

Tab 1	SB 340 by Latvala ; (Identical to H 0337) Vision Care Plans
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Tab 2	SB 376 by Hukill ; Individuals with Disabilities
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The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

BANKING AND INSURANCE
Senator Benacquisto, Chair
Senator Richter, Vice Chair

MEETING DATE: Tuesday, October 20, 2015
TIME: 1:00—2:30 p.m.
PLACE: *Toni Jennings Committee Room*, 110 Senate Office Building

MEMBERS: Senator Benacquisto, Chair; Senator Richter, Vice Chair; Senators Clemens, Detert, Hukill, Lee, Margolis, Montford, Negron, Simmons, and Smith

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 340 Latvala (Identical H 337)	Vision Care Plans; Providing that a health insurer, a prepaid limited health service organization, and a health maintenance organization, respectively, may not require a licensed ophthalmologist or optometrist to join a network solely for the purpose of credentialing the licensee for another vision network; providing that such insurers and organizations may not restrict a licensed ophthalmologist, optometrist, or optician to specific suppliers of materials or optical laboratories, etc. BI 10/20/2015 Favorable HP RC	Favorable Yeas 10 Nays 0
2	SB 376 Hukill	Individuals with Disabilities; Establishing the Financial Literacy Program for Individuals with Developmental Disabilities within the Department of Financial Services; providing for the participation of banks, credit unions, savings associations, and savings banks; requiring a qualified public depository to participate in the program, etc. BI 10/20/2015 Favorable AGG FP	Favorable Yeas 10 Nays 0

Other Related Meeting Documents

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 340

INTRODUCER: Senator Latvala

SUBJECT: Vision Care Plans

DATE: October 20, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Knudson	BI	Favorable
2.			HP	
3.			RC	

I. Summary:

SB 340 prohibits an insurer, a prepaid limited health service organization (PLHSO), or a health maintenance organization (HMO) from requiring a licensed ophthalmologist or optometrist to join a network solely for credentialing the licensee for another insurer's, PLHSO's, or HMO's vision network, respectively. The bill provides that this provision would not prevent an insurer, PLHSO, or HMO from entering into a contract with another insurer's, PLHSO's, or HMO's vision care plan to use the vision network. The bill also prohibits these plans from restricting a licensed ophthalmologist, optometrist, or optician to specific suppliers of material or optical labs. The bill provides that this provision does not restrict an insurer, PLHSO, or HMO in determining specific amounts of coverage or reimbursement for the use of network or out-of-network suppliers or labs. The bill provides that a knowing violation of either of these provision, as described above, constitutes an unfair insurance trade practice under s. 626.9541(1)(d), F.S.

The bill requires insurers, PLHSOs, and HMOs to update their online vision care network directory monthly to reflect currently participating providers in their respective network.

II. Present Situation:

State Regulation of Insurance

The Office of Insurance Regulation (OIR) licenses and regulates the activities of insurers, health maintenance organizations, and other risk-bearing entities. The Agency for Health Care Administration (agency) regulates the quality of care provided by HMOs under part III of ch. 641, F.S. Before receiving a certificate of authority from the OIR, an HMO must receive a Health Care Provider Certificate from the agency pursuant to part III of ch. 641, F.S.

Prepaid Limited Health Service Organizations Contracts

Prepaid limited health service organizations (PLHSO) provide limited health services to enrollees through an exclusive panel of providers in exchange for a prepayment authorized under ch. 636, F.S. Limited health services include ambulance, dental, vision, mental health, substance abuse, chiropractic, podiatric, and pharmaceutical. Provider arrangements for prepaid limited health service organizations are authorized in s. 636.035, F.S., and must comply with the requirements in that section.

Health Maintenance Organization Provider Contracts

An HMO is an organization that provides a wide range of health care services, including emergency care, inpatient hospital care, physician care, and preventive health care pursuant to contractual arrangements with preferred providers in a designated service area. Traditionally, an HMO member must use the HMO's network of health care providers in order for the HMO to make payment of benefits. The use of a health care provider outside the HMO's network generally results in the HMO limiting or denying the payment of benefits for out-of-network services rendered to the member. Section 641.315, F.S., specifies requirements for the HMO provider contracts with providers.

Prohibition against "All Products" Clauses in Health Care Provider Contracts

Section 627.6474(1), F.S., prohibits a health insurer from requiring that a contracted health care practitioner accept the terms of other practitioner contracts (including Medicare and Medicaid practitioner contracts) with the insurer or with an insurer, HMO, exclusive provider organization, or preferred provider organization that is under common management and control with the contracting insurer. The statute exempts practitioners in group practices who must accept the contract terms negotiated by the group.

