

The Florida Senate  
**COMMITTEE MEETING EXPANDED AGENDA**  
GOVERNMENTAL OVERSIGHT AND ACCOUNTABILITY  
Senator Baxley, Chair  
Senator Mayfield, Vice Chair

**MEETING DATE:** Tuesday, October 10, 2017  
**TIME:** 10:00 a.m.—12:30 p.m.  
**PLACE:** James E. "Jim" King, Jr. Committee Room, 401 Senate Office Building

**MEMBERS:** Senator Baxley, Chair; Senator Mayfield, Vice Chair; Senators Galvano, Rader, Rouson, Stargel, and Stewart

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TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Overview of committee jurisdiction by Diana Caldwell		Discussed

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2	Presentation by the Department of Management Services, State Group Insurance, Tami Fillyaw, Director		Presented
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Other Related Meeting Documents

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# Overview of Governmental Oversight and Accountability Committee



**SENATOR DENNIS BAXLEY, *CHAIR***  
**SENATOR DEBBIE MAYFIELD, *VICE CHAIR***

**SENATOR BILL GALVANO**  
**SENATOR KEVIN RADER**  
**SENATOR DARRYL ROUSON**  
**SENATOR KELLI STARGEL**  
**SENATOR LINDA STEWART**

# Committee Staff



- **Diana Caldwell**
  - **Staff Director**
- **Ashley Peacock**
  - **Senior Attorney**
- **Cindy Brown**
  - **Senior Attorney**
- **Tamra Redig**
  - **Senior Administrative Assistant**

# Entity Oversight



- **Executive Office of the Governor**
  - ✦ (except the Division on Emergency Management)
- **State Board of Administration**
- **Department of State**
  - ✦ (except the Division of Elections and Division of Corporations)
- **Agency for State Technology**
  - State Data Center
- **Department of Management Services**
  - Florida Human Relations Commission
  - Public Employees Relations Commission
  - Division of Administrative Hearings

# Committee Subject Areas



- **Public sector retirement plans**
- **Enterprise technology and infrastructure**
- **Investment management of state funds**
- **State workforce and benefits**
- **State procurement and contracting**
- **Open government (public records and open meetings)**
- **Arts, culture, and historical preservation programs**
- **Administrative Procedures Act**
- **Government organization**

