

SECOND REGULAR SESSION

HOUSE BILL NO. 2820

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FREDERICK.

6887H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 208, RSMo, by adding thereto one new section relating to the MO HealthNet patient-centered care act, with penalty provisions.

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

Section A. Chapter 208, RSMo, is amended by adding thereto one new section, to be
2 known as section 208.187, to read as follows:

**208.187. 1. This section shall be known and may be cited as the "MO HealthNet
2 Patient-centered Care Act of 2016".**

**3 2. Beginning July 1, 2017, or upon termination of any current contracted health
4 plans in the pilot project areas and subject to receipt of any necessary state plan
5 amendments or waivers from the Department of Health and Human Services under
6 subsection 4 of this section, the MO HealthNet division shall establish the "MO HealthNet
7 Patient-centered Care Pilot Project", which transfers current MO HealthNet participants
8 in the pilot project areas to an approved health plan arrangement as defined in this section
9 wherein participants may purchase health services through individual health savings
10 accounts and implements an electronic benefit transfer (EBT) payment system for
11 participants.**

12 3. As used in this section, the following terms shall mean:

**13 (1) "Approved health plan arrangement", a MO HealthNet benefit arrangement,
14 approved by the division and funded in accordance with this section, which is composed
15 of individual health savings accounts from which a participant purchases a high-deductible
16 health insurance or faith-based health reimbursement plan and services from qualified
17 providers selected by the participant through direct pay to the provider, or other cost-**

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.

18 effective health care products providing benefits and payment for services approved by the
19 division. The following providers shall be considered qualified providers by the division:

20 (a) An osteopathic (D.O.) or allopathic (M.D.) physician licensed in this state;

21 (b) A physician assistant, advanced practice registered nurse, certified registered
22 nurse anesthetist, or assistant physician licensed in this state working under a collaborative
23 practice arrangement with a physician licensed in this state;

24 (c) A health care provider licensed in this state to whom the patient is referred by
25 a physician licensed in this state as described in this section; or

26 (d) A dentist for eligible dental services under section 208.152.

27

28 Such arrangement shall include a requirement that all costs for health care services
29 described in this subdivision and incurred by a policyholder shall be considered a qualified
30 medical expense for purposes of the deductible and any maximum out-of-pocket medical
31 expense limits under a high-deductible health insurance or faith-based health
32 reimbursement plan;

33 (2) "Division", the MO HealthNet division within the department of social services;

34 (3) "Health information exchange" or "HIE", the electronic movement of health-
35 related information among organizations in accordance with nationally recognized
36 standards, with the goal of facilitating access to and retrieval of clinical data to provide
37 safe, timely, efficient, effective, equitable, patient-centered care;

38 (4) "HIPAA", the federal Health Insurance Portability and Accountability Act;

39 (5) "MO HealthNet", the medical assistance program on behalf of needy persons,
40 Title XIX, Public Law 89-97, 1965 amendments to the federal Social Security Act, 42 U.S.C.
41 Section 301, et seq. and administered by the department of social services.

42 4. The MO HealthNet division shall seek any necessary state plan amendments and
43 waivers from the Department of Health and Human Services necessary to implement the
44 provisions of this section. If such necessary amendments or waivers are not granted by the
45 Department of Health and Human Services, the division shall not be required to implement
46 the provisions of this section.

47 5. (1) The MO HealthNet division shall establish a minimum of three, but not more
48 than six, pilot project areas in this state which shall include at least ten percent of the total
49 MO HealthNet participant population, excluding the aged, blind, and disabled population,
50 in the first two years of the pilot project. In the third year of the pilot project, the division
51 may increase the total number of pilot project areas to not more than ten and shall increase
52 the number of participants to at least twenty percent of the total MO HealthNet participant
53 population, excluding the aged, blind, and disabled population. If the pilot project is

54 automatically implemented on a statewide basis in accordance with subsection 16 of this
55 section, the provisions of this section shall apply to every MO HealthNet participant,
56 excluding the aged, blind, and disabled population. To ensure an accurate sampling of MO
57 HealthNet participants, the demographics of the pilot project population shall reflect, to
58 the extent practicable within the geographic area served by the system described in
59 subsection 6 of this section, the current percentages of participants in the MO HealthNet
60 program population regarding age, gender, socioeconomic status, healthy versus
61 chronically ill populations, urban versus rural populations, and other relevant
62 demographics as determined by the division. Nothing in this subsection shall be construed
63 as requiring the division to obtain the exact and precise demographics of the current MO
64 HealthNet participant population in the pilot project or to include or exclude participants
65 based solely on the pilot project demographic requirements contained in this subsection.

