

FIRST REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]  
SENATE SUBSTITUTE NO. 3 FOR  
SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 29

100TH GENERAL ASSEMBLY

2019

0680S.09T

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## AN ACT

To repeal sections 190.839, 198.439, 208.437, 208.480, 338.550, and 633.401, RSMo, and to enact in lieu thereof six new sections relating to reimbursement allowance taxes.

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

Section A. Sections 190.839, 198.439, 208.437, 208.480, 338.550, and  
2 633.401, RSMo, are repealed and six new sections enacted in lieu thereof, to be  
3 known as sections 190.839, 198.439, 208.437, 208.480, 338.550, and 633.401, to  
4 read as follows:

190.839. Sections 190.800 to 190.839 shall expire on September 30, [2019]  
2 **2020**.

198.439. Sections 198.401 to 198.436 shall expire on September 30, [2019]  
2 **2020**.

208.437. 1. A Medicaid managed care organization reimbursement  
2 allowance period as provided in sections 208.431 to 208.437 shall be from the first  
3 day of July to the thirtieth day of June. The department shall notify each  
4 Medicaid managed care organization with a balance due on the thirtieth day of  
5 June of each year the amount of such balance due. If any managed care  
6 organization fails to pay its managed care organization reimbursement allowance  
7 within thirty days of such notice, the reimbursement allowance shall be  
8 delinquent. The reimbursement allowance may remain unpaid during an appeal.

9 2. Except as otherwise provided in this section, if any reimbursement  
10 allowance imposed under the provisions of sections 208.431 to 208.437 is unpaid

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

11 and delinquent, the department of social services may compel the payment of  
12 such reimbursement allowance in the circuit court having jurisdiction in the  
13 county where the main offices of the Medicaid managed care organization are  
14 located. In addition, the director of the department of social services or the  
15 director's designee may cancel or refuse to issue, extend or reinstate a Medicaid  
16 contract agreement to any Medicaid managed care organization which fails to pay  
17 such delinquent reimbursement allowance required by sections 208.431 to 208.437  
18 unless under appeal.

19 3. Except as otherwise provided in this section, failure to pay a delinquent  
20 reimbursement allowance imposed under sections 208.431 to 208.437 shall be  
21 grounds for denial, suspension or revocation of a license granted by the  
22 department of insurance, financial institutions and professional registration. The  
23 director of the department of insurance, financial institutions and professional  
24 registration may deny, suspend or revoke the license of a Medicaid managed care  
25 organization with a contract under 42 U.S.C. Section 1396b(m) which fails to pay  
26 a managed care organization's delinquent reimbursement allowance unless under  
27 appeal.

28 4. Nothing in sections 208.431 to 208.437 shall be deemed to effect or in  
29 any way limit the tax-exempt or nonprofit status of any Medicaid managed care  
30 organization with a contract under 42 U.S.C. Section 1396b(m) granted by state  
31 law.

32 5. Sections 208.431 to 208.437 shall expire on September 30, [2019] **2020**.  
208.480. Notwithstanding the provisions of section 208.471 to the  
2 contrary, sections 208.453 to 208.480 shall expire on September 30, [2019] **2020**.

338.550. 1. The pharmacy tax required by sections 338.500 to 338.550  
2 shall expire ninety days after any one or more of the following conditions are met:

3 (1) The aggregate dispensing fee as appropriated by the general assembly  
4 paid to pharmacists per prescription is less than the fiscal year 2003 dispensing  
5 fees reimbursement amount; or

6 (2) The formula used to calculate the reimbursement as appropriated by  
7 the general assembly for products dispensed by pharmacies is changed resulting  
8 in lower reimbursement to the pharmacist in the aggregate than provided in  
9 fiscal year 2003; or

10 (3) September 30, [2019] **2020**.

11 The director of the department of social services shall notify the revisor of  
12 statutes of the expiration date as provided in this subsection. The provisions of

13 sections 338.500 to 338.550 shall not apply to pharmacies domiciled or  
14 headquartered outside this state which are engaged in prescription drug sales  
15 that are delivered directly to patients within this state via common carrier, mail  
16 or a carrier service.

17 2. Sections 338.500 to 338.550 shall expire on September 30, [2019] **2020**.  
633.401. 1. For purposes of this section, the following terms mean:

2 (1) "Engaging in the business of providing health benefit services",  
3 accepting payment for health benefit services;

4 (2) "Intermediate care facility for the intellectually disabled", a private or  
5 department of mental health facility which admits persons who are intellectually  
6 disabled or developmentally disabled for residential habilitation and other  
7 services pursuant to chapter 630. Such term shall include habilitation centers  
8 and private or public intermediate care facilities for the intellectually disabled  
9 that have been certified to meet the conditions of participation under 42 CFR,  
10 Section 483, Subpart I;

11 (3) "Net operating revenues from providing services of intermediate care  
12 facilities for the intellectually disabled" shall include, without limitation, all  
13 moneys received on account of such services pursuant to rates of reimbursement  
14 established and paid by the department of social services, but shall not include  
15 charitable contributions, grants, donations, bequests and income from nonservice  
16 related fund-raising activities and government deficit financing, contractual  
17 allowance, discounts or bad debt;

18 (4) "Services of intermediate care facilities for the intellectually disabled"  
19 has the same meaning as the term services of intermediate care facilities for the  
20 mentally retarded, as used in Title 42 United States Code, Section  
21 1396b(w)(7)(A)(iv), as amended, and as such qualifies as a class of health care  
22 services recognized in federal Public Law 102-234, the Medicaid Voluntary  
23 Contribution and Provider Specific Tax Amendments of 1991.

