

**Title 11—DEPARTMENT OF PUBLIC SAFETY  
Division 40—Division of Fire Safety  
Chapter 5—Elevators**

**PROPOSED AMENDMENT**

**11 CSR 40-5.040 Registration.** The Missouri Division of Fire Safety is amending section (1).

*PURPOSE:* This proposed amendment will eliminate redundancy by eliminating the requirement that elevator equipment be registered each year by July 1.

(1) Within twelve (12) months after adoption of these rules and regulations under this section relating to registration of an existing installation [and thereafter by July 1 of each year,] the owner, operator, lessee [of] or agent of either, shall register each installation, whether or not dormant with the Department of Public Safety, giving type, contract load and speed, name of manufacturer, its location and the purpose for which it is used, and such additional information as the department may require. Registration must be made on a form to be furnished by the department, upon request. Existing or new installations, the construction of which are commenced subsequent to the date of promulgation of these rules, must be registered in the manner prescribed by the department.

*AUTHORITY:* section 701.355, RSMo 1994. Original rule filed Aug. 26, 1998, effective July 1, 1999. Amended: Filed Aug. 17, 2000.

*PUBLIC COST:* This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed amendment will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Division of Fire Safety, William Farr, State Fire Marshal, P.O. Box 844, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 11—DEPARTMENT OF PUBLIC SAFETY  
Division 40—Division of Fire Safety  
Chapter 5—Elevators**

**PROPOSED AMENDMENT**

**11 CSR 40-5.050 New Installations.** The Missouri Division of Fire Safety is amending section (1).

*PURPOSE:* This proposed amendment incorporates a recent change to the ASME code standard.

(1) Minimum Standards. All new elevator equipment installed on or after the effective date of these rules and regulations shall be constructed and installed in conformity with the standards prescribed in the American Society of Mechanical Engineers, ASME A17.1, *Safety Code for Elevators and Escalators*, **A18.1, Safety Standard for Platform Lifts and Stairway Chair Lifts**, *American National Standard Safety Code for Manlifts* ANSI A90.1, *American National Safety Code for Personnel Hoist* ANSI A10.4 latest version adopted and amended by the Elevator Safety Board, unless as exempted by section 701.359, RSMo. These standards are hereby adopted by reference and incorporated herein.

*AUTHORITY:* section 701.355, RSMo 1994. Original rule filed Aug. 26, 1998, effective July 1, 1999. Amended: Filed Aug. 17, 2000.

*PUBLIC COST:* This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed amendment will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Division of Fire Safety, William Farr, State Fire Marshal, P.O. Box 844, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 11—DEPARTMENT OF PUBLIC SAFETY  
Division 40—Division of Fire Safety  
Chapter 5—Elevators**

**PROPOSED AMENDMENT**

**11 CSR 40-5.065 Missouri Minimum Safety Codes for Existing Elevator Equipment.** The Missouri Division of Fire Safety is amending subsection (1)(G).

*PURPOSE:* This proposed amendment incorporates a recent change to the ASME code standard.

(1) The following standards apply to all existing elevator equipment installed prior to the effective date of these rules and regulations as provided in 11 CSR 40-5.060. Any installation which is in compliance with the latest ASME A17.1 version adopted and amended by the Elevator Safety Board, unless as exempted by 701.359, RSMo shall be considered to be in compliance with 11 CSR 40-5.065. The foregoing standards are incorporated by reference in this rule.

(G) Maintenance, Repair and Alterations.

1. All maintenance shall comply with ASME A17.1, section 1002.

2. All repairs and alterations shall comply with ASME A17.1, section 1200.

3. All maintenance, repair and alterations to platform lifts and stairway chair lifts must comply with ASME A18.1, *Safety Standard for Platform Lifts and Stairway Chair Lifts*. The foregoing standard is incorporated by reference in this rule.

*AUTHORITY:* section 701.355, RSMo 1994. Original rule filed Aug. 26, 1998, effective July 1, 1999. Amended: Filed Aug. 17, 2000.

*PUBLIC COST:* This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed amendment will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Division of Fire Safety, William Farr, State Fire Marshal, P.O. Box 844, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 11—DEPARTMENT OF PUBLIC SAFETY  
Division 40—Division of Fire Safety  
Chapter 5—Elevators**

**PROPOSED AMENDMENT**

**11 CSR 40-5.090 Inspection and Testing.** The Missouri Division of Fire Safety is amending section (1) and (3)(C).

*PURPOSE: This proposed amendment will prohibit authorized representatives from having the authority to waive a witnessed test. The department will have sole authority to allow the waiver of a witnessed test.*

(1) Minimum Standard. All inspections and testing required by Missouri Statute 701.350–701.380 and these rules and regulations shall be made in accordance with the standards established by these rules and regulations and the American Society of Mechanical Engineers Manuals for Elevators and Escalators, ASME A17.1, A17.2, A17.2.1, A17.2.2, **A18.1** and A17.2.3, latest version adopted and amended by the Elevator Safety Board excluding routine inspection requirements of part 10 in ASME A17.1. The foregoing standards are incorporated by reference in this rule.

(3) Testing Procedures.

(C) Tests required by these rules and regulations shall be made by a person qualified to perform such service employed by the owner, operator, lessee or agent of either, in the presence of a licensed inspector. The department *[or its authorized representative]* has within its discretion, the authority to allow the testing to be performed without a licensed inspector present. In such cases, the elevator equipment shall be properly tagged by the qualified person performing the testing. The inspector shall verify the proper tagging of the elevator equipment within a ten (10)-day period. It will be required, without exception, that the testing be witnessed in the presence of a licensed inspector, at least every five (5) years.

*AUTHORITY: section 701.355, RSMo 1994. Original rule filed Aug. 26, 1998, effective July 1, 1999. Amended: Filed Aug. 17, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Division of Fire Safety, William Farr, State Fire Marshal, P.O. Box 844, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 11—DEPARTMENT OF PUBLIC SAFETY  
Division 40—Division of Fire Safety  
Chapter 5—Elevators**

**PROPOSED AMENDMENT**

**11 CSR 40-5.120 Inspectors.** The division is amending sections (2)–(8) and adding new sections (4)–(6).

*PURPOSE: This amendment will change minimum qualification requirements for municipal and political subdivision elevator*

*inspectors, increasing the number of qualified inspectors available to insure public safety.*

(2) **Qualification of Special Inspector.** To be eligible for a license to inspect elevator equipment, the applicant or licensee shall—

(A) Have a high school diploma or general educational development (GED) equivalent;

(B) Have had at least four (4) years experience in some mechanical or electrical endeavor, at least one (1) year of which shall have been in the design, construction, installation, repair or inspection of elevators. The non-elevator, mechanical, or electrical experience shall be at the journeyman mechanical level or technical work and the work must have been comparable to work in the elevator industry. Engineering education on a college level may be substituted on a year-for-year basis for the non-elevator qualifying experience. The one (1) year of required elevator experience may be on the basis of continuous employment for one (1) year in which at least half (1/2) of the applicant's time is devoted to elevator work;

(C) Have successfully passed the written examination for elevator inspectors administered by an association accredited by the American Society of Mechanical Engineers and evidenced by a certification of the applicant or licensee as a qualified elevator inspector (QEI). This is commonly referred to as being QEI certified;

(D) Have submitted proof of insurance coverage insuring the applicant against liability for injury or death for any acts or omissions on the part of the applicant. The insurance policy shall be in the amount of not less than one (1) million dollars for bodily injury to or death of one person in any one accident, and, subject to the limit for one (1) person, in an amount of not less than three (3) million dollars for bodily injury to or death of two (2) or more persons in any one (1) accident, and in an amount of not less than fifty thousand dollars (\$50,000) for damage to or destruction of property in any one (1) accident. Additionally, insurance coverage of an employer for whom the special inspector is employed shall be considered to comply with the aforementioned, if the coverage provides equivalent coverage for each special inspector; and

(E) Have no direct financial interest in any business or operation which manufactures, installs, repairs, modifies or services elevator equipment. This qualification does not prohibit employees of insurance companies insuring automatic elevator equipment from obtaining a license as an inspector.

(3) **Grandfather Clause for Special Inspector.** All *[existing]* special inspectors[,] shall have one (1) year from the effective date of these rules and regulations to meet the qualifications established by sections 701.350–701.380, RSMo. At the end of one (1) year from the effective date of these rules and regulations, the applicant must comply with the requirements as defined in 11 CSR 40-5.120 as listed herein.

(4) **Qualifications of Municipal or Political Subdivision Inspector.** To be eligible for a license to inspect elevator equipment for a municipality or political subdivision, the applicant or licensee shall meet the requirements listed in subsections 11 CSR 40-5.120(2)(A), (2)(B), (2)(C) and (2)(E). If applicant or licensee does not meet these requirements then (4)(A), (4)(B), (4)(C) and (4)(F) shall be met.

(A) Have a high school diploma or general educational development (GED) equivalent;

(B) Have had at least one (1) year experience in some mechanical or electrical endeavor. The mechanical or electrical experience shall be at the journeyman mechanical level or technical work and the work must have been comparable to work in the elevator industry. Engineering education on a college level may be substituted on a year-for-year basis for the qualifying experience; and

(C) Have successfully passed the written examination for elevator inspectors administered by an association accredited by the American Society of Mechanical Engineers and evidenced by a certification of the applicant or licensee as a qualified elevator inspector (QEI). This is commonly referred to as being QEI certified. If applicant or licensee does not meet subsections (4)(A), (4)(B), (4)(C) and (4)(F) then (4)(D), (4)(E), and (4)(F) shall be met.

(D) Have successfully completed the Building Officials Code Administrators (BOCA) certification program for elevator inspector and evidenced by a certification of the applicant or licensee as a BOCA certified elevator inspector; or a nationally recognized elevator certification program approved by the Elevator Safety Board;

(E) Attend one (1) continuing education and certification class per year as approved by the Missouri Elevator Safety Board; and

(F) Have no direct financial interest in any business or operation that manufactures, installs, repairs, modifies or services elevator equipment. This qualification does not prohibit employees of insurance companies insuring automatic elevator equipment from obtaining a license as an inspector. If applicant or licensee does not meet subsections (4)(D), (4)(E) and (4)(F) then section (5) candidate's license requirements shall be met.

(5) Apply for a Candidate's License to the Missouri Elevator Safety Board. To be eligible for and to maintain a candidate's license to inspect elevator equipment for a municipality or political subdivision the applicant shall—

(A) Have a high school diploma or general educational development (GED) equivalent;

(B) Have had at least one (1) year experience in some mechanical or electrical endeavor. The mechanical or electrical experience shall be at the journeyman mechanical level or technical work and the work must have been comparable to work in the elevator industry. Engineering education on a college level may be substituted on a year-for-year basis for the qualifying experience;

(C) Have their elevator equipment inspections directly supervised by a QEI or BOCA certified elevator inspector or a nationally recognized certified elevator inspector approved by the Missouri Elevator Safety Board;

(D) Within one (1) year of application for candidacy applicant shall have successfully completed the training class for QEI or BOCA certification presented by an association accredited by the American Society of Mechanical Engineers or the Missouri Elevator Safety Board;

(E) Beginning with the second year of their candidacy status the applicant shall attend one (1) continuing education and certification class as approved by the Missouri Elevator Safety Board per year;

(F) Within five (5) years of the date of application to the Missouri Elevator Safety Board for a candidate's license to inspect elevator equipment the applicant shall have successfully passed the written examination for elevator inspectors administered by an association accredited by the American Society of Mechanical Engineers and evidenced by a certification of the applicant or licensee as a qualified elevator inspector (QEI), commonly referred to as being QEI certified; or have successfully completed the Building Officials Code Administrators (BOCA) certification program for Elevator Inspector and evidenced by a certification of the applicant or licensee as a BOCA certified elevator inspector; or a nationally recognized elevator certification program approved by the Elevator Safety Board; and

(G) Have no direct financial interest in any business or operation that manufactures, installs, repairs, modifies or services

elevator equipment. This qualification does not prohibit employees of insurance companies insuring automatic elevator equipment from obtaining a license as an inspector.

(6) Grandfather Clause for Municipal and Political Subdivision Inspector. All existing inspectors shall have one (1) year from the effective date of these rules and regulations to meet the qualifications established by sections 701.350–701.380, RSMo. At the end of one (1) year from the effective date of these rules and regulations, the applicant must comply with the requirements as defined in 11 CSR 40-5.120 as listed herein, except that upon application to the Missouri Elevator Safety Board for a candidate's license, existing inspectors need not comply with subsection 11 CSR 40-5.120(5)(F).

//(4) (7) Application.

(A) A written application for a license shall be on a form supplied by the department, which shall include a statement of the applicant's experience and proof that the applicant is QEI certified.

(B) The board shall consider an application for a license at its next regular meeting, which shall in no event be more than three (3) months from the date the department received the application.

//(5) (8) Issuance.

(A) The department shall issue a license immediately upon the board's approval of an applicant and the payment of a fee in accordance with 11 CSR 40-5.110.

(B) A license shall expire one (1) year from the date of issuance or renewal. License shall be renewed annually. The annual inspector license fee shall be in accordance with 11 CSR 40-5.110 as listed herein.

//(6) (9) Prohibited Activities.

(A) No licensed inspector shall inspect any elevator equipment if the licensed inspector has a direct financial interest in the building or operation in which the elevator equipment is located.

(B) No licensed inspector shall have or maintain a financial interest in any business which manufactures, installs, alters, or services elevator equipment.

(C) No licensed inspector shall recommend or refer one of his/her clients or customers to a specific business, firm, or corporation which manufactures, installs, repairs, alters, or services elevator equipment.

//(7) (10) Financial Disclosure. On or before January 31 of each year, all licensed inspectors shall file, with the department, a financial disclosure statement on forms provided by the department and approved by the board. Such forms shall include, but not be limited to, the following:

(A) The name and address of any corporation, firm, or enterprise in which the licensed inspector has a direct financial interest of a value in excess of one thousand dollars (\$1,000). Policies of insurance issued to the licensed inspector or their spouse are not to be considered a financial interest;

(B) A list of every office or directorship held by the licensed inspector or their spouse, in any corporation, firm, or enterprise subject to jurisdiction of the board; and

(C) A list showing the name and address of any person, corporation, firm, or enterprise from which the licensed inspector received compensation in excess of one thousand five hundred dollars (\$1,500) during the preceding year.

//(8) (11) Revocation and Suspension of License.

(A) The board may revoke or suspend any license for cause. Such cause shall include, but not be limited to the following:

1. Failure to comply with the provisions of sections 701.350–701.380, RSMo, or these rules and regulations; and

2. Falsifying or making a material misstatement or omission on any application for license, financial disclosure statement, or inspection report.

(B) The department shall give notice to the licensee by mail at least fifteen (15) days prior to any hearing before the board regarding a license suspension or revocation. Such notice shall state the date, time and place of hearing, and shall contain a statement of the alleged facts or conduct warranting the proposed suspension or revocation.

(C) If the chief elevator inspector notifies the board or the board finds that the public safety imperatively requires emergency action, and the board incorporates a finding to that effect in its order, summary suspension of a license may be ordered pending the immediate initiation of the license revocation procedures. In such an event, the licensee shall be given written notice of the suspension. Such notice shall state the date, time, and place of an emergency revocation hearing and a statement of the alleged facts or conduct warranting the summary suspension and proposed revocation. Hearing to be held within five (5) days of receipt of the notice.

*AUTHORITY:* section 701.355, RSMo 1994. Original rule filed Aug. 26, 1998, effective July 1, 1999. Emergency amendment filed Aug. 24, 2000, effective Sept. 4, 2000, expires March 2, 2001. Amended: Filed Aug. 29, 2000.

*PUBLIC COST:* This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed amendment will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Division of Fire Safety, William Farr, State Fire Marshal, P.O. Box 844, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE  
Division 10—Director of Revenue  
Chapter 3—State Sales Tax**

**PROPOSED RESCISSION**

**12 CSR 10-3.131 Change of State Sales Tax Rate.** This rule clarified that gross receipts received after the effective date of a change to the state tax rate are subject to the new tax rate.

*PURPOSE:* This rule is being rescinded because it is superseded by other rules.

*AUTHORITY:* section 144.270, RSMo 1994. Original rule filed Sept. 7, 1984, effective Jan. 12, 1985. Emergency amendment filed Sept. 29, 1989, effective Oct. 9, 1989, expired Feb. 5, 1990. Amended: Filed Sept. 29, 1989, effective Feb. 25, 1990. Rescinded: Filed Aug. 24, 2000.

*PUBLIC COST:* This proposed rescission will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed rescission will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to the proposed rescission with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

*ments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 12—DEPARTMENT OF REVENUE  
Division 10—Director of Revenue  
Chapter 3—State Sales Tax**

**PROPOSED RESCISSION**

**12 CSR 10-3.210 Seller Must Charge Correct Rate.** This rule interpreted the sales tax law as it applied to the responsibility of the seller for charging the correct rate of tax and interpreted and applied sections 144.060, 144.080 and 144.100, RSMo.

*PURPOSE:* This rule is being rescinded because it is superseded by other rules.

*AUTHORITY:* section 144.270, RSMo 1994. S.T. regulation 020-1 was last filed Dec. 31, 1975, effective Jan. 10, 1976. Refiled March 30, 1976. Amended: Filed Aug. 13, 1980, effective Jan. 1, 1981. Rescinded: Filed Aug. 24, 2000.

*PUBLIC COST:* The proposed rescission will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed rescission will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to the proposed rescission with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE  
Division 10—Director of Revenue  
Chapter 4—State Use Tax**

**PROPOSED RESCISSION**

**12 CSR 10-4.624 Change of State Use Tax Rate.** This rule clarified which tax rate to use in computing use tax liability on gross receipts when there has been a change in the state use tax rate.

*PURPOSE:* This rule is being rescinded because it is superseded by other rules.

*AUTHORITY:* section 144.705, RSMo 1994. Emergency rule filed Sept. 29, 1989, effective Oct. 9, 1989, expired Feb. 5, 1990. Original rule filed Sept. 29, 1989, effective Jan. 26, 1990. Rescinded: Filed Aug. 24, 2000.

*PUBLIC COST:* This proposed rescission will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed rescission will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to the proposed rescission with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE  
Division 10—Director of Revenue  
Chapter 25—Motor Vehicle Financial Responsibility**

**PROPOSED AMENDMENT**

**12 CSR 10-25.050 Filing a Report of an Accident With the Director of Revenue.** The director proposes to amend the Purpose section and replace the form published with this rule.

*PURPOSE: This rule is being amended as the instruction sheet has been amended to emphasize certain information that must be included in the accident report form.*

*PURPOSE: This rule sets forth the attached form as the form to be utilized in filing accident reports by persons required to make reports pursuant to section 303.040, RSMo. [No form other than the one prescribed in this rule will be permitted in the filing of an accident report as required by section 303.040, RSMo.]*

**(1) A special form prescribed by this rule and incorporated by reference at the end of this rule, MO 860-0427, Missouri Motor Vehicle Accident Report Form and Instructions is to be used in the filing of an accident report. No form other than the one prescribed in this rule will be permitted in the filing of an accident report as requested by section 303.040, RSMo.**

*AUTHORITY: section 303.290, RSMo 1994. This version of rule filed Dec. 10, 1973, effective Dec. 20, 1973. Amended: Filed Sept. 27, 1976, effective Jan. 13, 1977. Amended: Filed Nov. 21, 1991, effective April 9, 1992. Amended: Filed Dec. 12, 1997, effective June 30, 1998. Amended: Filed Aug. 21, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

## MISSOURI MOTOR VEHICLE ACCIDENT REPORT FORM AND INSTRUCTIONS

### FILE THIS REPORT IF:

1. The accident happened in Missouri.
2. One year has not passed since the accident happened.
3. Someone involved in the accident did not have liability insurance coverage.

### AND

4. There is damage to any one or more person's property in **excess** of \$500; or there was personal injury or death.

### FILING A REPORT:

1. Fill in all blanks on the attached report, if possible.
2. Sign the report. (The report will be rejected back to you if it is not signed.)
3. Attach any of the following reports that pertain to this accident.
  - A. Estimate of cost to repair a vehicle or other property.
    1. The estimate must be itemized.
    2. The estimate must be **signed** by the person who prepared it.
    3. The date of estimate must be on or after the date of the accident.
  - B. Physician's report/medical bills.
    1. Physician's report/medical bills must give a **detailed** explanation of the type and extent of injury.
    2. Physician's report/medical bills **must be signed** by the physician.
  - C. Death certificate or copy of police report that indicates there was a fatality.
4. If available, attach a letter from the insurance company of the uninsured motorist denying insurance coverage for the accident.

**\*\* GENERAL INFORMATION \*\***

- \* It is the responsibility of the operator, not the state, to bring an action at law on the claim of the operator arising out of the accident.
- \* The security deposited shall only be applied to the payment of a judgment against the person or persons on whose behalf the deposit was made.
- \* The Department of Revenue shall return the deposit to the depositor after the expiration of one year from the date of the accident, or as otherwise provided in Missouri Revised Statute, Section 303.060.