Unfair Insurance Trade Practices

Part IX of ch. 626, F.S., regulates practices relating to the business of insurance by defining practices that constitute unfair methods of competition or unfair or deceptive acts or practices and prohibits those activities. Section 626.9541(1)(d), F.S., provides that the following acts are an unfair insurance trade practice:

Entering into any agreement to commit, or by any concerted action committing, any act of boycott, coercion, or intimidation resulting in, or tending to result in, unreasonable restraint of, or monopoly in, the business of insurance.

Section 626.9521, F.S., provides administrative fines and criminal penalties for violations under s. 626.9541, F.S. Generally, the potential fines under the Unfair Insurance Trade Practices Act include an amount not greater than \$5,000 for each nonwillful violation and not greater than \$40,000 for each willful violation. Such fines imposed against an insurer may not exceed an aggregate amount of \$20,000 for all nonwillful violations arising out of the same action; or an aggregate amount of \$200,000 for all willful violations arising out of the same action. The fines may be imposed in addition to any other applicable penalty. Further, the OIR is authorized to issue cease and desist orders and suspend or revoke an entity's certificate of authority for engaging in an unfair insurance trade practice.

Credentialing

Section 641.495(6), F.S., provides that each HMO must have a system for verification and examination of the credentials of each of its providers. If the organization has delegated the credentialing process to a contracted provider or entity, it must verify that the policies and procedures of the delegated provider or entity are consistent with the policies and procedures of the organization and there is evidence of oversight activities of the organization to determine that required standards are maintained. Preferred provider organizations also subject providers to credentialing.

Credentialing is a process for the collection and verification of a provider's professional qualifications. The qualifications that are reviewed and verified include, but are not limited to, relevant training, licensure, certification or registration to practice in a health care field, experience, and academic background. A credentialing process is used by healthcare facilities as part of its process to allow practitioners to provide services at its facilities; health plans to allow providers to participate in its network (provider enrollment); medical group when hiring new providers; and other healthcare entities that have a need to hire or otherwise engage providers.

State Group Insurance Program

Under the authority of s. 110.123, F.S., the Department of Management Services (department), through the Division of State Group Insurance, administers the State Group Insurance Program. The program provides employee benefits under a cafeteria plan consistent with Section 125, Internal Revenue Code.¹ The Division of State Group Insurance offers a fully-insured vision insurance plan to eligible employees and their eligible dependents.

III. Effect of Proposed Changes:

Sections 1, 2, and 3 amend ss. 627.6474, 636.035, and 641.315, F.S., to prohibit an insurer, PLHSO, and HMO from requiring a licensed ophthalmologist or optometrist to join a network solely for the purpose of credentialing the licensee for another insurer's, PLHSO's, or HMO's network, respectively. The bill provides that this provision would not prevent an insurer, PLHSO, or HMO from entering into a contract with another insurer's, PLHSO's, or HMO's vision care plan to use the vision network.

Further, the bill prohibits these plans from restricting a licensed ophthalmologist, optometrist, or optician to specific suppliers of material or optical laboratories. The bill provides that this provision does not restrict an insurer, PLHSO, or HMO in determining specific amounts of coverage or reimbursement for the use of network or out-of-network suppliers or laboratories.

The bill provides that a knowing violation of either of these provisions described above constitutes an unfair insurance trade practice under s. 626.9541(1)(d), F.S., which relates to any act of boycott, coercion, or intimidation resulting in, or tending to result in, unreasonable restraint of, or monopoly in, the business of insurance.

¹ 26 U.S.C. s. 125. A cafeteria plan is a plan maintained by an employer under which all participants are employees, and all participants may choose among two or more benefits consisting of cash and qualified benefits. A qualified benefit is any benefit, which with the application of 26 U.S.C. s. 125(a), is not includable in the gross income of the employee with certain exceptions.

The bill requires an insurer, PLHSO, or a HMO to update their online vision care network directory monthly to reflect currently participating providers in their respective network.

Section 4 provides the bill is effective July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

The general rule of law is that legislation applies prospectively and not retrospectively. In other words, this bill will not apply retroactively to impair the effectiveness of contracts already in existence on the date this legislation becomes effective. It will apply only to contracts signed on or after the effective date of the bill.

The State Constitution provides that “No.... law impairing the obligation of contracts shall be passed.”² The Florida Supreme Court³ has noted that “Virtually no degree of contract impairment has been tolerated in this state” and strongly favors the sanctity of contracts. Accordingly, contracts already in existence on the date this bill becomes effective will remain in effect between the parties to the contracts, regardless of the language in this bill. However, to avoid confusion, the Legislature may wish to expressly state in the bill that it does not apply to existing contracts.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill provides that a licensed ophthalmologist, optometrist or optician contracting with an insurer, PLHSO, or HMO is not required to purchase materials and services from specific suppliers or optical labs. This would give the provider the ability to be competitive and responsive to local market conditions regarding the cost and quality of

² FLA. CONST. art. I, s. 10.

