

FIRST REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 270**  
96TH GENERAL ASSEMBLY

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Reported from the Committee on Health, Mental Health, Seniors and Families, April 14, 2011, with recommendation that the Senate Committee Substitute do pass.

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TERRY L. SPIELER, Secretary.

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**AN ACT**

To repeal sections 103.080 and 103.089, RSMo, and to enact in lieu thereof two new sections relating to the state employee health insurance program.

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

Section A. Sections 103.080 and 103.089, RSMo, are repealed and two new  
2 sections enacted in lieu thereof, to be known as sections 103.080 and 103.089, to  
3 read as follows:

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

2 (1) "Health savings account" or "account", shall have the same meaning  
3 ascribed to it as in 26 U.S.C. Section 223(d), as amended;

4 (2) "High deductible health plan", a policy or contract of health insurance  
5 or health care plan that meets the criteria established in 26 U.S.C. Section  
6 223(c)(2), as amended, and any regulations promulgated thereunder.

7 2. Beginning with the open enrollment period for the 2009 plan year, the  
8 board shall offer to all qualified state employees and retirees, in addition to the  
9 plans currently offered including but not limited to health maintenance  
10 organization plans, preferred provider organization plans, copay plans, and  
11 participating public entities the option of receiving health care coverage through  
12 a high deductible health plan and the establishment of a health savings account.  
13 [In no instance shall a qualified employee or retiree be required to enroll in a  
14 high deductible health plan with a deductible greater than the minimum allowed  
15 by law, however, a qualified employee or retiree shall have the option to enroll  
16 in a high deductible health plan up to the maximum allowed by law.] The health  
17 savings account shall conform to the guidelines to be established by the Internal

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

18 Revenue Service for the [2009] **current** tax year but in no case shall a qualified  
19 employee or retiree be required to contribute more than the minimum amount  
20 allowed by law. A qualified employee or retiree may contribute up to the  
21 maximum allowed by law. In order for a qualified individual to obtain a high  
22 deductible health plan through the Missouri consolidated health care plan, such  
23 individual shall present evidence, in a manner prescribed by regulation, to the  
24 board that he or she has established a health savings account in compliance with  
25 26 U.S.C. Section 223, and any amendments and regulations promulgated thereto.

26 **3. Beginning with the open enrollment period for the 2012 plan**  
27 **year, the high deductible health plan offered under subsection 2 of this**  
28 **section shall have a monthly subscriber premium that is at least fifty**  
29 **percent lower than the non-high deductible health plan chosen by a**  
30 **plurality of qualified employees. The amount of the annual deductible**  
31 **for the high deductible health plan offered under subsection 2 of this**  
32 **section shall be no greater than one hundred and twenty-five percent**  
33 **of the minimum annual deductible for self-only coverage and family**  
34 **coverage as established by the Internal Revenue Service for the current**  
35 **tax year. The sum of the annual deductible and the other annual**  
36 **out-of-pocket expenses required to be paid under a high deductible**  
37 **health plan offered under subsection 2 of this section shall not exceed**  
38 **the amount set forth by the Internal Revenue Service for the current**  
39 **tax year. The coverage afforded by the high deductible health plan,**  
40 **after the applicable deductible has been met, shall be substantially**  
41 **similar to the coverage provided by the non-high deductible health plan**  
42 **chosen by a plurality of qualified employees.**

43 **4. It is the intent of the Missouri general assembly to promote**  
44 **the use of consumer-driven health care plans such as health savings**  
45 **account compatible high deductible health plans by active state**  
46 **employees as an alternative to using traditional managed care plans. If,**  
47 **after the completion of the open enrollment period for the 2012 plan**  
48 **year, fewer than ten percent of Missouri's active state employees have**  
49 **enrolled in a high deductible health plan described in this section, then**  
50 **the board shall offer a more competitive high deductible health plan**  
51 **with increased financial and coverage incentives, including but not**  
52 **limited to alternative annual deductibles, out-of-pocket expenses, and**  
53 **other health plan design features, all within the established federal**  
54 **guidelines, with the goal of having forty percent of Missouri's active**

55 **state employees enrolling in a health savings account compatible high**  
56 **deductible health plan by the open enrollment period for the 2015 plan**  
57 **year.**

58         **5.** The board is authorized to promulgate rules and regulations for the  
59 administration and implementation of this section. Any rule or portion of a rule,  
60 as that term is defined in section 536.010, that is created under the authority  
61 delegated in this section shall become effective only if it complies with and is  
62 subject to all of the provisions of chapter 536 and, if applicable, section  
63 536.028. This section and chapter 536 are nonseverable and if any of the powers  
64 vested with the general assembly pursuant to chapter 536 to review, to delay the  
65 effective date, or to disapprove and annul a rule are subsequently held  
66 unconstitutional, then the grant of rulemaking authority and any rule proposed  
67 or adopted after August 28, 2007, shall be invalid and void.

68         **[4.] 6.** The board shall issue a request for proposals from companies  
69 interested in offering a high deductible health plan in connection with a health  
70 savings account.

103.089. Participants in the program of medical benefits coverage  
2 provided by sections 103.003 to 103.175 who are eligible for Medicare benefits and  
3 who are not eligible for the program of medical benefits coverage provided under  
4 sections 103.083 to 103.098 to be their primary plan of coverage benefits shall be  
5 provided **[the same] substantially similar** benefits provided participants who  
6 are not eligible for Medicare benefits. Medical benefits coverage provided under  
7 sections 103.003 to 103.175 shall be coordinated with Medicare benefits for  
8 participants covered by part A or part B, or both, of Medicare benefits, or **for**  
9 **participants eligible for but not covered by part A or part B, or both,**  
10 **of Medicare benefits**, reduced by an amount determined by the claims  
11 administrator to provide a benefit equivalent to the amount which would be  
12 provided on a coordination of benefit basis for **such** participants **[not] if such**  
13 **participants were** covered by part A or part B, or both, of Medicare benefits.  
14 As used in sections 103.083 to 103.098, the term "Medicare benefits" shall include  
15 those medical benefits provided by Title XVIII, A and B, Public Law 89-97, 1965  
16 amendments to the federal Social Security Act (42 U.S.C. section 301, et seq.) and  
17 amendments thereto. Any participating member agency having employees or  
18 eligible retirees not covered by Medicare shall authorize the plan at its option to  
19 enroll those individuals for medical benefits as provided by Title XVIII, A and B,  
20 Public Law 89-97, 1965 amendments to the federal Social Security Act whenever

21 they become eligible for such benefits and the plan shall pay the premium for  
22 such enrollment on behalf of that person. The Medicare premium amounts shall  
23 be included in the rate established by the actuary for providing medical benefits  
24 coverage to such a participating member agency. Anyone not authorizing this  
25 Medicare enrollment shall be denied coverage.

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