MISSOURI DEPARTMENT OF REVENUE  
**MOTOR VEHICLE ACCIDENT REPORT**

BUREAU CASE NUMBER
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ACCIDENT DATE	TIME <input type="checkbox"/> A.M. <input type="checkbox"/> P.M.	NUMBER OF VEHICLES INVOLVED	STATE IN WHICH ACCIDENT OCCURRED
ACCIDENT LOCATION - STREET NAME OR HIGHWAY NUMBER		AT OR NEAR INTERSECTION	COUNTY
WAS A POLICE REPORT MADE ON THIS ACCIDENT? <input type="checkbox"/> YES <input type="checkbox"/> NO		IF YES, WHAT POLICE AGENCY MADE THE REPORT	

**LIABILITY INSURANCE INFORMATION: IF ANY OF THIS INFORMATION IS INCOMPLETE, YOU WILL BE CONSIDERED UNINSURED FOR THIS ACCIDENT.**

AT THE TIME OF THE ACCIDENT, WAS YOUR VEHICLE COVERED BY PROPERTY AND BODILY INJURY LIABILITY INSURANCE? <input type="checkbox"/> YES <input type="checkbox"/> NO	INSURANCE COMPANY	INSURANCE POLICY NO.
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YOUR VEHICLE - DRIVER INFORMATION				YOUR VEHICLE - OWNER INFORMATION			
DRIVER	SEX	OWNER	OWNER'S DATE OF BIRTH	SEX			
STREET ADDRESS		STREET ADDRESS		DRIVER LICENSE NUMBER			
CITY, STATE		CITY, STATE		ZIP CODE			
DRIVER'S DATE OF BIRTH	DRIVER LICENSE NUMBER	STATE	VEHICLE MAKE/YEAR	TYPE OF VEHICLE	LICENSE PLATE NO.	STATE	YEAR

**OTHER INVOLVED PARTIES**

OTHER VEHICLE - DRIVER INFORMATION				OTHER VEHICLE - OWNER INFORMATION			
DRIVER	SEX	OWNER	OWNER'S DATE OF BIRTH	SEX			
STREET ADDRESS		STREET ADDRESS		DRIVER LICENSE NUMBER			
CITY, STATE		CITY, STATE		ZIP CODE			
DRIVER'S DATE OF BIRTH	DRIVER LICENSE NUMBER	STATE	VEHICLE MAKE/YEAR	TYPE OF VEHICLE	LICENSE PLATE NO.	STATE	YEAR

OTHER VEHICLE - DRIVER INFORMATION				OTHER VEHICLE - OWNER INFORMATION			
DRIVER	SEX	OWNER	OWNER'S DATE OF BIRTH	SEX			
STREET ADDRESS		STREET ADDRESS		DRIVER LICENSE NUMBER			
CITY, STATE		CITY, STATE		ZIP CODE			
DRIVER'S DATE OF BIRTH	DRIVER LICENSE NUMBER	STATE	VEHICLE MAKE/YEAR	TYPE OF VEHICLE	LICENSE PLATE NO.	STATE	YEAR

OTHER VEHICLE - DRIVER INFORMATION				OTHER VEHICLE - OWNER INFORMATION			
DRIVER	SEX	OWNER	OWNER'S DATE OF BIRTH	SEX			
STREET ADDRESS		STREET ADDRESS		DRIVER LICENSE NUMBER			
CITY, STATE		CITY, STATE		ZIP CODE			
DRIVER'S DATE OF BIRTH	DRIVER LICENSE NUMBER	STATE	VEHICLE MAKE/YEAR	TYPE OF VEHICLE	LICENSE PLATE NO.	STATE	YEAR

**COMPLETE REVERSE SIDE**



OTHER VEHICLE - DRIVER INFORMATION				OTHER VEHICLE - OWNER INFORMATION			
DRIVER		SEX		OWNER		OWNER'S DATE OF BIRTH	
STREET ADDRESS				STREET ADDRESS		DRIVER LICENSE NUMBER	
CITY, STATE		ZIP CODE		CITY, STATE		ZIP CODE	
DRIVER'S DATE OF BIRTH	DRIVER LICENSE NUMBER		STATE	VEHICLE MAKE/YEAR	TYPE OF VEHICLE	LICENSE PLATE NO.	STATE YEAR
OTHER VEHICLE - DRIVER INFORMATION				OTHER VEHICLE - OWNER INFORMATION			
DRIVER		SEX		OWNER		OWNER'S DATE OF BIRTH	
STREET ADDRESS				STREET ADDRESS		DRIVER LICENSE NUMBER	
CITY, STATE		ZIP CODE		CITY, STATE		ZIP CODE	
DRIVER'S DATE OF BIRTH	DRIVER LICENSE NUMBER		STATE	VEHICLE MAKE/YEAR	TYPE OF VEHICLE	LICENSE PLATE NO.	STATE YEAR
DIAGRAM DESCRIPTION OF ACCIDENT							
				<b>INSTRUCTIONS</b>			
				DRAW PICTURE OF ROADWAY AT PLACE OF ACCIDENT. NUMBER EACH VEHICLE AND SHOW DIRECTION OF TRAVEL BY ARROW.			
				EXAMPLE →  ←			
				<b>SYMBOLS</b>			
				1. VEHICLES		4. RAILROAD	
				2. MOTORCYCLE		5. UTILITY POLE	
3. PEDESTRIAN							
DESCRIBE WHAT HAPPENED (REFER TO VEHICLES BY NUMBER)							
I STATE THAT THE INFORMATION ON THIS REPORT IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.				SIGNATURE		I AM: <input type="checkbox"/> DRIVER <input type="checkbox"/> CORP. OFFICER <input type="checkbox"/> OWNER <input type="checkbox"/> AGENCY OFFICIAL	

MAIL TO: MISSOURI DEPARTMENT OF REVENUE, DRIVERS LICENSE BUREAU, P.O. BOX 200, JEFFERSON CITY, MISSOURI 65105-0200  
(573) 751-7195. FAX TO: (573) 526-7365

**Title 12—DEPARTMENT OF REVENUE  
Division 10—Director of Revenue  
Chapter 25—Motor Vehicle Financial Responsibility**

**PROPOSED RULE**

**12 CSR 10-25.130 Proof of Financial Responsibility for Reinstatement of Failure to Show Proof of Financial Responsibility Suspensions**

*PURPOSE: This rule establishes the types of proof of financial responsibility that will be accepted for reinstatement of a suspension for failure to show proof of financial responsibility pursuant to Chapter 303, RSMo.*

(1) For purposes of sections 303.042 and 303.044, RSMo, other forms of proof of insurance shall be a legible copy of an insurance identification card, a motor vehicle liability insurance policy, a motor vehicle liability insurance binder or a receipt which contains the policy information required in subsection 2 of section 303.024, RSMo. The director of revenue may as he/she deems necessary require additional documentation in order to determine the authenticity of any document submitted as proof of financial responsibility.

(2) If the driver's address and driver license number are not contained on the proof of insurance document, a document containing such information must accompany the proof of insurance forwarded to the Drivers License Bureau. The driver may supply this information by returning a copy of the suspension notice received from the Department of Revenue with the proof of insurance as it contains the pertinent information.

(3) If the driver's name is not indicated on the proof of insurance document, the insured driver must submit a copy of his or her insurance policy so the director can verify the driver has the necessary insurance.

(4) The proof of insurance document must contain the most current effective date of the policy.

*AUTHORITY: section 303.290, RSMo 1994. Original rule filed Aug. 21, 2000.*

*PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed rule will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to the proposed rule with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 12—DEPARTMENT OF REVENUE  
Division 10—Director of Revenue  
Chapter 25—Motor Vehicle Financial Responsibility**

**PROPOSED RULE**

**12 CSR 10-25.140 Financial Responsibility—Inoperable/Stored Vehicles**

*PURPOSE: This rule establishes the procedures for individuals to notify the director of revenue that a vehicle is inoperable or has*

*been stored and is exempt from the financial responsibility laws pursuant to sections 303.025 and 303.409, RSMo.*

(1) Proof of inoperability or storage shall be submitted to the director of revenue in the form of a certified statement. Such certified statement shall describe the reason for the inoperability and/or the period and terms of storage of the motor vehicle. The director shall have the authority to require additional documentation in order to determine the authenticity of such certified statement. Such documentation shall include, but not be limited to, repair bills, a statement from a mechanic or copies of any rental, lease or storage agreements.

*AUTHORITY: section 303.290, RSMo 1994. Original rule filed Aug. 21, 2000.*

*PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed rule will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to the proposed rule with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 12—DEPARTMENT OF REVENUE  
Division 10—Director of Revenue  
Chapter 25—Motor Vehicle Financial Responsibility**

**PROPOSED RULE**

**12 CSR 10-25.150 Financial Responsibility Sampling**

*PURPOSE: This rule establishes procedures and guidelines necessary to administer the sampling of automobile insurance cancellations as provided in section 303.026.3(1), RSMo.*

(1) A licensed insurance company, as referred to in section 303.026, RSMo, shall include any insurance company which has been issued a certificate of authority by the Missouri Department of Insurance and writes private passenger automobile liability insurance.

(2) All licensed insurance companies, upon request by the director of revenue, shall provide the full name, date of birth, drivers license or Social Security number and address of the named insured; the make, year and the vehicle identification number as shown on the company's record of each insured motor vehicle; the policy number, effective date of the policy and the National Association of Insurance Commissioners (NAIC) identification number. By the seventh day of each month, such information shall be submitted on all active liability policies for the previous month.

(3) Policy information reported pursuant to section (2) of this rule shall be reported only on active liability policies written for vehicles that are principally garaged in the state of Missouri.

(4) As used in this rule, the term active liability policies shall be all motor vehicle liability policies in force at 11:59 p.m. on the last day of each month.

(5) As used in this rule, the term "private passenger automobile liability insurance" shall have the same meaning as the term "private automobile insurance" as defined and used in section

374.450, RSMo, and 20 CSR 600-3.100, except that the term shall be limited to liability insurance. Private passenger automobile liability insurance shall also include liability insurance policies issued on motorcycles and motortricycles.

(6) For purposes of electronically reporting insurance information pursuant to section 303.026, RSMo electronic reporting shall be defined as reporting in a manner by which the data is exchanged between the insurance company and the director of revenue through use of the department's computer system without requiring the director to manually enter the information through human intervention. An electronic format shall include, but not be limited to, online, Internet E-mail, tape, and disk.

(7) Insurers with a statistically insignificant number of policies in force shall be exempt from the requirement to electronically report the information described in section (2) of this rule. For purposes of section 303.026, RSMo, insurers with a statistically insignificant number of policies in force shall be defined as any licensed insurance company which has fewer than one hundred (100) active liability policies. Those companies that are exempt from electronic reporting and do not report electronically shall report the information required by section (2) of this rule to the director of revenue using a written format as specified by the director.

*AUTHORITY: section 303.290, RSMo 1994. Original rule filed Aug. 21, 2000.*

*PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed rule will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to the proposed rule with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 12—DEPARTMENT OF REVENUE  
Division 10—Director of Revenue  
Chapter 103—Sales/Use Tax—Imposition of Tax**

**PROPOSED RULE**

**12 CSR 10-103.555 Determining Taxable Gross Receipts**

*PURPOSE: Section 144.021, RSMo, imposes a tax on a seller's gross receipts. This rule provides guidance for reporting gross receipts.*

(1) In general, all gross receipts resulting from the sale of tangible personal property and taxable services should be reported to the department. When filing a return, the taxpayer should deduct non-taxable receipts from gross receipts to arrive at taxable sales.

(2) Definitions.

(A) Gross receipts—the total amount of the sale price of taxable services and tangible personal property including any services, other than charges incident to the extension of credit, that are a part of such sale and are capable of being valued in money, whether received in money or otherwise.

(B) Rebate—a return of part of an amount given in payment.

(C) Taxable sales—the total amount of gross receipts plus or minus any adjustments permitted or required by law.

(3) Basic Application of Tax.

(A) Tax is imposed on the total amount of the sale price received for the sale of tangible personal property and taxable services. The total amount of each sale should be reported as gross receipts even if the seller separately states to the customer the various components of the sale. Exempt sales should be deducted from gross receipts to arrive at taxable sales. Tax collected as a part of a sale should not be included in gross receipts.

(B) When a taxpayer receives consideration other than money, the full market value of the item exchanged should be included in gross receipts.

(C) When the taxpayer accepts third party coupons, the total sale price includes the value of the coupon. When the taxpayer accepts third party coupons along with food stamps, the value of the food stamps is not included in taxable sales, but the value of the coupon is included in taxable sales.

(D) The value of a coupon issued by the seller is not included in taxable sales.

(E) Rebates from sellers or manufacturers do not reduce taxable sales, except for rebates on motor vehicles, boats, trailers and out-board motors.

(F) A taxpayer accepting an article in trade as a credit or part payment on the purchase price should include the value of the article in gross receipts. The value of the article should be deducted from gross receipts when calculating taxable sales.

(G) Money received in advance, such as down payments, layaways or gift certificates, are not included in gross receipts until the sale has been consummated.

(H) Charges to customers for the extension of credit, such as late fees or financing charges are excluded from gross receipts.

(I) A seller's expenses associated with utilizing the service of credit card companies are not excluded from gross receipts.

(J) If the taxpayer's inventory is stolen or destroyed by fire or other casualty, the insurance receipts are not subject to tax and should not be included in gross receipts.

(4) Examples.

(A) A grocery store accepts manufacturer's coupons from its customers on purchases of various goods. The store sells aluminum foil for \$1.50. The customer presents to the store a \$.50 manufacturer's coupon and pays the remaining balance of \$1.00. The store submits the \$.50 coupon to the manufacturer for payment of the \$.50. The gross receipts from the sale of the aluminum foil are \$1.50 and total taxable sales are \$1.50. Tax should be charged on \$1.50.

(B) On Tuesdays, the same grocery store in Example (A) doubles all manufacturers' coupons. The store then receives \$.50 from the customer and \$.50 from the manufacturer. Gross receipts are \$1.00, and total taxable sales are \$1.00. Tax should be charged on \$1.00.

(C) An appliance manufacturer offers a \$100 cash rebate on an \$800 refrigerator. The store selling the refrigerator should charge tax on \$800. Tax is due on \$800, whether the rebate is received by the customer at the time of purchase or a later date.

(D) A furniture retailer allows customers to "layaway" their purchases until they have paid the full sale price. When the customer has paid the full sale price, the retailer completes the sale and transfers the furniture to the customer. The furniture dealer should not include the layaway amount in its gross receipts until the sale is complete. At that time the total sale price should be reported as gross receipts.

(E) A construction company purchases a new bulldozer. The equipment dealer agrees to sell it a new machine for \$50,000 and give a trade-in allowance of \$10,000 for the old one. The equipment dealer should report \$50,000 in gross receipts. The equipment dealer should then deduct the \$10,000 trade-in value to arrive at taxable sales.

(F) A retailer sells a chair for \$100 to a customer who uses his credit card to pay for the purchase. The seller should charge tax on the full \$100 sales price of the chair. The seller should report \$100 in gross receipts, even though it must pay the credit card company a transaction fee.

*AUTHORITY:* section 144.270, RSMo 1994. Original rule filed Aug. 21, 2000.

*PUBLIC COST:* This proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed rule will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed rule with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE  
Division 10—Director of Revenue  
Chapter 103—Sales/Use Tax—Imposition of Tax**

**PROPOSED RULE**

**12 CSR 10-103.700 Packaging and Shipping Materials**

*PURPOSE:* Section 144.010.1(10), RSMo excludes from tax, purchases that are intended to be resold as tangible personal property. Section 144.030.2(2), RSMo exempts materials that become a component part of new personal property. Section 144.011.1(10), RSMo excludes from tax certain items of a non-reusable nature purchased by eating or food service establishments. This rule explains when purchases of packaging and shipping materials are not subject to tax.

(1) In general, purchases of packaging and shipping materials included with, or used to deliver, a product for ultimate sale at retail are not subject to tax. Purchases of non-reusable items by eating or food service establishments are not subject to tax.

(2) Definition of Terms.

(A) Packaging and shipping materials—containers, pallets, drums and other items used to ship merchandise to customers. It also includes supplies used in shipping, such as tape, strapping, plastic peanuts, foam, cardboard pads, packaging slips, etc. Finally, packaging encompasses integral parts of the finished product such as display cartons and packaging containing the product, e.g., cereal box, and shipping containers.

(3) Basic Application of Tax.

(A) The purchase of packaging and shipping materials is not taxable except when:

1. The packaging is used solely “in house” by the seller and is not subsequently transferred to a purchaser;
2. The packaging material is required to be returned to the seller;
3. The packaging is transferred incidental to the rendering of a nontaxable service, such as with the sale of custom software or color separations; or
4. The packaging is used to ship items that are being transferred as gifts or free samples.

(B) Purchases of items of a non-reusable nature by persons operating eating or food service establishments making retail sales are not subject to tax if the item is furnished with or in conjunction

with the retail sale. Such items include, but are not limited to, wrapping and packaging items; and non-reusable paper, wood, plastic and aluminum articles including containers, trays, napkins, dishes, silverware, cups, bags, boxes, straws and toothpicks.

(4) Examples.

(A) A retailer packages its goods to be shipped to its customers. The packaging and shipping items include boxes, pallets, metal banding, cardboard pads, etc. The customer is not required to return any of these items. The retailer does not owe tax on its purchase of these items.

(B) A distributor separately purchases boxes to store its merchandise in its warehouse. These boxes are not subsequently used for shipments to its customers. The purchase of these boxes is subject to tax.

(C) A grocery store purchases bags that its customers use to carry out their groceries. The grocery store may purchase these bags exempt from tax.

(D) A taxpayer purchases pallets that will be used to ship merchandise to its customers. The customer is required to return the pallet and never acquires title to or ownership of them. The purchase of the pallets is taxable.

(E) A taxpayer purchases pallets that will be used to ship merchandise to its customers. The customer is required to return the pallet, but does have the right to use the pallet until it is returned to the taxpayer. If there is consideration paid for the use of the pallet, the purchase of the pallets is not taxable.

(F) A dry cleaner purchases plastic bags used to protect clothes after cleaning. Because the dry cleaning is not a sale at retail, the dry cleaner must pay tax on the purchase of the bags.

*AUTHORITY:* section 144.270, RSMo 1994. Original rule filed Aug. 21, 2000.

*PUBLIC COST:* This proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed rule will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed rule with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE  
Division 10—Director of Revenue  
Chapter 103—Sales/Use Tax—Imposition of Tax**

**PROPOSED RULE**

**12 CSR 10-103.800 Tax Computation**

*PURPOSE:* Section 144.020, RSMo imposes a four percent sales tax. Section 144.610, RSMo imposes the state’s use tax at the same rate as the sales tax. The *Missouri Constitution*, Article IV, section 43(a) imposes a one-eighth of one percent tax for conservation purposes and Article IV, Section 47(a) imposes a one-tenth of one percent tax for soil and water conservation and for state parks. Missouri law also provides authority for counties, cities and other political subdivisions to enact local taxes. Sections 144.021, 144.080 and 144.285, RSMo require sellers to collect the correct amount of tax. This rule explains how to determine the correct rate of tax.

(1) In general, the seller should charge the rate of state and local tax in effect on the date of the sale.

(2) Basic Application of Rule.

(A) The state tax rate is 4.225 percent. This is comprised of: Four percent state tax, one-eighth of one percent conservation tax, and one-tenth of one percent soil and water conservation tax.

(B) Local political subdivisions may impose local taxes in addition to the state tax rate. The local tax rate is available from the local jurisdiction or on the department's website.

(C) Tax is calculated at the rate in effect on the date of the sale.

(D) When a change in the tax rate becomes effective, all gross receipts from sales made by the retailer before the effective date of the rate change are subject to the old tax rate. A taxpayer reporting sales on a cash basis should report gross receipts from credit or time sales on a separate line on the return, showing the tax rate in effect when the sales were made. When following this procedure, the entry on the return should specifically state the rate in effect at the time of sale. All gross receipts from sales made on or after the effective date are subject to the new tax rate.

(E) Amounts charged to and received from purchasers as tax are not included in gross receipts.

(3) Examples.

(A) A retailer located in an area with city and county taxes totaling two percent must charge and collect a total sales tax of 6.225% on all sales.

(B) The same retailer as in (3)(A) incorrectly charges its customers 5.225% tax. The retailer is responsible for the additional tax.

*AUTHORITY: section 144.270, RSMo 1994. Original rule filed Aug. 21, 2000.*

*PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed rule will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 12—DEPARTMENT OF REVENUE  
Division 10—Director of Revenue  
Chapter 110—Sales/Use Tax—Exemptions**

**PROPOSED RULE**

**12 CSR 10-110.200 Ingredient or Component Part Exemption**

*PURPOSE: Section 144.030.2(2), RSMo exempts from taxation certain materials, goods, machinery and parts. This rule explains the requirements for this exemption.*

(1) In general, purchases of ingredients or component parts are exempt from tax if they blend with the final product and are intended to and do become a part of the finished product. In addition, certain materials that are consumed in the manufacture of steel products intended to be sold ultimately for final use or consumption are exempt from tax.

(2) Definition of Terms.

(A) Component part—a constituent element of a manufactured or fabricated product.

(B) Ingredient—an element in a mixture or compound.

(C) Interacting—means that the materials and component parts or ingredients act upon each other in manufacturing a steel product.

(D) Reacting—means that the materials cause a chemical change in the component parts or ingredients in manufacturing a steel product.

(E) Steel product—the product made entirely of steel resulting from:

1. Smelting and refining molten pig iron, scrap steel or other metals; or

2. Rolling, drawing, casting or alloying steel.

(3) Basic Application of Exemption.

(A) Materials, manufactured goods, machinery, and parts that become a component part or ingredient of new personal property to be sold ultimately for final use or consumption are not subject to tax. Purchases of ingredients or component parts are exempt from tax if they are intended to and do become a part of the finished product. The exemption does not apply to materials that are totally consumed and are not intended to and do not become a part of the final product. In order to qualify for this exemption, the material in question must be intended to remain in the finished product in at least trace amounts for a specific purpose.

(B) Materials, including without limitation, slagging materials and firebrick, which are consumed in the manufacturing process by blending, reacting or interacting with or by becoming, in whole or in part, component parts or ingredients of steel products to be sold ultimately for final use or consumption are exempt from tax.

(C) If any portion of purchased material qualifies as an exempt ingredient or component part; the entire purchase is exempt from tax. The material is exempt even if a significant portion is consumed in the manufacturing process.

(D) Materials purchased to be used as an ingredient or component part to repair existing property does not qualify for these exemptions because the property produced from the repair work does not constitute "new personal property."

(4) Examples.

(A) A toy manufacturer purchases wood, glue, paint and sandpaper to use in the manufacturing of wooden rocking horses. The purchases of wood, glue and paint are exempt from tax. The purchase of sandpaper is taxable.

(B) A restaurant purchases apple wood to use in the smoking of foods. The restaurant burns the wood in a closed chamber called a smoker in which it places the food. The burning wood releases compounds, and small but measurable quantities of the compounds enter and permeate the food. Because a part of the wood, in the form of smoke particles, blends with and remains as part of the finished product, the apple wood may be purchased tax exempt as an ingredient or component part.