³ *Yamaha Part Distributors Inc., et al, v. Ehrman et al.*, 316 So. 2d 557, 559 (Fla 1975).

such materials and services provided to consumers. Currently, the approved lab lists of some vision plans can be limited and may require a provider to send all orders to a plan-owned lab in another city or state, which may result in delays for the consumer in receiving their eyeglasses. If such a lab is performing poorly, this can cause additional delays and frustrations for consumers.

Further, an insurer, PLHSO, or HMO could not require a licensed ophthalmologist or optometrist to join a network solely for credentialing the licensee for another plan's vision network.

Consumers will have online access to more timely and accurate network directories for vision care providers, which will assist them in evaluating plans or selecting network providers.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 627.6474, 636.035, and 641.315.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

By Senator Latvala

20-00036A-16

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1 A bill to be entitled
 2 An act relating to vision care plans; amending ss.
 3 627.6474, 636.035, and 641.315, F.S.; providing that a
 4 health insurer, a prepaid limited health service
 5 organization, and a health maintenance organization,
 6 respectively, may not require a licensed
 7 ophthalmologist or optometrist to join a network
 8 solely for the purpose of credentialing the licensee
 9 for another vision network; providing that such
 10 insurers and organizations are not prevented by the
 11 act from entering into a contract with another vision
 12 care plan; providing that such insurers and
 13 organizations may not restrict a licensed
 14 ophthalmologist, optometrist, or optician to specific
 15 suppliers of materials or optical laboratories;
 16 providing that such insurers and organizations are not
 17 restricted by the act in determining certain amounts
 18 of coverage or reimbursement; requiring such insurers'
 19 and organizations' online vision care network provider
 20 directories to be updated monthly; providing that a
 21 violation of certain prohibitions in the act
 22 constitutes a specified unfair insurance trade
 23 practice; providing an effective date.

24
 25 Be It Enacted by the Legislature of the State of Florida:

26
 27 Section 1. Subsection (3) is added to section 627.6474,
 28 Florida Statutes, to read:
 29 627.6474 Provider contracts.—

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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30 (3) (a) A health insurer may not require an ophthalmologist
 31 licensed pursuant to chapter 458 or chapter 459 or an
 32 optometrist licensed pursuant to chapter 463 to join a network
 33 solely for the purpose of credentialing the licensee for another
 34 insurer's vision network. This paragraph does not prevent a
 35 health insurer from entering into a contract with another
 36 insurer's vision care plan to use the vision network.

37 (b) A health insurer may not restrict an ophthalmologist
 38 licensed pursuant to chapter 458 or chapter 459, an optometrist
 39 licensed pursuant to chapter 463, or an optician licensed
 40 pursuant to part I of chapter 484 to specific suppliers of
 41 materials or optical laboratories. This paragraph does not
 42 restrict a health insurer in determining specific amounts of
 43 coverage or reimbursement for the use of network or out-of-
 44 network suppliers or laboratories.

45 (c) A health insurer's online vision care network provider
 46 directory must be updated monthly to reflect the vision care
 47 providers currently participating in the health insurer's
 48 network.

49 (d) A knowing violation of paragraph (a) or paragraph (b)
 50 constitutes an unfair insurance trade practice under s.
 51 626.9541(1)(d).

52 Section 2. Subsection (14) is added to section 636.035,
 53 Florida Statutes, to read:

54 636.035 Provider arrangements.—

55 (14) (a) A prepaid limited health service organization may
 56 not require an ophthalmologist licensed pursuant to chapter 458
 57 or chapter 459 or an optometrist licensed pursuant to chapter
 58 463 to join a network solely for the purpose of credentialing

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59 the licensee for another organization's vision network. This
 60 paragraph does not prevent such organization from entering into
 61 a contract with another organization's vision care plan to use
 62 the vision network.

63 (b) A prepaid limited health service organization may not
 64 restrict an ophthalmologist licensed pursuant to chapter 458 or
 65 chapter 459, an optometrist licensed pursuant to chapter 463, or
 66 an optician licensed pursuant to part I of chapter 484 to
 67 specific suppliers of materials or optical laboratories. This
 68 paragraph does not restrict such organization in determining
 69 specific amounts of coverage or reimbursement for the use of
 70 network or out-of-network suppliers or laboratories.

71 (c) A prepaid limited health service organization's online
 72 vision care network provider directory must be updated monthly
 73 to reflect the vision care providers currently participating in
 74 the organization's network.

75 (d) A knowing violation of paragraph (a) or paragraph (b)
 76 constitutes an unfair insurance trade practice under s.
 77 626.9541(1)(d).