# Overview of the State Group Health Insurance Program



Senate Governmental Oversight and Accountability  
Committee

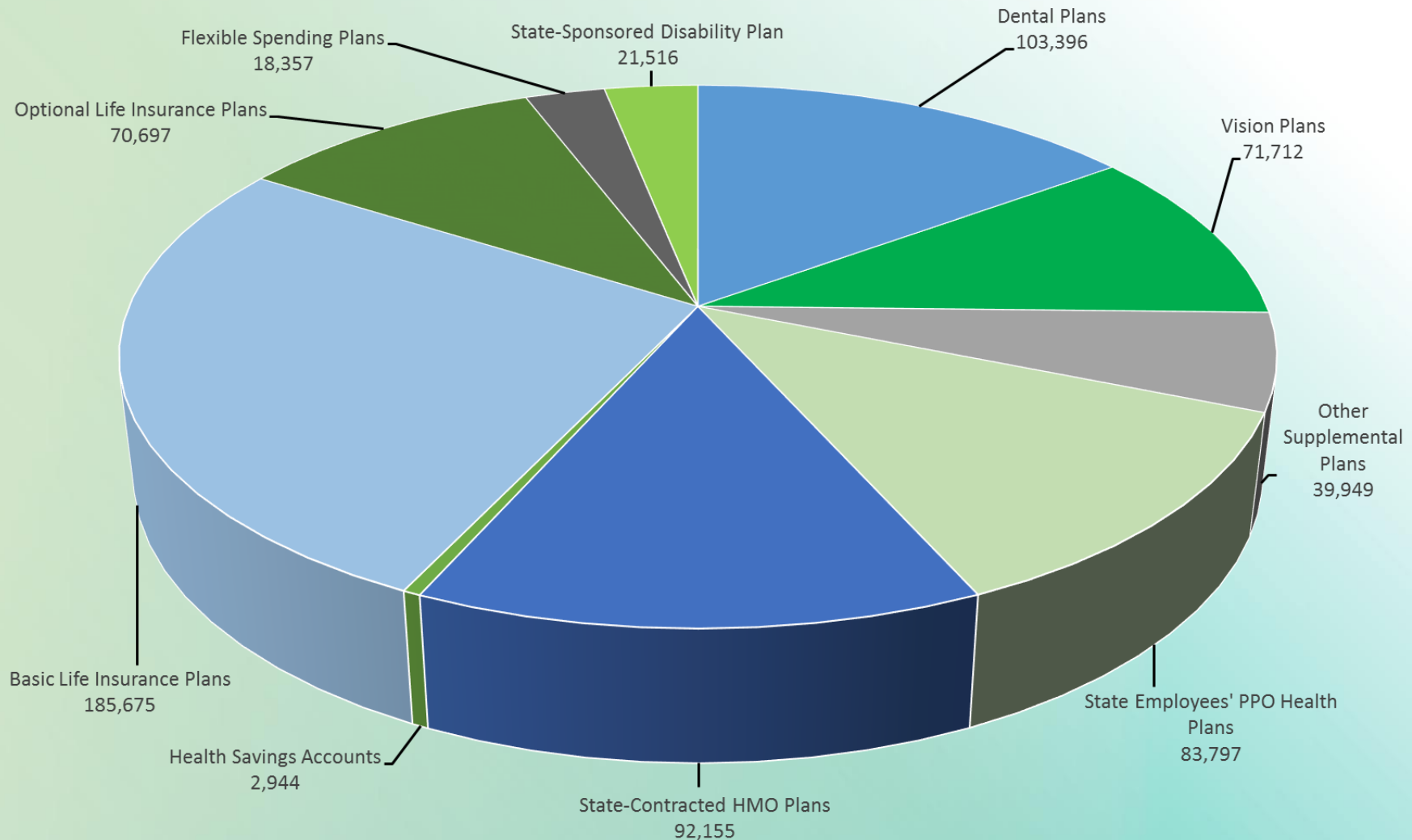
October 10, 2017

- Division of State Group Insurance
- Financial View
  - Actual/Projected Health Program Spend
- Program View
  - Enrollment, Coverage Options, Premiums
- Status Update on Key Initiatives
  - Dependent Eligibility Verification Audit
  - Weight Management Pilot
  - Implementation of SB 7022

# Division of State Group Insurance

Procures and administers a comprehensive package of tax-favored insurance benefits pursuant to s. 110.123, F.S.

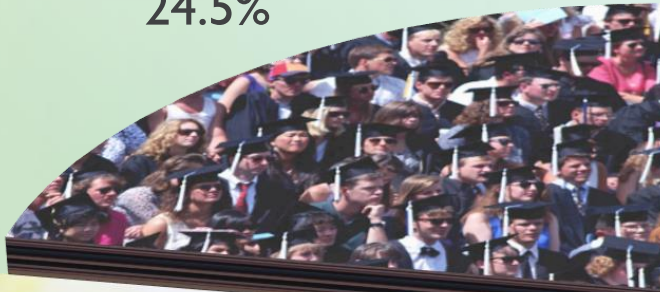
*Insurance Plans Average Enrollment Plan Year 2017*