(C) An automobile manufacturer purchases soap and wax to wash and wax all automobiles as they leave the manufacturing plant. Some soap residue remains with the automobiles when they leave the plant. The soap does not qualify as an ingredient or component part because it is not intended to remain with the product. The wax does qualify as a component part because it is intended to remain with the product.

(D) A steel mill purchases firebrick and various gases to be used in the production of steel. These purchases are exempt.

(E) A steel fabricator purchases welding rods and gases for use in fabricating a product out of steel plates. The welding rods are exempt because it becomes a component part of new personal property. Even though the gases are consumed in the fabrication process, the gases are not exempt because the new personal property does not qualify as a steel product.

(F) A foundry creates a steel product by casting molten steel. After casting, a cleaning solution is poured over the product to remove impurities from the surface. The cleaning solution is not exempt because it is does not blend, react or interact with a component part or ingredient of the steel product.

*AUTHORITY:* section 144.270, RSMo 1994. Original rule filed Aug. 30, 2000.

*PUBLIC COST:* This proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed rule will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed rule with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE**  
**Division 40—State Lottery**  
**Chapter 20—Fiscal**

**PROPOSED AMENDMENT**

**12 CSR 40-20.030 Nonsufficient Funds Checks/EFT Debits.** The commission proposes to amend sections (1)–(3).

*PURPOSE:* The purpose of this proposed amendment is to expand the options of the Missouri Lottery when treating nonsufficient funds, electronic transfers and checks.

(1) Ticket Receipts.

(A) Any licensee whose check for the payment of tickets is returned from his/her bank as nonsufficient funds (NSF) or whose account does not contain sufficient funds for debiting by electronics funds transfer (EFT) for the payment of tickets shall *[establish an overdraft protection with his/her bank.]* **be subject to changes in credit limits or establishment of special payment arrangements as may be required by the Missouri Lottery.**

*[(B) After the overdraft protection has been established, a letter confirming the establishment of protection must be received by the Missouri Lottery from the licensee's bank.]*

*[(C)] (B)* This policy shall apply to licensees using the manual check system of remitting receipts and also licensees using the EFT system.

*[(D)] (C)* After the Missouri Lottery notifies a licensee of an NSF check, all ticket purchases must be made with certified check, cashier's check or money order prior to the delivery of additional tickets. *[This policy will be required until the receipt of the confirmation letter provided in subsection (1)(B) of this rule.]*

*[(E)] (D)* The retailer shall pay the amount of the NSF check by certified check, cashier's check or money order immediately upon notification of an NSF check **as directed by the Missouri Lottery.**

(2) Other Products or Services.

(C) The lottery may charge an additional fee of *[twenty dollars (\$20)]* **up to fifty dollars (\$50)** for each NSF check returned.

(3) Any licensee who fails to *[obtain overdraft protection or fails to pay the amount of an NSF check]* **comply with the**

**conditions established by the Missouri Lottery** shall be subject to suspension or revocation under section 313.255.6(3).

*AUTHORITY:* section 313.220, RSMo [1986] Supp. 1999. Original rule filed May 5, 1986, effective May 15, 1986. Amended: Filed Aug. 23, 2000.

*PUBLIC COST:* This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed amendment will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Lottery, Terry Skinner, Director of Budget and Planning, P.O. Box 1603, Jefferson City, MO 65102-1603. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE**  
**Division 40—State Lottery**  
**Chapter 40—Retail Sales Licenses**

**PROPOSED AMENDMENT**

**12 CSR 40-40.230 Licensees Required to Read Rules.** The commission proposes to amend the provisions of this rule.

*PURPOSE:* The purpose of this proposed amendment is to alleviate the step of having employees of licensed retailers sign a certificate stating they read the rules of the commission.

Each licensee and any employee of the licensee who will be involved in the sale, bookkeeping or any other aspect of the state lottery shall read the rules of the commission concerning retail licenses and be familiar with the rules. *[The licensee and each employee involved with the state lottery operation shall be required to sign a certificate that s/he is familiar with the rules of the commission and agrees not to violate the rules.]*

*AUTHORITY:* section 313.220, RSMo [Supp. 1988] Supp. 1999. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed Aug. 23, 2000.

*PUBLIC COST:* This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed amendment will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Lottery, Terry Skinner, Director of Budget and Planning, P.O. Box 1603, Jefferson City, MO 65102-1603. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE**  
**Division 40—State Lottery**  
**Chapter 40—Retail Sales Licenses**

**PROPOSED AMENDMENT**

**12 CSR 40-40.250 Special Event Licenses.** The commission proposes to amend paragraph (1)(B)6.

*PURPOSE: The purpose of this proposed amendment is to change the information required for granting a special events license.*

(1) The executive director may authorize a limited retail sales license for special events if all of the following are met:

(B) The applicant provides the following in the application:

1. The name of the special event;
2. The dates and times of the special event;
3. The dates and times for which the license is requested;
4. The location at the special event where Missouri Lottery tickets or shares will be sold;
5. A description of the facility for selling Missouri Lottery tickets or shares;

6. *[A list of all owners, partners, officers, directors, ten percent (10%) or more stockholders and all persons who will be involved in the management or sale of the lottery tickets or shares;] The principal owner of a sole proprietorship, or the principal partner of a partnership, or the manager of the lottery account within a corporation, or the top two officers of a non-profit organization;*

*AUTHORITY: section 313.220, RSMo [Supp. 1997] Supp. 1999. Original rule filed May 5, 1986, effective May 15, 1986. Amended: Filed Sept. 15, 1997, effective March 30, 1998. Amended: Filed Aug. 23, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Lottery, Terry Skinner, Director of Budget and Planning, P.O. Box 1603, Jefferson City, MO 65102-1603. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

## Title 12—DEPARTMENT OF REVENUE Division 40—State Lottery Chapter 60—Payment of Prizes

### PROPOSED AMENDMENT

**12 CSR 40-60.010 Prizes Other than Cash or Its Equivalent Authorized.** The commission proposes to amend section (1) and (2).

*PURPOSE: The purpose of this proposed amendment is to allow goods made in the United States and sold by a Missouri business to be used as lottery prizes.*

(1) The Missouri Lottery may award any of the following prizes: cash or its equivalent when such goods are made in the *[state of Missouri] United States and sold by a Missouri business.*

(2) For purposes of this rule the term “goods made in the *[state of Missouri] United States*” is defined as a good, product or service where no less than the final stages of production occur in *[Missouri] the United States* and which is purchased from *[a retail supplier incorporated and officed in Missouri] an individual, partnership, company or corporation licensed to do business in Missouri.*

*AUTHORITY: sections 313.220, RSMo Supp. 1999 and 313.270.1, RSMo 1994. Original rule filed Jan. 10, 1986, effective Jan. 20,*

*1986. Amended: Filed Aug. 11, 1995, effective April 30, 1996. Amended: Filed Aug. 23, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Lottery, Terry Skinner, Director of Budget and Planning, P.O. Box 1603, Jefferson City, MO 65102-1603. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

## Title 12—DEPARTMENT OF REVENUE Division 40—State Lottery Chapter 60—Payment of Prizes

### PROPOSED AMENDMENT

**12 CSR 40-60.030 Manner of Claiming Prizes from the Missouri Lottery.** The commission proposes to amend section (1).

*PURPOSE: The purpose of this proposed amendment is to define the prizes that require a claim form.*

(1) The claiming of any prize from the Missouri Lottery, *[as opposed to retail licensees,] which is subject to tax withholding or reporting requirements* shall be on claim forms designated by the director for this purpose.

*AUTHORITY: section 313.220, RSMo [1986] Supp. 1999. Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed Aug. 23, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Lottery, Terry Skinner, Director of Budget and Planning, P.O. Box 1603, Jefferson City, MO 65102-1603. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

## Title 13—DEPARTMENT OF SOCIAL SERVICES Division 15—Division of Aging Chapter 4—Older Americans Act

### PROPOSED AMENDMENT

**13 CSR 15-4.010 Definition of Terms.** The division is amending section (2), (11), (12), (14)–(16), (23)–(25), (28), (47) and (54); adding sections (26), (27), (37) and (41) and renumbering sections accordingly.

*PURPOSE: This amendment is necessary to clarify terminology, delete obsolete information, and add new definitions.*

(2) Act—The Older Americans Act of 1965, as amended through December 31, [1988] 1992.

(11) Area Agency on Aging (AAA)—The agency designated by the division in a planning and service area to develop and administer a plan and administer available funds for a comprehensive and coordinated system of services for the elderly and *[handicapped adults/ persons with disabilities]* who require similar services.

(12) Area Agency on Aging governing body—The *[local]* policy-making board or oversight body which directs the actions of the AAA under local, state and federal laws and regulations.

(14) Assessment—The mechanism for *[monitoring and evaluating]* determining need and eligibility for programs and services.

(15) *[Collocation of services—Coordination and scheduling representatives of providers and other agencies and organizations to assure that, in addition to a center's usual services, all available services benefiting the elderly are accessible and convenient for recipients at the community focal point.]* Assistant secretary—The assistant secretary of the Department of Health and Human Services.

(16) *[Commissioner—The commissioner of the Administration on Aging.]* Collocation of services—Coordination and scheduling representatives of providers and other agencies and organizations to assure that, in addition to a center's usual services, all available services benefiting the elderly are accessible and convenient for recipients at the community focal point.

(23) *[Education and training services—Supportive services designed to broaden the knowledge and skills of older persons to cope more effectively with their economic, health and personal needs.]* Division—The Division of Aging within the Department of Social Services, the designated state unit on aging.

(24) *[Focal point—A facility established to encourage the maximum collocation and coordination of services for older individuals.]* Education and training services—Supportive services designed to broaden the knowledge and skills of older persons, their caregivers, advocates, and the professionals serving them to cope more effectively with their economic, health and personal needs.

(25) *[Handicapped adult—A person aged eighteen through fifty-nine (18–59) with a mental or physical condition that results in a functional impairment which significantly hampers daily living activities if the condition is reasonably expected to continue for an extended period of time.]* Focal point—A facility established to encourage the maximum collocation and coordination of services for older individuals.

(26) Greatest economic need—The need resulting from an income level at or below the poverty line.

(27) Greatest social need—The need caused by noneconomic factors, including physical and mental disabilities, language barriers, and cultural, social, or geographic isolation, including isolation caused by racial or ethnic status, which restrict the ability of an individual to perform normal daily tasks and/or threatens the capacity of the individual to live independently.

[[26]] (28) Health screening services—Services in which the service recipient's general health is reviewed, health education is provided, simple tests are provided or referral is made, if indicated.

[[27]] (29) Indirect costs—Those costs allocated to AAA grant awards based on a rate approved by the organization's cognizant federal agency.

[[28]] (30) Information and *[referral]* assistance source—A location where any public or private agency or organization—

(A) Maintains current information with respect to the opportunities and services available to older individuals; *[and]*

(B) Employs, where feasible, a specially trained staff to assess the needs and capacities of older individuals, to inform older individuals of the opportunities and services which are available and to assist those individuals with economic or social needs./.; and

(C) Utilizes, where feasible, electronic and/or computer database information sources in the provision of information and assistance services.

[[29]] (31) Legal assistance—Legal advice and representation by an attorney (including, to the extent feasible, counseling or other appropriate assistance by a paralegal or law student under the supervision of an attorney). Legal assistance includes counseling or representation by a nonlawyer where permitted by law but does not include community education.

[[30]] (32) Local government—A political subdivision of the state, whose authority is general and not limited to only one (1) function or combination of related functions.

[[31]] (33) Local match—See match.

[[32]] (34) Long-term care (LTC) facility—Any facility as defined in section 198.006, RSMo.

[[33]] (35) Match—The equivalent cash value of third-party in-kind contributions or cash resources representing that portion of the costs of a grant-supported project or program not borne by the federal or state government.

[[34]] (36) Medicaid—Financial assistance for medical services provided under section 208.151, RSMo, in accordance with Title XIX, Public Law 89-97, 1965 amendments to the Social Security Act (42 U.S.C. 301).

(37) Monitoring—The review and evaluation of all AAA activities by the division, or of contractor activities by the AAA.

[[35]] (38) Net cost—The total allowable costs, less grant-related income, for the purpose of meeting match requirements.

[[36]] (39) Not-for-profit—An agency, institution or organization which is owned and operated by one (1) or more corporations or associations with no part of the net earnings benefiting any private shareholder or individual.

[[37]] (40) Ombudsman—An individual assigned by the division or the area agency to investigate and resolve complaints made by or on behalf of older individuals who are residents of LTC facilities relating to administrative action which may adversely affect the health, safety, welfare and rights of these residents.

(41) Person(s) with disabilities—Anyone who has a mental or physical impairment which substantially limits one or more of their major life activities; or has a record of such impairment; or is regarded as having such an impairment.

[[38]] (42) Planning and service area (PSA)—A geographic area of the state that is designated by the division for purposes of planning, developing, delivering, monitoring and administering services to older persons.



[(39)] (43) Policy—A principle established by a government, organization or an individual that guides decision-making and actions.

[(40)] (44) Preprint—The division's format for development and submission of the area agency plan or plan amendment.

[(41)] (45) Priority services—Those service categories of access, in-home and legal assistance.

[(42)] (46) Procedure—The established sequence of actions to be followed to accomplish a task or implement a policy.

[(43)] (47) Program—Any service funded under the approved area plan.

[(44)] (48) Program costs—Costs incurred by the area agency in managing and delivering a service.

[(45)] (49) Program evaluation—The review and determination of program effectiveness in meeting recipient needs.

[(46)] (50) Program monitoring—The review and determination of progress in meeting program objectives.

[(47)] (51) Protective services—Services provided by the division in response to the need for protection from harm or neglect to elderly persons and persons with disabilities under sections 660.250-660.295, RSMo.

[(48)] (52) Public hearing—An open hearing which provides an opportunity for older persons, the general public, officials of general purpose, local government and other interested parties to comment on a proposal.

[(49)] (53) Public match—See match.

[(50)] (54) Regional office—Department of Health and Human Services, Administration on Aging (AoA) office located in Kansas City, Missouri.

[(51)] (55) Renovating—See altering.

[(52)] (56) Request for proposal (RFP)—A formal invitation to prospective contractors to submit bids for procurement of a defined set of activities, services or goods.

[(53)] (57) Request for qualifications (RFQ)—A type of RFP which is a formal invitation to prospective providers to submit information suitable for determining eligibility as a qualified provider.

[(54)] (58) Rural areas—[Nonurbanized areas.] Any town or city with a population of twenty-thousand (20,000) or less.

[(55)] (59) SMSA (standard metropolitan statistical area)—One (1) or more central counties with an urbanized area of at least fifty thousand (50,000) populations.

[(56)] (60) SSBG—Social Services Block Grant.

[(57)] (61) Staff hour—An hour of staff time spent on any activity related to the service identified.

[(58)] (62) Standards—The minimum requirements to be met for the operation of programs and the delivery of services.

[(59)] (63) State plan—The document containing the division's priorities, goals, policy statements and objectives for enabling older persons to fulfill their potential for independent functioning.

[(60)] (64) Structural change—Any change to the load-bearing members of a building.

[(61)] (65) Target population—Individuals aged sixty (60) or over, with the greatest social and economic need, especially low income minority.

[(62)] (66) Technical assistance—Specific guidance and expertise provided by the division staff to the area agency or by the area agency staff to the service provider staff.

[(63)] (67) Transportation service—A vehicular service which facilitates access to other services.

[(64)] (68) Third-party in-kind contributions—Property or services which benefit grant-supported projects or programs and which, under the grant or subgrant, are contributed by nonfederal third parties without charge to the grantee, the subgrantee or a cost-type contractor.

[(65)] (69) Unit of general purpose local government—See local government.

[(66)] (70) Urbanized area—An incorporated place and adjacent densely settled surrounding area that together have a minimum population of fifty thousand (50,000).

[(67)] (71) USDA—United States Department of Agriculture.

[(68)] (72) Waiver—The granting of a deviation from portions of service standards, prohibition of direct service delivery or any other state regulation.

*AUTHORITY: section 660.050, RSMo [Supp. 1988] Supp. 1999. This rule was previously filed as 13 CSR 15-6.005. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed Feb. 17, 1988, effective June 15, 1988. Amended: Filed June 3, 1991, effective Oct. 31, 1991. Amended: Filed Nov. 14, 1991, effective March 9, 1992. Amended: Filed Aug. 28, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 4—Older Americans Act**

**PROPOSED AMENDMENT**

**13 CSR 15-4.040 State Plan.** The division is amending section (2).

*PURPOSE: This amendment is necessary to correctly identify the leadership position within the Administration on Aging, and to clarify the role of the area agencies in development of the state plan.*

(2) The state plan is developed to cover a period of up to four (4) years, is reviewed by the governor and submitted to the [commissioner] assistant secretary. It is reviewed annually and updated as needed reflecting input and advice from older persons throughout the state.] and from the AAAs.

*AUTHORITY:* section 660.050, RSMo [1986] Supp. 1999. This rule was previously filed as 13 CSR 15-6.035. Original rule filed Jan. 6, 1986, effective April 30, 1986. Emergency amendment filed Oct. 16, 1991, effective Oct. 26, 1991, expired Feb. 13, 1992. Amended: Filed Oct. 16, 1991, effective Feb. 6, 1992. Amended: Filed Aug. 28, 2000.

*PUBLIC COST:* This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed amendment will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 4—Older Americans Act**

**PROPOSED AMENDMENT**

**13 CSR 15-4.080 Withdrawal of Designation.** The division is amending the Purpose statement and sections (3) and (4).

*PURPOSE:* This amendment is necessary to correctly identify the leadership position within the Administration on Aging.

*PURPOSE:* This rule identifies the circumstances under which the division may withdraw designation of an area agency, notify the [commissioner] assistant secretary of the action and provide for continuity of services.

(3) Should the division withdraw designation of an area agency, the division will notify the [commissioner] assistant secretary in writing of its action, provide a plan for the continuity of services in the affected planning and service area (PSA) and designate a new area agency in the PSA in a timely manner.

(4) If necessary to ensure a continuity of services in a PSA, the division, for a period of up to one hundred eighty (180) calendar days, may perform the responsibilities of the area agency or assign the responsibility of the area agency to another agency in the PSA. The division may request an extension of an additional one hundred eighty (180) days from the [commissioner] assistant secretary if the need for the extension can be demonstrated.

*AUTHORITY:* section 660.050, RSMo [1986] Supp. 1999. This rule was previously filed as 13 CSR 15-6.050. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed Aug. 28, 2000.

*PUBLIC COST:* This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed amendment will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 4—Older Americans Act**

**PROPOSED AMENDMENT**

**13 CSR 15-4.090 Appeal to the [Commissioner] Assistant Secretary.** The division is amending sections (1)–(3).

*PURPOSE:* This amendment is necessary to correctly identify the leadership position within the Administration on Aging.

(1) Any applicant for designation as a planning and service area (PSA) whose application has been denied by the division and who has requested and received a formal hearing at the state level shall be notified in writing of the right to appeal to the [commissioner on aging of the Administration on Aging] assistant secretary, Department of Health and Human Services. Written notification shall advise the applicant that a written appeal may be filed with the [commissioner] assistant secretary within thirty (30) calendar days of receipt of notification of the hearing decision.

(2) Upon request by the [commissioner] assistant secretary, the division shall submit the following information regarding an applicant who has filed an appeal:

(C) Any other relevant information the [commissioner] assistant secretary may require.

(3) Upon receipt of written notice of the date, time and location, the division director, or designated representative, or both, shall attend the [commissioner's] assistant secretary's hearing on the applicant's appeal.

*AUTHORITY:* section 660.050, RSMo [1986] Supp. 1999. This rule was previously filed as 13 CSR 15-6.055. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed Aug. 28, 2000.

*PUBLIC COST:* This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed amendment will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 4—Older Americans Act**

**PROPOSED AMENDMENT**

**13 CSR 15-4.100 Area Agency Governing Body.** The division is amending the Purpose statement and sections (1), (2), (3), (5), and (6).

*PURPOSE: This amendment is necessary to accurately reflect the status of area agencies who are part of a larger organization and to clarify circumstances under which open meetings must be held.*

*PURPOSE: This rule requires each area agency to have a governing body and, unless otherwise governed by local law, ordinance or charter, specifies its composition, responsibilities and requirements.*

(1) Each area agency, **unless otherwise structured by local law, ordinance or charter**, shall have a governing body of adequate size and structure to operate efficiently and effectively.

(2) The area agency governing body shall maintain the ultimate authority and responsibility for administration of the approved area plan to provide services to the elderly within the designated planning and service area in accordance with all applicable federal, [and] state, and local laws and regulations and division policies and procedures.

*[(A) Officers of the governing body shall be elected by the full membership of the board.*

*[(B) No officer of the governing body shall serve in the same office for more than two (2) consecutive terms.*

*[(C) The composition, selection and purpose of standing committees shall be specified in the bylaws. Standing committees must report to the full governing board at least quarterly.]*

(3) The area agency governing body shall have written bylaws, **ordinances or charter** that define its membership, authority, responsibilities and procedures for operation. **Unless specified otherwise by local laws, ordinances or charter the governing body shall comply with the requirements below:**

**(A) Officers of the governing body shall be elected by the full membership of the board;**

**(B) No officer of the governing body shall serve in the same office for more than two (2) consecutive terms;**

**(C) The composition, selection and purpose of standing committees shall be specified in the bylaws. Standing committees must report to the full governing board as directed by the agency's bylaws, but at least annually;**

*[(A)] (D) Membership on the area agency governing body shall not be restricted to individuals from any specific race, creed, color, sex, religion, age, national origin, [handicapped] disability or veteran status. Elections procedures shall conform to 13 CSR 15-4.105;*

*[(B)] (E) All members of the area agency governing body shall serve three (3)-year staggered terms[.], meaning one-third (1/3) of the membership is elected in year one (1), one-third (1/3) is elected in year two (2), and one-third (1/3) is elected in year three (3), then continue in the same manner; and*

*[(C)] (F) The area agency governing body shall not select, appoint or elect as a member, or ex officio member, any individual who is an owner, board member or employee of a service provider agency that has currently submitted a proposal to the area agency to receive funding to provide services or that is currently providing services under a grant, contract or stipend with the area agency.*

(5) Meetings of the governing body must follow *Robert's Rules of Order* and a parliamentarian shall be [designed] **designated** by the board.