66 (2) The division shall compile and include a summary of the demographic
67 information for the pilot project and the current MO HealthNet program in the reports
68 required under subsection 13 of this section.

69 6. (1) The pilot project shall be supported by a health management and population
70 analytics system that tracks and monitors health outcomes in traditionally challenging
71 populations, such as mothers at risk for premature births, frequent utilizers of emergency
72 departments, and those suffering from chronic pain conditions. The system shall
73 implement clinically based predictive models and interventions to improve the care
74 coordination for the targeted populations within the pilot area.

75 (2) The MO HealthNet division shall contract for a system that shall:

76 (a) Support an interoperable data analytics platform for analyzing clinical data for
77 defined populations, such as mothers at risk of premature birth, frequent utilizers of
78 emergency departments, and those suffering from chronic pain conditions. The system
79 shall be able to leverage cloud-based technology and be hosted remotely by the vendor of
80 the application services system with interoperability capabilities to connect with disparate
81 systems;

82 (b) Have the ability to interoperate using accepted industry standards, collect and
83 aggregate data from disparate systems, and include, but not be limited to, clinical data,
84 electronic medical records, claims and eligibility databases, state-managed registries, and
85 health information exchanges;

86 (c) Provide a member portal to participants to view and manage their personal
87 health information, wellness plans, and overall health, and a HIPAA-compliant provider
88 portal that allows providers with access to patient information;

89 (d) Allow for real-time patient queries and present clinical information to providers
90 for the purpose of avoiding duplicate tests and improving care coordination;

91 (e) Have the ability to create condition-specific registries for managing populations
92 and provide predictive modeling or alerting functionality which alerts providers of at-risk
93 patients and be able to communicate between various systems to provide electronic medical
94 record (EMR) workflow integration or similar tools to communicate with a health care
95 provider's workflow; and

96 (f) Operate on a statewide, regional, or community-wide basis.

97 (3) The coverage area of the system shall comprise the pilot project area and any
98 MO HealthNet participant participating in the pilot project shall reside in the designated
99 pilot project area.

100 (4) All MO HealthNet providers providing services to MO HealthNet participants
101 in the designated pilot project area shall be required to participate in the system described
102 in this subsection for their MO HealthNet participant patients.

103 (5) All firearms-related data fields contained in any system shall be redacted or
104 otherwise made inaccessible to system users for all MO HealthNet participants in the pilot
105 project.

106 7. Under the pilot project, the division shall:

107 (1) Require participants to receive benefits and services through an approved
108 health plan arrangement;

109 (2) Require the use of electronic benefit transfer (EBT) cards issued to participating
110 participants to pay for MO HealthNet services;

111 (3) Require participants to receive an annual examination within six months of
112 enrollment;

113 (4) Provide educational opportunities for participants relating to budgeting,
114 planning, and appropriate use of health care options;

115 (5) Provide assistance and education to participants and providers which
116 encourages:

117 (a) Participants to seek an estimate of the cost for health care services prior to the
118 receipt of health care services and providers to provide such estimate of the cost prior to
119 the provision of health care services; and

120 (b) Providers to work with participants to assist them in making the best and most
121 cost-effective choices available based on the participant's medical needs.

122

123 The division is authorized to request an estimate of cost on the participant's behalf and
124 assist participants, in collaboration with their providers, in making good health care

125 choices and the best use of their health savings account moneys based on the participant's
126 approved health plan arrangement;

127 (6) Provide incentives for participants to seek health care services as needed, while
128 retaining a portion of any savings achieved from efficient use of their EBT cards;

129 (7) Provide moneys to participants for health savings accounts, payment of health
130 insurance premiums, and other health-related costs to participants;

131 (8) Provide reimbursement of any willing providers licensed in this state and
132 eligible to provide services under the terms of the pilot project at a rate of one hundred
133 percent of the Medicare reimbursement rate for the same or similar services provided;

134 (9) Provide demographic and cost-efficiency information to determine feasibility
135 of statewide implementation of the EBT payment system; and

136 (10) Allow participants to designate a third party to act on behalf of the participant
137 in case of incapacity, incompetence, or other physical or mental condition as determined
138 by rule of the division which necessitates a designee to act on behalf of the participant. If
139 no designee is selected by a participant, the division shall act on behalf of the participant.

140 8. (1) Under the pilot project, the government assistance amount necessary to fund
141 the pilot project shall be determined annually based on a survey of the commercial health
142 market in this state and establishing the average cost of an approved health plan
143 arrangement which is composed of direct primary care services and a high-deductible
144 health insurance plan or faith-based health reimbursement plan. Such average cost shall
145 be the government assistance amount which shall be deposited in the MO HealthNet health
146 savings account trust fund under subsection 10 of this section.

