

HB 449 -- MISSOURI REINSURANCE PLAN

SPONSOR: Hill

This bill creates the "Missouri Reinsurance Plan" which is a state based reinsurance program administered by the Director of the Department of Insurance, Financial Institutions and Professional Registration with assistance from the Department of Health and Senior Services. The Missouri Health Insurance Pool is reestablished as the "Missouri Reinsurance Pool" with the board of directors appointed by the director.

The reinsurance program is created to stabilize and reduce premium rates in the individual health insurance market and to increase participation. The program is an alternative to the Affordable Health Care Act. The director will apply to the Secretary of Health and Human Services under 42 U.S.C. Section 18052 for a state innovation waiver to implement the Missouri premium security plan beginning January 1, 2020, and future years, to maximize federal funding for the plan.

Eligible health carriers must calculate the premium amount they would have charged for the benefit year if the plan had not been established. Health carriers will apply for reinsurance payments to offset premiums charged for individual health plans. The director shall determine the payment parameters for the next benefit year by January 15th of the year before the applicable benefit year.

Each reinsurance payment shall be calculated with respect to an eligible health carrier's incurred claims costs for an individual enrollee's covered benefits in the applicable benefit year. If the claims costs do not exceed the attachment point, the reinsurance payment is \$0. If the claims costs exceed the attachment point, the reinsurance payment shall be calculated as the product of the coinsurance rate and the lesser of the claims costs minus the attachment point or the reinsurance cap minus the attachment point. The department shall ensure that reinsurance payments made to eligible health carriers do not exceed the total amount paid by the eligible health carrier for an eligible claim. The board will also establish procedures for the collection of assessments from insurers required in addition to any funds received under the provisions of Sections 374.900 to 374.960, RSMo.

This bill is similar to HB 2539 (2018).