78 Section 3. Subsection (12) is added to section 641.315,
 79 Florida Statutes, to read:

80 641.315 Provider contracts.—

81 (12) (a) A health maintenance organization may not require
 82 an ophthalmologist licensed pursuant to chapter 458 or chapter
 83 459 or an optometrist licensed pursuant to chapter 463 to join a
 84 network solely for the purpose of credentialing the licensee for
 85 another organization's vision network. This paragraph does not
 86 prevent such organization from entering into a contract with
 87 another organization's vision care plan to use the vision

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88 network.

89 (b) A health maintenance organization may not restrict an
 90 ophthalmologist licensed pursuant to chapter 458 or chapter 459,
 91 an optometrist licensed pursuant to chapter 463, or an optician
 92 licensed pursuant to part I of chapter 484 to specific suppliers
 93 of materials or optical laboratories. This paragraph does not
 94 restrict such organization in determining specific amounts of
 95 coverage or reimbursement for the use of network or out-of-
 96 network suppliers or laboratories.

97 (c) A health maintenance organization's online vision care
 98 network provider directory must be updated monthly to reflect
 99 the vision care providers currently participating in the
 100 organization's network.

101 (d) A knowing violation of paragraph (a) or paragraph (b)
 102 constitutes an unfair insurance trade practice under s.
 103 626.9541(1)(d).

104 Section 4. This act shall take effect July 1, 2016.

W

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10/20/15

340

Meeting Date

Bill Number (if applicable)

Topic vision care plans

Amendment Barcode (if applicable)

Name Nancy Stewart

Job Title

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Tallahassee

FL

32309

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City

State

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Speaking: [X] For [] Against [] Information

Waive Speaking: [X] In Support [] Against (The Chair will read this information into the record.)

Representing Professional Opticians of Florida

Appearing at request of Chair: [] Yes [X] No

Lobbyist registered with Legislature: [X] Yes [] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Appropriations Subcommittee on
Transportation, Tourism, and Economic
Development, *Chair*
Appropriations
Commerce and Tourism
Governmental Oversight and Accountability
Regulated Industries
Rules

SENATOR JACK LATVALA

20th District

October 7, 2015

The Honorable Lizbeth Benaquisto, Chair
Senate Committee on Banking and Insurance
320 Knott Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Dear Chairman Benaquisto:

I respectfully request consideration of Senate Bill 340/Vision Insurance by the Senate Banking and Insurance Committee at your earliest convenience.

This bill will prohibit insurance companies from requiring a licensed ophthalmologist or optometrist to provide vision care services under specified circumstances or to purchase certain materials or services as a condition for participating as a provider.

If you have any questions regarding this legislation, please contact me. Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Jack Latvala".

Jack Latvala
State Senator
District 20

Cc: James Knudson, Staff Director; Sheri Green, Administrative Assistant

REPLY TO:

- 26133 U.S. Highway 19 North, Suite 201, Clearwater, Florida 33763 (727) 793-2797 FAX: (727) 793-2799
- 408 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5020

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 376

INTRODUCER: Senator Hukill

SUBJECT: Individuals with Disabilities

DATE: October 20, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Knudson	BI	Favorable
2.			AGG	
3.			FP	

I. Summary:

SB 376 creates the Financial Literacy Program for Individuals with Developmental Disabilities within the Department of Financial Services (DFS). The goal of the program is to promote economic independence and successful employment of individuals with developmental disabilities by providing education, outreach, and resources on specific issues. These issues include financial education, financial and health benefit programs and services, job training and employment opportunities, and the impact of earnings and assets on eligibility for federal and state programs. Navigating the complex network of federal and state requirements and finding employment resources can be difficult for individuals and their families.

The bill requires the DFS to establish on its website a clearinghouse for information regarding the program and other resources and to develop a brochure that describes the program. The bill also requires that financial institutions participating in the qualified public depository program participate in the Financial Literacy Program as a condition of eligibility for the qualified public depository program.

The bill provides one position and \$137,234 to implement the program.

II. Present Situation:

Although some individuals are born with disabilities, some individuals may experience a short-term or long-term disability, whether through accidents, employment-related injuries or illnesses, disease, or aging. Individuals may also have mental disorders or developmental disabilities. The definition of the term “disability,” for purposes of eligibility for state and federal benefits and employment programs, varies among the different programs. Individuals with disabilities must navigate a complex set of federal and state regulations to obtain financial and medical benefits as well as access to resources available at the federal and state levels.

Federal Disability Insurance Programs

The Social Security Disability Insurance (SSDI)¹ and Supplemental Security Income (SSI)² programs are two types of disability programs administered by the federal Social Security Administration. Applicants for each of the programs must meet strict medical requirements to qualify for disability benefits. Under the programs, disability is defined as the inability to engage in substantial gainful activity (SGA) due to a medically determinable physical or mental impairment expected to result in death or last at least 12 months.³ Generally, a person who is earning more than a certain monthly amount is considered to be engaging in SGA.