(6) All meetings of the board shall be open to the public [except for time spent on agenda items which include personnel actions, legal actions or litigation, real estate, transactions in which public knowledge may adversely affect consideration of those transactions, the development of contractual costs or other appropriate matters permitted by law.] as

**required by section 610.010, RSMo, et seq. commonly referred to as the Sunshine Law.**

*AUTHORITY: section 660.050, RSMo [Supp. 1987] Supp. 1999. This rule was previously filed as 13 CSR 15-6.070. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed Feb. 17, 1988, effective June 15, 1988. Amended: Filed Aug. 28, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 4—Older Americans Act**

**PROPOSED AMENDMENT**

**13 CSR 15-4.105 Area Agency Election Procedures for Governing Body Membership.** The division is amending sections (1), (5), (6), (8) and (10).

*PURPOSE: This amendment will allow area agencies to use less costly methods of advertising and reduce the need for additional staffing and/or volunteers during necessary elections.*

(1) Solicitation for governing board nominees shall be [advertised] **publicized** locally [in each] within the area from which a governing body member will be elected. Nominations may be made by filing a statement of intent at a publicized location in each area or at a publicized open meeting held in the area.

(5) The time and location of the election shall be [advertised] **publicized** in community newspapers at least seven (7) days prior to the election and posted at a minimum in all area agency sponsored senior centers.

(6) Polling locations shall be open for voting [from 7 a.m. until 4 p.m. at a minimum and shall be held in a handicapped accessible facility] **at least six (6) consecutive hours, with provisions made for persons with special needs, including optional absentee voting.**

(8) A minimum of [three (3)] **two (2)** persons designated by the area agency shall be present to count votes unless a local county clerk agrees to count votes and certify the results.

(10) All ballots and affidavits shall be kept for a minimum of [three (3) years.] **twenty-two (22) months as required by section 1974 of Title 42 United States Code for federal elections, provided they have received final audit approval.**

*AUTHORITY: section 660.050, RSMo [Supp. 1987] Supp. 1999. Original rule filed Feb. 17, 1988, effective June 15, 1988. Amended: Filed Aug. 28, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 4—Older Americans Act**

**PROPOSED AMENDMENT**

**13 CSR 15-4.135 Area Agency Director.** The division is amending the Purpose statement, sections (6) and (7) and adding section (8).

*PURPOSE: This amendment provides clarification for area agencies who wish to promote current staff.*

*PURPOSE: This rule establishes and describes procedures each area agency shall follow in hiring a director[.] unless otherwise governed by merit system requirements established under local law, ordinance, or charter.*

(6) The search committee will recommend to the full governing body a list of at least the top three (3) finalists based on applications, interviews and reference checks. **At the governing body's discretion, re-interviews of all candidates, including the top three (3) recommended by the search committee may take place.**

(7) The governing body shall *[interview candidates recommended by]* **review the recommendations of** the search committee and make the final decision.

**(8) If the desire is to promote an in-house person, the open search process may be conducted in a shorter time frame than might otherwise be required.**

*AUTHORITY: section 660.050, RSMo [Supp. 1988] Supp. 1999. Original rule filed Feb. 17, 1988, effective June 15, 1988. Amended: Filed Aug. 28, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 4—Older Americans Act**

**PROPOSED AMENDMENT**

**13 CSR 15-4.140 Area Agency Plan.** The division is amending section (3) and deleting section (5).

*PURPOSE: This amendment is necessary to update current policy and clarify area agency responsibility for submission of area plans/amendments.*

(3) The area plan shall be amended under the following situations:  
*[(D) The area agency adds or deletes area plan objectives or deviates by more than ten percent (10%) in any line item of any service budget from planned expenditures or service delivery;*

*(E) The area agency proposes to increase the annualized salaries of specific staff designated in the area plan;]*

*[(F)] (D) Receipt by [an] area agency staff or board members of compensation or other items of value above their salaries or the normal fringe benefits available to all staff; and*

*[(G)] (E) The area agency takes any action for which prior division approval is required by state regulation, [and] divisional policy[.], or preprint instructions.*

*[(5) The area plan shall include the area agency's written grievance procedures with each annual plan submission (see 13 CSR 15-4.210 Area Agency Grievance Procedures).]*

*AUTHORITY: section 660.050, RSMo [Supp. 1988] Supp. 1999. This rule was previously filed as 13 CSR 15-6.095. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed Feb. 17, 1988, effective June 15, 1988. Amended: Filed Aug. 28, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 4—Older Americans Act**

**PROPOSED AMENDMENT**

**13 CSR 15-4.150 Waivers.** The division is amending section (3).

*PURPOSE: This amendment will extend the length of time for which a waiver may be approved.*

(3) A waiver may be approved for *[a maximum period of one (1) year. All waivers expire at the end of the state fiscal year and a new waiver request must be submitted at that time.]* **the life of the plan, not to exceed four (4) years.**

*AUTHORITY: section 660.050, RSMo [1986] Supp. 1999. This rule was previously filed as 13 CSR 15-6.100. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed Aug. 28, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 4—Older Americans Act**

**PROPOSED AMENDMENT**

**13 CSR 15-4.160 Review, Submission and Approval of Area Agency Area Plans and Plan Amendments.** The division is amending sections (1) and (4).

*PURPOSE: This amendment is necessary to meet federal guidelines and to clarify current division policy.*

(1) **Where not covered by charter or established governmental procedures the following shall apply.** The area agency shall submit the area plan *[or]* **and** any plan amendments for review and *[comment to]* **approval by** the area agency's governing body *[and advisory council(s)]*. The area agency shall obtain signed documentation stating that the area plan *[has]* **and annual updates have** been approved by the governing body *[and council(s)]*. **The area agency shall also submit the area plan and annual updates to their advisory council for review and comment prior to transmittal to the state unit on aging as required by 45 CFR 1321.57.** The area agency shall comply with the Missouri state and local review process.

(4) The division will notify the area agency, in writing, within *[seven (7) calendar]* **fifteen (15) business days of receipt at division offices** of making a determination that it finds *[that]* any provision of the area plan or any plan amendment is not approvable and that the division proposes to disapprove the area plan or amendment. Written notification shall include the following:

*AUTHORITY: section 660.050, RSMo [1986] Supp. 1999. This rule was previously filed as 13 CSR 15-6.110. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed Aug. 28, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 4—Older Americans Act**

**PROPOSED AMENDMENT**

**13 CSR 15-4.170 Area Agency Fiscal Management.** The division is amending sections (6), (7), and (11), deleting section (8)

and renumbering sections accordingly and removing forms following this rule in the *Code of State Regulations*.

*PURPOSE: This amendment is necessary to clarify area agency fiscal requirements and update the timeline for submission of area agency audits.*

(6) Nonfederal matching requirements shall be met by the area agency on the aggregate net cost of social and nutrition services and administration under Title III. Further requirements are as follows:

(A) The nonfederal match shall be in the form of allowable costs of third-party in-kind contributions **or qualifying cash**;

(7) The area agency shall have an organization-wide audit completed by an independent certified public accountant at least every two (2) years (covering the previous two (2)-year period); however, yearly audits are recommended. Further requirements are as follows:

(A) Audits shall be completed and submitted to the division no later than *[ninety (90)]* **one hundred twenty (120)** calendar days after the close of the agency's fiscal year;

(C) The criteria to be followed in auditing an area agency shall be for—

1. Governmental agencies, Office of Management and Budget (OMB) Circular *[A-128]* **A-133** shall apply for fiscal years beginning after December 31, 1984; and

2. All other agencies, the audit provisions in OMB Circular A-110, Attachment F shall apply; and

*[[8] The area agency shall not request information or data from providers which is not pertinent to services furnished pursuant to a payment made for those services.]*

*[[9] (8) The area agency shall not delegate authority to award or administer funds under Title III to other agencies. The exception may be for transportation agreements with agencies which administer programs under the Rehabilitation Act of 1973 and Titles XIX and XX of the Social Security Act to meet the common need for transportation of service recipients under the separate programs.*

*[[10] (9) Unexpended Title III B, III C-1, III C-2 funds and administrative allotments for which there are no legal obligations shall not exceed fifteen percent (15%) of each subpart's total allotment at the end of each fiscal year.*

*[[11] (10) Program income shall be—*

(A) Earned gross income by an area agency from activities, part or all of the cost of which is either borne as a direct cost by a grant or counted as a direct cost toward meeting a cost-sharing or matching requirement of a grant. It includes, but is not limited to, income in the form of fees for services performed during the grant or subgrant period, proceeds from sale of tangible personal or real property, usage or rental fees and patent or copyright royalties. If income meets this definition, it shall be considered program income regardless of the method used to calculate the amount paid to the area agency;

(B) Used to expand *[supportive and nutrition]* services for the elderly in the program from which it was earned;

(C) Expended in the current fiscal year or following fiscal year; and

(D) Documented as to the program under which income was earned and expended.

*[[12] (11) The area agency shall submit fiscal reports to the division on an accrual accounting basis. If the area agency's fiscal records show effective control and accountability, the agency may develop the reports through available documentation. The area agency may estimate outlays in instances where—*

(A) There is adequate documentation on which to develop a sound and reasonable estimate of outlays; and

(B) The area agency is unable to obtain actual data in time to meet reporting deadlines.

~~[[13]]~~ (12) The area agency shall follow Title 45 CFR part 74 Administration of Grants except where inconsistent with federal statutes, regulations or other terms of a grant or when either the language of the provision itself or other text in the same subpart indicates the provision affects service provider agencies (sub-grantees) and use of the term—

(A) Recipient shall be taken as referring to area agencies (sub-grantees); and

(B) Awarding party shall be taken as referring to the division (granting agency).

~~[[14]]~~ (13) The area agency shall meet requirements concerning advancements, reimbursements or interest earned on federal funds as follows:

(A) Use methods and procedures to minimize the time lapse between the transfer of funds and disbursement;

(B) Not request reimbursement for the federal share of amounts withheld from contractors to ensure satisfactory completion of work until it makes those payments;

(C) Expend interest earned on federal funds for allowable costs in the fiscal year in which it was earned;

(D) Expend interest earned on federal funds for allowable costs of the funds which earned the interest;

(E) Budget and report interest earned on federal funds, distinguishing the interest from the fund which earned the interest; and

(F) Maintain documentation of compliance.

~~[[15]]~~ (14) The area agency shall submit monthly invoices for reimbursement of expenditures to the division within fifteen (15) days after the close of each fiscal month on forms prescribed by the division.

~~[[16]]~~ (15) The area agency shall meet the division's reporting requirements for quarterly and final financial reports as follows:

(A) Submit quarterly financial and program reports with the appropriate invoice;

(B) Submit a final financial report to the division within ninety (90) days after the fiscal year of the grant ending;

(C) Submit financial reports on the forms prescribed by the division; and

(D) Be subject to the withholding of payments for failure to comply with reporting requirements, until such time as reports are received.

~~[[17]]~~ (16) Any cost allocation plans and indirect costs rates shall be determined in accordance with the following guidelines:

(A) For governments, OMB Circular A-87, including any amendments to the circular published by the United States OMB;

(B) For institutions of higher education, OMB Circular A-21 and as published in the *Federal Register* by OMB; and

(C) For other nonprofit organizations, OMB Circular A-122.

~~[[18]]~~ (17) In order to minimize a loss of funds in the event of bank insolvency, the area agency shall not deposit contributions and federal grant funds in any one (1) bank in an amount that exceeds that bank's maximum insured amount by the Federal Deposit Insurance Corporation (FDIC). The total deposits in one (1) bank, regardless of the number of separate accounts, shall not exceed the maximum amount insured by the FDIC. An acceptable alternative is to request the bank to pledge securities to the area agency. These securities shall act as insurance for excessive cash balances. Documentation of compliance shall be maintained by the area agency.

~~[[19]]~~ (18) Contributions shall be handled according to procedures as required for service providers in 13 CSR 15-7.010(13).

*AUTHORITY: section 660.050, RSMo [Supp. 1987] Supp. 1999. This rule was previously filed as 13 CSR 15-6.200. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed Feb. 17, 1988, effective June 15, 1988. Amended: Filed Aug. 28, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

### Title 13—DEPARTMENT OF SOCIAL SERVICES Division 15—Division of Aging Chapter 4—Older Americans Act

#### PROPOSED AMENDMENT

**13 CSR 15-4.175 Funding Acquisition or Construction of Multipurpose Senior Centers.** The division is amending section (14).

*PURPOSE: This amendment is necessary to clarify the area agency's responsibility to maintain an inventory listing and submit it to the division upon request.*

(14) The area agency must *[submit a copy of the December 31] maintain an annual* inventory listing *[with the agency's annual area plan or area plan update]* and provide a copy to the division upon request.

*AUTHORITY: section 660.050, RSMo [Supp. 1988] Supp. 1999. Original rule filed Feb. 11, 1992, effective June 25, 1992. Amended: Filed Aug. 28, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

### Title 13—DEPARTMENT OF SOCIAL SERVICES Division 15—Division of Aging Chapter 4—Older Americans Act

#### PROPOSED AMENDMENT

**13 CSR 15-4.190 Area Agency Development of a Comprehensive and Coordinated Service Delivery System.** The division is amending sections (1), (5) and (11).

*PURPOSE: This amendment is necessary to reflect current terminology for programs and services provided by area agencies.*

(1) The area agency continuously shall work toward development of a comprehensive coordinated community-based system that shall facilitate access to and utilization of all supportive and nutritional services provided by any source within the planning and service area (PSA). Components of this system may include:

(A) Services which facilitate access, such as transportation, outreach, information and [referral, escort, individual assessment] assistance, and [service] case management;

(B) Services provided in the community, such as congregate meals, continuing education, health and nutrition[al] education, health screening, legal assistance, program development and coordination activities, advocacy, information and [referral, individual needs assessment and service] assistance, case management, casework, counseling and assistance (concerning taxes, financial problems, [welfare] public benefits, the use of facilities and services, preretirement or second career), adult day health care, protective services, services designed for the unique needs of [the disabled] persons with disabilities, emergency services, disaster relief services, [residential] minor home repair, [and renovation,] physical fitness and recreation, services [in] to help[ing to] obtain adequate housing and alteration, renovation, acquisition and construction of facilities to be used as multipurpose senior centers;

(C) Services provided in the home, such as home health services, homemaker services, [home-health aide] personal care services, legal assistance, [preadmission screening,] respite, case [work] management, counseling, chore, [maintenance,] visiting, shopping assistance, [readers,] reading/letter-writing, telephone reassurance, home-delivered meals and nutrition[al] education; and

(D) Services provided to residents of care-providing facilities, such as case[work,] management, counseling, placement and relocation assistance, group services, legal assistance, complaint and grievance resolution and visiting. Care-providing facilities include long-term facilities, emergency shelters and other congregate living arrangements.

(5) The area agency shall develop and publish the methods that are used to establish priorities for services, particularly—

(A) Services associated with access to other services. These services [are] include transportation, outreach, [and] information and [referral] assistance, and case management;

(B) In-home services. These services [are] include homemaker, [and home-health] personal care aide, visiting and telephone reassurance, chore, [maintenance] and supportive services for families of elderly victims of Alzheimer's disease and other neurological and organic brain disorders of the Alzheimer's type; and

(11) The area agency shall assure that the elderly residing in the PSA have reasonably convenient access to information and [referral] assistance systems.

*AUTHORITY: section 660.050, RSMo [1986] Supp. 1999. This rule was previously filed as 13 CSR 15-6.120. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed Aug. 28, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the*

*Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 4—Older Americans Act**

**PROPOSED AMENDMENT**

**13 CSR 15-4.200 Area Agency Subgrants or Contracts.** The division is amending sections (3) and (4).

*PURPOSE: This amendment is necessary to clarify federal requirements related to procurement procedures followed by area agencies.*

(3) The area agency shall submit, for the division's prior approval, any proposed contracts with profit-making organizations for the provision of services under the area plan as required by section 212 of the Act. The area agency is not required to submit to the division for prior review or approval any proposed subgrants or contracts with public or private nonprofit agencies or organizations.

(A) In addition to complying with all applicable federal procurement practices, all purchases shall be based on competitive bids, except that the area agency may make purchases of less than two thousand dollars (\$2,000) in value on the open market. On any purchase estimated at ten thousand dollars (\$10,000) or more the agency shall advertise for bids in at least two (2) newspapers of general circulation in such places as are most likely to reach prospective bidders at least fourteen (14) days before bids are to be opened. The agency shall also solicit bids by mail from at least three (3) prospective suppliers on purchases of ten thousand dollars (\$10,000) or more. For purchases of more than two thousand dollars (\$2,000) but less than ten thousand dollars (\$10,000) bids must be solicited and documented, but advertising or direct mailings are not required.

(B) The agency may waive the requirement of competitive bids for the purchase of food items when special temporary market conditions exist and the food items can be purchased for at least ten percent (10%) less than the most current bid price for the same food items.

(4) The area agency shall use subgrants or contracts with service providers to provide all services under [Title III] all OAA funding sources. For waiver of this requirement, the area agency shall submit a written request that thoroughly documents that direct provision of service, using its own employees, is necessary—

*AUTHORITY: section 660.050, RSMo [1986] Supp. 1999. This rule was previously filed as 13 CSR 15-6.125. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed Aug. 28, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 4—Older Americans Act**

**PROPOSED AMENDMENT**

**13 CSR 15-4.230 Multipurpose Senior Center.** The division is amending section (3).

*PURPOSE:* This amendment corrects information related to persons served by a multipurpose senior center.

(3) The area agency shall assure the following general requirements will be met prior to awarding funds for a multipurpose senior center:

(B) It operates a program of group activities, individual services and community service opportunities in each of the following categories:

1. Access services;
2. Community services, including advocacy-related services;
3. Services for frail, [and] vulnerable, and at risk [and institutionalized] elderly; and
4. Nutrition services.

*AUTHORITY:* section 660.050, RSMo [Supp. 1988] Supp. 1999. This rule was previously filed as 13 CSR 15-6.140. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed June 3, 1991, effective Oct. 31, 1991. Amended: Filed Aug. 28, 2000.

*PUBLIC COST:* This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed amendment will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 4—Older Americans Act**

**PROPOSED AMENDMENT**

**13 CSR 15-4.270 Legal Assistance.** The division is amending section (8).

*PURPOSE:* This amendment is necessary to correctly identify the appropriate federal regulation.

(8) Providers shall adopt procedures and forms to document that the legislative and administrative activities in which they engage fall within the activities permitted in [Section 1321.73(j), of the Act] 45 CFR part 1321.71. Documentation shall include:

*AUTHORITY:* section 660.050, RSMo [1986] Supp. 1999. This rule was previously filed as 13 CSR 15-6.180. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed Aug. 28, 2000.

*PUBLIC COST:* This proposed amendment will cost state agencies and political subdivisions less than \$500 in the aggregate.

*PRIVATE COST:* This proposed amendment will cost private entities less than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 4—Older Americans Act**

**PROPOSED AMENDMENT**

**13 CSR 15-4.290 Information and [Referral] Assistance.** The division is amending the title, Purpose statement and sections (1) and (2).

*PURPOSE:* This amendment is necessary to comply with federal program title designations.

*PURPOSE:* This rule requires the area agency to provide information and [referral] assistance services and describes the requirements for operating [information and referral services] the program.

(1) The area agency shall provide information and [referral] assistance services sufficient to ensure that all elderly persons within the planning and service area have reasonably convenient access to information about the services available within their geographic region.

(2) The area agency shall comply with divisional standards for information and [referral] assistance services (see 13 CSR 15-7.050).

*AUTHORITY:* section 660.050, RSMo [1986] Supp. 1999. This rule was previously filed as 13 CSR 15-6.190. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed Aug. 28, 2000.

*PUBLIC COST:* This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed amendment will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 4—Older Americans Act**

**PROPOSED AMENDMENT**

**13 CSR 15-4.300 [Recordkeeping] Record Keeping and Confidentiality.** The division is amending section (2).



*PURPOSE: This amendment is necessary to delete obsolete information and to clarify the circumstances under which client information may be released.*

(2) The division, area agencies and service providers shall maintain the confidentiality of records as follows:

*[(C) All persons who sign an application or a sign-in sheet shall be made aware that their signature means their consent is given for the use of identifying information for administrative purposes, program monitoring and evaluation;]*

*[(D)] (C) Lists of names of older persons shall be used for the purpose of providing services and shall not be distributed, released or used for any other reason;*

*[(E)] (D) Records that [identify individual recipients shall not be made available to any other person, agency or organization unless the service recipient or legal representative has signed a written consent for release of information which] contain confidential client information shall be released only for purposes of program monitoring by an authorized federal, state, or local monitoring agency, unless—*

1. *[Identifies the individual, agency or organization to whom the information is to be released;] The service recipient or their legal representative has given informed consent prior to the release of that information;*

2. *[Indicates specifically what information is to be released; and] The signed release indicates to whom the information will be given;*

3. *[Specifies the date (inclusive) for which the written consent is valid; and] Indicates the specific information to be released; and*

4. *Specifies the inclusive dates for which the written consent is valid.*

*AUTHORITY: section 660.050, RSMo [1986] Supp. 1999. This rule was previously filed as 13 CSR 15-6.015. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed Aug. 28, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 4—Older Americans Act**

**PROPOSED AMENDMENT**

**13 CSR 15-4.310 Corporate Eldercare.** The division is amending section (1).

*PURPOSE: This amendment changes program title information to agree with federal guidelines.*

(1) As used in this rule, the term corporate eldercare refers to those services provided, either directly or through a third party, by a corporation or other business organization on behalf of its employees who have caregiver responsibilities for an elderly [ref-

atives] person. These services include, but are not necessarily limited to, information and [referral] assistance services. Any contact between a corporation or business organization and an area agency or its subsidiary to provide those services, is subject to the provisions of this rule.

*AUTHORITY: section 660.050, RSMo [Supp. 1988] Supp. 1999. Original rule filed June 16, 1992, effective Jan. 15, 1993. Amended: Filed Aug. 28, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 7—Service Standards**

**PROPOSED AMENDMENT**

**13 CSR 15-7.010 General Requirements for All Service Providers.** The division is amending sections (9), (14) and (15) and removing forms following this rule in the *Code of State Regulations*.

