

SECOND REGULAR SESSION

HOUSE BILL NO. 1558

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES SHOEMYER (Sponsor), SEIGFREID, HENKE, WITTE,
BARNITZ, HAMPTON, McKENNA, DAVIS (122), BRINGER, SWINGER,
KUESSNER AND PAGE (Co-sponsors).

Read 1st time February 24, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4252L.011

AN ACT

To amend chapter 357, RSMo, by adding thereto eight new sections relating to a health benefit purchasing cooperative pilot project.

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

Section A. Chapter 357, RSMo, is amended by adding thereto eight new sections, to be
2 known as sections 357.300, 357.303, 357.306, 357.309, 357.312, 357.315, 357.318, and 357.321,
3 to read as follows:

357.300. As used in sections 357.300 to 357.318, the following terms mean:

2 **(1) "Director", the director of the department of insurance;**

3 **(2) "Eligible employee", an employee who works on a permanent basis and has a**
4 **normal workweek of thirty or more hours. Eligible employee includes a sole proprietor,**
5 **a business owner, including the owner of a farm business, a partner of a partnership, and**
6 **a member of a limited liability company if the sole proprietor, business owner, partner, or**
7 **member is included as an employee under a health benefit plan of an employer, but eligible**
8 **employee does not include an employee who works on a temporary or substitute basis;**

9 **(3) "Person", any corporation, limited liability company, partnership, cooperative,**
10 **association, trade, or labor organization, political subdivision of the state, or self-employed**
11 **individual.**

357.303. 1. Notwithstanding any other law to the contrary, a health benefit
2 **purchasing cooperative may be organized under this chapter before September 1, 2007, in**
3 **each of the five geographic areas designated in section 357.315. Each health benefit**
4 **purchasing cooperative may be formed by one or more persons.**

5 **2. The purposes of a health benefit purchasing cooperative is to provide health care**

6 **benefits for individuals specified in subdivisions (1) to (3) of subsection 1 of section 357.309**
7 **through a contract with an insurer authorized to do business in this state in one or more**
8 **lines of insurance that includes health insurance.**

9 **3. A health benefit purchasing cooperative shall be designed so that all of the**
10 **following are accomplished:**

11 **(1) The members become better informed about health care trends and cost**
12 **increases;**

13 **(2) All members purchase their health care benefits from the same insurer;**

14 **(3) The members are actively engaged in designing health care benefit options that**
15 **are offered by the insurer and that meet the needs of their community;**

16 **(4) The health insurance risk of all of the members is pooled; and**

17 **(5) The members actively participate in health improvement decisions for their**
18 **community.**

19 **4. The articles of a health benefit purchasing cooperative shall set forth the name**
20 **and address of at least one incorporator who will act as the temporary board.**

357.306. 1. Each health benefit purchasing cooperative shall be organized on a
2 **membership basis with no capital stock.**

3 **2. Subject to subsection 3 of this section, any person that does business in, is located**
4 **in, has a principal office in, or resides in the geographic area in which a health benefit**
5 **purchasing cooperative is organized that meets the membership criteria established by the**
6 **health benefit purchasing cooperative in its bylaws, and that pays the membership fee may**
7 **be a member of the health benefit purchasing cooperative.**

8 **3. A health benefit purchasing cooperative may limit membership of self-employed**
9 **individuals through its membership criteria, but such criteria must be applied in the same**
10 **manner to all self-employed individuals.**

11 **4. Each health benefit purchasing cooperative shall file its membership criteria, as**
12 **well as any amendments to the criteria, with the director.**

357.309. 1. The health care benefits offered by a health benefit purchasing
2 **cooperative shall be negotiated between the health benefit purchasing cooperative and the**
3 **insurer. The insurer shall offer coverage to all of the following:**

4 **(1) An individual who is a member, officer, or eligible employee of a member of the**
5 **health benefit purchasing cooperative;**

6 **(2) A self-employed individual who is a member of the health benefit purchasing**
7 **cooperative;**

8 **(3) A dependent of an individual under subdivision (1) or (2) of this subsection who**
9 **received coverage.**

10 **2. The contract between the members of a health benefit purchasing cooperative**
11 **and an insurer shall be for a term of three years. Upon enrollment in the insurer's health**
12 **benefit plan, each member shall pay to the health benefit purchasing cooperative an**
13 **amount determined by the health benefit purchasing cooperative that is not less than the**
14 **member's applicable premium for the thirty-sixth month of coverage under the contract.**
15 **If a member withdraws from the health benefit purchasing cooperative before the end of**
16 **the contract term, the health benefit purchasing cooperative may retain, as a penalty, an**
17 **amount specified by the health benefit purchasing cooperative that is not less than the**
18 **premium that the member paid for the thirty-sixth month of coverage.**

357.312. Each health benefit purchasing cooperative shall submit to the general
2 **assembly and the director all of the following:**

3 **(1) Annually, no later than September thirtieth, a report on the progress of the**
4 **health benefit purchasing arrangement described in sections 357.300 to 357.318 and, to the**
5 **extent possible, any significant findings in the criteria under paragraphs (a) to (c) of**
6 **subdivision (2) of this section;**

7 **(2) Within one year after the end of the term of contract under subsection 2 of**
8 **section 357.309, a final report that details significant findings from the project and that**
9 **includes, at a minimum and to the extent possible, information on all of the following:**

10 **(a) The extent to which the health benefit purchasing arrangement had an impact**
11 **on the number of uninsured in the geographic area in which it operated;**

12 **(b) The effect on health care coverage premiums for groups in the geographic area**
13 **in which the health benefit purchasing arrangement operated, including groups other than**
14 **the health benefit purchasing cooperative; and**

15 **(c) The degree to which health care consumers were involved in the development**
16 **and implementation of the health benefit purchasing arrangement.**

357.315. The director shall designate the five geographic areas of the state in which
2 **health benefit purchasing cooperatives may be organized. A geographic area may overlap**
3 **with one or more other geographic areas.**

357.318. Any state agency may seek federal or private funding that may be used to
2 **support the activities of the project under sections 357.300 to 357.318.**

357.321. Pursuant to section 23.253, RSMo, of the Missouri Sunset Act:

2 **(1) The provisions of the new program authorized under sections 357.300 to**
3 **357.318 shall automatically sunset six years after the effective date of sections 357.300 to**
4 **357.318 unless reauthorized by an act of the general assembly; and**

5 **(2) If such program is reauthorized, the program authorized under sections 357.300**
6 **to 357.318 shall automatically sunset twelve years after the effective date of the**

7 **reauthorization of sections 357.300 to 357.318; and**
8 **(3) Sections 357.300 to 357.318 shall terminate on September first of the calendar**
9 **year immediately following the calendar year in which the program authorized under**
10 **sections 357.300 to 357.318 is sunset.**