Covered Lives: 368,471  
Policyholders: 175,654

Universities  
24.5%



Agencies  
54.8%



Retirees &  
Other  
Former  
Employees  
20.4%



Statutorily  
Defined  
Agencies  
0.3%

Covered Lives: 368,471

Policyholders: 175,654



Retirees &  
Other  
Former  
Employees  
20.4%

## PPO

## HMO

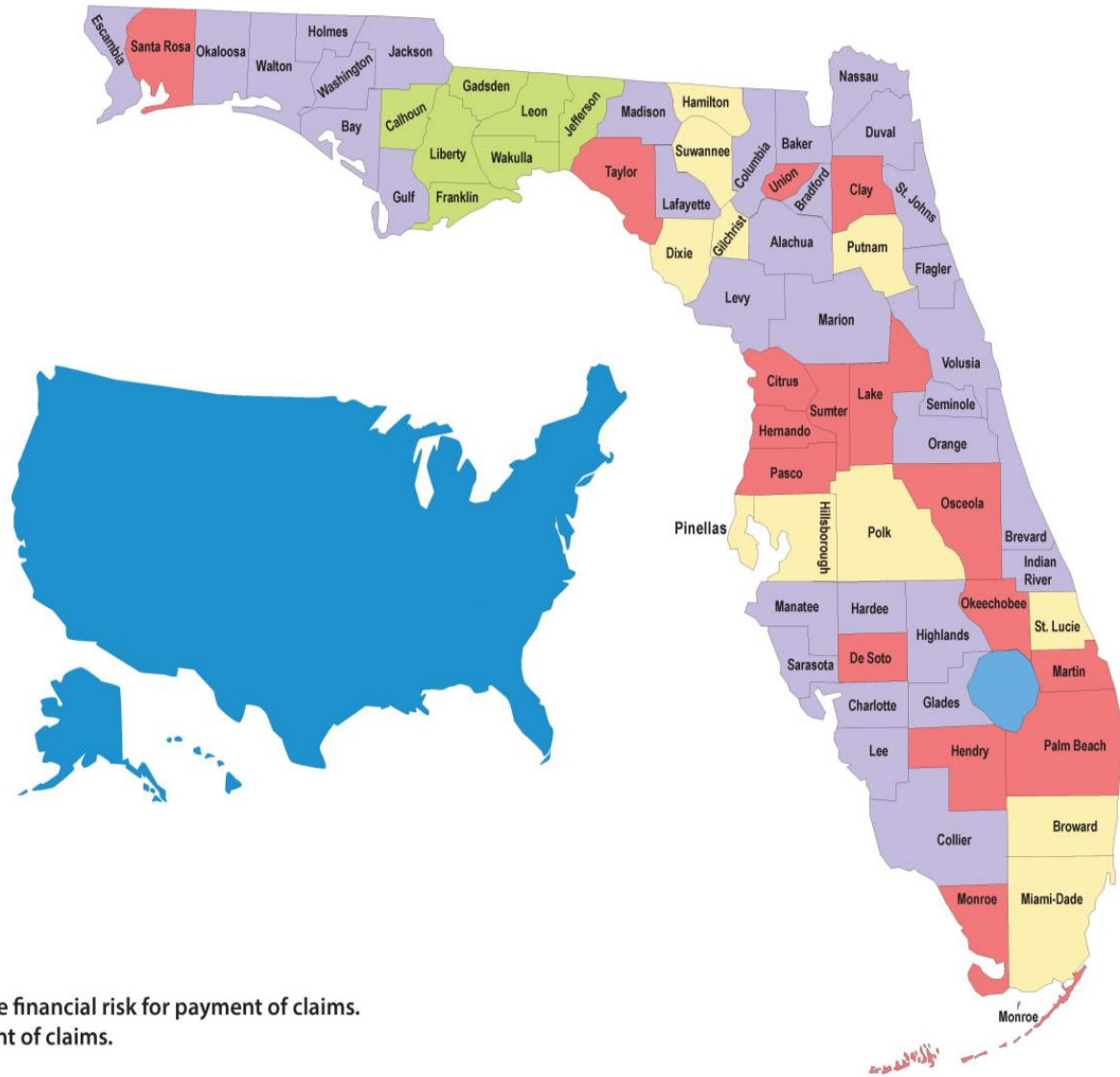
- Deductible, copayments, and coinsurance
- Nationwide network
- In- and out-of-network benefits
- No referrals for specialists

### Same for Both

- Monthly contribution
  - Copay for Rx
- Free preventive care services
- Annual out-of-pocket maximum for medical and Rx combined
- Copay for urgent care or emergency room visit

- Copayments
- Service area network
- In-network benefits
- Referrals for specialists

# Contracted Service Areas (2018)



**HMO**

- Capital Health Plan<sup>2</sup>
- AvMed<sup>1</sup>
- UnitedHealthcare<sup>1</sup>
- Aetna<sup>1</sup>

**PPO<sup>1</sup>**

- Florida Blue
- CVS/Caremark

<sup>1</sup>Self-insured/third-party administrator: the state bears the financial risk for payment of claims.

<sup>2</sup>Fully insured: the HMO bears the financial risk for payment of claims.

