four-year plan developed under this
205 subdivision.

206 2. Additional benefit payments for medical assistance shall be made on behalf of those
207 eligible needy children, pregnant women and blind persons with any payments to be made on the
208 basis of the reasonable cost of the care or reasonable charge for the services as defined and
209 determined by the MO HealthNet division, unless otherwise hereinafter provided, for the
210 following:

211 (1) Dental services;

212 (2) Services of podiatrists as defined in section 330.010;

213 (3) Optometric services as defined in section 336.010;

214 (4) Orthopedic devices or other prosthetics, including eye glasses, dentures, hearing aids,
215 and wheelchairs;

216 (5) Hospice care. As used in this subdivision, the term "hospice care" means a
217 coordinated program of active professional medical attention within a home, outpatient and
218 inpatient care which treats the terminally ill patient and family as a unit, employing a medically
219 directed interdisciplinary team. The program provides relief of severe pain or other physical
220 symptoms and supportive care to meet the special needs arising out of physical, psychological,
221 spiritual, social, and economic stresses which are experienced during the final stages of illness,
222 and during dying and bereavement and meets the Medicare requirements for participation as a
223 hospice as are provided in 42 CFR Part 418. The rate of reimbursement paid by the MO
224 HealthNet division to the hospice provider for room and board furnished by a nursing home to
225 an eligible hospice patient shall not be less than ninety-five percent of the rate of reimbursement
226 which would have been paid for facility services in that nursing home facility for that patient,

227 in accordance with subsection (c) of Section 6408 of P.L. 101-239 (Omnibus Budget
228 Reconciliation Act of 1989);

229 (6) Comprehensive day rehabilitation services beginning early posttrauma as part of a
230 coordinated system of care for individuals with disabling impairments. Rehabilitation services
231 must be based on an individualized, goal-oriented, comprehensive and coordinated treatment
232 plan developed, implemented, and monitored through an interdisciplinary assessment designed
233 to restore an individual to optimal level of physical, cognitive, and behavioral function. The MO
234 HealthNet division shall establish by administrative rule the definition and criteria for
235 designation of a comprehensive day rehabilitation service facility, benefit limitations and
236 payment mechanism. Any rule or portion of a rule, as that term is defined in section 536.010,
237 that is created under the authority delegated in this subdivision shall become effective only if it
238 complies with and is subject to all of the provisions of chapter 536 and, if applicable, section
239 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the
240 general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove
241 and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority
242 and any rule proposed or adopted after August 28, 2005, shall be invalid and void.

243 3. The MO HealthNet division may require any participant receiving MO HealthNet
244 benefits to pay part of the charge or cost until July 1, 2008, and an additional payment after July
245 1, 2008, as defined by rule duly promulgated by the MO HealthNet division, for all covered
246 services except for those services covered under subdivisions (14) and (15) of subsection 1 of
247 this section and sections 208.631 to 208.657 to the extent and in the manner authorized by Title
248 XIX of the federal Social Security Act (42 U.S.C. Section 1396, et seq.) and regulations
249 thereunder. When substitution of a generic drug is permitted by the prescriber according to
250 section 338.056, and a generic drug is substituted for a name-brand drug, the MO HealthNet
251 division may not lower or delete the requirement to make a co-payment pursuant to regulations
252 of Title XIX of the federal Social Security Act. A provider of goods or services described under
253 this section must collect from all participants the additional payment that may be required by the
254 MO HealthNet division under authority granted herein, if the division exercises that authority,
255 to remain eligible as a provider. Any payments made by participants under this section shall be
256 in addition to and not in lieu of payments made by the state for goods or services described
257 herein except the participant portion of the pharmacy professional dispensing fee shall be in
258 addition to and not in lieu of payments to pharmacists. A provider may collect the co-payment
259 at the time a service is provided or at a later date. A provider shall not refuse to provide a service
260 if a participant is unable to pay a required payment. If it is the routine business practice of a
261 provider to terminate future services to an individual with an unclaimed debt, the provider may
262 include uncollected co-payments under this practice. Providers who elect not to undertake the

263 provision of services based on a history of bad debt shall give participants advance notice and
264 a reasonable opportunity for payment. A provider, representative, employee, independent
265 contractor, or agent of a pharmaceutical manufacturer shall not make co-payment for a
266 participant. This subsection shall not apply to other qualified children, pregnant women, or blind
267 persons. If the Centers for Medicare and Medicaid Services does not approve the [Missouri] MO
268 HealthNet state plan amendment submitted by the department of social services that would allow
269 a provider to deny future services to an individual with uncollected co-payments, the denial of
270 services shall not be allowed. The department of social services shall inform providers regarding
271 the acceptability of denying services as the result of unpaid co-payments.

