Bill No. CS for SB 1556 Amendment No. ____ CHAMBER ACTION Senate House 1 2 3 4 5 6 7 8 9 10 Senator Scott moved the following amendment: 11 12 13 Senate Amendment (with title amendment) On page 11, line 30, through page 27, line 26, delete 14 15 those lines 16 17 and insert: (e) Hire employees or contract with qualified, 18 19 independent third parties for any service necessary to carry 20 out the board's powers and duties, as authorized under ss. 21 408.70-408.7045. However, the board may not hire an insurance 22 agent who engages in activities on behalf of the alliance for which an insurance agent's license is required by chapter 626. 23 24 (f) Perform any of the activities that may be performed by a regional board under subsection (6), subject to 25 26 coordination with the regional boards to avoid duplication of 27 effort. (8) Each regional board of the alliance may: 28 29 (a) Establish conditions of alliance membership 30 consistent with the minimum requirements established by the 31 state board. 1

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1	(b) Provide to alliance members standardized
2	information for comparing health plans offered through the
3	alliance.
4	(c) Offer health plans to alliance members, subject to
5	the terms and conditions agreed to by the state board and
6	participating health insurers.
7	(d) Market and publicize the coverage and services
8	offered by the alliance.
9	(e) Collect premiums from alliance members on behalf
10	of participating health insurers.
11	(f) Assist members in resolving disputes between
12	health insurers and alliance members, consistent with
13	grievance procedures required by law.
14	(g) Set reasonable fees for alliance membership,
15	services offered by the alliance, and late payment of premiums
16	by alliance members for which the alliance is responsible.
17	(h) Receive and accept grants, loans, advances, or
18	funds from any public or private agency, and receive and
19	accept, from any source, contributions of money, property,
20	labor, or any other thing of value.
21	(i) Hire employees or contract with qualified,
22	independent third parties for any service necessary to carry
23	out the regional board's powers and duties as authorized under
24	ss. 408.70-408.7045. However, a regional board may not hire an
25	insurance agent who engages in activities on behalf of the
26	alliance for which an insurance agent's license is required by
27	chapter 626.
28	(9) No state agency may expend or provide funds to the
29	Alliance that would subsidize the pricing of health insurance
30	policies for its members, unless the Legislature specifically
31	authorizes such expenditure.
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1	(6) Each community health purchasing alliance has the
2	following powers, duties, and responsibilities:
3	(a) Establishing the conditions of alliance membership
4	in accordance with ss. 408.70-408.706.
5	(b) Providing to alliance members clear, standardized
6	information on each accountable health partnership and each
7	health plan offered by each accountable health partnership,
8	including information on price, enrollee costs, quality,
9	patient satisfaction, enrollment, and enrollee
10	responsibilities and obligations; and providing accountable
11	health partnership comparison sheets in accordance with agency
12	rule to be used in providing members and their employees with
13	information regarding standard, basic, and specialized
14	coverage that may be obtained through the accountable health
15	partnerships.
16	(c) Annually offering to all alliance members all
17	accountable health partnerships and health plans offered by
18	the accountable health partnerships which meet the
19	requirements of ss. 408.70-408.706, and which submit a
20	responsive proposal as to information necessary for
21	accountable health partnership comparison sheets, and
22	providing assistance to alliance members in selecting and
23	obtaining coverage through accountable health partnerships
24	that meet those requirements.
25	(d) Requesting proposals for the standard and basic
26	health plans, as defined in s. 627.6699, from all accountable
27	health partnerships in the district; providing, in the format
28	required by the alliance in the request for proposals, the
29	necessary information for accountable health partnership
30	comparison sheets; and offering to its members health plans of
31	accountable health partnerships which meet those requirements.
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1	(e) Requesting proposals from all accountable health
2	partnerships in the district for specialized benefits approved
3	by the alliance board based on input from alliance members,
4	determining if the proposals submitted by the accountable
5	health partnerships meet the requirements of the request for
6	proposals, and offering them as options through riders to
7	standard plans and basic plans. This paragraph does not limit
8	an accountable health partnership's ability to offer other
9	specialized benefits to alliance members.
10	(f) Distributing to health care purchasers, placing
11	special emphasis on the elderly, retail price data on
12	prescription drugs and their generic equivalents, durable
13	medical equipment, and disposable medical supplies which is
14	provided by the agency pursuant to s. 408.063(3) and (4).
15	(g) Establishing administrative and accounting
16	procedures for the operation of the alliance and members'
17	services, preparing an annual alliance budget, and preparing
18	annual program and fiscal reports on alliance operations as
19	required by the agency.
20	(h) Developing and implementing a marketing plan to
21	publicize the alliance to potential members and associate
22	members and developing and implementing methods for informing
23	the public about the alliance and its services.
24	(i) Developing grievance procedures to be used in
25	resolving disputes between members and the alliance and
26	disputes between the accountable health partnerships and the
27	alliance. Any member of, or accountable health partnership
28	that serves, an alliance may appeal to the agency any
29	grievance that is not resolved by the alliance.
30	(j) Ensuring that accountable health partnerships have
31	grievance procedures to be used in resolving disputes between
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members and an accountable health partnership. A member may 1 2 appeal to the alliance any grievance that is not resolved by 3 the accountable health partnership. An accountable health 4 partnership that is a health maintenance organization must 5 follow the grievance procedures established in ss. 408.7056 6 and 641.31(5). 7 (k) Maintaining all records, reports, and other 8 information required by the agency, ss. 408.70-408.706, or 9 other state and local laws. 10 (1) Receiving and accepting grants, loans, advances, or funds from any public or private agency; and receiving and 11 12 accepting contributions, from any source, of money, property, 13 labor, or any other thing of value. (m) Contracting, as authorized by alliance members, 14 15 with a qualified, independent third party for any service 16 necessary to carry out the powers and duties required by ss. 17 408.70 - 408.706. 18 (n) Developing a plan to facilitate participation of providers in the district in an accountable health 19 partnership, placing special emphasis on ensuring 20 21 participation by minority physicians in accountable health partnerships if such physicians are available. The use of the 22 term "minority" in ss. 408.70-408.706 is consistent with the 23 24 definition of "minority person" provided in s. 288.703(3). 25 (o) Ensuring that any health plan reasonably available within the jurisdiction of an alliance, through a preferred 26 27 provider network, a point of service product, an exclusive provider organization, a health maintenance organization, or a 28 pure indemnity product, is offered to members of the alliance. 29 30 For the purposes of this paragraph, "pure indemnity product" 31 means a health insurance policy or contract that does not