The SSDI program is an insurance program that provides benefits to individuals who have contributed to the Social Security system and meet certain minimum work requirements. In contrast, SSI is a means-tested program for aged, blind, or disabled individuals who meet certain income and resource limitations; however, there are no contribution or minimum work requirements. The SSI program provides cash payments assuring a minimum income for aged, blind, or disabled individuals who have very limited income and assets. Effective January 1, 2015, the maximum monthly federal benefit rate is \$733 for an eligible individual and \$1,100 for an eligible individual with an eligible spouse.⁴ The countable resource limit for SSI eligibility is \$2,000 for individuals and \$3,000 for couples with exclusions.⁵ The SSI recipients living alone or in a household where all members receive SSI benefits are generally eligible for Medicaid. In December 2013, there were 547,594 SSI recipients (aged, blind, or disabled) and 551,858 disabled workers that were recipients of SSDI in Florida.⁶

Definition of Developmental Disabilities in Florida

Section 393.063(9), F.S., defines developmental disabilities to mean “a disorder or syndrome that is attributable to intellectual disability, cerebral palsy, autism, spina bifida, or Prader-Willi syndrome; that manifests before the age of 18; and that constitutes a substantial handicap that can reasonably be expected to continue indefinitely.”

The Agency for Persons with Disabilities (APD) currently serves approximately 55,000 clients with developmental disabilities.⁷ The total population of individuals in Florida with developmental disabilities is indeterminate at this time. In January 2015, the APD extrapolated the estimated Florida population of individuals with developmental disabilities based on national

¹ 42 U.S.C. ss. 401-433.

² 42 U.S.C. ss. 1381 note-1385 note.

³ See <http://www.socialsecurity.gov/disability/professionals/bluebook/general-info.htm> (last accessed Oct. 8, 2015).

⁴ Generally, the maximum monthly payment changes yearly due to changes in the Consumer Price Index. The 2015 schedule is available at: <http://www.socialsecurity.gov/OACT/COLA/SSI.html> (last accessed Oct. 8, 2015).

⁵ 20 C.F.R. s. 416.1201 and 20 C.F.R. ss. 416.1210-416.1239.

⁶ Social Security Administration *Annual Statistical Supplement, 2014* available at: <http://www.socialsecurity.gov/policy/docs/statcomps/supplement/2014/5j.pdf> and <http://www.socialsecurity.gov/policy/docs/statcomps/supplement/2014/7b.pdf> (last accessed Oct. 8, 2015).

⁷ Email from the Agency for Persons with Disabilities, Summary of Active Clients, January 28, 2015 (on file with the Senate Banking and Insurance Committee).

prevalence rates of disorders and syndromes. This calculation suggests that the population of individuals with developmental disabilities could be between 300,000 to 600,000.⁸

Financial Literacy and Economic Independence

People with disabilities comprise approximately 15 percent of the population of the United States and experience significant disparities in employment and participation in the workforce.⁹ In 2011, almost 28 percent of non-institutionalized individuals in the United States with disabilities, ages 21-64, lived below the federal poverty line, compared with 12 percent of individuals without disabilities.¹⁰

In Florida, approximately 9.5 percent of individuals ages 16-64 are individuals with disabilities.¹¹ The unemployment rate of this group is 35.6 percent and the poverty rate is 24.2 percent.¹² Many of these individuals would like to find employment, but are concerned if they earn more money it will cause them to lose disability and health benefits.

Financial education and literacy are critical components for gaining economic independence. A 2014 report by the National Disability Institute (NDI) evaluated the financial capability among individuals with and without disabilities based on information derived from the FINRA¹³ Investor Education Foundation's 2012 National Financial Capability Study.¹⁴ The NDI report found that individuals with disabilities have greater difficulty in meeting monthly expenses, are less likely to have access to emergency funds, are more likely to carry credit card balances and use non-bank methods of borrowing, are less likely to have received financial education, and have lower financial literacy. The report concluded that individuals with disabilities "are generally marginalized from the economic mainstream, as indicated by the notably lower levels of overall financial capability and economic security compared to persons without disabilities." The report advocated, "innovative approaches that increase access for individuals with disabilities to financial tools and services that foster informed decision making, build financial confidence, and improve financial capability."

Various state agencies provide services, benefits, and resources for individuals with disabilities. These agencies include the Agency for Health Care Administration, the Agency for Persons with Disabilities, the Department of Children and Families, the Department of Economic Opportunity (DEO), and the Department of Education. Many state and regional advocacy groups also provide resources and services.

⁸ Email from the Agency for Persons with Disabilities, January 13, 2015 (On file with the Senate Banking and Insurance Committee).

⁹ American Institutes for Research, *An Uneven Playing Field: The Lack of Equal Pay for People with Disabilities*, December 2014.

¹⁰ *Id.*

¹¹ National Disability Institute with support from the Florida Developmental Disabilities Council, *The Changing Face of Benefits, Knowledge for Successful Employment and Asset Development*, March 2013.