- Automatic enrollment in the self-insured Prescription Drug Program when enrolled in a health plan
- Open formulary – Covers all federal legend drugs
- National network of participating retail pharmacies and a mail order program
- Three-tier copayment structure:
  - Generic | Preferred Brand | Non-Preferred Brand
- FY 2017-18 projected prescription drug spend: \$693.1 million (an increase of \$81.4 million over FY 2016-17)
- Prescription drug trend is on the rise
  - Generics have peaked
  - Generic price inflation
  - Brand inflation
- CVS/Caremark: contracted pharmacy benefit manager

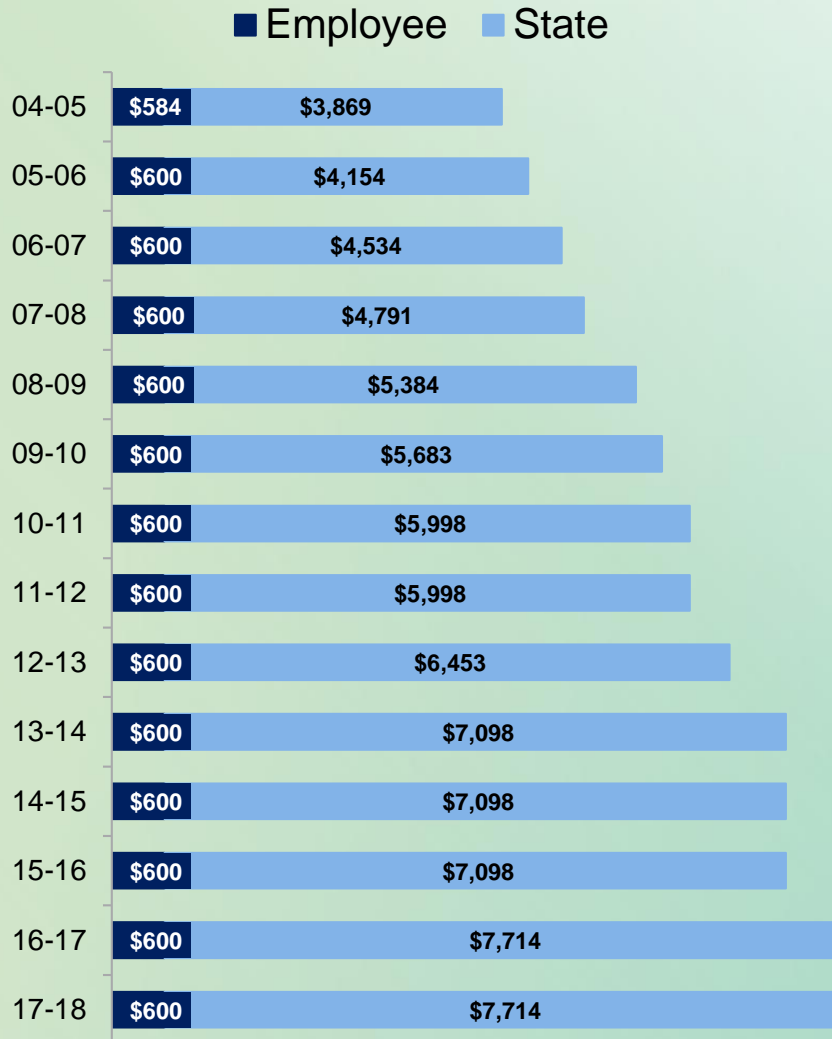
# Monthly Premiums & Contributions

Subscriber Category	Coverage Type	PPO & HMO Standard			PPO & HMO High Deductible		
		Employer	Enrollee	Total	Employer <sup>1</sup>	Enrollee	Total
Career Service <sup>2</sup> & OPS	Single	\$642.84	\$50.00	\$692.84	\$642.84	\$15.00	\$657.84
	Family	\$1,379.60	\$180.00	\$1,559.60	\$1,379.60	\$64.30	\$1,443.90
	Spouse	\$1,529.60	\$30.00	\$1,559.60	\$1,413.92	\$30.00	\$1,443.92
SES & SMS	Single	\$684.50	\$8.34	\$692.84	\$649.50	\$8.34	\$657.84
	Family	\$1,529.60	\$30.00	\$1,559.60	\$1,413.90	\$30.00	\$1,443.90
Pre-Medicare Retiree	Single	\$0.00	\$692.84	\$692.84	\$0.00	\$616.18	\$616.18
	Family	\$0.00	\$1,559.60	\$1,559.60	\$0.00	\$1,360.57	\$1,360.57
Over-age Dependent	Single	\$0.00	\$692.84	\$692.84	\$0.00	\$616.18	\$616.18

