

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 518

97TH GENERAL ASSEMBLY

Reported from the Committee on Seniors, Families and Pensions, February 4, 2014, with recommendation that the Senate Committee Substitute do pass.

4573S.04C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal section 208.166, RSMo, and to enact in lieu thereof one new section relating to MO HealthNet managed care services.

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

Section A. Section 208.166, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 208.166, to read as follows:

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

2 (1) "Department", the Missouri department of social services;

3 (2) "Prepaid capitated", a mode of payment by which the department
4 periodically reimburse a contracted health provider plan or primary care
5 physician sponsor for delivering health care services for the duration of a contract
6 to a maximum specified number of members based on a fixed rate per member,
7 notwithstanding:

8 (a) The actual number of members who receive care from the provider; or

9 (b) The amount of health care services provided to any members;

10 (3) "Primary care case-management", a mode of payment by which the
11 department reimburses a contracted primary care physician sponsor on a
12 fee-for-service schedule plus a monthly fee to manage each recipient's case;

13 (4) "Primary care physician sponsor", a physician licensed pursuant to
14 chapter 334 who is a family practitioner, general practitioner, pediatrician,
15 general internist or an obstetrician or gynecologist;

16 (5) "Specialty physician services arrangement", an arrangement where the
17 department may restrict recipients of specialty services to designated providers
18 of such services, even in the absence of a primary care case-management system.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

19 2. The department or its designated division shall maximize the use of
20 prepaid health plans, where appropriate, and other alternative service delivery
21 and reimbursement methodologies, including, but not limited to, individual
22 primary care physician sponsors or specialty physician services arrangements,
23 designed to facilitate the cost-effective purchase of comprehensive health care.

24 3. In order to provide comprehensive health care, the department or its
25 designated division shall have authority to:

26 (1) Purchase medical services for recipients of public assistance from
27 prepaid health plans, health maintenance organizations, health insuring
28 organizations, preferred provider organizations, individual practice associations,
29 local health units, community health centers, or primary care physician sponsors;

30 (2) Reimburse those health care plans or primary care physicians'
31 sponsors who enter into direct contract with the department on a prepaid
32 capitated or primary care case-management basis on the following conditions:

33 (a) That the department or its designated division shall ensure, whenever
34 possible and consistent with quality of care and cost factors, that publicly
35 supported neighborhood and community-supported health clinics shall be utilized
36 as providers;

37 (b) That the department or its designated division shall ensure reasonable
38 access to medical services in geographic areas where managed or coordinated care
39 programs are initiated; and

40 (c) That the department shall ensure full freedom of choice for
41 prescription drugs at any [Medicaid] **MO HealthNet** participating pharmacy;

42 (3) Limit providers of medical assistance benefits to those who
43 demonstrate efficient and economic service delivery for the level of service they
44 deliver, and provided that such limitation shall not limit recipients from
45 reasonable access to such levels of service;

46 (4) Provide recipients of public assistance with alternative services as
47 provided for in state law, subject to appropriation by the general assembly;

48 (5) Designate providers of medical assistance benefits to assure
49 specifically defined medical assistance benefits at a reduced cost to the state, to
50 assure reasonable access to all levels of health services and to assure
51 maximization of federal financial participation in the delivery of health related
52 services to Missouri citizens; provided, all qualified providers that deliver such
53 specifically defined services shall be afforded an opportunity to compete to meet
54 reasonable state criteria and to be so designated;

55 (6) Upon mutual agreement with any entity of local government, to elect
56 to use local government funds as the matching share for Title XIX payments, as
57 allowed by federal law or regulation;

58 (7) To elect not to offset local government contributions from the allowable
59 costs under the Title XIX program, unless prohibited by federal law and
60 regulation.

61 4. Nothing in this section shall be construed to authorize the department
62 or its designated division to limit the recipient's freedom of selection among
63 health care plans or primary care physician sponsors, as authorized in this
64 section, who have entered into contract with the department or its designated
65 division to provide a comprehensive range of health care services on a prepaid
66 capitated or primary care case-management basis, except in those instances of
67 overutilization of [Medicaid] MO HealthNet services by the recipient.

68 **5. (1) The department of social services shall extend the current**
69 **MO HealthNet managed care program with a statewide procurement**
70 **effective July 1, 2015, for all eligibility groups currently enrolled in a**
71 **managed care plan as of January 1, 2014, notwithstanding any**
72 **provisions to the contrary, and seek any necessary waiver or state plan**
73 **amendments from the federal Department of Health and Human**
74 **Services.**

75 **(2) The pharmacy benefit for the managed care population**
76 **receiving coverage under this section shall remain covered under the**
77 **MO HealthNet fee-for-service program.**

78 **(3) The department shall develop a transitional Medicaid**
79 **payment plan prior to July 1, 2015, if necessary, for the purpose of**
80 **continuing and preserving payments consistent with current Medicaid**
81 **levels for community mental health centers (CMHCs), which act as**
82 **administrative entities for the department of mental health and serve**
83 **as safety net providers. The department shall create an**
84 **implementation working group consisting of CMHCs, the department**
85 **of mental health and managed care organizations in the MO HealthNet**
86 **program.**

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