

SECOND REGULAR SESSION

HOUSE BILL NO. 2750

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HAEFNER.

6766H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 208, RSMo, by adding thereto three new sections relating to MO HealthNet managed care.

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

Section A. Chapter 208, RSMo, is amended by adding thereto three new sections, to be
2 known as sections 208.1100, 208.1105, and 208.1110, to read as follows:

2 **208.1100. Any contract between the state of Missouri and a vendor of prepaid**
3 **capitated health services, as described in section 208.166, which is issued, reauthorized, or**
4 **renewed after August 28, 2016, shall incorporate the following standards:**

4 (1) Each vendor of services shall use the same set of utilization review protocols and
5 standards in determining medical necessity for services and for authorizing payment for
6 such services delivered and administered pursuant to the contract. The utilization review
7 protocols and standards shall be established by the department of social services.
8 Utilization review standards for hospital emergency department coverage shall include the
9 standards established for health maintenance organizations as defined in chapter 354
10 regarding emergency medical services and emergency medical conditions. The department
11 shall ensure the active engagement of network health care providers in developing the
12 department's set of uniform utilization review protocols and standards including, but not
13 limited to, providers of behavioral health services. In developing such standards and
14 protocols, the department shall give preference to the use of protocols and standards with
15 prevalent use among Medicare and health carriers, as defined in section 376.1350;

16 (2) Decisions regarding appeals of utilization review or payment authorization
17 decisions shall be timely. Data on the number, timing, nature, and disposition of such

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 appeals shall be reported to the department as provided by the contract, but no less
19 frequently than quarterly. A contract described in this section shall include deadlines and
20 other criteria for making and resolving disputes of utilization review decisions and shall
21 include financial penalties for consistent failure of a contracting vendor to issue timely
22 decisions pursuant to terms of the contract and state and federal laws and regulations;

23 (3) Network adequacy standards shall be established and enforced to ensure that
24 vendors of prepaid capitated health services provide access to adult and pediatric primary
25 care, specialty medical care, and behavioral health services comparable to that provided
26 to enrollees of private insurance plans;

27 (4) Administrative requirements imposed on providers and patients by a vendor
28 of prepaid capitated health services shall be standardized and uniformly applied to each
29 such vendor. For purposes of this section, administrative requirements shall include, but
30 not be limited to, the collection from providers of financial, care delivery, and quality of
31 care data;

32 (5) To the extent that federal statutory or regulatory requirements directly or
33 indirectly prevent the payment of Medicaid upper payment limit payments under 42 CFR
34 447 for which some or all hospitals are eligible to receive, alternative or supplemental
35 payments shall be made in lieu thereof, as authorized by appropriation by the general
36 assembly and by federal laws and regulations;

37 (6) Capitation payments made to managed care plans through prepaid capitated
38 coverage arrangements shall not exceed an actuarially sound capitation rate established
39 under paragraph (c) of 42 CFR 438.6. The portion of such capitation payments for which
40 the state share is funded by the proceeds of a provider assessment shall be used exclusively
41 to pay for the compensable services of some or all of the providers subject to the applicable
42 tax under state law. This requirement shall not apply to the amounts of each type of
43 provider assessment appropriated and expended to fund MO HealthNet managed care
44 payments during state fiscal year 2016. Contracts described in this section shall ensure the
45 collection and distribution of payment and encounter data necessary to verify continuous
46 compliance with this subdivision. For purposes of this section, the term "provider
47 assessment" shall mean assessments whose payment is mandated by:

48 (a) Sections 190.800 to 190.839;

49 (b) Sections 198.401 to 198.439;

50 (c) Sections 208.453 to 208.480;

51 (d) Sections 338.500 to 338.550; and

52 (e) Section 633.401;

53 (7) Such contract shall provide for a financial penalty to a vendor of prepaid
54 capitated health services if the vendor fails to meet targets defined by the contract for rates
55 at which participants whose care is being managed by such plans seek to use hospital
56 emergency department services for nonemergency medical conditions. The MO HealthNet
57 Division shall convene representatives of vendors of prepaid capitated arrangements,
58 physicians, hospitals, pharmacists, and other applicable health care providers to promote
59 the development and implementation of best practices to reduce the incidence of
60 nonemergency use of hospital emergency departments by MO HealthNet participants;

61 (8) Such contract shall require that the vendor of prepaid capitated health services
62 maintain a medical loss ratio of at least ninety percent or greater;

63 (9) Such contract shall require that the vendor of prepaid capitated health services
64 be required to provide on a monthly basis, or more frequently as specifically required by
65 the contract, all data necessary to allow the department to monitor and implement
66 payments including, but not limited to, any data necessary to determine compliance with
67 any contractual agreements between the vendor and providers of health care services.
68 Such data shall be a public record under chapter 610;

69 (10) Such contract shall permit shared savings and risk- and gain-sharing
70 arrangements between vendors of prepaid capitated health services and health care
71 providers;

72 (11) In accordance with section 1.330, no such contract shall compel or coerce,
73 directly or indirectly, health care providers to participate in a health care system including,
74 but not limited to, a MO HealthNet managed care program; and

75 (12) All such contracts shall include standards for timely payment of providers by
76 contracted vendors which are at least as stringent as provided by section 376.383. This
77 subdivision shall not be construed to impede the inclusion of standards regarding timely
78 payment which are more stringent than state statutory standards as permitted or required
79 by federal laws or regulations or the terms of a contract under this section.

208.1105. The department of social services shall accept regional plan proposals
2 from provider-sponsored care management organizations as an option for coverage of
3 beneficiaries. Such provider-sponsored care management organizations shall comply with
4 standards established by the department to ensure comparable levels of benefits, quality,
5 and protection to enrollees. For purposes of this section, regional proposals may be
6 submitted by a "coordinated care organization" or "CCO", which shall be an organization
7 of health care providers, including a health care home, which agrees to be accountable for
8 the quality, cost, coordination, and overall care of a defined group of MO HealthNet
9 participants. The regional CCOs shall use a shared savings model in which over time there

10 is also shared risk. The regional or statewide CCOs shall be reimbursed through a global
11 payment methodology developed by the department. The global payment methodology
12 may utilize a population-based payment mechanism calculated on a per-member, per-
13 month calculation, and may include risk adjustments, risk sharing, and aligned payment
14 incentives to achieve performance improvement. The department may develop
15 performance incentive payments designed to reward increased quality and decreased cost
16 of care. CCOs under this section may be eligible to receive performance incentive
17 payments as determined by the department beginning in their second full year of
18 operation.

208.1110. The state auditor shall conduct an annual evaluation of the savings and
2 costs attributable to state government, political subdivisions, health care providers, and
3 MO HealthNet participants pursuant to the expanded implementation of prepaid capitated
4 health services occurring on or after May 1, 2017. In preparing such evaluations, the state
5 auditor may consult with the departments of social services, mental health, and insurance,
6 financial institutions and professional registration. The annual evaluations shall include
7 an assessment of the financial implications attributable to the use of subcontractors by
8 prepaid capitated health service plans to administer the delivery of health services,
9 including behavioral health services, to MO HealthNet participants.

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