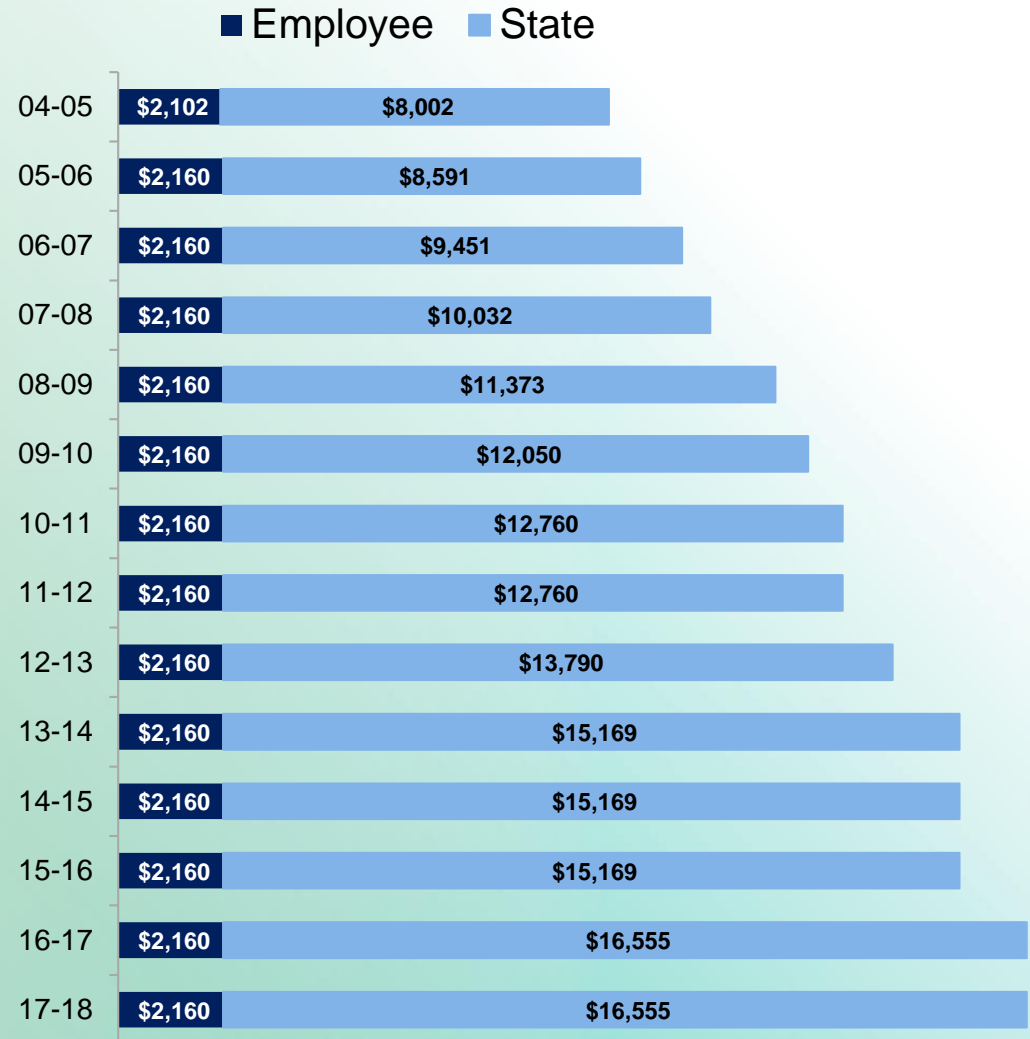
<sup>1</sup> Includes employer tax-free Health Savings Account (HSA) contribution - \$41.66 and \$83.33 per month for single and family coverage, respectively.

<sup>2</sup> COBRA participants pay the full single or family premium plus a 2 percent administrative fee.

