

SECOND REGULAR SESSION

# SENATE BILL NO. 593

## 93RD GENERAL ASSEMBLY

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INTRODUCED BY SENATORS BRAY, BARNITZ AND GRAHAM.

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Pre-filed December 1, 2005, and ordered printed.

TERRY L. SPIELER, Secretary.

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### AN ACT

To repeal sections 103.003, 103.005, and 103.036, RSMo, and to enact in lieu thereof three new sections relating to the inclusion of small employers in the state health care plan.

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

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Section A. Sections 103.003, 103.005, and 103.036, RSMo, are repealed  
2 and three new sections enacted in lieu thereof, to be known as sections 103.003,  
3 103.005, and 103.036, to read as follows:

103.003. As used in sections 103.003 to 103.175, the following terms  
2 mean:

3 (1) "Actuarial reserves", the necessary funding required to pay all the  
4 medical expenses for services provided to members of the plan but for which the  
5 claims have not yet been received by the claims administrator;

6 (2) "Actuary", a member of the American Academy of Actuaries or who is  
7 an enrolled actuary under the Employee Retirement Income Security Act of 1974;

8 (3) "Agency", a state-sponsored institution of higher learning, political  
9 subdivision or governmental entity or instrumentality;

10 (4) "Alternative delivery health care program", a plan of covered benefits  
11 that pays medical expenses through an alternate mechanism rather than on a  
12 fee-for-service basis. This includes, but is not limited to, health maintenance  
13 organizations and preferred provider organizations, all of which shall include  
14 chiropractic physicians licensed under chapter 331, RSMo, in the provider  
15 networks or organizations;

16 (5) "Board", the board of trustees of the Missouri consolidated health care  
17 plan;

18 (6) "Claims administrator", an agency contracted to process medical claims

19 submitted from providers or members of the plan and their dependents;

20 (7) "Coordination of benefits", to work with another group-sponsored  
21 health care plan which also covers a member of the plan to ensure that both  
22 plans pay their appropriate amount of the health care expenses incurred by the  
23 member;

24 (8) "Covered benefits", a schedule of covered services, including  
25 chiropractic services, which are payable under the plan;

26 (9) "Employee", any person employed full time by the state or a  
27 participating member agency, or a person eligible for coverage by a  
28 state-sponsored retirement system or a retirement system sponsored by a  
29 participating member agency of the plan;

30 (10) "Evidence of good health", medical information supplied by a  
31 potential member of the plan that is reviewed to determine the financial risk the  
32 person represents to the plan and the corresponding determination of whether or  
33 not he or she should be accepted into the plan;

34 (11) "Health care plan", any group medical benefit plan providing coverage  
35 on an expense-incurred basis, any HMO, any group service or indemnity contract  
36 issued by a health plan of any type or description;

37 (12) "Medical benefits coverages" shall include services provided by  
38 chiropractic physicians as well as physicians licensed under chapter 334, RSMo;

39 (13) "Medical expenses", costs for services performed by a provider and  
40 covered under the plan;

41 (14) "Missouri consolidated health care plan benefit fund account", the  
42 benefit trust fund account containing all payroll deductions, payments, and  
43 income from all sources for the plan;

44 (15) "Officer", an elected official of the state of Missouri;

45 (16) "Participating member agency", a state-sponsored institution of  
46 higher learning, political subdivision or governmental entity that has elected to  
47 join the plan and has been accepted by the board;

48 (17) "Plan year", a twelve-month period designated by the board which is  
49 used to calculate the annual rate categories and the appropriate coverage;

50 (18) "Provider", a physician, hospital, pharmacist, psychologist,  
51 chiropractic physician or other licensed practitioner who or which provides health  
52 care services within the respective scope of practice of such practitioner pursuant  
53 to state law and regulation;

54 (19) "Retiree", a person who is not an employee and is receiving or is

55 entitled to receive an annuity benefit from a state-sponsored retirement system  
56 or a retirement system of a participating member agency of the plan or becomes  
57 eligible for retirement benefits because of service with a participating member  
58 agency;

59 **(20) "Small employer", in connection with a group health plan**  
60 **with respect to a calendar year and a plan year, an employer who**  
61 **employed an average of at least one but not more than fifty persons**  
62 **during the preceding calendar year and who employs at least one**  
63 **person on the first day of the plan year. A small employer includes a**  
64 **sole proprietor and a partner of a partnership.**

103.005. For the purpose of covering medical expenses of the officers,  
2 employees and retirees, the eligible dependents of officers, employees and retirees  
3 and to the surviving spouses and children of deceased officers, employees and  
4 retirees of the state and participating member agencies of the state, **and for the**  
5 **purpose of covering medical expenses of the small employer health**  
6 **plans**, there is hereby created and established a health care plan which shall be  
7 a body corporate, which shall be under the management of the board of trustees  
8 herein described, and shall be known as the "Missouri Consolidated Health Care  
9 Plan". Notwithstanding any provision of law to the contrary, such plan may sue  
10 and be sued, transact business, contract, invest funds and hold cash, securities  
11 and other property and shall be vested with such other powers as may be  
12 necessary or proper to enable it, its officers, employees, and agents to carry out  
13 fully and effectively all the purposes of sections 103.003 to 103.175.

103.036. The board shall set up and maintain a benefit trust fund account  
2 in which shall be placed all payroll deductions, payments, and income from all  
3 sources **other than premiums, payments, or other income from coverage**  
4 **provided to small employers, which shall be maintained in a separate**  
5 **benefit trust fund account.** All property, money, funds, investments, and  
6 rights which shall belong to or be available for expenditure or use by the plan  
7 shall be dedicated to and held in trust for the members and for the purposes  
8 herein set out and no other. The board shall have power, in the name and on  
9 behalf of the plan, to purchase, acquire, hold, invest, lend, lease, sell, assign,  
10 transfer, and dispose of all property, rights, and securities, and enter into written  
11 contracts as may be necessary and proper to carry out its duties.