*PURPOSE: This amendment will clarify the educational activities included in public information programs, update information related to physical accommodations for persons with disabilities to meet federal guidelines, and clarify the guidelines for reporting and maintaining information related to cash receipts at senior centers.*

(9) Service providers shall provide the following:

(A) Public information and education activities to ensure that older persons are informed of the services available and have maximum opportunity for participation;

(14) Service providers shall implement *[P.L. 93-112, Section 504, nondiscrimination on basis of handicap, as well as the following specific requirements:] the provisions of the Americans with Disabilities Act (ADA) of 1990 which prohibits discrimination against people with disabilities, to include:*

(A) *[Handicapped service recipients shall receive the same services provided to any other citizen except where their particular handicap prevents them from participating in an activity;] Operation of programs, services, and activities in such a manner as to be readily accessible to and usable by persons with disabilities;*

(B) *[Any facility being considered for use as a center for delivery of alternative services shall be barrier-free and meet the requirements as set by the American Standards Institute;] Senior centers are considered places of public accommodation and must therefore comply with the ADA. The responsibility to remove barriers in existing buildings is an ongoing process and area agencies should use the following priorities as a guide to increase accessibility: 1) access to the facility; 2) access to the area in which goods and services are available; 3) access to restroom facilities; and 4) removing any remaining barriers. Area agencies offering services in buildings*

where barrier removal is not readily achievable must develop a written implementation plan designed to achieve compliance, as well as a written policy outlining alternative methods to provide services during the interim. All renovations, alterations or new construction must ensure compliance with ADA requirements by using the ADA Standards for Accessible Design published in Appendix A to the Department of Justice Title III regulations, 28 CFR part 36; and

(C) *[If an existing service delivery facility is not barrier-free and cannot be structurally changed to meet barrier-free requirements, services provided at this location shall be provided to handicapped persons in their own home or in another accessible location; and]* Reasonable accommodation shall be made in policies, practices, and procedures to allow participation of persons with disabilities. To the greatest extent possible, services should be provided in an integrated setting; however, when barriers cannot be removed, alternative methods of providing the services, programs, and activities must be offered.

*[(D) Transportation to barrier-free centers shall be provided if needed. Service recipients shall not be transported (embarking to disembarking) more than thirty (30) minutes' travel time or twenty-five (25) miles in distance in order to reach an accessible center.]*

(15) Procedures for handling contributions shall be developed and implemented that include the following:

(C) *[Appropriate measures to safeguard and account for contributions shall be established which include, at a minimum, the following:]* Establish a system of internal control that ensures all contributions received are fully and accurately recorded, deposited, accounted for, and reported to the area agency:

1. Collecting contributions in a locked box at senior centers;
2. Using two (2) persons when accessing contributions or to count receipts;
3. Keeping receipts in a *[safe]* secure area or locked box until deposited;
4. Recording *[and depositing]* all contributions on the date of receipt;
5. Taking precautions to prevent theft of cash receipts;
6. Reporting contributions receipts to the area agency at least monthly; and
7. Avoiding an accumulation of a large balance of income on hand;

*AUTHORITY: section 660.050, RSMo [1994] Supp. 1999. This rule was previously filed as 13 CSR 15-6.135. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed Feb. 17, 1988, effective June 15, 1988. Amended: Filed June 3, 1991, effective Oct. 31, 1991. Amended: Filed Aug. 28, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 15—Division of Aging  
Chapter 7—Service Standards**

**PROPOSED AMENDMENT**

**13 CSR 15-7.040 Transportation Service Standards.** The division is amending the Purpose statement and sections (2)–(11), deleting section (1) and adding a new section (2).

*PURPOSE: This amendment would revise outdated terminology and update many areas with current business practices.*

*PURPOSE: This rule sets forth the minimum standards to be met by a transportation service provider receiving state or federal funds for the operation of transportation services for persons aged sixty and over and [handicapped adults] persons with disabilities aged eighteen through fifty-nine [and applies to all transportation service delivery systems, both direct and indirect].*

*[(1) A unit of transportation service is one (1) trip, one (1) way, per individual service recipient.]*

*[(2)](1) The transportation service provider shall meet the following requirements:*

(A) Have sufficient phones and personnel to *[efficiently]* handle calls regarding the service;

(B) Develop and operate an efficient system for scheduling trips to assure that the service is dependable and no passenger is left stranded;

(C) *[Position vehicles so that mileage accumulated and time in operation without passengers is minimized;]* Service will be provided for the duration of a contract period or as agreed upon by the AAA and service provider; and

*[(D) Coordinate with other service providers within the planning and service area for the purpose of delivering the most efficient, cost-effective service;*

*[(E) Make no interruption or alteration of more than fourteen (14) calendar days' duration in administration, policy, frequency of service or types of service as agreed upon between the area agency and the transportation service provider; and]*

*[(F)] (D) Have a program manual available to all employees and volunteers detailing its operational policies, procedures and general requirements applicable to service provision.*

*[(3) Individual personnel files shall be maintained for each driver who is employed full- or part-time on a salary, hourly or commission basis and for each volunteer or partially paid volunteer, who is scheduled to contribute or actually does contribute, more than twenty (20) hours within any five (5) consecutive days or forty (40) hours within a calendar month. The individual personnel file shall contain:]*

(2) A driver is any individual engaged in the operation of a motor vehicle providing transportation services to persons over age 60 and/or disabled between the ages of 18 and 59; and whose sponsoring agency and/or employer is a recipient of funding through the Division of Aging and/or an area agency on aging. Documentation shall be maintained by the service provider, on each driver, that includes:

(A) The driver's health record. Documentation, signed by the driver, that no physical or health limitation exists that prevents competent operation of the motor vehicle or ability to assist any service recipient in and out of the vehicle who requires or requests it;

(B) Either a current and valid common carrier or livery permit issued by regulatory entities such as the Missouri

Department of Economic Development, Division of Transportation, or local municipal taxi/livery ordinances attesting to the driver's qualifications to transport persons. Or, in lieu of a license or permit issued by a cognizant regulatory body, [T]the driver's driving record showing that the driver has had no driving while intoxicated or under the influence of a controlled substance conviction within three (3) years prior to driving for the transportation service provider and that the driver has not had driver/chauffeur's license revoked within three (3) years prior to driving for the provider;

(C) A copy of the driver's valid and current chauffeur's license; and

(D) Documentation of the driver's participation in orientation and in-service training.

**[(4)](3) Orientation and In-Service Training.**

(A) Prior to actual transport of service recipients, each driver [who is employed full- or part-time on a salary, hourly or commission basis and each volunteer or partially paid volunteer who is scheduled to contribute or actually does contribute more than twenty (20) hours within any five (5) consecutive days or forty (40) hours within a calendar month] shall have completed the transportation service providers orientation training. Any volunteer who even occasionally transports [(except those utilized in an emergency)] shall have received at least a brief orientation [on how to handle emergencies and shall be given written instructions on how to handle a problem situation].

(B) Orientation shall include the following:

1. Transportation service provider policies and procedures;
2. Characteristics of the aging process and major disabling conditions;
3. Use of common assistive devices by elderly and handicapped persons;
4. Methods of handling wheelchairs;
5. Methods of moving, lifting and transferring [handicapped] passengers **with mobility limitations or who use assistive devices;**
6. Operation of lifts, ramps and wheelchair securement devices if the vehicle to be operated is equipped with them;
7. Use of a fire extinguisher;
8. Methods of keeping accurate and accountable records or reports, or both;
9. Written instructions on proper actions to be taken in problem situations (for example, emergency situations, passenger problems and vehicle breakdowns); and
10. Successful completion of an in-service training course in first aid or emergency care that included at least:

A. Basic first aid;

B. Cardiopulmonary resuscitation;

C. Heimlich maneuver; [and]

D. Guidelines on when to attempt first aid or when to take alternative action.; and

**E. Instruction on universal precautions regarding handling body fluids, including how to use a blood-borne pathogen kit.**

(C) The transportation service provider should require drivers to participate in a defensive driving training program.

(D) Other personnel, such as schedulers and dispatchers, should receive training appropriate to their job functions.

**[(5)](4) Fiscal and Program Records.**

(A) Fiscal and program records shall be submitted to the contracting agency on a timely and proper basis.

(B) The service provider shall maintain time records that document the number of hours worked per week for each employee and volunteer.

(C) [Service recipients' signatures shall be obtained as documentation of the recipients' use of the service provider's transportation system.] **Documentation verifying the recipient's use of the service provider's transportation system shall be maintained.**

(D) The transportation service provider shall have a method, approved by the contracting agency, for documenting units of service delivered and obtaining an unduplicated count of individual service recipients.

**[(6)](5) [Individual vehicle files for each provider-owned or leased vehicle] Files and records regarding vehicles and/or vehicular fleets shall be kept by the provider that should contain the following documentation:**

(A) Vehicle ownership or lease agreement;

(B) Current vehicle license;

(C) Current vehicle [annual] safety inspection **as required by state law;**

(D) Vehicle maintenance schedule including the date of each service, repair and replacement; and

(E) That transportation service provider-owned or leased vehicle is properly insured.

**[(7)](6) [Each] Any driver, [volunteer or partially paid volunteer] using personally-owned vehicles to transport service recipients shall maintain proper vehicle insurance and shall sign an agreement indicating understanding and acceptance of liability.**

**[(8)](7) Vehicles shall meet the following requirements:**

(A) All vehicles shall be legally licensed;

(B) All vehicles shall receive a[n annual] **vehicle safety inspection, as required by state law,** shall be clean and in good repair [and shall be maintained in accordance with the manufacturer's recommended maintenance schedule or an approved schedule based on actual vehicle operating conditions];

(C) **All [V]vehicles [with a passenger capacity greater than seven (7)] shall carry the following safety equipment:**

1. Extra electrical fuses;

2. Fire extinguisher, [two and one-half pounds (2 1/2 lbs.)] ABC type;

3. Three (3) reflective orange triangles or similar emergency warning devices;

4. Spare tire and jack **unless they are radio/phone equipped and able to summon assistance;**

5. Flashlight;

6. Ice scraper; [and]

7. Emergency first-aid kit; **and**

**8. Blood-borne pathogen kit;**

(D) [Vehicles with a passenger capacity of seven (7) or less shall carry a spare tire and a jack unless they are radio-equipped and able to summon assistance. They should also carry the items listed in subsection (7)(C);] **All vehicles shall have for each passenger an available seat that is securely fastened to the floor of the vehicle. Cars and vans shall have a useable seat belt, include seat belt extenders as needed, for each person being transported;**

(E) **All vehicles shall be properly equipped with radial tires, snow tires, all-weather tires or chains during icy and snowy weather;**

(F) **All vehicles shall have for each passenger an available seat that is securely fastened to the floor of the vehicle. Cars and vans shall have a useable seat belt for each person being transported;**

(G) **Vehicles shall not exceed the stated gross vehicle weight rating;**

*(H) Protected overnight housing of vehicles should be considered by the transportation provider as part of their maintenance program;*

*((I))(E)* All vans and buses shall have accessible emergency exit(s) with appropriate emergency procedures posted in compliance with Federal Motor Vehicle Safety Standard No. 217; and

*((J))(F)* All vans and buses shall have a stationary or removable step to aid entry and exit of the vehicle. This step shall be capable of safely supporting three hundred pounds (300 lbs.); shall be placed that it is no more than twelve inches (12") above ground level; and shall have a nonskid top surface no less than eight inches by twelve inches (8" × 12"). Removable steps shall be properly secured while the vehicle is in motion.

*((9))(8)* Vehicle requirements transporting an individual remaining in a wheelchair are as follows:

(A) Wheelchair safety locks shall be available and used when a wheelchair is in use during transport if a vehicle is ramp/lift/-equipped;

(B) All wheelchair lifts used on vehicles shall be certified as being capable of regularly servicing a minimum capacity of six hundred pounds (600 lbs.); and

(C) All wheelchair ramps used on vehicles shall be certified as being capable of regularly servicing a minimum capacity of four hundred pounds (400 lbs.).

*((10))(9)* Drivers shall observe the following *[sty]* safety precautions:

(A) Assure that all passengers are seated before vehicle is put into motion;

(B) Encourage passengers to use seat belts;

(C) Not allow firearms, alcoholic beverages in opened containers, unauthorized controlled substances or highly combustible materials to be transported in vehicle;

(D) Allow *[guide dogs]* service animals in the vehicle, as needed; however, other animals shall not be allowed;

(E) Assure that all packages are safely stored before putting the vehicle in motion;

(F) Assist each passenger to enter and exit the vehicle as needed;

*((G) Provide documentation that a designated escort is available persons needing mobility assistance;*

*((H) Use an escort to assist wheelchair bound persons over barriers or up and down more than one (1) step;]*

*((I))(G)* Assure that passengers enter and exit the vehicle in unobstructed and safe locations;

*((J))(H)* Observe all posted speed limits and modify driving according to weather hazards;

*((K))(I)* Not use alcohol prior to or while driving; *[and]*

*((L))(J)* Not use any prescribed or patent medication that may impair driving ability prior to or while driving.; **and**

**(K) Not smoke during transport of riders.**

*((11))(10)* Drivers are authorized to deny transportation to a service recipient attempting to board the vehicle who, in the judgment of the driver—

(A) Is intoxicated;

(B) Is too ill or *[handicapped to be transported safely]* experiencing an emergency health episode;

(C) Has a mobility limitation that prevents safe entry or exit from the vehicle even with reasonable human or mechanical assistance;

*((C))(D)* Demonstrates violent or unruly behavior; or

*((D))(E)* Insists on transporting prohibited items.

*((12))(11)* Drivers shall report incidents of denial of transportation to the transportation service provider. Written documentation of incident shall be maintained.

*((13))(12)* Without written approval of the contracting agency, the transportation service provider shall not suspend service to a passenger for more than five (5) consecutive days due to problems with the service recipient *[or because an escort is not available]*.

*((14))(13)* The transportation service provider shall submit to the contracting agency a written request to suspend service indefinitely to any service recipient who, in the provider's judgement, exhibits behavior—

(A) That is contrary to these standards; or

(B) Which has been and continues to be hazardous to the safety of self or others.

*AUTHORITY: section 660.050, RSMo [1994] Supp. 1999. This rule was previously filed as 13 CSR 15-6.165. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed Aug. 28, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

## Title 13—DEPARTMENT OF SOCIAL SERVICES

### Division 15—Division of Aging

#### Chapter 7—Service Standards

#### PROPOSED AMENDMENT

**13 CSR 15-7.050 Information and [Referral] Assistance Service Standards.** The division is amending the title, Purpose statement and sections (1)–(6) and deleting forms that follow this rule in the *Code of State Regulations*.

*PURPOSE: This amendment is necessary to clarify current policy regarding units of service for Information and Assistance and to reflect the program title required by federal guidelines.*

*PURPOSE: This rule sets forth minimum standards for information and [referral] assistance service providers to assure that all older people within a planning and service area have reasonable access to services.*

(1) A unit of service *[shall consist of either one (1)—]* is one contact.

(A) *[Contact with an inquirer with information provided; or]* A contact is an individual encounter with a client or their advocate.

(B) *[Referral with follow-up contact made.]* A contact may be a simple, one-time inquiry, or one which requires follow-up. Contact may be by phone, in person or in writing, or by electronic means such as fax or E-mail.

(2) The service provider shall—

(C) Establish liaison with other information and *[referral]* assistance programs including services available through the Social Security Administration;

(F) Utilize staff specially trained to inform the elderly **or their advocates** of the opportunities and services available;

[(H)] (G) Develop a plan to provide services in the language spoken by the target population, if other than English; and

[(I)] (H) Establish a plan for the follow-up of referrals.

(3) Additional services may include advocacy, case management, [or] public information **and education**.

(4) The information and [referral] **assistance** staff shall be composed of competent, ethical, qualified individuals, paid or volunteer, sufficient in number to carry out administrative and service responsibilities. Service responsibilities shall include:

(D) Conducting public information **and education** activities; and

(5) Training shall be provided to all information and [referral] **assistance** staff, paid and volunteer, to ensure adequate delivery of information and [referral] **assistance** services. Training shall consist of the following components:

(A) Preservice orientations and training which should include:

1. The role, purpose and function of the information and [referral] **assistance** service;

2. Skills training in the areas of interviewing techniques, attitudes, listening, communications, proper telephone usage, assessment techniques, information and [referral] **assistance** procedures, follow-up, data reading, maintenance of records, use of resource file; and

3. Recognizing abuse/neglect and exploitation of the elderly, the requirements and limitations of section 660.250, RSMo and procedures for reporting to the division's hotline;

(6) Information and [referral] **assistance** service staff shall maintain an accurate resource file which shall be updated periodically by—

*AUTHORITY: section 660.050, RSMo [1994] Supp. 1999. This rule was previously filed as 13 CSR 15-6.191. Original rule filed Jan. 6, 1986, effective April 30, 1986. Amended: Filed Aug. 28, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Aging, Richard C. Dunn, Director, P.O. Box 1337, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 40—Division of Family Services  
Chapter 19—Energy Assistance**

**PROPOSED AMENDMENT**

**13 CSR 40-19.020 Low Income Home Energy Assistance Program.** The Division of Family Services proposes to amend section (3) to reflect changes made in income levels based on federal poverty guidelines.

*PURPOSE: This amendment is being made to adjust the monthly income amounts on the LIHEAP Income Ranges Chart.*

(3) Primary eligibility requirements for this program are as follows:

(D) Each household must have a monthly income no greater than the specific amounts based on household size as set forth in the Low Income Home Energy Assistance Program (LIHEAP) Income Ranges Chart. If the household size and composition of a LIHEAP applicant household can be matched against an active food stamp case reflecting the same household size and composition, monthly income for LIHEAP will be established by using the monthly income documented in the household's food stamp file.

## LIHEAP INCOME RANGES CHART

## Monthly Income Amounts

Household Size	Income Range	Income Range	Income Range	Income Range	Income Range
1	\$0-172	\$173-344	\$345-516	\$517-688	\$689-858
2	\$0-230	\$231-460	\$461-690	\$691-920	\$921-1,152
3	\$0-266	\$267-532	\$533-798	\$799-1,064	\$1,065-1,330
4	\$0-320	\$321-640	\$641-960	\$961--1,280	\$1,281-1,600
5	\$0-374	\$375-748	\$749-1,122	\$1,123-1,496	\$1497-1,871
6	\$0-428	\$429-856	\$857-1,284	\$1,285-1,712	\$1,713-2,141
7	\$0-482	\$483-964	\$965-1,446	\$1,447-1,928	\$1,929-2,411
8	\$0-536	\$537-1,072	\$1,073-1,608	\$1,609-2,144	\$2,145-2,681
9	\$0-590	\$591-1,180	\$1,181-1,770	\$1,771-2,360	\$2,361-2,952
10	\$0-644	\$645-1,288	\$1,289-1,932	\$1,933-2,576	\$2,577-3,222
11	\$0-698	\$699-1,396	\$1,397-2,094	\$2,095-2,792	\$2,793-3,492
12	\$0-752	\$753-1,504	\$1,505-2,256	\$2,257-3,008	\$3,009-3,762
13	\$0-807	\$808-1,614	\$1,615-2,421	\$2,422-3,228	\$3,229-4,033
14	\$0-861	\$862-1,722	\$1,723-2,583	\$2,584-3,444	\$3,445-4,303
15	\$0-915	\$916-1,830	\$1,831-2,745	\$2,746-3,660	\$3,661-4,573
16	\$0-969	\$970-1,938	\$1,939-2,907	\$2,908-3,876	\$3,877-4,843
17	\$0-1,023	\$1,024-2,046	\$2,047-3,069	\$3,070-4,092	\$4,093-5,114
18	\$0-1,077	\$1,078-2,154	\$2,155-3,231	\$3,232-4,308	\$4,309-5,384
19	\$0-1,131	\$1,132-2,262	\$2,263-3,393	\$3,394-4,524	\$4,525-5,654
20	\$0-1,185	\$1,186-2,370	\$2,371-3,555	\$3,556-4,740	\$4,741-5,924]

## LIHEAP INCOME RANGES CHART

## Monthly Income Amounts

Household Size	Income Range	Income Range	Income Range	Income Range	Income Range
1	\$0-174	\$175-348	\$349-522	\$523-696	\$697-870
2	\$0-234	\$235-468	\$469-702	\$703-936	\$937-1,172
3	\$0-271	\$272-542	\$543-813	\$814-1,084	\$1,085-1,356
4	\$0-326	\$327-652	\$653-978	\$979-1,304	\$1,305-1,634
5	\$0-382	\$383-764	\$765-1,146	\$1,147-1,528	\$1,529-1,912
6	\$0-438	\$439-876	\$877-1,314	\$1,315-1,752	\$1,753-2,190
7	\$0-493	\$494-986	\$987-1,479	\$1,480-1,972	\$1,973-2,468
8	\$0-549	\$550-1,098	\$1,099-1,647	\$1,648-2,196	\$2,197-2,746
9	\$0-604	\$605-1,208	\$1,209-1,812	\$1,813-2,416	\$2,417-3,024
10	\$0-660	\$661-1,320	\$1,321-1,980	\$1,981-2,640	\$2,641-3,301
11	\$0-715	\$716-1,430	\$1,431-2,145	\$2,146-2,860	\$2,861-3,579
12	\$0-771	\$772-1,542	\$1,543-2,313	\$2,314-3,084	\$3,085-3,857
13	\$0-827	\$828-1,654	\$1,655-2,481	\$2,482-3,308	\$3,309-4,135
14	\$0-882	\$883-1,764	\$1,765-2,646	\$2,647-3,528	\$3,529-4,413
15	\$0-938	\$939-1,876	\$1,877-2,814	\$2,815-3,752	\$3,753-4,691
16	\$0-993	\$994-1,986	\$1,987-2,979	\$2,980-3,972	\$3,973-4,969
17	\$0-1,049	\$1,050-2,100	\$2,101-3,149	\$3,150-4,198	\$4,199-5,247
18	\$0-1,105	\$1,106-2,210	\$2,211-3,315	\$3,316-4,420	\$4,421-5,525
19	\$0-1,160	\$1,161-2,320	\$2,321-3,480	\$3,481-4,640	\$4,641-5,803
20	\$0-1,216	\$1,217-2,432	\$2,433-3,648	\$3,649-4,864	\$4,865-6,081

*AUTHORITY: section 207.020, RSMo 1994. Emergency rule filed Nov. 26, 1980, effective Dec. 6, 1980, expired March 11, 1981. Original rule filed Nov. 26, 1980, effective March 12, 1981. For intervening history, please consult the Code of State Regulations. Emergency amendment filed Aug. 31, 2000, effective Oct. 1, 2000, expires March 28, 2001. Amended: Filed Aug. 31, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Office of the Director, Division of Family Services, P.O. Box 88, Jefferson City, MO 65103. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 70—Division of Medical Services  
Chapter 3—Conditions of Provider Participation,  
Reimbursement and Procedure of General Applicability**

**PROPOSED AMENDMENT**

**13 CSR 70-3.020 Title XIX Provider Enrollment.** The division is amending the purpose statement and sections (1), (2), (3), and (4) and adding sections (7) and (8).

