

SENATE SUBSTITUTE
FOR
SENATE BILL NO. 79
AN ACT

To repeal section 354.465, RSMo, and to enact in lieu thereof two new sections relating to contractual arrangements for health care benefits provided by certain organizations to their members.

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

Section A. Section 354.465, RSMo, is repealed and two new
2 sections enacted in lieu thereof, to be known as sections
3 354.465 and 376.1850, to read as follows:

354.465. 1. The director, or any duly appointed
2 representative, may make an examination of the affairs of
3 any health maintenance organization as often as he deems it
4 necessary for the protection of the interests of the people
5 of this state[, but not less frequently than once every five
6 years].

7 2. All costs incurred by the state as a result of
8 making examinations under this section shall be paid by the
9 organization being examined and remitted as provided in
10 section 374.160.

376.1850. 1. As used in this section, the following
2 terms mean:

3 (1) "Contract for health care benefits", a self-funded
4 contractual arrangement made in accordance with this section
5 between a qualified membership organization and its members
6 to provide, deliver, arrange for, pay for, or reimburse any
7 of the costs of health care services;

8 (2) "Farm bureau", a nonprofit agricultural membership
9 organization first incorporated in this state at least one
10 hundred years ago, or an affiliate designated by the
11 nonprofit agricultural membership organization;

12 (3) "Health care service", the same meaning as is
13 ascribed to such term in section 376.1350;

14 (4) "Member of a qualified membership organization", a
15 natural person who pays periodic dues or fees, other than
16 payments for a contract for health care benefits, for
17 membership in a qualified membership organization, and the
18 natural person's spouse or dependent children under the age
19 of twenty-six;

20 (5) "Qualified membership organization", a farm
21 bureau, or an entity with at least one hundred thousand dues
22 paying members, that is governed by a council of its
23 members, that has at least five hundred million dollars in
24 assets, and that exists to serve its members beyond solely
25 offering health coverage.

26 2. The provisions of this chapter relating to health
27 insurance, health maintenance organizations, health benefit
28 plans, group health services, and health carriers shall not
29 apply to contracts for health care benefits provided by a
30 qualified membership organization. A qualified membership
31 organization providing contracts for health care benefits
32 shall not be considered to be engaging in the business of
33 insurance for purposes of any provision of chapters 361 to
34 385.

35 3. It is unlawful to provide a contract for health
36 care benefits under this section unless the qualified
37 membership organization providing the contract is registered
38 with the department of commerce and insurance as provided in
39 this subsection. To register as a qualified membership
40 organization, an applicant shall file information with the
41 director demonstrating it meets the requirements of this
42 section and pay an application fee of two hundred and fifty
43 dollars. A registration is valid for five years and may be
44 renewed for additional five year terms if the qualified

45 membership organization continues to meet the requirements
46 of this section and pays a renewal fee of two hundred and
47 fifty dollars. All amounts collected as registration or
48 renewal fees shall be deposited into the insurance dedicated
49 fund established under section 374.150.

50 4. Contracts for health care benefits provided under
51 this section shall be offered only to members of a qualified
52 membership organization; and shall be sold, solicited, or
53 negotiated only by insurance producers licensed under
54 chapter 375 to produce accident and health or sickness
55 coverage.

56 5. Notwithstanding any provision of law to the
57 contrary, a qualified membership organization providing a
58 contract for health care benefits under this section shall
59 use the services of an administrator permitted to provide
60 services in accordance with sections 376.1075 to 376.1095,
61 and shall agree in the contract with such administrator to
62 utilize processes for benefit determinations and claims
63 payment procedures in accordance with the requirements
64 applicable to health carriers and health benefit plans under
65 sections 376.383, 376.690, and 376.1367. A contract for
66 health care benefits provided under this section shall not
67 be subject to the laws of this state relating to insurance
68 or insurance companies except as specified in this section.

69 6. The risk under contracts provided in accordance
70 with this section may be reinsured in accordance with
71 section 375.246.

72 7. (1) Contracts for health care benefits under this
73 section shall include the following written disclaimer on
74 the front of the contract and all related applications and
75 renewal forms:

76 "NOTICE

77 This contract is not health insurance and is not
78 subject to federal or state laws relating to
79 health insurance. This contract may offer fewer
80 benefits than an ACA-compliant health plan and
81 may exclude coverage for preexisting
82 conditions. You may qualify for income-based
83 subsidies through the ACA Health Insurance
84 Marketplace. This contract is not covered by
85 the Missouri Insurance Guaranty Association.".

86 (2) The written disclaimers required by subdivision
87 (1) of this subsection on applications and renewal forms
88 shall be signed by the member entering into or renewing the
89 contract, specifically acknowledging that the coverage is
90 not considered insurance and is not subject to regulation by
91 the department of commerce and insurance.

92 (3) The qualified membership organization providing
93 the contract shall retain a copy of written acknowledgements
94 required under subdivision (2) of this subsection for the
95 duration for which claims may be submitted under the
96 contract, and shall provide a copy of the acknowledgement to
97 the member upon the member's request.

98 8. Contracts provided under this section shall not be
99 subject to individual post-claim medical underwriting while
100 coverage remains in effect, and no member covered under a
101 contract provided under this section shall be subject to
102 cancellation, nonrenewal, modification, or increase in
103 premium for reason of a medical event.

104 9. Notwithstanding subsection 2 of this section, the
105 department of commerce and insurance shall receive and
106 review complaints and inquiries from members of a qualified
107 membership organization, pursuant to section 374.085,
108 subject to section 374.071.

109 10. By March thirty-first of each year, each qualified
110 membership organization providing a contract for health care
111 benefits under this section, or its administrator, shall pay
112 to the director a fee equal to one percent of the Missouri
113 claims paid under this section during the immediately
114 preceding year. Funds collected by the director shall be
115 deposited in the insurance dedicated fund established under
116 section 374.150.