¹² *Id.*

¹³ FINRA is the Financial Industry Regulatory Authority, which is an independent, not-for-profit organization authorized by Congress charged with regulatory oversight of all securities broker-dealers conducting business with the public in the United States.

¹⁴ Nicole E. Conroy, ET AL., *Financial Capabilities of Adults with Disabilities, Findings from the FINRA Investor Education Foundation 2012 National Financial Capability Study*, National Disability Institute, July. 22, 2014.

On July 26, 2011, Governor Scott created the Governor's Commission on Jobs for Floridians with Disabilities to advance job and employment opportunities for persons with disabilities in order to help those individuals achieve greater independence.¹⁵ The commission found that the state's disability system does not effectively connect employers to candidates with disabilities and inform them about the resources available to support these individuals in the workplace. The commission recommended the DEO serve as a single-point of contact to assist employers in finding these resources and services in order to help them recruit, hire, and retain individuals with disabilities in the workforce. The commission further recommended the DEO provide information on available services and support that make it possible for persons with disabilities to succeed in the workforce. The "Abilities Work" Web Portal¹⁶ within the Employ Florida Marketplace website was developed to meet the needs of Florida employers looking to hire qualified job seekers with disabilities and individuals with disabilities who are seeking to find employment.

Department of Financial Services

The Chief Financial Officer (CFO) of the State of Florida is the head of the Department of Financial Services.¹⁷ The CFO has instituted many outreach and education programs to increase the financial literacy of Florida residents and to protect them from financial fraud. These initiatives include a comprehensive online financial literacy and education initiative to provide Hispanic Floridians and their families with important personal financial information, a program to educate and protect seniors from financial schemes, and financial education for military service members.¹⁸

The CFO administers the Florida Security for Public Deposits Act (act),¹⁹ which authorizes local and state governmental units (public depositors) to place public deposits in qualified public depositories (QPD).²⁰ Public deposits are funds in excess of amounts required to meet disbursement needs or expenses. A QPD can be a bank, savings bank, or savings association that meets specific criteria, including collateral requirements, under the act. The CFO is responsible for designating financial institutions as qualified public depositories.

III. Effect of Proposed Changes:

SB 376 creates the Financial Literacy Program for Individuals with Developmental Disabilities under the direction of the Chief Financial Officer who heads the Department of Financial Services (DFS). The goal of the program is to promote economic independence and successful

¹⁵ Executive Order 11-161 available at <http://www.flgov.com/gcifd/> (last accessed Oct. 8, 2015).

¹⁶ The Ability Work website available at <https://abilitieswork.employflorida.com/vosnet/Default.aspx#> (last accessed Oct. 8, 2015).

¹⁷ Section 20.121, F.S.

¹⁸ See Money Matter\$, a one-stop website to access the CFO's financial literacy resources, available at <http://www.myfloridacfo.com/sitePages/services/flow.aspx?ut=Financial+Literacy> (last accessed on Oct. 8, 2015).

¹⁹ Chapter 280, F.S.

²⁰ A qualified public depository is organized under the laws of the United States or any state or territory of the United States; has a principal place of business or branch office in this state authorized to receive deposits; has federally-insured deposits, has procedures and practices that accurately report and collateralize public deposits; meets the requirements of the act; and has been designated as a qualified public depository by the CFO [see s. 280.02(26), F.S.].

employment of individuals with developmental disabilities by providing resources, outreach, and education on specific issues. These issues include financial education, financial and health benefit programs and services, job training and employment outreach, and the impact of earnings and assets on eligibility for federal and state programs.

The bill provides that the DFS, in consultation with stakeholders, will develop and implement the program. Banks, credit unions, savings associations, and savings banks will be key participants in the development and promotion of the program. The DFS will establish a clearinghouse for information regarding the program and other available resources on its website for individuals with developmental disabilities and their employers. The DFS will publish a brochure that describes the program and will provide access to it through its website.

Financial institutions participating in the qualified public depository program are required to participate in the Financial Literacy Program as condition of eligibility for the qualified public depository program. This requirement would apply to banks, savings associations, and savings associations that participate in the program. Within 90 days of the DFS establishing the program and publishing the brochure, each participating financial institution must make brochures available at each Florida branch office, which has in-person teller services, or have the capability to print a copy of the brochure upon request. A financial institution or other program participant is not subject to a civil cause of action arising from the distribution or nondistribution of program information. Each participating financial institution website must also provide a hyperlink to the department's website for the program.

The bill provides one position and \$137,234 from the Insurance Regulatory Trust Fund within the DFS to develop and manage the new program, which includes printing and postage costs for the brochures.

The effective date of the bill is January 1, 2017.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Implementation of the Financial Literacy Program will provide individuals with developmental disabilities an opportunity to obtain a better understanding of financial products and services, financial management, employment options, and federal and state benefits. The program will facilitate greater financial literacy and economic independence. Employers will also benefit from resources that will facilitate employment of individuals with developmental disabilities.