*PURPOSE: This proposed amendment of the purpose statement and sections (1), (2), (3) and (4) and the addition of sections (7) and (8) clarifies the basis on which providers and vendors of health care services covered under Title XIX Medicaid Programs may be enrolled to or denied enrollment, or accepted or denied continued participation as enrolled providers in the program, and lists the grounds upon which enrollment may be denied or participation may be terminated.*

*PURPOSE: This rule establishes the basis on which providers and vendors of health care services under Title XIX Medicaid Programs may be admitted to or denied enrollment, or accepted or denied continued participation as enrolled providers in the program, and lists the grounds upon which enrollment may be denied or participation may be terminated.*

(1) The following definitions will be used in administering this rule:

(E) *[Limited]* **Closed-end provider agreement**—The granting of Medicaid enrollment to an applying provider by the single state agency upon the condition that the applying provider perform services, deliver supplies or otherwise participate in the program only in adherence to or subject to specially set out conditions agreed to by the applying provider prior to enrollment;

(I) **Provider**—*[Any person having an effective, valid and current written provider agreement with the Medicaid agency for the purpose of providing services to eligible recipients and obtaining reimbursement excluding, for the purposes of this rule only, all persons receiving reimbursement in their capacity as owners or operators of a licensed nursing home;]* **Means a person who or which has a provider agreement to provide services to a recipient pursuant to Chapter 208, RSMo;**

(K) **Person**—*[Any]* **Means any natural person, partnership, corporation, not-for-profit corporation, professional corporation, unincorporated association, or other [business entity] legal business or legal entity;**

(L) **Principal**—**A person who has a direct or indirect ownership or control interest of five percent or more in the entity or who is an officer, director, agent or managing employee of the entity, or both; and**

*[(L)](M)* **Termination from participation**—The ending of participation in the Medicaid program $;$  *and* $]$ .

(2) Duties of the Single State Agency.

(A) **The single state agency determines the effective date of participation in the Medicaid program for all applying providers.**

*[(A)]* (B) Upon receiving a provider enrollment application, the single state agency shall record receipt of the application and conduct whatever lawful investigation which, in the discretion of the Medicaid agency, is necessary to verify, supplement or change the information contained in the application.

*[(B)]* (C) If, in the discretion of the Medicaid agency, further information is needed from the applying provider to verify or supplement an application, the Medicaid agency shall immediately make a clear and precise request to the provider for the information and inform the prospective provider whether or not the application will be withheld pending receipt of the requested information.

*[(C)]* (D) The single state agency, within ninety (90) calendar days after receiving an application, shall complete its investigation and determine whether to deny or allow enrollment of the applying provider. The Medicaid agency's decision shall be made known to the applying provider within ninety-five (95) calendar days after the application was received by the agency. A denial of enrollment shall be made known to an applying provider giving the reason(s) for the denial in writing. The written notice of denial will be effective upon the date it is mailed by the single state agency to the address entered on the application by the provider.

*[(D)]* (E) In the event that an application cannot be fully investigated by the single state agency within ninety (90) days of its receipt, the Medicaid agency, upon written notice to the applying provider, may extend the time for conducting the investigation for a period not to exceed one hundred twenty (120) calendar days from the date of receipt of the application by the Medicaid agency. The Medicaid agency must send the notice of delay to the applying provider within sixty (60) calendar days from the time the application in question was received.

(3) The single state agency, at its discretion, may deny or limit an applying provider's enrollment and participation in the Missouri Title XIX Medicaid Program for any one (1) of the following reasons:

(H) **Violation of any law, regulation or code of ethics governing the conduct of occupations, professions or regulated industries, or violation of any law or regulation where the violation is reasonably related to the person's qualifications, functions or duties in any licensed or regulated profession or industry or where fraud, dishonesty, moral turpitude or an act of violence is an element of the violation;**

*[(H)]* (I) Any termination, **debarment**, removal, suspension, **ineligibility**, revocation, denial, **voluntary exclusion** or consented surrender or other involuntary disqualification of any license, permit, certificate or registration related to the applying provider's business or profession in Missouri or any other state of the United States. Any such license, permit, certificate or registration which has been denied or lost by the provider for reasons not related to matters of professional competence in the practice of the applying provider's profession, upon proof of current reinstatement, shall not be considered by the agency in its decision to enroll the applying providers;

*[(I)]* (J) Any false representation or omission of a material fact in making application for any license, permit, certificate or registration

related to the applying provider's profession or business in Missouri or any other state of the United States;

[(J)] (K) Any previous failure to correct deficiencies in provider operation after receiving written notice of the deficiencies from the single state agency;

[(K)] (L) Any previous violation of any regulation or statute relating to the applying provider's participation or one or more of the applying provider's principals participation, or both in the Missouri Medicaid program;

[(L)] (M) Failure to supply further information to the single state agency after receiving a written request for further information pursuant to an enrollment application; or

[(M)] (N) Failure to affix a proper signature to an enrollment application. Submission of an application bearing a signature that conceals the involvement in the provider's operation of a person who would otherwise be ineligible for Medicaid participation shall be grounds for denial of enrollment by the single state agency. Otherwise, the single state agency shall give the applying provider an opportunity to provide a proper signature and, after that, consider the application as if the proper signature was originally affixed. **The term proper signature means:**

1. If the applicant is applying for an individual provider number, the individual must affix an original signature to all forms in the enrollment application; and

2. If the applicant is applying as a clinic, group, corporation, partnership, affiliate, other association or legal entity, the owner or authorized signer is required to affix their original signature to all forms in the enrollment application. Rubber stamp or other facsimiles are not acceptable. The authorized signer of the enrollment application must verify that s/he is a representative of the provider and is the duly authorized agent to execute the enrollment application under authority granted by said provider. The single state agency, at its discretion, may require written proof that the signatory is authorized to sign for the applicant.

(4) After investigation and review of an applying provider's application for enrollment and consideration of all the information, facts and circumstances relevant to the application, including, but not limited to, a review of the applying provider's affiliates, the single state agency, at its discretion, in the best interest of the Medicaid program, will make one (1) of the following determinations:

(C) Deny or limit the applying provider's enrollment for one (1) or more of the reasons in subsections (3)(A)–[(M)](N).

(7) The provider is responsible for all services provided and all billing done under his/her provider number regardless to whom the reimbursement is paid and regardless of whom in his/her employ or service produced or submitted the Medicaid claim or both. The provider is responsible for submitting proper diagnosis codes, procedure codes, and billing codes. When the length of time actually spent providing a service (begin and end time) is required to be documented, the provider is responsible for the accurate documentation of the length of time, except for services as specified under Personal Care Program 13 CSR 70-91.010(4)(A)2.C.(II), regardless of whom the reimbursement is paid and regardless of to whom in the provider's employ or service produced or submitted the Medicaid claim.

(8) The provider shall advise the single state agency, in writing, on enrollment forms specified by the single state agency, of any changes affecting the provider's enrollment records. New provider numbers are not issued for changes, including, but not limited to, change of ownership, change of operator, tax identification change, merger, name change, address change, or payment address change, Medicare number change, or facilities/offices that have been closed and reopened. This includes

replacement facilities whether they are at the same location or a different location, and whether the same Medicare number is retained or if a new Medicare number is issued.

*AUTHORITY: sections [207.020, RSMo Supp. 1993, 208.153, RSMo Supp. 1991 and] 208.159 and 208.201, RSMo [1986] 1994. This rule was previously filed as 13 CSR 40-81.165. Original rule filed June 14, 1982, effective Sept. 11, 1982. Amended: Filed Aug. 22, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Social Services, Division of Medical Services, Director of Medicaid, 615 Howerton Court, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. If to be hand-delivered, comments must be brought to the Office of Medical Services at 615 Howerton Court, Jefferson City, Missouri. No public hearing is scheduled.*

**Title 16—RETIREMENT SYSTEMS**  
**Division 10—The Public School Retirement System of Missouri**  
**Chapter 4—Membership and Creditable Service**

**PROPOSED AMENDMENT**

**16 CSR 10-4.014 Reinstatement and Credit Purchases.** The board is amending section (6).

*PURPOSE: This amendment clarifies the provisions relating to the purchase of membership service credit for maternity and paternity leave pursuant to section 169.056, RSMo.*

(6) The following provisions shall apply to a purchase of membership service credit for maternity or paternity leave under [Chapter 169,] section 169.056, RSMo:

(A) A period of leave shall be considered [eligible for] maternity or paternity leave [under the following conditions] for which membership service credit may be purchased if:

1. The leave was unpaid;

2. The leave related to a natural birth, legal adoption, or terminated pregnancy by [or of] the member or the member's spouse or significant other;

3. The member was employed in a position covered by the retirement system at the time the leave [was granted and] relating to the initial natural birth, legal adoption, or terminated pregnancy began;

4. [a] The district granting the leave had a written maternity leave policy as a part of its regulations, or b) the minutes of the governing board of the district set forth the granting of the leave for reasons of maternity, or c) affidavits certifying that the leave was granted for reasons of maternity are provided by at least two (2) persons who either were members of the governing board or administrative officers of the district at the time the leave was granted and had first-hand knowledge of the granting of the leave] The member provides a notarized affidavit signed by the member stating that the leave was maternity or paternity leave; [and]

5. The member provides a certified copy of a birth certificate, or certification of adoption, or physician's certification of



termination of pregnancy, [pertinent to] which indicates that the event occurred within a reasonable time before or after the period of maternity or paternity leave began[.]; and

6. The member returns to employment in a position covered by the retirement system.

(B) [If a grant of maternity leave established in accordance with 16 CSR 10-4.014(6)(A) specifies a fixed period for such leave, the member may purchase membership service credit for some or all of the amount of time specified in the grant of leave, up to a maximum of four (4) years of service credit. If a grant of maternity leave does not specify a fixed period for such leave, the member may purchase up to four (4) years of membership service credit from the period of non-covered employment immediately subsequent to the granting of the leave, provided, however, that the member must establish that the member made a good faith effort to return to covered employment each year of the proposed leave period and no position was available.] The maternity or paternity leave for which membership service credit may be purchased shall terminate upon the member's return to covered employment and may not exceed one (1) year for each natural birth, legal adoption, or terminated pregnancy.

(C) A member may elect to purchase some or all of the period of maternity or paternity leave for which the member is eligible, but a member may not purchase more than a total of four (4) years of membership service credit based on maternity or paternity leave over the member's career. [If a member was granted multiple maternity leave periods separated by periods of creditable service in a district included in the retirement system, the member may purchase credit for more than one (1) period per application, but in no event shall the total membership service credit for maternity leave exceed four (4) years over the member's service career.]

(D) Verification of matters relating to the maternity leave period claimed shall be established by means of a sworn statement by the member and by copies of district records, certified by an administrative officer of the district, which provide evidence concerning the leave, including the reason for the leave, the beginning and ending dates, or the availability of post-leave employment. Reliable evidence such as affidavits from persons who were members of the governing board or administrative officers of relevant districts at the time of the leave, certifying the reasons for the leave, the duration or terms of the leave or the availability of post-leave employment may be considered if no such district records exist.]

**AUTHORITY:** section 169.020, RSMo [Supp. 1998] Supp. 1999. Original rule filed June 23, 1998, effective Jan. 30, 1999. Amended: Filed Oct. 25, 1999, effective April 30, 2000. Amended: Filed Aug. 21, 2000.

**PUBLIC COST:** This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

**PRIVATE COST:** This proposed amendment will not cost private entities more than \$500 in the aggregate.

**NOTICE TO SUBMIT COMMENTS:** Anyone may file a statement in support of or in opposition to this proposed amendment with the Public School and Non-Teacher School Employee Retirement Systems of Missouri, Joel Walters, Executive Director, P.O. Box 268, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 16—RETIREMENT SYSTEMS**  
**Division 10—The Public School Retirement System of Missouri**  
**Chapter 5—Retirement, Options, and Benefits**

**PROPOSED AMENDMENT**

**16 CSR 10-5.055 Cost-of-Living Adjustments.** The board is amending section (3).

**PURPOSE:** This amendment provides for the implementation of cost-of-living adjustments to teachers and eligible beneficiaries as set forth in subdivision 169.070.12 and 13, RSMo.

(3) When [it is determined] the board of trustees determines that an increase shall be granted, the increase shall be added to the allowances of all persons receiving service or disability retirement allowances, or beneficiary allowances under the provisions of section 169.070.3, RSMo. The initial increase in a [retired member's] retiree's allowance [cannot] shall not be granted before January 1, 1977, or until the retiree has been retired four (4) January firsts[.], or in the case of any member retiring on or after July 1, 2000, and not for any member retiring before July 1, 2000, the initial increase in the retiree's allowance shall not be granted until the retiree has been retired three (3) January firsts. A designated beneficiary of a deceased retiree who is receiving an allowance as provided in section 169.070.3, RSMo, will be eligible for an increase [provided the deceased retiree would have been retired four (4) January firsts] at the time the deceased retiree would have been eligible for an increase had [s/he] he or she lived.

**AUTHORITY:** section 169.020, RSMo [Supp. 1998] Supp. 1999. Original rule filed Jan. 5, 1977, effective May 1, 1977. Amended: Filed June 10, 1980, effective Sept. 15, 1980. Amended: Filed Aug. 9, 1999, effective Feb. 29, 2000. Amended: Filed Aug. 21, 2000.

**PUBLIC COST:** This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

**PRIVATE COST:** This proposed amendment will not cost private entities more than \$500 in the aggregate.

**NOTICE TO SUBMIT COMMENTS:** Anyone may file a statement in support of or in opposition to this proposed amendment with the Public School and Non-Teacher School Employee Retirement Systems of Missouri, Joel Walters, Executive Director, P.O. Box 268, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 16—RETIREMENT SYSTEMS**  
**Division 10—The Public School Retirement System of Missouri**  
**Chapter 6—The Nonteacher School Employee Retirement System of Missouri**

**PROPOSED AMENDMENT**

**16 CSR 10-6.060 Service Retirement.** The board is amending section (11) and adding section (12).

**PURPOSE:** The purpose of this amendment is to implement section 169.670.1(5) allowing for the payment to a qualified retiree of an additional four-tenths of one percent of retiree's final average salary multiplied by the retiree's years of service until the retiree reaches the minimum age for Social Security retirement benefits.

(11) Any person who is receiving or has received a retirement allowance from the system, other than a disability retirement allowance, who returns to employment in a position covered by the system shall undertake such employment under a new and separate membership in the system.

(D) All previous years of creditable service, not otherwise forfeited, will be considered to determine the formula factor, which may include the temporary allowance provided in section 169.671.1(5), RSMo, to be used in calculating the subsequent retirement allowance.

(12) In addition to the retirement allowance provided in section 169.670.1(1)–(3) RSMo, a member retiring on or after July 1, 2000, whose creditable service is thirty years or more or whose sum of age and creditable service is eighty years or more, shall receive a temporary retirement allowance equivalent to four-tenths of one percent of the member's final average salary multiplied by the member's years of service until such time as the member reaches minimum retirement age for Social Security retirement benefits ("minimum Social Security retirement age"), subject to the terms, conditions and limitations of this rule.

(A) "Minimum Social Security retirement age" is the minimum age at which the retiree would be eligible to receive reduced Social Security retirement benefits. If otherwise eligible, a retiree shall receive the temporary retirement allowance until the retiree first attains minimum Social Security retirement age as that age is periodically adjusted by the Social Security Administration, but in no event shall the temporary retirement allowance terminate prior to the earlier of the retiree's death or the retiree's attainment of age sixty-two.

(B) To receive the temporary retirement allowance, the member must select a benefit payment plan authorized by section 169.670, RSMo for which the member qualifies, which may include an option for reduced monthly benefit payments for life, with continuing payments to a designated beneficiary.

1. A retiree who elects Option 1 shall receive the temporary retirement allowance until the earlier of the retiree's death or the time at which the retiree attains minimum Social Security retirement age, provided that in no event shall the temporary retirement allowance terminate prior to the earlier of the retiree's death or the retiree's attainment of age sixty-two.

2. A retiree who elects Option 2, 3, 4, or 7 shall receive the temporary retirement allowance, as actuarially reduced pursuant to section 169.670.4, RSMo, in the same manner as described in paragraph 1. of subsection (A) of section (12) of this rule, provided that if the retiree dies prior to reaching minimum Social Security retirement age, such temporary retirement allowance shall be paid to the retiree's designated beneficiary (as adjusted pursuant to the retiree's elected option) until such time as the retiree would have reached the minimum Social Security retirement age had the retiree lived.

3. A retiree who elects Option 5 or 6 shall receive the temporary retirement allowance, as actuarially reduced pursuant to section 169.670.4, RSMo, in the same manner as described in paragraph 1. of subsection (A) of section (12) of this rule, provided that if the retiree dies prior to reaching minimum Social Security retirement age, such temporary retirement allowance shall be paid to the retiree's designated beneficiary until such time as the retiree would have reached minimum Social Security retirement age had the retiree lived or until the payments to the retiree's beneficiary would otherwise terminate pursuant to Option 5 or 6, whichever occurs first.

(C) By accepting the temporary retirement allowance, the retiree agrees to receipt of a retirement allowance that may decrease substantially when the retiree reaches minimum Social Security retirement age and further, that such decrease

will be magnified if the retiree elected Option 7. By accepting the temporary retirement allowance, the retiree agrees that the payment of the temporary retirement allowance is not designed to provide for equal or substantially equal retirement allowance payments throughout the retiree's life when such payments are received in conjunction with Social Security benefits or otherwise. Nothing herein or in section 169.670, RSMo shall be construed as a promise or guarantee by this retirement system that the Social Security Administration will make any payments, or that any payments made, when added to the retiree's retirement allowance, will result in equal or substantially equal payments throughout the retiree's life or the life of any named beneficiary, or that this retirement system has any obligation to assure a stream of equal or substantially equal monthly retirement benefits. It shall be the sole responsibility of the retiree and the Social Security Administration, respectively, to secure or pay Social Security retirement benefits. Neither a failure by the retiree or the Social Security Administration to fulfill their respective obligations, nor a subsequent change in the minimum Social Security retirement age shall compel this retirement system to recalculate the monthly benefits determined at the time of the retiree's election of a retirement option pursuant to section 169.670, RSMo.

(D) The provisions in section 169.670, RSMo and 16 CSR 10-6.100 concerning the right to receive a cost-of-living adjustment ("COLA"), the amount of any COLA, and any other limitations concerning COLAs shall apply with equal effect to the temporary retirement allowance, except as follows:

1. Any COLA the retiree is eligible to receive will be based on the amount of the monthly benefit payable by this retirement system when the COLA takes effect; and

2. If a retiree has received COLAs prior to reaching the minimum Social Security retirement age the reduced retirement allowance paid by Non-Teacher Retirement System (NTRS) from that point forward will include only that percentage of the previously awarded COLAs that would have been earned by the benefit amount payable after the retiree reaches the minimum Social Security retirement age.

(E) Limitations on and other provisions concerning post-retirement employment found in this rule and in Chapter 169, RSMo shall apply with equal effect to a retiree receiving a temporary retirement allowance, except as follows:

1. If a retiree receiving a temporary retirement allowance subsequently returns to employment covered by this retirement system, benefit payments will be suspended, and the retiree's covered service will commence under a new membership;

2. While the retirement benefits are suspended, they will continue to accrue COLAs based on the benefit that would have been paid to the retiree had the retiree not returned to covered employment;

3. A retiree receiving a temporary retirement allowance who returns to covered employment and thereby qualifies for a second benefit based on the new membership may receive a temporary retirement allowance as part of the retiree's subsequent benefit if eligible pursuant to section 169.561, RSMo, and sections (11) and (12) of this rule.

(F) If a member dies prior to retirement, a beneficiary eligible to receive monthly benefits pursuant to 169.670.4(2), RSMo, is eligible to receive a temporary retirement allowance if the member would have been eligible to receive the temporary retirement allowance. The temporary retirement allowance paid to such beneficiary shall be administered in the same manner as if the member had retired and elected Option 2 of section 169.670.4(2), RSMo.

*AUTHORITY: section 169.610, RSMo 1994. Original rule filed Dec. 19, 1975, effective Jan. 1, 1976. For intervening history,*

please consult the *Code of State Regulations*. Amended: Filed Aug. 21, 2000.

**PUBLIC COST:** This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

**PRIVATE COST:** This proposed amendment will not cost private entities more than \$500 in the aggregate.

**NOTICE TO SUBMIT COMMENTS:** Anyone may file a statement in support of or in opposition to this proposed amendment with the Public School and Non-Teacher School Employee Retirement Systems of Missouri, Joel Walters, Executive Director, P.O. Box 268, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 16—RETIREMENT SYSTEMS**  
**Division 20—Missouri Local Government Employees’ Retirement System (LAGERS)**  
**Chapter 2—Administrative Rules**

**PROPOSED AMENDMENT**

**16 CSR 20-2.060 Correction of Errors.** The system proposes to amend section (1) of the rule and to add a new subsection (3)(B).

**PURPOSE:** This proposed amendment provides for an alternative procedure to be followed for recouping an overpayment of benefits in those situations where the normal procedure would not result in a recovery of the overpayment within a period of five years.

(1) Should any change in records or error result in any person receiving from the system more or less than s/he would have been entitled to receive had the records been correct or the error not been made, the executive secretary shall make corrections to the records and as far as *[in]* is practicable shall adjust the amount of the benefit in such a manner that the correct amount of the benefit to which the person is entitled shall be paid.