## Single Coverage Annual Premium

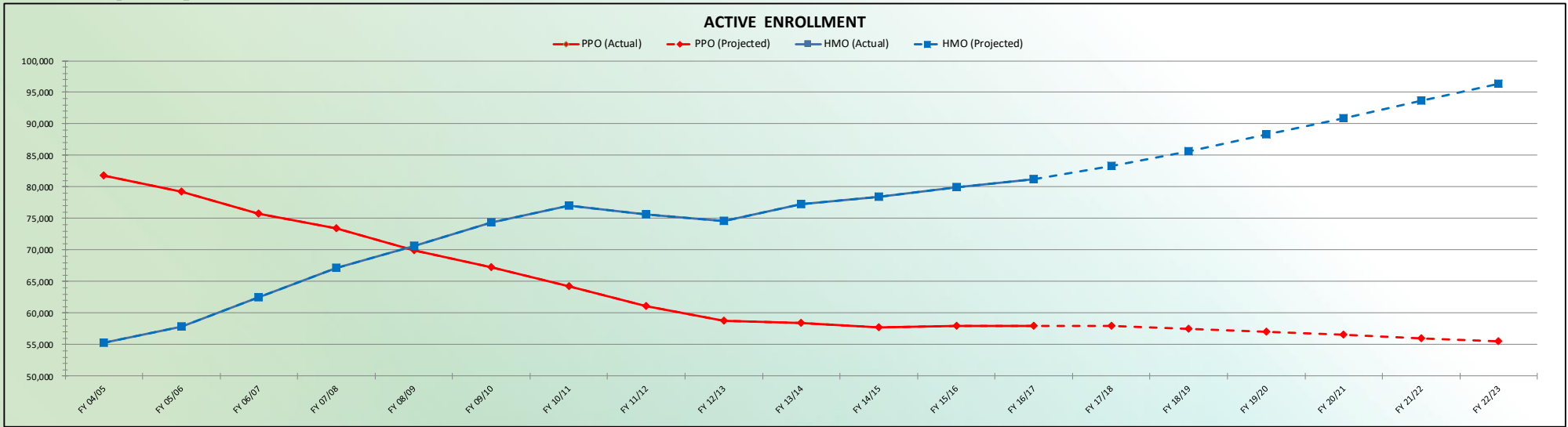


## Family Coverage Annual Premium

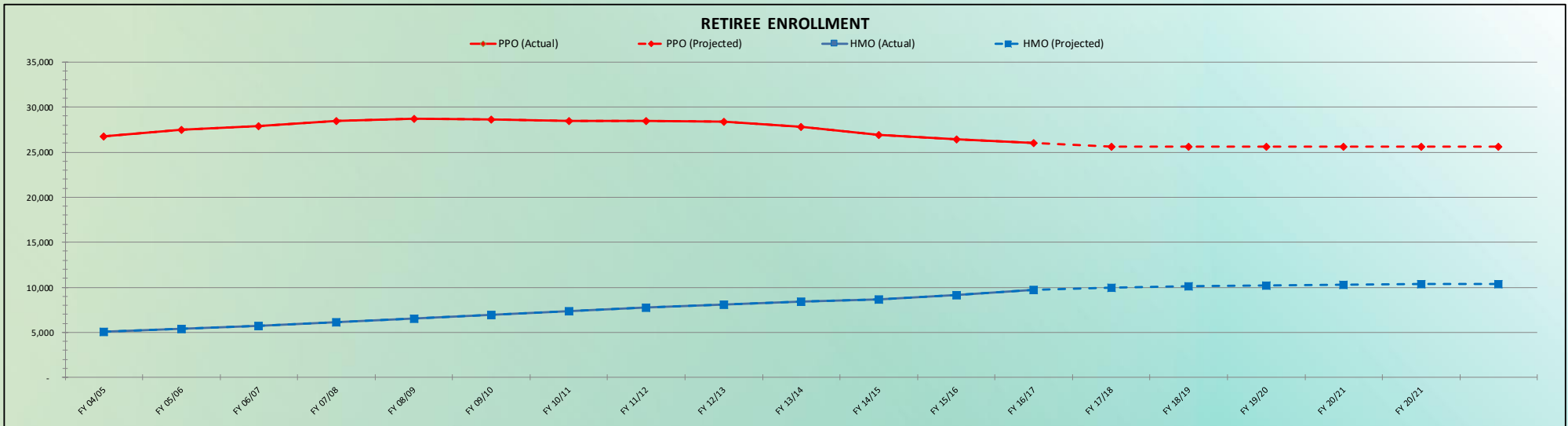


Represents rates for Career Service employees

## Employee Enrollment



## Retiree Enrollment





# Actual/Projected Health Program Spend



## 2017-088, Laws of Florida

- Independent Benefits Consultant (IBC)
- Transparency and Bundled Services entities
- Metal Tier Health Plans
- Shared Savings Program
- Additional Benefit Offerings