272 4. The MO HealthNet division shall have the right to collect medication samples from
273 participants in order to maintain program integrity.

274 5. Reimbursement for obstetrical and pediatric services under subdivision (6) of
275 subsection 1 of this section shall be timely and sufficient to enlist enough health care providers
276 so that care and services are available under the state plan for MO HealthNet benefits at least to
277 the extent that such care and services are available to the general population in the geographic
278 area, as required under subparagraph (a)(30)(A) of 42 U.S.C. Section 1396a and federal
279 regulations promulgated thereunder.

280 6. Beginning July 1, 1990, reimbursement for services rendered in federally funded
281 health centers shall be in accordance with the provisions of subsection 6402(c) and Section 6404
282 of P.L. 101-239 (Omnibus Budget Reconciliation Act of 1989) and federal regulations
283 promulgated thereunder.

284 7. Beginning July 1, 1990, the department of social services shall provide notification
285 and referral of children below age five, and pregnant, breast-feeding, or postpartum women who
286 are determined to be eligible for MO HealthNet benefits under section 208.151 to the special
287 supplemental food programs for women, infants and children administered by the department
288 of health and senior services. Such notification and referral shall conform to the requirements
289 of Section 6406 of P.L. 101-239 and regulations promulgated thereunder.

290 8. Providers of long-term care services shall be reimbursed for their costs in accordance
291 with the provisions of Section 1902 (a)(13)(A) of the Social Security Act, 42 U.S.C. Section
292 1396a, as amended, and regulations promulgated thereunder.

293 9. Reimbursement rates to long-term care providers with respect to a total change in
294 ownership, at arm's length, for any facility previously licensed and certified for participation in
295 the MO HealthNet program shall not increase payments in excess of the increase that would
296 result from the application of Section 1902 (a)(13)(C) of the Social Security Act, 42 U.S.C.
297 Section 1396a (a)(13)(C).

298 10. The MO HealthNet division, may enroll qualified residential care facilities and
299 assisted living facilities, as defined in chapter 198, as MO HealthNet personal care providers.

300 11. Any income earned by individuals eligible for certified extended employment at a
301 sheltered workshop under chapter 178 shall not be considered as income for purposes of
302 determining eligibility under this section.

303 **12. If Missouri Medicaid Audit and Compliance changes any interpretation or**
304 **application of the requirements for reimbursement for MO HealthNet services from the**
305 **interpretation or application that has been applied previously by the state in any audit of**
306 **a MO HealthNet provider, Missouri Medicaid Audit and Compliance shall notify all**
307 **affected MO HealthNet providers five business days before such change shall take effect.**
308 **Failure of Missouri Medicaid Audit and Compliance to notify a provider of such change**
309 **shall entitle the provider to continue to receive and retain reimbursement until such**
310 **notification is provided and shall waive any liability of such provider for recoupment or**
311 **other loss of any payments previously made prior to the five business days after such notice**
312 **has been sent. Each provider shall provide Missouri Medicaid Audit and Compliance a**
313 **valid email address and shall agree to receive communications electronically. The**
314 **notification required under this section shall be delivered in writing by the United States**
315 **Postal Service or electronic mail to each provider.**

316 **13. Nothing in this section shall be construed to abrogate or limit the department's**
317 **statutory requirement to promulgate rules under chapter 536.**

318 **14. The MO HealthNet division shall provide an additional reimbursement to**
319 **emergency medical technicians who divert MO HealthNet recipients who do not require**
320 **emergency treatment from emergency departments to urgent care or other primary care**
321 **facilities. The department of social services shall have the authority to promulgate rules**
322 **and regulations limiting the circumstances in which an emergency medical technician may**
323 **divert a MO HealthNet recipient from an emergency department under the provisions of**
324 **this subsection.**

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