(3) In the event that an error, oversight, or miscalculation of benefits results in an active or former member, retirant, or beneficiary being paid more than the amount which s/he was entitled to receive, the executive secretary shall notify the individual of the amount of the overpayment, which shall be recovered by the system in accordance with the following policy:

**(B) If the benefit reduction provided for in subsection (3)(A) of this rule will not result in a complete recovery of the overpayment within a period of five years from the date of the first reduction of the monthly benefit or recurring payment, LAGERS may further reduce the monthly benefit or recurring payment, up to and including a complete suspension of the monthly benefit or recurring payment, in order to recoup the overpayment, provided that such further reduction may not result in a recovery of the overpayment in a period of less than five years from the date of the initial reduction.**

**AUTHORITY:** section 70.605.21, RSMo 1994. Original rule filed June 25, 1976, effective Oct. 11, 1976. Amended: Filed Oct. 6, 1983, effective Jan. 11, 1984. Amended: Filed Feb. 16, 1999, effective July 30, 1999. Amended: Filed Aug. 30, 2000.

**PUBLIC COST:** This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

**PRIVATE COST:** This proposed amendment will not cost private entities more than \$500 in the aggregate.

**NOTICE TO SUBMIT COMMENTS:** Any interested person or entity may submit written comments in support of or in opposition to this proposed amendment. Comments should be directed to the Missouri Local Government Employees’ Retirement System (LAGERS), ATTN: Bill Ackerman, Chief Counsel, P.O. Box 1665, Jefferson City, MO 65102. To be considered, comments must be received within thirty days of publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 16—RETIREMENT SYSTEMS**  
**Division 20—Missouri Local Government Employees’ Retirement System (LAGERS)**  
**Chapter 3—Hearings and Proceedings**

**PROPOSED AMENDMENT**

**16 CSR 20-3.010 Hearings and Proceedings.** The system proposes to amend section (2) of the rule.

**PURPOSE:** The proposed amendment authorizes the Board of Trustees to appoint a hearing officer to conduct administrative hearings, as authorized by section 70.605.16, RSMo.

(2) Powers and Duties.

(A) The board of trustees shall *[conduct]* cause hearings to be conducted and shall make findings of fact and conclusions of law respecting questions arising from the administration of sections 70.600–70.760, RSMo *[(1986)]* 1994 and questions *[as to]* concerning the system membership status of any person.

(B) The conduct of hearings and proceedings by the board of trustees shall be governed by these rules and the provisions of sections 70.600–70.760, RSMo *[(1986)]* 1994.

(C) Hearings may be conducted by a hearing officer who shall be appointed by the board. The hearing officer shall preside at the hearing and hear all evidence and rule on the admissibility of evidence. The hearing officer shall make recommended findings of fact and may make recommended conclusions of law to the board. All final orders or determinations or other final actions by the board shall be approved in writing by at least four members of the board. Any board member approving in writing any final order, determination, or other final action, who did not attend the hearing, shall do so only after certifying that he or she reviewed all exhibits and read the entire transcript of the hearing.

**AUTHORITY:** sections 70.605.16, 70.605.21 and 70.630.3, RSMo *[(1986)]* 1994. Original rule filed Dec. 29, 1975, effective Jan. 8, 1976. Amended: Filed Aug. 30, 2000.

**PUBLIC COST:** This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

**PRIVATE COST:** This proposed amendment will not cost private entities more than \$500 in the aggregate.

**NOTICE TO SUBMIT COMMENTS:** Any interested person or entity may file a statement in support of or in opposition to this proposed amendment. Comments should be directed to the Missouri Local Government Employees’ Retirement System (LAGERS), ATTN: Bill Ackerman, Chief Counsel, P.O. Box 1665, Jefferson City, MO 65102. To be considered, comments must be received within thirty days of publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE**  
**Division 500—Property and Casualty**  
**Chapter 6—Workers' Compensation and Employer's Liability**

**PROPOSED AMENDMENT**

**20 CSR 500-6.700 [Premium Discounts for Using Managed Care Programs] Workers' Compensation Managed Care Organizations.** The department is amending the title of the rule, deleting sections (1)–(9), adding sections (1)–(10) and replacing the exhibits that follow this rule.

*PURPOSE:* The proposed amendment updates this regulation to implement section 287.135, RSMo.

*PUBLISHER'S NOTE:* The publication of the full text of the material that the adopting agency has incorporated by reference in this rule would be unduly cumbersome or expensive. Therefore, the full text of that material will be made available to any interested person at both the the Office of the Secretary of State and the office of the adopting agency, pursuant to section 536.031.4, RSMo. Such material will be provided at the cost established by state law.

*[(1) Upon issuance or renewal of a Workers' Compensation insurance policy, there shall be a reduction in the total premium charged to an employer for the policy for the first three (3) years during which the employer contracts with a managed health care system which has met the certification requirements of this rule and which serves the geographic area in which the employer is located. The premium reduction shall be five percent (5%) of the total premium which would otherwise be charged to the employer for each of the three (3) initial policy years under the certified managed care system. An insurer may require the employer to notify it of the employer's intent to contract with certified managed care system and to execute any such contract, prior to the issue date or renewal date of the policy, before granting the reduction. This arrangement shall be evidenced by the following documents:*

*(A) An endorsement to the Workers' Compensation policy setting forth the use of the certified managed care system and the extension of the five percent (5%) reduction in premium. The endorsement may include provisions on the effect of the employer's use of providers outside the terms of the managed care agreement;*

*(B) A contract between the certified managed care system and the employer specifying the terms and conditions associated with the use of the managed care system, including the employer's agreement that the use of the organization is the free exercise of the employer's right to choose a health care provider under section 287.140, RSMo;*

*(C) A certification of a managed care utilization form to be given to the employer's insurer documenting the existence of the contract specified in subsection (1)(B), as set forth in Exhibit II of this rule; and*

*(D) A Workers' Compensation insurer and a certified managed care system may also enter into an agreement specifying the terms and conditions associated with the use of the managed care system.*

*(2) For purposes of this rule, the term certified managed care system or system shall mean medical care cost containment arrangements such as preferred provider organizations (PPOs), health maintenance organizations (HMOs) and other direct employer/provider arrangements designed to provide incentives to medical care providers to manage*

*the cost and utilization of care associated with claims covered by Workers' Compensation insurance, which have been approved by the department. The approval criteria for PPO arrangements are set forth in section (3) of this rule. The approval criteria for non-PPO arrangements shall be developed under section (8) of this rule.*

*(3) For purposes of this rule, the term Workers' Compensation preferred provider organization (WC/PPO) shall mean a health care plan designed to coordinate employee care and control and contain costs for medical and rehabilitative services associated with Missouri Workers' Compensation claims through the use of special provider networks, utilization review and case management procedures. In order to be certified, a WC/PPO shall meet the following requirements:*

*(A) The WC/PPO shall contract with member health care providers who are authorized to provide health care services in this state by the appropriate licensing authorities;*

*(B) Regarding contract requirements for medical and rehabilitative services, the WC/PPO shall—*

*1. Provide for convenient access to the following types of providers in one (1) or more Missouri counties or cities not within a county:*

- A. Primary care physicians;*
- B. Subspecialty physicians;*
- C. Rehabilitation centers; and*
- D. Hospitals;*

*2. Provide for convenient access to primary care clinics which are specialized in providing occupational medical services;*

*3. Employ a medical director who is board-certified in occupational medicine; and*

*4. Possess the capability for progressive rehabilitation services, including, but not limited to:*

- A. Functional, objective capacity evaluations;*
- B. Psychological testing; and*
- C. Work hardening;*

*(C) Regarding additional WC/PPO contract requirements, the WC/PPO shall—*

*1. Provide employers with job-site presentations or other presentations regarding how to make proper use of the managed care services of the organization;*

*2. Base charges on negotiated rates of reimbursement to providers for the services specified in paragraph (3)(B)1. comparable to the best group medical plans in the geographic market area served, including provisions for basing inpatient services charges on diagnosis-related group (DRG) rates;*

*3. Include the prepricing of claims;*

*4. Provide monthly reports, on a claim-by-claim basis, specifying customary charges, charges allowed under the WC/PPO contract and the resulting savings, if any; and*

*5. Provide for the external management and oversight from the initial date of injury by a nonhealth care provider of the health care provider's rendition of medical care in all cases; and*

*(D) Be in addition, under the management and control of officers and directors who are competent to manage the WC/PPO-managed health care operations, its finances, its compliance with agreements between itself and insurers or employers, or both, and its compliance with any applicable laws of Missouri.*

*(4) Certification Procedure.*

*(A) For purposes of obtaining the department's certification of a WC/PPO, the organization shall provide the department with the following materials:*

1. Copies of any PPO/employer and PPO/insurer contracts to be used;
2. A general diagram of the WC/PPO's organizational structure;
3. A listing of the WC/PPO's officers and directors;
4. The WC/PPO's most recently audited financial report;
5. A thorough description of the WC/PPO's experience with the management of health care costs associated with Workers' Compensation claims and with other health care claims;
6. The geographic area, by county, the WC/PPO plans to serve;
7. A copy of the certificate of the board-certified medical director;
8. A complete list of all primary care physicians, sub-specialist physicians, rehabilitation centers, hospitals and work hardening centers to be employed by the organization;
9. The estimated savings to employers and insurers from the use of the organization;
10. The outline of the operation of the WC/PPO to be provided to employers explaining their rights and responsibilities; and
11. Any other materials requested by the director.

(B) The materials specified in subsection (4)(A) shall be retained by the department. Any significant changes to the nature of the WC/PPO's operations as reflected in these materials shall be reported to the department, but these reports need not be made more than twice a year, as measured from the date of the granting of any certification.

(C) The department shall review these documents and grant certification, on the form contained in Exhibit I of this rule, to those WC/PPOs deemed to meet the criteria set forth in this rule. Any departmental decision to deny certification shall be accompanied by a written explanation by the department of the reasons for denial.

(D) The department may suspend or revoke the certification of a WC/PPO at any time it establishes that the criteria set forth in this rule are no longer being met. Any such organization may request a hearing before the director on that suspension or revocation.

(5) Insurers writing Workers' Compensation insurance in Missouri may contract with a certified managed care system. This contract may cover all employers insured by the insurer in the state, any class or subclass of employers, any employers located in a particular geographic region, or on any other basis which does not result in unfair discrimination under section 375.936(11), RSMo. Any employers who participate in this arrangement shall execute the contract required in subsection (1)(B) of this rule. For purposes of encouraging its insured employers to use a managed care system with which it has contracted, an insurer may offer premium reductions in excess of those required in section (1) of this rule. Nothing shall preclude an insurer from discussing the relative merits of different managed care systems with its insureds.

(6) Where an insurer has not contracted with a certified managed care system in a given geographic region, but that a system does operate in that region, upon a request by an insured employer, the insurer shall provide the insured the premium reduction specified in section (1) of this rule so long as the certified system is willing to provide health care services to the employer. The insurer, however, may apply the five percent (5%) premium reduction specified in section (1) only to that portion of the

employer's operations occurring in the geographic regions served by the certified system.

(7) Nothing contained in this rule shall be interpreted as precluding an employer from taking advantage of other noncertified managed care options at his/her own expense, particularly where the employer's operations are located outside the geographic territory of a certified managed care system. The use of this system, however, shall not entitle the employer to a premium reduction by its insurer.

(8) The director shall establish an informal task force for fostering the widest possible use of managed care systems in Missouri in relation to Workers' Compensation insurance. The task force may consist of volunteers representing insurers, managed care providers, employers and other interested parties. The task force will assist the department in developing approval criteria for approving additional managed care systems in Missouri. The panel will assist the director in developing approval criteria for PPOs that do not meet the criteria of section (3) of this rule, and of other managed care systems such as HMOs and direct employer/provider contracts, and the appropriate level of premium discount to be associated with these systems. They also may assist in the development of performance standards to measure the effectiveness of all managed care systems associated with Workers' Compensation insurance. All meetings of the advisory panel will be subject to the state's open meetings law.

(9) An insurer need provide a premium discount to an insured employer only for a three (3)-year period, after which time any reduction in the employer's premium as a result of the use of managed care services shall be reflected in the employer's experience modification factor. An employer shall not be entitled to more than three (3) years of specified premium reductions by reason of changing insurers, changing managed care systems or changing the ownership of the employer. Change of ownership rules regarding employers approved by the department concerning Workers' Compensation shall apply to these cases.]

(1) Definitions. Under this regulation, unless the context clearly requires otherwise:

(A) Access fee means a fee which is charged by a managed care organization (MCO) as reimbursement for access to its network of health care providers. Such access fees are typically calculated as the percentage of savings realized by using the MCO's network, "savings" being the difference between usual and customary fees charged by the network's providers for medical or rehabilitative services and the fees the providers agree to accept after negotiations with the MCO.

(B) Case management means a collaborative process by which appropriately-licensed persons experienced in the delivery of medical care under the workers' compensation system plan, coordinate, monitor and evaluate the delivery of that level of health care treatment which is necessary to assist an injured employee in reaching prompt maximum medical improvement, following prescribed medical treatment plans, and achieving, where possible, the prompt and appropriate return to work. Case management includes "on-site case management" and "telephonic case management."

(C) Department means the Missouri Department of Insurance.

(D) Managed care organization (MCO) means an organization, such as a preferred provider organization, a health maintenance organization or other direct employer/provider

arrangements, designed to provide the appropriate procedures and incentives to medical providers to manage the cost and utilization of care associated with claims covered by workers' compensation insurance.

(E) Non-health-related fees means fees related to MCO services other than those of health care providers, such as MCO access fees, and MCO fees for utilization review, bill auditing, bill re-pricing, cost savings analysis, educational services and continuing provider education which may be provided by an MCO as part of its package of services to an employer or an insurer.

(F) Utilization review means a set of formal techniques designed to monitor the use of, or evaluate the clinical necessity, appropriateness, efficacy, or efficiency of health care services, procedures, or settings. Techniques may include ambulatory review, prospective review, second opinion, pre-certification, concurrent review, discharge planning or retrospective review. For purposes of this regulation, utilization review shall not include case management.

#### (2) An Employer's Right to Select an MCO.

(A) Under section 287.135, RSMo, an employer has the right to select an MCO, regardless of whether the employer's insurer has selected a different MCO or has selected no MCO.

(B) Because an insurer is obligated to pay only those MCO fees which it has agreed to pay as set forth in section (3) below, an employer may be required to pay any other MCO fees himself, so long as this obligation is set forth in a contract with the MCO pursuant to section (5) of this regulation.

#### (3) An Insurer's Obligation to Pay MCO Fees.

(A) A workers' compensation insurer is obligated to pay the fees of an MCO, including access fees, case management fees and non-health-related fees, only to the extent it has agreed to pay such fees. An insurer may indicate such an agreement by means of written contracts with one or more MCOs, or by means of written protocols and procedures, filed with the department under section (4) below.

(B) A workers' compensation insurer may also limit the extent to which it is obligated to reimburse the fees of an MCO. An insurer may indicate its intent to limit MCO fees, in whole or in part, to certain types of MCO fees, certain levels of reimbursement, or the fees of certain MCOs not otherwise under contract, also by means of written protocols and procedures, filed with the department under section (4) below.

(C) If an insurer agrees to pay only certain MCO fees pursuant to subsection (3)(A) above, or intends to limit MCO reimbursements under subsection (3)(B) above, the insurer shall inform its prospective insureds of this fact by means of the MCO Utilization Form set forth in Exhibit A incorporated by reference in this rule. This notification shall be made to the employer as part of the employer's process of applying for coverage. The form shall be signed by the employer prior to the effective date of coverage, one copy of which shall be retained in the insurer's policy file for said employer and one copy of which shall be given to the employer.

(D) If an insurer fails to file the appropriate protocols and procedures under subsection (3)(B) above, or fails to execute an MCO Utilization Form with an employer under (3)(C) above, the insurer shall be obligated to reimburse an MCO selected by the employer for services the employer has requested at the MCO's standard rates or charges.

(E) Any insurer willing to allow its insured employers to select their own MCOs which is also willing to pay the resulting MCO fees at the MCOs' standard rates and charges shall be exempt from the requirements of this section to file protocols and procedures and use MCO Utilization Forms.

#### (4) Coordination and Integration of Insurer and MCO Internal Operating Systems.

(A) An insurer may file with the department written procedures or protocols which it will require those MCOs with whom it has no contractual agreements to adhere in order to coordinate and integrate with the insurer's systems. Such procedures and protocols may cover, but are not limited to, such matters as:

1. The names and other relevant information of the MCO's contact persons;
2. The timeliness of the reporting of injuries;
3. The procedures for providing medical records;
4. The specification of those activities the MCO may perform and those the insurer itself shall perform;
5. The MCO fees, including MCO access fees, fees for case management, and non-health-related fees the MCO will reimburse, and the rates or amounts of such reimbursement; and
6. Billing standards.

(B) An insurer which has filed protocols and procedures under subsection (4)(A) and has also disclosed to its insureds through MCO Utilization Forms that it intends to limit MCO payments to MCOs, in whole or in part, through such protocols and procedures, may limit its reimbursement obligations accordingly.

(C) The insurer protocols and procedures filed under subsection (4)(A) shall be made available to MCOs and other parties by the department for copying, at the cost of copying. Insurers may change such protocols and procedures from time to time and shall date them accordingly. The department shall maintain a list of authorized workers' compensation insurers and the date of their most recent protocols and procedures, if any, and shall make such information available to the public.

#### (5) MCO Contracts with Employers. Any written contracts between an employer and an MCO shall, at a minimum, make clear:

(A) That while the employer has the right to select the health care provider to provide treatment to injured employees, both the employer and the employer's insurer have the right to select an MCO;

(B) The extent to which the employer will be expected to pay the MCO's fees, including access fees, case management fees and non-health-related fees, should the employer's insurer not be obligated to pay such fees under this regulation;

(C) The rates or amounts of any access fees, fees for case management and fees for any non-health-related services the MCO provides and expects to have reimbursed by the employer; and

(D) That the employer or the MCO may cancel the contract on thirty (30) days written notice to the other.

#### (6) Criteria for Certification. In order to be certified, an MCO shall:

(A) Possess a network of appropriately-licensed primary care physicians, subspecialist physicians, hospitals, and rehabilitation services that are willing, experienced and able to provide prompt and convenient medical care for work-related injuries and illnesses.

(B) Possess a system of coordinating medical care, rehabilitation care and ancillary managed care services to manage the cost and utilization of care associated with claims covered by workers' compensation insurance while achieving prompt and appropriate maximum medical improvement and, where possible, prompt and appropriate return to work, under the direction of a medical director experienced with the Missouri workers' compensation system.

(C) Have the ability to make available, but only to the degree requested or authorized by the insurer or employer who will pay for such services, a system of appropriately-licensed and experienced personnel to provide the following types of ancillary non-health-related managed care services and case management:

1. Utilization review;
2. Bill auditing;
3. Bill re-pricing;
4. Cost savings analysis;
5. Educational services for employers; and
6. A continuing education program for network providers and other personnel.

(7) Certification Process.

(A) An organization seeking to have itself certified as an MCO by the department shall file a letter requesting such certification with the department. The department shall provide the MCO with instructions about the materials to be submitted as part of that certification.

(B) The materials submitted by an MCO for its certification shall be retained by the department. Any significant changes to the nature of the MCO's operations as reflected in these materials shall be reported to the department as part of the MCO's annual renewal under section (8) of this regulation.

(C) The department shall review these documents and grant certification, on the form contained in Exhibit B incorporated by reference in this rule, to those MCOs deemed to meet the criteria set forth in this regulation. Any departmental decision to deny certification shall be accompanied by a written explanation by the department of the reasons for denial.

(D) The department shall designate the geographic extent to which a certified MCO's certification applies, which shall consist of every county wherein each type of provider required under subsection (6)(A) is available, as well as any counties bordering said counties. The MCO's service area shall be listed by county in the current list of certified MCO's, which is to be maintained by the department under section 287.135, RSMo, and provided to the Division of Workers' Compensation.

(8) Continuing Certification.

(A) Any MCO which desires re-certification under this regulation shall submit the materials required under section (7) indicating any significant changes to its organization thirty (30) days prior to the anniversary date of its current certificate of authority. Each previously-certified MCO which is re-certified under this regulation, and each newly-certified MCO, shall thereafter annually file for re-certification at least thirty (30) days prior to the anniversary date of the certification granted under this regulation, to continue that certification.

(B) Upon initial certification and initial re-certification, an MCO shall pay a filing fee \$1,000, made payable to "the Missouri Department of Insurance." For annual re-certifications thereafter, the fee shall be \$500. In addition to the fee, the MCO shall, in a cover letter, outline any significant changes made to any previous filing. Each MCO previously certified and so filing shall remain certified until re-certified.

(C) The department may, in writing, suspend or revoke the certification of an MCO at any time it establishes the criteria set forth in this regulation are no longer being met. The department may also suspend or revoke the certification of any MCO which has failed to honor its contractual responsibilities or which has engaged in any fraud or misrepresentation as part of its managed care activities. Any MCO so suspended or de-certified may request a hearing before the director or his designee concerning that suspension or de-certification.

(9) Dispute Resolution and Penalties.

(A) Any person who feels the requirements of this regulation have not been met or are not being adhered to by an MCO, an insurer, or any other person, may submit their concerns or complaints to the department for review. Formal written complaints shall be submitted on the standard department complaint form and shall be logged in the department's complaint database.

(B) The department shall review any formal complaint submitted. It may inquire into the surrounding circumstances and require additional information of the MCO, the insurer, the employer or other party as the situation warrants.

(10) Effective Date. This regulation shall become effective July 1, 2001.