147 (2) Transfer savings is an amount equal to the current cost of MO HealthNet
148 benefits for all MO HealthNet participants in the pilot project areas minus the government
149 assistance amount as determined in subdivision (1) of this subsection multiplied by the
150 number of participants in the pilot project.

151 (3) A portion of the transfer savings described in subdivision (2) of this subsection
152 shall be deposited in the MO HealthNet health savings account trust fund created under
153 subsection 10 of this section in an amount not to exceed the amount necessary to pay the
154 lesser of gap insurance or the average deductible under a high-deductible health insurance
155 plan or faith-based health reimbursement plan component of an approved health plan
156 arrangement described in this section until an individual's health savings account balance
157 is determined actuarially sufficient to cover the deductible of such high-deductible health
158 insurance plan or faith-based health reimbursement plan without moneys from the trust
159 fund.

160 **(4) In addition to the amounts deposited under subdivision (3) of this subsection,**
161 **the division shall seek additional moneys from any sources which may be available for**
162 **funding gap insurance and deductibles described in subdivision (3) of this subsection,**
163 **including, but not limited to, moneys available through public or private health**
164 **foundations and organizations, other nonprofit entities, and any federal or other**
165 **governmental funding programs. The division shall also seek technical assistance from**
166 **foundations and other nongovernmental resources to search and apply for available grant**
167 **and funding opportunities.**

168 **9. For the purpose of maximizing available coverage choices for participants, the**
169 **division shall approve any health plan arrangement that meets all of the following**
170 **requirements:**

171 **(1) Any insurance plan component is offered by a health insurance issuer as**
172 **described in 42 U.S.C. Section 18021(a)(1)(C);**

173 **(2) The arrangement offers access to quality health care by providing coverage**
174 **under a package of benefits that is at least equal to coverage required for a catastrophic**
175 **plan under 42 U.S.C. Section 18022(e); except that, the age restriction for such catastrophic**
176 **plan shall not apply. When making its determination under this section, the division shall**
177 **consider the availability of all of the following in the benefits package:**

178 **(a) Benefits under a high-deductible health insurance or faith-based health**
179 **reimbursement option;**

180 **(b) Direct primary care services option;**

181 **(c) Fee-for-service option; and**

182 **(d) Any combination of the options described in paragraphs (a) to (c) of this**
183 **subdivision.**

184 **10. (1) (a) There is hereby created in the state treasury the "MO HealthNet Health**
185 **Savings Account Trust Fund", which shall consist of moneys deposited in accordance with**
186 **this section and other moneys received from any source for deposit into the fund. The state**
187 **treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180,**
188 **the state treasurer may approve disbursements. The fund shall be a dedicated fund and,**
189 **upon appropriation, moneys in the fund shall be used solely for the pilot project**
190 **established under this section.**

191 **(b) Notwithstanding the provisions of section 33.080 to the contrary, any moneys**
192 **remaining in the fund at the end of the biennium shall not revert to the credit of the**
193 **general revenue fund.**

194 (c) The state treasurer shall invest moneys in the fund in the same manner as other
195 funds are invested. Any interest and moneys earned on such investments shall be credited
196 to the fund.

197 (2) Moneys in this fund shall be used to pay for approved health plan arrangement
198 costs and to credit participant EBT cards under subsection 11 of this section. Each
199 participant shall have credited to the participant's health savings account the amount
200 necessary to pay for any high-deductible health insurance plan or faith-based health
201 reimbursement plan premiums, one-half of the participant's deductible amount under the
202 participant's plan, and direct primary care costs. If a participant spends one-half of the
203 participant's total deductible amount prior to the end of the plan year, the participant's
204 health savings account may be credited with the remaining one-half of such participant's
205 deductible amount.

206 11. (1) Pilot project participants shall receive a prepaid EBT card to pay for MO
207 HealthNet services received through an approved health plan arrangement including, but
208 not limited to, payment of deductible amounts. The division shall determine the amount
209 credited to such EBT card from the participant's health savings account for each
210 participant on a risk-adjusted basis and in accordance with subdivision (2) of subsection
211 10 of this section.

212 (2) Providers in the MO HealthNet pilot project shall be required to swipe a
213 participant's EBT card for every visit or service received, regardless of the balance on the
214 participant's EBT card. Subject to any federal and state laws, the division shall maintain
215 a record of every visit or service received by a participant, regardless of whether payment
216 was obtained from a participant's EBT card. Participants shall be required to permit and,
217 if required, sign a waiver for disclosure of the information required in this subsection to
218 the division. Nothing in this subsection shall be construed as requiring the division to
219 maintain specific medical records of participants. The disclosure required under this
220 section shall be limited to the name of the provider, date, and general nature of the visit or
221 service.