Financial institutions may incur indeterminate costs associated with providing brochures about the program at their places of business and revising their websites to provide a link to access the Financial Literacy Program's website.

C. Government Sector Impact:

The bill provides one position and \$137,234 from the Insurance Regulatory Trust Fund within the Department of Financial Services (DFS) to implement this program. This includes one Government Analyst position with the standard expense package and expense costs relating to printing and mailing brochures to all bank branches.

The DFS indicates that the bill will have a recurring fiscal impact of \$69,570 annually on DFS attributable to the costs associated with printing and shipping 50 brochures to an estimated 4,500 financial institutions in Florida.²¹ The bill provides that the DFS will make copies of the brochure available to a bank, savings association, or savings bank upon request of such financial institution.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

The bill substantially amends section 280.16 of the Florida Statutes. The bill creates section 17.68 of the Florida Statutes.

²¹ Department of Financial Services, Senate Bill 376 Fiscal Analysis (Oct. 5, 2015) (on file with the Senate Committee on Banking and Insurance).

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By Senator Hukill

8-00267A-16

2016376__

A bill to be entitled

An act relating to individuals with disabilities; creating s. 17.68, F.S.; providing legislative findings; establishing the Financial Literacy Program for Individuals with Developmental Disabilities within the Department of Financial Services; requiring the department to develop and implement the program in consultation with specified stakeholders; providing for the participation of banks, credit unions, savings associations, and savings banks; requiring the program to provide information, resources, outreach, and education on specified issues to individuals with developmental disabilities and employers in this state; requiring the department to establish on its website a clearinghouse for information regarding the program and to publish a brochure describing the program; requiring, by a specified date, qualified public depositories to make copies of the department's brochure available and provide a hyperlink on their websites to the department's website for the program; providing that qualified public depositories are not subject to civil liability arising from the distribution and contents of the brochure and the program website information; amending s. 280.16, F.S.; requiring a qualified public depository to participate in the program; providing an appropriation; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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Section 1. Section 17.68, Florida Statutes, is created to read:

17.68 Financial Literacy Program for Individuals with Developmental Disabilities.—

(1) The Legislature finds that the state has a compelling interest in promoting the economic independence and successful employment of individuals with developmental disabilities as defined in s. 393.063. In comparison with the general population, individuals with developmental disabilities experience lower rates of educational achievement, employment, and annual earnings and are more likely to live in poverty. Additionally, such individuals must navigate a complex network of federal and state programs in order to be eligible for financial and health benefits. Thus, it is essential that these individuals have sufficient financial management knowledge and skills to effectively participate in benefit eligibility determination processes and make informed decisions regarding financial services and products provided by financial institutions. Enhancing the financial literacy of such individuals will provide a pathway for economic independence and successful employment.

(2) The Financial Literacy Program for Individuals with Developmental Disabilities is established within the Department of Financial Services. The department, in consultation with public and private stakeholders, shall develop and implement the program, which must be designed to promote the economic independence and successful employment of individuals with developmental disabilities. Banks, credit unions, savings

Page 2 of 5

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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59 associations, and savings banks will be key participants in the
 60 development and promotion of the program, which must provide
 61 information, resources, outreach, and education in the following
 62 areas:

63 (a) For individuals with developmental disabilities:

64 1. Financial education, including instruction on money
 65 management skills and the effective use of financial services
 66 and products, to promote income preservation and asset
 67 development.

68 2. Identification of available financial and health benefit
 69 programs and services.

70 3. Job training programs and employment opportunities,
 71 including work incentives and state and local workforce
 72 development programs.

73 4. The impact of earnings and assets on eligibility for
 74 federal and state financial and health benefit programs, and
 75 options to manage such impact.

76 (b) For employers in this state, strategies to make program
 77 information and educational materials available to their
 78 employees with developmental disabilities.

79 (3) The department shall:

80 (a) Establish on its website a clearinghouse for
 81 information regarding the program and other resources available
 82 for individuals with developmental disabilities and their
 83 employers.

84 (b) Publish a brochure describing the program, which is
 85 also accessible on its website.

86 (4) Within 90 days after the department establishes the
 87 website clearinghouse and publishes the brochure, each bank,

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88 savings association, and savings bank that is a qualified public
 89 depository as defined in s. 280.02 shall:

90 (a) Make copies of the department's brochures available,
 91 upon the request of the consumer, at its principal place of
 92 business and each branch office located in this state which has
 93 in-person teller services by having copies of the brochure
 94 available or having the capability to print a copy of the
 95 brochure from the department's website. Upon request, the
 96 department shall provide copies of the brochure to a bank,
 97 savings association, or savings bank.