*AUTHORITY: sections [287.320, RSMo Supp. 1992] 287.135, RSMo 1994 and 287.140 and 374.045, RSMo [1986] Supp. 1999. Emergency rule filed Aug. 31, 1992, effective Nov. 1, 1992, expired Feb. 28, 1993. Original rule filed April 14, 1992, effective Feb. 26, 1993. Amended: Filed Aug. 24, 2000.*

*PUBLIC COST: This proposed amendment will cost state agencies or political subdivisions more than \$500 in the aggregate. See the attached fiscal note.*

*PRIVATE COST: This proposed amendment will cost private entities more than \$500 in the aggregate. See the attached fiscal note.*

*NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: A public hearing will be held on this proposed amendment at 10:00 a.m. on November 20, 2000. The public hearing will be held at the Harry S Truman State Office Building, Room 490, 301 West High Street, Jefferson City, Missouri. Opportunities to be heard at the hearing shall be afforded to any interested person. Interested persons, whether or not heard, may submit a written statement in support of or in opposition to the proposed amendment, until 5:00 p.m. on November 20, 2000. Written statements shall be sent to Stephen R. Gleason, Department of Insurance, P.O. Box 690, Jefferson City, MO 65102.*

*SPECIAL NEEDS: If you have any special needs addressed by the Americans With Disabilities Act, please notify us at (573) 751-6798 or (573) 526-4636 at least five working days prior to the hearing.*

**FISCAL NOTE  
PUBLIC ENTITY COST**

**I. RULE NUMBER**

**Title:** Department of Insurance

**Division:** Property and Casualty

**Chapter:** Workers' Compensation and Employer's Liability

**Type of Rulemaking:** Proposed Rule

**Rule Number and Name:** 20 CSR 500-6.700 Workers' Compensation Managed Care Organizations

**II. SUMMARY OF FISCAL IMPACT**

<u>Affected Agency or Political Subdivision</u>	<u>Estimated Cost of Compliance in the Aggregate</u>
Department of Insurance	\$13,928.70 in the first year, \$4,770.30 annually thereafter.

(Note on cost for the second and subsequent years: This fiscal note estimates an annual impact for the first year and the subsequent years separately. More effort will be required in the first year to administer the re-certification procedure for existing MCOs and to process the MCO Utilization Forms and procedures and protocols of insurers; in subsequent years, only amendments to these original materials will be necessary. The fiscal note estimates the cost for the second year of implementation; to calculate the impact for the third and succeeding years, the second year estimate should be multiplied by the appropriate inflation factor for the year in question.)

**III. WORKSHEET**

Department of Insurance: <u>Item</u>			<u>Annual Expense</u>
First Year	Work Comp Specialists	399 hours @ \$21.6/hour	\$ 8618.40
	Senior Counsel	179.5 hours @ \$28.2/hour	\$ 5061.90
	Clerical	12 hours @ \$12.6/hour	\$ 151.20
	Consumer Services	4.5 hours @ \$21.6/hour	<u>\$ 97.20</u>
			\$13,928.70
Subsequent Years	Work Comp Specialists	93.5 hours @ \$21.6/hour	\$ 2,019.60
	Senior Counsel	95.5 hours @ \$28.2/hour	\$ 2,693.10
	Clerical	2.0 hours @ \$12.6/hour	\$ 25.20
	Consumer Services	1.5 hours @ \$21.6/hour	<u>\$ 32.40</u>
			\$ 4,770.30



**IV. ASSUMPTIONS**

Department of Insurance: The proposed regulation will increase the duties of the Department of Insurance in its oversight of managed care in the worker's compensation insurance market. These duties will be performed by existing Workers' Compensation Specialists, Senior Counsel, Information Systems, and Clerical personnel, using existing equipment. These new duties will include the following:

<b>Total Yearly Hours: First Year/Second Year</b>	<b>Additional Duties Workers' Compensation Specialists</b>
23 / 11.5	Review initial MCO re-certification materials for compliance with regulation Handle certification fees Make follow-up inquiries as necessary on certifications Recommend whether to certify MCO Maintain current MCO list for public on web-site
220 / 30	Create spreadsheet to track which insurers contract with which MCOs Receive insurer MCO Utilization Forms, review for compliance with regulation Enter data on which MCOs are used into spreadsheet File MCO Utilization Forms in company files Send duplicate "Filed" copy to carrier for its files Create spreadsheet to track current insurer MCO protocols and procedures Receive insurer MCO protocols and procedures Update tracking spreadsheet, annotating any changes File procedures and protocols in company file Send duplicate "Filed" copy to carrier for its files Make protocols and procedures available for copying on request
156 / 52	Receive any MCO complaints from Consumer Services Respond to complaints or pass on to Senior Counsel as necessary
	<b>Senior Counsel</b>
11.5 / 5.75	Check Specialist recommendations on MCO certifications/re-certifications Issue Certification Forms
168 / 84	Handle any MCO complaints not handled by W/C Specialist Review any MCO-related disputes and issue written response Provide written explanation for refusal to certify or for de-certification
	<b>Clerical</b>
12 / 2	Enter TD2 Forms for insurer protocols and procedures filings Enter TD2 Forms for insurer MCO Utilization Form filings Update mail log regarding the above filings Send carriers monthly bills regarding the above filings

**Information Systems/Consumer Services**

4.5 / 1.5	Add codes to MIDS system to track any MCO-related complaints
	Document any MCO-related complaints
	Process any MCO-related complaints

The above estimates use are based on the following assumptions:

(1) The new duties required under the regulation can be performed by existing personnel in the Department of Insurance with existing equipment. This is possible because the regulation will relieve the Department's staff of current effort associated with handling questions and complaints on MCO issues without provisions or procedures to answer or resolve them. The above worksheet calculations used the current hourly level of reimbursement for the positions in question, which includes salary and fringe benefits (at 29.89% of salary).

(2) There are currently 23 Workers' Compensation MCOs certified by the Department. The Department assumes this number will remain the same, although it also assumes some will cease operations and others will enter the market for the first time. The fiscal note assumes it will take a Workers' Compensation Specialist one hour to review the materials necessary to update an MCO's certification, stamp the materials, file them and mail return copies to the MCO, and 30 minutes for the Specialist's recommendation to be reviewed by Senior Counsel, who will either: a) grant certification and give a new certification form; or, b) deny such certification and give a written explanation for that denial. In the second and subsequent years, the Department assumes the Workers' Compensation Specialists will spend 30 minutes per MCO processing annual MCO updates and the Senior Counsel will spend 15 minutes preparing and mailing annual renewal certificates.

(3) According to Department statistics, there are roughly 300 insurance companies writing workers compensation insurance in Missouri. It is assumed that of these, 200 will opt to file MCO Utilization Forms and protocols and procedures that either specify those MCOs the insurer will agree to reimburse or that deny or limit the insurer's payments to MCOs with whom the insurer has no formal contractual agreements. It is estimated that it will take a Workers' Compensation Specialist one hour (200 total hours) to review the filings to make sure the MCO Utilization Forms comply with the regulation, stamp both the MCO Utilization forms and protocols and procedures, file them, return copies to the carrier for its records and update the computer lists of insurer MCO designations and of the current protocols and procedures filings. In subsequent years, it is assumed that one-tenth (20) hours will be required to update said filings. Additional 20 hours will be required to create the databases and to assist in providing copies to MCOs and the public upon request in the first year, and 10 hours a year thereafter.

(4) It is also assumed that the remaining 100 insurers will not file either MCO Utilization Forms or protocols and procedures, indicating they will work with whichever MCOs their insured employers select. This is in part because these insurers are covering a limited number of employers on an "accommodation" basis as part of a package of other coverages, and therefore have little interest new workers' compensation business or in developing a comprehensive Missouri workers' compensation managed care strategy.

(5) The Department anticipates approximately one complaint a week regarding the proposed regulation, each of which will require on average, three hours of a Workers' Compensation Specialist's time to investigate, make a determination regarding, and respond to in the first year of the regulation. In subsequent years the Department assumes the number of complaints will diminish to a third of this level. Those that cannot be resolved by the Specialists will be referred to Senior Counsel, who it is assumed will spend approximately one working month in the first year attempting to resolve these complaints, and half a month per year in subsequent years.

(6) Clerical work will include processing insurer filings and assisting MCOs and members of the public who wish to

receive copies of materials filed with the Department. Because 200 filings are anticipated in the first year, and because 20 transmittal documents (TD2 Forms) can be processed in an hour, it is estimated that it will take 10 hours to process these filings, and a tenth of that in subsequent years. An additional 2 hours will be needed to maintain mail logs, send out monthly bills and assist the public in copying MCO-related materials in the first year, a one hour in subsequent years.

(7) A minimal amount of Information Systems time will be needed to add Workers' Compensation MCOs to the Department's complaint database and train staff to recognize this new category. Additionally, Consumer Services staff will have to process any formal complaints and send them to the Department's Workers' Compensation Specialists, which should take approximately 5 minutes per complaint.

**FISCAL NOTE  
PRIVATE ENTITY COST**

**I. RULE NUMBER****Title:** Department of Insurance**Division:** Property and Casualty**Chapter:** Workers' Compensation and Employer's Liability**Type of Rulemaking:** Proposed Rule**Rule Number and Name:** 20 CSR 500-6.700 Workers' Compensation Managed Care Organizations**II. SUMMARY OF FISCAL IMPACT**

Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification by type of the business entities which would likely be affected:	Estimate in the aggregate as to cost of compliance with the rule by the affected entities:
23	Department-Certified Workers' Compensation Managed Care Organizations (MCOs)	\$34,500 (\$1,500 per MCO) in the first year, \$13,800 (\$600 per MCO) annually thereafter.
300	Missouri-Licensed Workers' Compensation Insurers	\$550,000 in the first year, \$63,100 in subsequent years.

(Note on cost for the second and subsequent years: This fiscal note estimates an annual impact for the first year and the subsequent years separately. More effort will be required in the first year to administer the re-certification procedure for existing MCOs and to process the MCO Utilization Forms and procedures and protocols of insurers; in subsequent years, only amendments to these original materials will be necessary. The fiscal note estimates the cost for the second year of implementation; to calculate the impact for the third and succeeding years, the second year estimate should be multiplied by the appropriate inflation factor for the year in question.)

**III. WORKSHEET****MCO Costs**

In the proposed regulation's first year, the currently certified MCOs will have to re-submit the materials required to update their certifications. The Department estimates that it will cost these MCOs the equivalent of \$500 each for the time and materials involved in this re-submission process. In subsequent years, the only materials which will be required to be filed will be those necessary to update these initial re-certification materials, which the Department

estimates will require one-fifth the resources, or \$100 per MCO.

In addition, the proposed regulation specifies a \$1,000 certification fee for each MCO for the initial year and \$500 each subsequent year of the regulation.

#### **Insurer Costs**

Of the approximately 300 workers' compensation insurers licensed to write workers compensation insurance in Missouri, it is presumed that of these, two-thirds (200) will opt either to designate the MCOs with whom they will deal and also to file protocols and procedures limiting payments to MCOs. This will require the filing of one set of materials with the Department in the initial year (MCO Utilization Forms and protocols and procedures), with one-tenth that number (20) filing amendments in subsequent years. Under Section 374.230, RSMo, the cost of each such filing is \$50. The cost of such filings will be \$10,000 in the first year and \$1,000 in the second and subsequent years.

There will be additional costs to insurers to comply with the regulation. Those insurers that decide to select their own MCOs or limit MCO payments will be required to notify their insureds via an MCO Utilization Form, which will have to be signed by the insured and retained in the insurer's policy files. Insurance company personnel and their agents will need to be notified of these new forms and how to process them. Those insurers who allow their insured employers to choose their own MCOs will have to instruct their sales and claims staffs of this decision and may develop explanatory materials for prospective insureds. The Department estimates that the cost of such steps will be approximately \$10 per insured employer, regardless of the option selected, in the first year, half of that amount (\$5) in subsequent years. According to the National Council on Compensation Insurance, Inc. (NCCI), there are 54,000 employers insured for workers' compensation coverage in Missouri. Therefore, the cost of such implementation will be \$540,000 in the first year. NCCI data also indicates that in the current work comp environment, only 23% of employers are switching from one carrier to another outside the original carrier's group. Since these will be the only employers who will receive the regulation's MCO Utilization Forms or other insurer materials after the initial year of implementation, the out-year cost will be  $(54,000 * .23 * \$5)$  or \$62,100.

#### **IV. ASSUMPTIONS**

##### **MCO Costs**

Rule 20 CSR 500-6.700 was originally promulgated in 1992 to implement a provision of Section 287.320 RSMo (since repealed) that authorized a premium credit to employers who selected a state-certified workers' compensation MCO. While the regulation required that insurers provide such a premium credit, it did not require the reimbursement of MCOs for their services. In 1993, the General Assembly repealed Section 287.320, RSMo and adopted what is currently Section 287.135, RSMo, which directed the Department of Insurance to promulgate a regulation on the payment of MCO fees. Because no regulation on MCO fees has been in place since 1992, MCOs have had to adapt, being paid only by those insurers who voluntarily agreed to such reimbursements or by insured and self-insured employers.

Because the proposed regulation relies on market forces and voluntary agreements between insurers, employers and MCOs regarding MCO reimbursement, the Department assumes there will be little change from the current reimbursement environment. Because employers will be reminded of the MCO issue as part of the process of procuring new coverage, the regulation should reduce the number of instances where an MCO, confident of reimbursement because the employer's prior carrier had agreed to it, delivers service only to learn that the employer's new carrier will not agree. This will save MCOs from absorbing the cost of such services. On the other hand, because the regulation specifies a procedure by which insurers can limit the number of MCOs to be reimbursed

by them, MCOs may see a reduction in business should some insurers choose to become more restrictive. The Department assumes the two effects will cancel each other, resulting in no net impact on MCOs.

### **Employer Costs**

This fiscal note also does not estimate an impact on insured employers. While the use of MCOs should help, in the aggregate, to reduce the medical losses and possibly the indemnity losses, the cost to employers of their workers' compensation insurance is determined by their insurers as part of the insurers' rate setting function, and it is up to insurers to decide whether and to what extent any savings realized will be passed on to employers. Those employers who choose to use an MCO which will not be reimbursed by their carrier will presumably have concluded that the net effect of having to pay these MCO fees themselves is at least than offset by the savings realized by using that MCO.

### **Health Care Providers Costs**

This fiscal note does not estimate an impact on health care providers of the proposed regulation, for two reasons: 1) Certified MCOs have been in operation under the prior version of the proposed regulation since November 1, 1992. There are currently 23 active certified MCOs in Missouri. The fiscal note assumes that any health care providers who desired to join an MCO would already have done so and are therefore currently providing services at the discounted rates which would merely be continued under the proposed regulation; and, 2) Nothing in the regulation limits health care provider reimbursements to amounts less than that allowed by Section 287.140.3, RSMo, without the provider's consent. Providers are free to charge their usual and customary fee unless they have voluntarily agreed to discount those fees under a contract with an MCO.

Exhibit A

MCO Utilization Form

A workers' compensation managed care organization (or "MCO") is a system designed to provide incentives to medical care providers to manage the cost and use of care associated with claims covered by workers' compensation insurance. These MCOs provide a network of physicians, specialists, hospitals and rehabilitation centers under the coordination of a medical director with experience with the Missouri workers' compensation system.

In addition, these MCOs frequently provide certain non-health services which have been found to be useful in controlling costs, such as pre-certification, utilization review, provider bill auditing, bill re-pricing, cost savings analysis, educational services to employers; and, continuing education programs for health care providers.

Under Section 287.140(10) of the Revised Statutes of Missouri, you the employer, not your insurer, have the right to select the physicians and other health care providers who provide the medical care to your injured employee. However, under Section 287.135, RSMo, both the employer and the insurance company have the right to select an MCO. It is important for an employer to understand this because an employer may be responsible for reimbursing an MCO he selects for the types of fees. (Insurance Company Name) has on file with the Missouri Department of Insurance procedures and protocols which indicate which MCO services may be performed by an MCO selected by the employer and also reimbursed by (Insurance Company Name).

Optional Provisions: [In addition, (Insurance Company Name) has selected the following MCOs to provide managed care services to the employees of their insured policyholders for the following counties:

(MCO Name, Region)  
(MCO Name, Region)

...

(Insurance Company Name) encourages you to take advantage of the services available from these MCOs, because (Insurance Company Name) has already entered into voluntary agreements with the above MCOs concerning their reimbursement and the coordination and integration with (Insurance Company Name)'s systems.]

When evaluating MCOs, the Missouri Department of Insurance suggests employers consider:

1. The size and geographic area of the network of providers in relation to that of your business;
2. The type and quality of the providers in the network;
3. Who owns the MCO network and how that might affect your interests;
4. The MCO's philosophy;
5. The possible savings you may realize by using the MCO and the possible costs; and,
6. Whether the particular health care providers you typically use are in the MCO's network.

Remember, as the employer, you have the ultimate right to choose the health care provider, regardless of whether that provider is in a particular MCO network.

I have read the above and understand that I may be responsible for the fees of any MCO I select which does not coordinate its procedures with my insurer [or is not one of those MCOs listed above].

\_\_\_\_\_  
Name of Employer

\_\_\_\_\_  
Signature of Authorized Representative of Employer

\_\_\_\_\_  
Policy Number

Exhibit B

Certification Form

**Certificate of Authority**  
Managed Care System for Workers' Compensation

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It is Hereby Certified That

(Enter name of Managed Care Organization)

meets the certification requirements of Section 287.135 of the Revised Statutes of Missouri and Regulation 20 CSR 500-6.700. (Enter name of MCO) has been assigned the following departmental identification number: MCO No. XX.

This certificate shall remain in full force and effect for a period of one year unless suspended or revoked by the Director.

IN WITNESS WHEREOF, I have hereto set my hand and caused to be hereto affixed the Seal of said Department. Done in my office in the City of Jefferson, this ( Enter date ).

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Director of Insurance



**Title 20—DEPARTMENT OF INSURANCE  
Division 500—Property and Casualty  
Chapter 10—Mortgage Guaranty Insurance**

**PROPOSED AMENDMENT**

**20 CSR 500-10.100 Definitions.** The department is amending section (1).

*PURPOSE:* This amendment raises the amount of permissible indebtedness to 100% from 97% consistent with the recent amendment to section 443.415 RSMo, (S.B. 896 Effective August 28, 2000). This amendment is promulgated pursuant to section 374.045, RSMo.

(1) As used in this chapter—

(A) Authorized real estate security means an amortized note bond or other evidence of indebtedness, not exceeding [ninety-seven percent (97%)] **one hundred percent (100%)** of the fair market value of the real estate, secured by a mortgage, deed of trust or other instrument constituting a first lien or charge on real estate, provided—

1. The real estate loan secured in that manner is one authorized to be made by a bank, savings and loan association or an insurance company, which entity is supervised and regulated by a department of this state or an agency of the federal government; however, in the case of residential real estate loans only, the list of entities in this paragraph shall include mortgage bankers and mortgage brokers supervised and regulated by a department of this state or an agency of the federal government; or

2. The lien on that real estate may be subject and subordinate to the following:

A. The lien of any public bond, assessment or tax, when no installment, call or payment of or under the bond, assessment or tax is delinquent; or

B. Outstanding mineral, oil or timber rights, rights-of-way, easements or rights-of-way or support, sewer rights, building restrictions or other restrictions or covenants, conditions or regulations of use or outstanding leases upon real property under which rents or profits are reserved to the owner;

*AUTHORITY:* section 374.045, RSMo [1994] *Supp.* 1999. Original rule filed April 11, 1996, effective Nov. 30, 1996. Amended: Filed Aug. 31, 2000.

*PUBLIC COST:* This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed amendment will not cost private entities more than \$500 in the aggregate.

**NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS:** A public hearing on this proposed amendment is scheduled for November 16, 2000 at 10:00 a.m. in Room 630, Truman State Office Building, 301 West High Street, Jefferson City, Missouri. Opportunity to be heard at the hearing shall be afforded any interested person. Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance prior to the hearing, Attn: Eric Martin, P.O. Box 690, Jefferson City, MO 65102.

*SPECIAL NEEDS:* If you have special needs addressed by the Americans with Disabilities Act, please notify us at (573) 751-2619 at least five working days prior to the hearing.

**Title 20—DEPARTMENT OF INSURANCE  
Division 500—Property and Casualty  
Chapter 10—Mortgage Guaranty Insurance**

**PROPOSED AMENDMENT**

**20 CSR 500-10.300 Unfair Acts or Practices.** The department is amending section (1) and deleting section (2).

*PURPOSE:* This amendment removes the notice requirement because federal law imposes a similar notice requirement directly on lenders. This amendment is promulgated pursuant to section 375.948, RSMo.

(1) An insurer issuing or proposing to issue mortgage guaranty insurance commits the unfair act or practice of “misrepresentation and false advertising of insurance policies” as defined in section 375.936(6)(a), RSMo (1994), unless the insurer: 1) shall adopt, print and make available a schedule of premium charges for mortgage guaranty insurance policies. The schedule shall show the entire amount of premium charge for each type of mortgage guaranty insurance policy issued by the company[;]. [ and 2) at the time of policy or certificate issuance to the debtor responsible for paying the premium charges, the insurer makes or causes to be made the disclosure required in section (2) of this rule.]

[[2) Insurers shall make the following disclosure to the borrower in writing in at least fourteen (14)-point type font, as required by this rule:

*Notice to Borrower:*

Your lender has decided to purchase private mortgage insurance (PMI) from us (the insurer). PMI provides insurance coverage to the lender if you default on the loan for the purchase or lease of your home or other real estate.

Often, a lender who purchases private mortgage insurance from us will require you to repay the lender for the cost of the insurance premiums. However, the lender will often eliminate this repayment requirement if your loan reaches a certain loan-to-value (LTV) ratio. The LTV is the ratio of your loan to the lesser of the appraisal or the purchase price of your home or other real estate.

For further details regarding both the extent to which you are required to repay PMI premiums and when you may terminate PMI premium repayments, please contact your lender.]

*AUTHORITY:* section 375.948, RSMo 1994. Original rule filed April 11, 1996, effective Nov. 30, 1996. Amended: Filed Aug. 31, 2000.

*PUBLIC COST:* This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed amendment will not cost private entities more than \$500 in the aggregate.

**NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS:** A public hearing on this proposed amendment is scheduled for November 16, 2000 at 10:00 a.m. in Room 630, Truman State Office Building, 301 West High Street, Jefferson City, Missouri. Opportunity to be heard at the hearing shall be afforded any interested person. Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance prior to the hearing, Attn: Eric Martin, P.O. Box 690, Jefferson City, MO 65102.

*SPECIAL NEEDS:* If you have special needs addressed by the Americans With Disabilities Act, please notify us at (573) 526-2619.