24 2. Beginning July 1, 2008, each provider of services of intermediate care  
25 facilities for the intellectually disabled shall, in addition to all other fees and  
26 taxes now required or paid, pay assessments on their net operating revenues for  
27 the privilege of engaging in the business of providing services of the intermediate  
28 care facilities for the intellectually disabled or developmentally disabled in this  
29 state.

30 3. Each facility's assessment shall be based on a formula set forth in rules  
31 and regulations promulgated by the department of mental health.

32 4. For purposes of determining rates of payment under the medical  
33 assistance program for providers of services of intermediate care facilities for the  
34 intellectually disabled, the assessment imposed pursuant to this section on net  
35 operating revenues shall be a reimbursable cost to be reflected as timely as  
36 practicable in rates of payment applicable within the assessment period,  
37 contingent, for payments by governmental agencies, on all federal approvals  
38 necessary by federal law and regulation for federal financial participation in  
39 payments made for beneficiaries eligible for medical assistance under Title XIX  
40 of the federal Social Security Act.

41 5. Assessments shall be submitted by or on behalf of each provider of  
42 services of intermediate care facilities for the intellectually disabled on a monthly  
43 basis to the director of the department of mental health or his or her designee  
44 and shall be made payable to the director of the department of revenue.

45 6. In the alternative, a provider may direct that the director of the  
46 department of social services offset, from the amount of any payment to be made  
47 by the state to the provider, the amount of the assessment payment owed for any  
48 month.

49 7. Assessment payments shall be deposited in the state treasury to the  
50 credit of the "Intermediate Care Facility Intellectually Disabled Reimbursement  
51 Allowance Fund", which is hereby created in the state treasury. All investment  
52 earnings of this fund shall be credited to the fund. Notwithstanding the  
53 provisions of section 33.080 to the contrary, any unexpended balance in the  
54 intermediate care facility intellectually disabled reimbursement allowance fund  
55 at the end of the biennium shall not revert to the general revenue fund but shall  
56 accumulate from year to year. The state treasurer shall maintain records that  
57 show the amount of money in the fund at any time and the amount of any  
58 investment earnings on that amount.

59 8. Each provider of services of intermediate care facilities for the  
60 intellectually disabled shall keep such records as may be necessary to determine  
61 the amount of the assessment for which it is liable under this section. On or  
62 before the forty-fifth day after the end of each month commencing July 1, 2008,  
63 each provider of services of intermediate care facilities for the intellectually  
64 disabled shall submit to the department of social services a report on a cash basis  
65 that reflects such information as is necessary to determine the amount of the  
66 assessment payable for that month.

67 9. Every provider of services of intermediate care facilities for the

68 intellectually disabled shall submit a certified annual report of net operating  
69 revenues from the furnishing of services of intermediate care facilities for the  
70 intellectually disabled. The reports shall be in such form as may be prescribed  
71 by rule by the director of the department of mental health. Final payments of the  
72 assessment for each year shall be due for all providers of services of intermediate  
73 care facilities for the intellectually disabled upon the due date for submission of  
74 the certified annual report.

75         10. The director of the department of mental health shall prescribe by  
76 rule the form and content of any document required to be filed pursuant to the  
77 provisions of this section.

78         11. Upon receipt of notification from the director of the department of  
79 mental health of a provider's delinquency in paying assessments required under  
80 this section, the director of the department of social services shall withhold, and  
81 shall remit to the director of the department of revenue, an assessment amount  
82 estimated by the director of the department of mental health from any payment  
83 to be made by the state to the provider.

84         12. In the event a provider objects to the estimate described in subsection  
85 11 of this section, or any other decision of the department of mental health  
86 related to this section, the provider of services may request a hearing. If a  
87 hearing is requested, the director of the department of mental health shall  
88 provide the provider of services an opportunity to be heard and to present  
89 evidence bearing on the amount due for an assessment or other issue related to  
90 this section within thirty days after collection of an amount due or receipt of a  
91 request for a hearing, whichever is later. The director shall issue a final decision  
92 within forty-five days of the completion of the hearing. After reconsideration of  
93 the assessment determination and a final decision by the director of the  
94 department of mental health, an intermediate care facility for the intellectually  
95 disabled provider's appeal of the director's final decision shall be to the  
96 administrative hearing commission in accordance with sections 208.156 and  
97 621.055.

98         13. Notwithstanding any other provision of law to the contrary, appeals  
99 regarding this assessment shall be to the circuit court of Cole County or the  
100 circuit court in the county in which the facility is located. The circuit court shall  
101 hear the matter as the court of original jurisdiction.

102         14. Nothing in this section shall be deemed to affect or in any way limit  
103 the tax-exempt or nonprofit status of any intermediate care facility for the

104 intellectually disabled granted by state law.

105           15. The director of the department of mental health shall promulgate  
106 rules and regulations to implement this section. Any rule or portion of a rule, as  
107 that term is defined in section 536.010, that is created under the authority  
108 delegated in this section shall become effective only if it complies with and is  
109 subject to all of the provisions of chapter 536 and, if applicable, section  
110 536.028. This section and chapter 536 are nonseverable and if any of the powers  
111 vested with the general assembly pursuant to chapter 536 to review, to delay the  
112 effective date, or to disapprove and annul a rule are subsequently held  
113 unconstitutional, then the grant of rulemaking authority and any rule proposed  
114 or adopted after August 28, 2008, shall be invalid and void.

115           16. The provisions of this section shall expire on September 30, [2019]  
116 **2020.**

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Bill

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