

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #:	CS/CS/HB 893	FINAL HOUSE FLOOR ACTION:	
SPONSOR(S):	Health & Human Services Committee; Health Innovation Subcommittee; and Ingoglia	116 Y's	0 N's
COMPANION BILLS:	CS/CS/SB 1134	GOVERNOR'S ACTION:	Approved

SUMMARY ANALYSIS

CS/CS/HB 893 passed the House on April 22, 2015, and subsequently passed the Senate on April 23, 2015.

A blanket health insurance policy and contract is issued to a policyholder, such as a school, business, or an organization, to provide coverage to a group of individuals or participants for an activity or event. This is in contrast to group health insurance coverage, in which a contract exists between the insurer and a policyholder, such as an employer, for individual employees and their dependents as a benefit. Coverage under a blanket health insurance policy normally expires at the conclusion of the activity or event.

The bill adds specific groups that are eligible to purchase blanket health insurance policies and expands the categories of individuals who are eligible for coverage under such policies.

The bill does not appear to have a fiscal impact on state or local government.

The bill was approved by the Governor on June 10, 2015, ch. 2015-124, L.O.F., and will become effective on July 1, 2015.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

Insurance Regulation

Insurance products are regulated under chapters 624 and 627, F.S., by the Office of Insurance Regulation (OIR). OIR is responsible for regulating all insurers and other risk bearing entities doing business in the state. These responsibilities include licensure, the review of company rate and form filings across regulated lines of insurance; monitoring the financial strength, solvency and enterprise risk of insurance companies doing business in this state; and ensuring that contract provisions keep up with changing legal and market conditions.

Blanket Health Insurance

A blanket health insurance policy or contract is issued to a policyholder, such as a school, business, or organization, to provide coverage to a group of individuals or participants as a class who share a common activity or operation of the policyholder.¹ Blanket health policies are for specific policyholders, covering specific people, for a specific event. This is in contrast to group health insurance coverage, in which a contract is issued to a policyholder, such as an employer, for individual employees and their dependents as a benefit.² An individual application is not required from an individual covered under a blanket health insurance policy or contract.³ Generally, the insurer is not required to provide a written certificate of the insurance coverage to each insured person.⁴

Under current law, blanket health insurance covers certain groups of people under a policy or contract issued to the following groups:

- A common carrier – covering passengers;⁵
- An employer – covering employees defined by reference to exceptional hazards incident to employment;⁶
- A school, school district, college, university, or other institution of learning – covering students and teachers; and may cover spouses and dependent children of students;⁷
- A volunteer fire department, first aid group, or other such volunteer group – covering the members of those groups;⁸
- An organization or branch of the Boys Scouts of America, Future Farmers of America, religious or educational organizations, or similar organizations – covering attendees, instructors, counselors, and administrators at meetings and camps;⁹
- A newspaper – covering independent contractor delivery persons;¹⁰
- A health care provider – covering patients;¹¹ and
- An HMO – covering subscribers.¹²

¹ S. 627.659, F.S.

² S. 627.653, F.S.

³ S. 627.660(1), F.S.

⁴ Id. An insurer is required to furnish a written certificate disclosing the essential features of the coverage to each person covered under a policy issued pursuant to s. 627.659(3), F.S., relating to policies issued to a school, district school system, college, university, or other institution of learning. s. 627.660(6), F.S. These certificates are subject to the filing requirements of ss. 627.410 and 627.640, F.S.

⁵ S. 627.659(1), F.S.

⁶ S. 627.659(2), F.S.

⁷ S. 627.659(3), F.S.

⁸ S. 627.659(4), F.S.

⁹ S. 627.659(5), F.S.

¹⁰ S. 627.659(6), F.S.

¹¹ S. 627.659(7), F.S.

¹² S. 627.659(8), F.S.

Effect of Proposed Changes

The bill expands the list of existing groups and individuals in statute that are eligible policyholders of blanket health insurance coverage or eligible to be covered under a blanket health insurance policy. Specifically, the bill changes the existing policyholder groups as follows:

- A common carrier – adds any operator, owner or lessee of a means of transportation as an eligible policyholder.
- An employer – expands coverage to dependents or guests of an employee; the bill removes the reference to coverage for “exceptional hazards incident to such employment” and replaces it with “activity or activities or operations of the policyholder,” which expands the types of activities for which blanket health coverage may be purchased by an employer.
- A School, school district, college, university, or other institution of learning – expands coverage to employees, and dependents and spouses of teachers or employees of a school, college, and university.
- A volunteer fire department, first aid group, or other such volunteer group – adds local emergency management groups and groups of first responders as eligible policyholders and expands coverage to any grouping of participants defined by reference to activities or operations sponsored or supervised by the policyholder. The bill removes other “volunteer groups.”
- An organization or branch of the Boys Scouts of America, Future Farmers of America, religious or educational organizations, or similar organizations – adds instructive, charitable, recreational, and civic groups as eligible policyholders and expands coverage to any or all persons participating in the activities or operations sponsored or supervised by the policyholder.
- A newspaper – adds other publishers as eligible policyholders and expands coverage to delivery persons employed by such publications. It also clarifies what types of coverage may be provided, such as coverage only for accident or disability income coverage, limited-scope dental or vision, coverage only for a specified disease or illness, or hospital indemnity or other fixed indemnity insurance.
- A health care provider – adds an arranger of fertility medicine relationships as eligible policyholders and expands coverage to donors, recipients, and surrogates.

The bill also adds the following new eligible policyholder groups to statute:

- A sports team, camp, or sponsor of a team or camp – covering members, campers, participants, employees, officials or supervisors.¹³
- A travel agency or other organization that provides travel related services – covering any and all persons receiving travel-related services.
- An association that has a constitution and bylaws, comprised of at least 25 members and having been organized and maintained in good faith for at least 1 year for purposes other than obtaining insurance – covering all members of the association.
- A financial institution or parent holding company, or the trustees or agents designated by such entities – covering accountholders, cardholders, debtors, or guarantors. It also clarifies what types of coverage may be provided, such as coverage only for accident or disability income coverage, limited-scope dental or vision, coverage only for a specified disease or illness, or hospital indemnity or other fixed indemnity insurance.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

¹³ This provision emulates statutes in 26 other states (AL, AK, AZ, AR, CA, DE, GA, ID, IL, IN, KS, KY, LA, ME, MD, MA, MI, MN, MT, NV, NH, OK, OR, PA, UT, and WY).

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill allows insurers to offer blanket health insurance plans covering more eligible policyholders for more risks or activities. The eligible policyholders can secure coverage for activities or events outlined in the bill, limiting the policyholder's exposure to risk of financial loss.

D. FISCAL COMMENTS:

None.