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provide different rates of reimbursement for a specified list 1 2 of physicians and a "point of service product" means a 3 preferred provider network or a health maintenance 4 organization which allows members to select at a higher cost a provider outside of the network or the health maintenance 5 organization. 6 7 (p) Petitioning the agency for a determination as to the cost-effectiveness of collecting premiums on behalf of 8

9 participating accountable health partnerships. If determined 10 by the agency to be cost-effective, the alliance may establish procedures for collecting premiums from members and distribute 11 12 them to the participating accountable health partnerships. This may include the remittance of the share of the group 13 premium paid by both an employer and an enrollee. If an 14 15 alliance assumes premium collection responsibility, it shall also assume liability for uncollected premium. This liability 16 17 may be collected through a bad debt surcharge on alliance members to finance the cost of uncollected premiums. The 18 alliance shall pay participating accountable health 19 20 partnerships their contracting premium amounts on a prepaid 21 monthly basis, or as otherwise mutually agreed upon. (7) Each alliance shall set reasonable fees for 22 membership in the alliance which will finance all reasonable 23 24 and necessary costs incurred in administering the alliance. (9)(8) Each regional board alliance shall annually 25 report to the state board on the operations of the alliance in 26 27 that region, including program and financial operations, and 28 shall provide for annual internal and independent audits. (10) (10) (9) The alliance, the state board, and regional 29 30 boards A community health purchasing alliance may not engage 31 in any activities for which an insurance agent's license is

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required by chapter 626. 1 2 (11) (10) The powers and responsibilities of the $\frac{1}{2}$ community health purchasing alliance with respect to 3 4 purchasing health plans services from health insurers 5 accountable health partnerships do not extend beyond those 6 enumerated in ss. 408.70-408.7045 ss. 408.70-408.706. 7 (12) The Office of the Auditor General may audit and inspect the operations and records of the alliance. 8 Section 4. Section 408.703, Florida Statutes, is 9 10 amended to read: 408.703 Small employer members of the alliance 11 12 community health purchasing alliances; eligibility 13 requirements. --14 (1) The board agency shall establish conditions of 15 participation in the alliance for small employers, as defined in s. 627.6699, which must include, but need not be limited 16 17 to: (a) Assurance that the group is a valid small employer 18 and is not formed for the purpose of securing health benefit 19 20 coverage. This assurance must include requirements for sole 21 proprietors and self-employed individuals which must be based on a specified requirement for the time that the sole 22 proprietor or self-employed individual has been in business, 23 24 required filings to verify employment status, and other requirements to ensure that the individual is working. 25 (b) Assurance that the individuals in the small 26 27 employer group are employees and have not been added for the 28 purpose of securing health benefit coverage. 29 (2) The agency may not require a small employer to pay 30 any portion of premiums as a condition of participation in an 31 alliance.

