



16-091

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ELECTIONS DIVISION
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September 4, 2015

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Winston Apple regarding a proposed statutory amendment to Chapter 192 (2016-091)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Winston Apple on September 4, 2015.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

Jason Kander

cc: Hon. Chris Koster
Sheri Hoffman
Barbara Wood

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STATE AUDITORS OFFICE

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Be it enacted by the people of the state of Missouri:

One new section of the Revised Missouri Statutes is enacted, to be known as section 192.008, to read as follows:

192.008. 1. "The Missouri Health Insurance Cooperative" (hereinafter referred to as "MHIC") is hereby created, within the department of health and senior services, to provide health insurance for citizens of Missouri who wish to become members of the cooperative.

2. The MHIC shall be administered by the director of the department of health and senior services.

3. The state of Missouri is authorized to issue bonds to cover the start-up costs for the MHIC and any shortages of funds needed to pay authorized benefits until such time as the premiums and out-of-pocket maximums for members have been adjusted to fully cover administrative expenses and benefits paid with money collected from premiums paid by members.

4. Memberships in The Missouri Health Insurance Cooperative shall be available beginning no later than January 1, 2018.

5. Enrollment in The Missouri Health Insurance Cooperative (hereinafter referred to as "MHIC") shall be voluntary and limited to citizens of the state of Missouri.

6. The MHIC shall be revenue-neutral. The percentages of income established for premiums and out-of-pocket maximums shall be adjusted annually and set at levels that will insure that revenues are sufficient to cover all costs, including amounts paid out to members for health care expenses in excess of their out-of-pocket maximum and all administrative expenses; as well as funds necessary to pay principal and interest on bonds issued to fund start-up costs for MHIC.

7. Premiums for insurance coverage through MHIC, as well as the annual out-of-pocket maximum for members will be based on percentages of each member's gross annual income, as determined by the board. Premiums are to be set as low as possible and out-of-pocket maximums set no higher than necessary to maintain the revenue neutral status of the MHIC, while making membership as affordable as possible.

8. Only treatments and procedures deemed medically necessary, as determined by the department of health and senior services shall be covered through the MHIC.

9. Members who waive coverage for health care expenses and treatments commonly associated with smoking tobacco or consuming alcohol or recreational use of drugs will receive a discount on their premiums that reflects, as accurately as possible the benefits to The MHIC as a result of not having to pay for such care and treatment. Should the general assembly elect to provide subsidies to MHIC for health care expenses and treatments commonly associated with smoking tobacco, consuming alcohol, or other recreational drug use through the collection of excise taxes on tobacco products, alcohol, or recreational drugs, this discount will be suspended and all members of MHIC will pay the same percentage of their income as premiums.

10. Members of the MHIC and health care providers in the state of Missouri, are responsible for keeping records and receipts for covered health care, to be furnished to the MHIC in the event that expenses for needed health care exceed the out-of-pocket maximum for a given calendar year and reimbursement is thereby requested.