222 (3) Any remaining balance on a participant's EBT card at the end of the benefit
223 year shall be apportioned as follows to the participant:

224 (a) For a participant who does not receive the mandatory health services under
225 subdivision (3) of subsection 7 of this section, no apportionment to the participant of the
226 remaining amount and the remaining balance shall revert to the division in accordance
227 with subdivision (4) of this subsection;

228 (b) For a participant who receives the mandatory health services under subdivision
229 (3) of subsection 7 of this section, the participant shall receive any remaining EBT card

230 balance not to exceed twenty-five percent of the total amount credited to the EBT card at
231 the beginning of the benefit year;

232 (c) Any remaining balance apportioned to a participant shall only be carried over
233 to the following benefit year or credited as a benefit under another public assistance
234 program for which the participant is eligible including, but not limited to, temporary
235 assistance for needy families (TANF), women, infants and children (WIC), early periodic
236 screening diagnosis and treatment (EPSDT), supplemental nutrition assistance program
237 (SNAP), supplemental security income (SSI), child care subsidies, and other public
238 assistance programs as determined by the division.

239 (4) Any balance not apportioned to the participant under subdivision (3) of this
240 subsection shall revert to the division. Any reverted amounts which, in the aggregate, total
241 twenty-five percent or less of the total amounts credited on all EBT cards under the pilot
242 project shall be deposited in the MO HealthNet health savings account trust fund created
243 in subsection 10 of this section. The division shall reassess the amount of MO HealthNet
244 moneys allocated for the pilot project based on the amounts reverting to the division under
245 this subsection.

246 12. If a state medical assistance program including, but not limited to, the pilot
247 project established under this section is amended to provide that participants of such
248 program are transferred and enrolled in a health care delivery system that includes a
249 health savings account component and moneys saved from such transfer is deposited into
250 the MO HealthNet health savings account trust fund, the division shall expend the amount
251 of money deposited into the fund for the benefit of such participants to pay any deductibles
252 under high-deductible health insurance plan or faith-based health reimbursement plan
253 components of an approved health plan arrangement as triggered by the health care
254 services needed by the participants. The division shall continue to pay the deductibles for
255 such participants until such time as each participant's individual health savings account
256 balance is determined by the division to be actuarially sufficient to cover his or her
257 deductibles.

258 13. The division shall prepare and submit the following reports to the governor and
259 general assembly:

260 (1) Beginning with the first calendar quarter of the pilot project, a report detailing
261 the number of participants, amount of government assistance, transfer savings, grant
262 moneys and all other moneys allocated to the pilot project, provider participation, any
263 information relating to participant usage, and any data analysis under subsection 6 of this
264 section. Such reports shall be submitted until termination of the pilot project;

265 **(2) Beginning September 1, 2018, and no later than September first of each**
266 **subsequent year, an annual report specifically detailing the demographics, provider**
267 **participation, participant participation, costs of the pilot project, any data analysis under**
268 **subsection 6 of this section, and recommendations of the division regarding the feasibility**
269 **of statewide implementation. Such report shall also include any additional information the**
270 **division deems relevant.**

271 **14. Except as authorized under the MO HealthNet program, the disclosure of any**
272 **information provided to or obtained by a provider, business, or vendor under the pilot**
273 **project within the MO HealthNet program as established in this section is prohibited.**
274 **Such provider, business, or vendor shall not use or sell such information and shall not**
275 **divulge the information without a court order. Violation of this subsection is a class A**
276 **misdemeanor.**

277 **15. The MO HealthNet division shall promulgate rules necessary to implement the**
278 **provisions of this section. Any rule or portion of a rule, as that term is defined in section**
279 **536.010, that is created under the authority delegated in this section shall become effective**
280 **only if it complies with and is subject to all of the provisions of chapter 536 and, if**
281 **applicable, section 536.028. This section and chapter 536 are nonseverable and if any of**
282 **the powers vested with the general assembly pursuant to chapter 536 to review, to delay**
283 **the effective date, or to disapprove and annul a rule are subsequently held**
284 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**
285 **after August 28, 2016, shall be invalid and void.**

286 **16. Beginning July 1, 2019, unless the provisions of this section are repealed by an**
287 **act of the general assembly, the pilot project described in this section shall automatically**
288 **be implemented on a statewide basis for all MO HealthNet participants who are eligible**
289 **to receive MO HealthNet benefits under this section in accordance with federal law and**
290 **state plan amendments and waivers.**

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