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1	(2) (3) The board agency may require a small employer
2	seeking membership to agree to participate in the alliance for
3	a specified minimum period of time, not to exceed 1 year.
4	(4) If a member small employer offers more than one
5	accountable health partnership or health plan and the employer
6	contributes to coverage of employees or dependents of the
7	employee, the alliance shall require that the employer
8	contribute the same dollar amount for each employee,
9	regardless of the accountable health partnership or benefit
10	plan chosen by the employee.
11	(5) An employer that employs 30 or fewer employees
12	must offer at least 2 accountable health partnerships or
13	health plans to its employees, and an employer that employs 31
14	or more employees must offer 3 or more accountable health
15	partnerships or health plans to its employees.
16	(3) (6) Notwithstanding any other law, if a small
17	employer member loses eligibility to purchase health care
18	through <u>the</u> a community health purchasing alliance solely
19	because the business of the small employer member expands to
20	more than 50 and less than 75 eligible employees, the small
21	employer member may, at its next renewal date, purchase
22	coverage through the alliance for not more than 1 additional
23	year.
24	Section 5. Section 408.704, Florida Statutes, 1998
25	Supplement, is amended to read:
26	408.704 Agency duties and responsibilities related to
27	the alliance community health purchasing alliances
28	(1) The agency shall supervise the operation of the
29	<u>alliance.assist in developing a statewide system of community</u>
30	health purchasing alliances. To this end, the agency is
31	responsible for:
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1 (1) Initially and thereafter annually certifying that 2 each community health purchasing alliance complies with ss. 3 408.70-408.706 and rules adopted pursuant to ss. 4 408.70-408.706. The agency may decertify any community health 5 purchasing alliance if the alliance fails to comply with ss. 6 408.70-408.706 and rules adopted by the agency. 7 The agency shall conduct **Providing administrative** (2) startup funds. Each contract for startup funds is limited to 8 9 \$275,000. 10 (3) Conducting an annual review of the performance of 11 the each alliance to ensure that the alliance is in compliance 12 with ss. 408.70-408.7045 ss. 408.70-408.706. To assist the agency in its review, the each alliance shall submit, 13 14 quarterly, data to the agency, including, but not limited to, 15 employer enrollment by employer size, industry sector, previous insurance status, and count; number of total eligible 16 17 employers in the alliance district participating in the alliance; number of insured lives by county and insured 18 category, including employees, dependents, and other insured 19 categories, represented by alliance members; profiles of 20 21 potential employer membership by county; premium ranges for each health insurer accountable health partnership for 22 alliance member categories; type and resolution of member 23 24 grievances; membership fees; and alliance financial 25 statements. A summary of this annual review shall be provided to the Legislature and to each alliance. 26 27 (4) Developing accountable health partnership 28 comparison sheets to be used in providing members and their 29 employees with information regarding the accountable health 30 partnership. (5) Establishing a data system for accountable health 31

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partnerships. 1 2 (a) The agency shall establish an advisory data committee comprised of the following representatives of 3 4 employers, medical providers, hospitals, health maintenance organizations, and insurers: 5 1. Two representatives appointed by each of the б 7 following organizations: Associated Industries of Florida, the Florida Chamber of Commerce, the National Federation of 8 Independent Businesses, and the Florida Retail Federation; 9 2. One representative of each of the following 10 organizations: the Florida League of Hospitals, the 11 12 Association of Voluntary Hospitals of Florida, the Florida Hospital Association, the Florida Medical Association, the 13 14 Florida Osteopathic Medical Association, the Florida Chiropractic Association, the Florida Chapter of the National 15 Medical Association, the Association of Managed Care 16 17 Physicians, the Florida Insurance Council, the Florida Association of Domestic Insurers, the Florida Association of 18 Health Maintenance Organizations; and 19 20 3. One representative of governmental health care 21 purchasers and three consumer representatives, to be appointed 22 by the agency. (b) The advisory data committee shall issue a report 23 24 and recommendations on each of the following subjects as each 25 is completed. A final report covering all subjects must be included in the final Florida Health Plan to be submitted to 26 27 the Legislature on December 31, 1993. The report shall 28 include recommendations regarding: 29 1. Types of data to be collected. Careful 30 consideration shall be given to other data collection projects 31 and standards for electronic data interchanges already in 10