98 (b) Provide on its website a hyperlink to the department's
 99 website clearinghouse. If the department changes the website
 100 address for the clearinghouse, the bank, savings association, or
 101 savings bank must update the hyperlink within 90 days after
 102 notification by the department of such change.

103 (5) A participating qualified public depository is not
 104 subject to civil liability arising from the distribution or
 105 nondistribution of the brochure or program website information.
 106 The contents of the brochure or the program website information
 107 may not be attributed to a participating qualified public
 108 depository by virtue of its distribution, and do not constitute
 109 financial or investment advice by, nor create a fiduciary duty
 110 on, the participating qualified public depository to the
 111 recipient.

112 Section 2. Paragraph (e) is added to subsection (1) of
 113 section 280.16, Florida Statutes, to read:

114 280.16 Requirements of qualified public depositories;
 115 confidentiality.—

116 (1) In addition to any other requirements specified in this

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2016376__

117 chapter, qualified public depositories shall:

118 (e) Participate in the Financial Literacy Program for
119 Individuals with Developmental Disabilities as required under s.
120 17.68.

121 Section 3. For the 2016-2017 fiscal year, the sums of
122 \$63,664 in recurring funds and \$73,570 in nonrecurring funds
123 from the Insurance Regulatory Trust Fund are appropriated to the
124 Consumer Assistance Program within the Department of Financial
125 Services, and one full-time equivalent position with associated
126 salary rate of 41,114 is authorized, for the purpose of
127 implementing the program created by this act.

128 Section 4. This act shall take effect January 1, 2017.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

W

10/20

Meeting Date

SB 376

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Elizabeth Boyd

Job Title Director of Leg. Affairs

Address 400 N Monroe PL

Phone 413-2963

Street

Tallahassee FL 32399

Email Elizabeth.Boyd@myfloridacfo.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing CFO Jeff Atwater

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

W

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10-20-15

Meeting Date

SB 376

Bill Number (if applicable)

Topic Individuals with Disabilities

Amendment Barcode (if applicable)

Name Dixie Sansom

Job Title Lobbyist

Address PO Box 98

Phone 321-543-7195

Street

Cocoa

City

FL

State

32923-0098

Zip

Email dixiesansom@aol.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

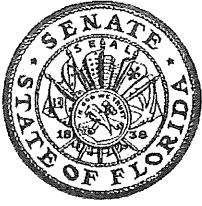
Representing The Acc of Florida

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR DOROTHY L. HUKILL
8th District

COMMITTEES:

Finance and Tax, *Chair*
Communications, Energy, and Public Utilities,
Vice Chair
Appropriations
Appropriations Subcommittee on Transportation,
Tourism, and Economic Development
Banking and Insurance
Fiscal Policy

JOINT COMMITTEE:

Joint Committee on Public Counsel Oversight

October 6, 2015

The Honorable Lizbeth Benacquisto
320 Knott Building
404 S. Monroe Street
Tallahassee, FL 32399

Re: Senate Bill 376 – Individuals with Disabilities

Dear Chairwoman Benacquisto:

Senate Bill 376, relating Individuals with Disabilities has been referred to the Banking and Insurance Committee. I am requesting your consideration on placing SB 376 on your next agenda. Should you need any additional information please do not hesitate to contact my office.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Dorothy L. Hukill".

Dorothy L. Hukill, District 8

cc: James Knudson, Staff Director of the Banking and Insurance Committee
Sheri Green, Administrative Assistant of the Banking and Insurance Committee

REPLY TO:

209 Dunlawton Avenue, Unit 17, Port Orange, Florida 32127 (386) 304-7630 FAX: (888) 263-3818
 Ocala City Hall, 110 SE Watula Avenue, 3rd Floor, Ocala, Florida 34471 (352) 694-0160

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Commerce and Tourism, *Chair*
Education Pre-K - 12, *Vice Chair*
Appropriations Subcommittee on Transportation,
Tourism, and Economic Development
Banking and Insurance
Children, Families, and Elder Affairs

JOINT COMMITTEE:

Joint Administrative Procedures Committee

SENATOR NANCY C. DETERT

28th District

October 20, 2015

The Honorable Lizbeth Benacquisto
Chair
Senate Banking and Insurance Committee
404 S. Monroe Street
320 Knott Building
Tallahassee, FL 32399-1100

Dear Madame Chair:

I respectfully request that I be excused from today's Senate Banking and Insurance Committee meeting due to personal medical reasons.

Thank you for your consideration of this request.

A handwritten signature in cursive script that reads "Nancy C. Detert".

Nancy C. Detert

NCD/ca

Cc: James Knudson, Staff Director
Sheri Green, Administrative Assistant

REPLY TO:

- 417 Commercial Court, Suite D, Venice, Florida 34292 (941) 480-3547 FAX: (941) 480-3549
- 416 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5028

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