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process in this state and nationally, to evaluating and 1 2 recommending the feasibility and cost-effectiveness of various data collection activities, and to ensuring that data 3 4 reporting is necessary to support the evaluation of providers with respect to cost containment, access, quality, control of 5 expensive technologies, and customer satisfaction analysis. 6 7 Data elements to be collected from providers include prices, 8 utilization, patient outcomes, quality, and patient satisfaction. The completion of this task is the first 9 priority of the advisory data committee. The agency shall 10 begin implementing these data collection activities 11 12 immediately upon receipt of the recommendations, but no later than January 1, 1994. The data shall be submitted by 13 hospitals, other licensed health care facilities, pharmacists, 14 and group practices as defined in s. 455.654(3)(f). 15 16 2. A standard data set, a standard cost-effective format for collecting the data, and a standard methodology for 17 reporting the data to the agency, or its designee, and to the 18 alliances. The reporting mechanisms must be designed to 19 minimize the administrative burden and cost to health care 20 providers and carriers. A methodology shall be developed for 21 aggregating data in a standardized format for making 22 comparisons between accountable health partnerships which 23 24 takes advantage of national models and activities. 3. Methods by which the agency should collect, 25 process, analyze, and distribute the data. 26 27 4. Standards for data interpretation. The advisory data committee shall actively solicit broad input from the 28 29 provider community, carriers, the business community, and the 30 general public. 5. Structuring the data collection process to: 31 11

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1 a. Incorporate safeguards to ensure that the health 2 care services utilization data collected is reviewed by 3 experienced, practicing physicians licensed to practice 4 medicine in this state; 5 b. Require that carrier customer satisfaction data 6 conclusions are validated by the agency; 7 c. Protect the confidentiality of medical information to protect the patient's identity and to protect the privacy 8 of individual physicians and patients. Proprietary data 9 submitted by insurers, providers, and purchasers are 10 confidential pursuant to s. 408.061; and 11 12 d. Afford all interested professional medical and hospital associations and carriers a minimum of 60 days to 13 14 review and comment before data is released to the public. 6. Developing a data collection implementation 15 schedule, based on the data collection capabilities of 16 17 carriers and providers. (c) In developing data recommendations, the advisory 18 19 data committee shall assess the cost-effectiveness of 20 collecting data from individual physician providers. The initial emphasis must be placed on collecting data from those 21 providers with whom the highest percentages of the health care 22 dollars are spent: hospitals, large physician group practices, 23 24 outpatient facilities, and pharmacies. (d) The agency shall, to the maximum extent possible, 25 26 adopt and implement the recommendations of the advisory data 27 committee. The agency shall report all recommendations of the 28 advisory data committee to the Legislature and submit an 29 implementation plan. 30 (e) The travel expenses of the participants of the 31 advisory data committee must be paid by the participant or by 12

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the organization that nominated the participant. 1 2 (6) Collecting, compiling, and analyzing data on 3 accountable health partnerships and providing statistical 4 information to alliances. 5 (7) Receiving appeals by members of an alliance and 6 accountable health partnerships whose grievances were not 7 resolved by the alliance. The agency shall review these appeals pursuant to chapter 120. Records or reports submitted 8 9 as a part of a grievance proceeding conducted as provided for 10 under this subsection are confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State 11 12 Constitution. Records or reports of patient care quality assurance proceedings obtained or made by any member of a 13 community health purchasing alliance or any member of an 14 15 accountable health partnership and received by the agency as a 16 part of a proceeding conducted pursuant to this subsection are 17 confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution. Portions of meetings held pursuant 18 to the provisions of this subsection during which records held 19 20 confidential pursuant to the provisions of this subsection are 21 discussed are exempt from the provisions of s. 286.011 and s. 24(b), Art. I of the State Constitution. All portions of any 22 meeting closed to the public shall be recorded by a certified 23 24 court reporter. For any portion of a meeting that is closed, the reporter shall record the times of commencement and 25 termination of the meeting, all discussion and proceedings, 26 27 the names of all persons present at any time, and the names of all persons speaking. No portion of the closed meeting shall 28 be off the record. The court reporter's notes shall be fully 29 30 transcribed and given to the appropriate records custodian 31 within a reasonable time after the meeting. A copy of the 13

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original transcript, with information otherwise confidential 1 2 or exempt from public disclosure redacted, shall be made 3 available for public inspection and copying 3 years after the 4 date of the closed meeting. 5 Section 6. Section 408.7045, Florida Statutes, is 6 amended to read: 7 408.7045 Community health purchasing Alliance marketing requirements. --8 9 (1) The Each alliance shall use appropriate, efficient, and standardized means to notify members of the 10 availability of sponsored health coverage from the alliance. 11 12 (2) The Each alliance shall make available to members 13 marketing materials that accurately summarize the benefit 14 plans that are offered by its health insurer accountable 15 health partnerships and the rates, costs, and accreditation information relating to those plans. 16 17 (3) Annually, the alliance shall offer each member small employer all accountable health partnerships available 18 19 in the alliance and provide them with the appropriate materials relating to those plans. The member small employer 20 may choose which health benefit plans shall be offered to 21 eligible employees and may change the selection each year. 22 The employee may be given options with regard to health plans 23 24 and the type of managed care system under which his or her benefits will be provided. 25 26 (4) An alliance may notify the agency of any marketing 27 practices or materials that it finds are contrary to the fair 28 and affirmative marketing requirements of the program. Upon 29 the request of an alliance, the agency shall request the 30 Department of Insurance to investigate the practices and the 31 Department of Insurance may take any action authorized for a 14

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violation of the insurance code or the Health Maintenance 1 2 Organization Act. 3 Section 7. Paragraph (b) of subsection (6) of section 4 627.6699, Florida Statutes, 1998 Supplement, is amended to 5 read: 6 627.6699 Employee Health Care Access Act .--7 (6) RESTRICTIONS RELATING TO PREMIUM RATES.--(b) For all small employer health benefit plans that 8 9 are subject to this section and are issued by small employer 10 carriers on or after January 1, 1994, premium rates for health benefit plans subject to this section are subject to the 11 12 following: 13 1. Small employer carriers must use a modified 14 community rating methodology in which the premium for each 15 small employer must be determined solely on the basis of the 16 eligible employee's and eligible dependent's gender, age, 17 family composition, tobacco use, or geographic area as determined under paragraph(5)(j)(5)(k). 18 19 2. Rating factors related to age, gender, family 20 composition, tobacco use, or geographic location may be 21 developed by each carrier to reflect the carrier's experience. The factors used by carriers are subject to department review 22 23 and approval. 24 3. Small employer carriers may not modify the rate for 25 a small employer for 12 months from the initial issue date or 26 renewal date, unless the composition of the group changes or 27 benefits are changed. However, a small employer carrier may 28 modify the rate one time prior to 12 months after the initial issue date for a small employer who enrolls under a previously 29 30 issued group policy that has a common anniversary date for all employers covered under the policy, if the carrier discloses 31 15

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1 to the employer in a clear and conspicuous manner the date of 2 the first renewal and the fact that the premium may increase 3 on or after that date and if the insurer demonstrates to the 4 department that efficiencies in administration are achieved 5 and reflected in the rates charged to small employers covered 6 under the policy. 7 4. A small employer carrier may issue a policy to a

8 group association with rates that reflect a premium credit for expense savings attributable to administrative activities 9 10 being performed by the group association, if these expense savings are specifically documented in the carrier's rate 11 12 filing and are approved by the department. Any such credit may 13 not be based on different morbidity assumptions or on any 14 other factor related to the health status or claims experience 15 of the group or its members. Carriers participating in the 16 alliance program, in accordance with ss. 408.700-408.707, may 17 apply a different community rate to business written in that 18 program.

(c) For all small employer health benefit plans that 19 20 are subject to this section, that are issued by small employer 21 carriers before January 1, 1994, and that are renewed on or after January 1, 1995, renewal rates must be based on the same 22 modified community rating standard applied to new business. 23 (d) Notwithstanding s. 627.401(2), this section and 24 25 ss. 627.410 and 627.411 apply to any health benefit plan provided by a small employer carrier that provides coverage to 26

27 one or more employees of a small employer regardless of where 28 the policy, certificate, or contract is issued or delivered, 29 if the health benefit plan covers employees or their covered 30 dependents who are residents of this state.

31 Section 8. <u>Sections 408.7041</u>, 408.7042, 408.7055, and

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408.706, Florida Statutes, are repealed. 1 2 3 (Redesignate subsequent sections.) 4 5 6 7 And the title is amended as follows: On page 1, line 29, through page 2, line 12, delete 8 9 those lines 10 11 and insert: Administration; amending s. 408.7045, F.S.; 12 13 revising marketing requirements of the 14 alliance; amending s. 627.6699, F.S.; revising restrictions related to premium rates for small 15 16 employer health benefit plans; repealing ss. 17 408.7041, 408.7042, 408.7055, 408.706, F.S., relating to anti-trust protection, relating to 18 19 purchasing coverage for state employees and 20 Medicaid recipients through community health purchasing alliances, relating to the 21 establishment of practitioner advisory groups 22 23 by the Agency for Health Care Administration, 24 and relating to requirements for accountable 25 health partnerships; providing an effective 26 date. 27 28 29 30 31

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