# Independent Benefits Consultant (IBC)

- Assessment of State Group Insurance Program
- Transparency Entity
- Comprehensive Surgical Services Entity
- Additional Benefit Options
- Report and Implementation Plan for Metal Tier Benefit Levels

# Independent Benefits Consultant (IBC)

Action	Timeframe
Request for Proposals (RFP) Issued	August 4, 2017
Contract Executed	October 2, 2017
Assessment of State Group Insurance Program Due	December 1, 2017
Consult on Transparency Entity and Comprehensive Surgical Services Entity	December 2017 – January 2018
Develop Shared Savings Program	January – April 2018
Report and Implementation Plan for New Metal Tier Health Plans due to the Legislature and Governor	By January 1, 2019

# Transparency Entity

- Online transparency tool on cost and quality of health care services
- Incorporate a shared savings program with employees
- Multiple vendors with various approaches
- Competitively procure and implement

# Comprehensive Surgical and Medical Procedures Entity

- Entity that offers "bundled" price for healthcare services for an episode of care (e.g., knee replacement)
- Incorporate a shared savings program with employees
- Multiple vendors with various approaches
- Competitively procure and implement

# Transparency and Bundled Services Entities

Action	Timeframe
Request for Proposals (RFP) Issued	January 2018
Execute Contracts	April 2018
Project Plan and Implementation	April – September 2018
Transparency Portal Online	October 2018
Bundled Services Entity Available	October 2018
Report on Transparency and Bundled Services Entities due to the Legislature and Governor	By January 15, 2019

## Metal Tier Health Plans

- Metal Tier Health Plans in 2020 Plan Year
  - Platinum (Actuarial Value of at least 90%)
  - Gold (Actuarial Value of at least 80%)
  - Silver (Actuarial Value of at least 70%)
  - Bronze (Actuarial Value of at least 60%)
- Shared Savings
  - Flexible Spending Account (currently available)
  - Health Savings Account (currently available)
  - Used to purchase additional benefits offered through the state group insurance program
  - Salary Supplement



Tami Fillyaw

Director

Division of State Group Insurance

Florida Department of Management Services

[Tami.Fillyaw@dms.myFlorida.com](mailto:Tami.Fillyaw@dms.myFlorida.com)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

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

10/10/2017

Meeting Date

Bill Number (if applicable)

Topic Overview of the State Group Health Insurance Program

Amendment Barcode (if applicable)

Name Tami Fillyaw

Job Title Director, State Group Health Insurance

Address 4050 Esplanade Way

Phone 850-488-6285

Street

Tallahassee

FL

32399

Email tami.fillyaw@dms.myflorida.com

City

State

Zip

Speaking:  For  Against  Information

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

Representing DMS Division of State Group Insurance

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.

S-001 (10/14/14)



## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

OK

**SENATOR DEBBIE MAYFIELD**  
17th District

October 6, 2017

Chairman Dennis Baxley  
320 Senate Office Building  
404 South Monroe Street  
Tallahassee, FL 32399-1100

Re: Government Oversight and Accountability

Dear Chair Baxley,

I am respectfully requesting an excused absence from the Government Oversight and Accountability committee meeting on October 10, 2017, scheduled from 10:00am to 12:30pm.

I appreciate your consideration of this request and I look forward to working with you and the Government Oversight and Accountability committee in the future. If you have any questions or concerns, please do not hesitate to call me directly.

Thank you,

A handwritten signature in cursive script, appearing to read "Deb".

Senator Debbie Mayfield  
District 17

Cc: Diana Caldwell, Tamra Redig, Debbie Dennis, Alex Bickley

REPLY TO:

- 900 E. Strawbridge Avenue, Melbourne, Florida 32901 (321) 409-2025
- 1801 27th Street, Vero Beach, Florida 32960 (772) 226-1970
- 324 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5017

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

JOE NEGRON  
President of the Senate

ANITERE FLORES  
President Pro Tempore

# CourtSmart Tag Report

**Room:** SB 401  
**Caption:** Senate Governmental Oversight and Accountability

**Case No.:**

**Type:**  
**Judge:**

**Started:** 10/10/2017 10:01:04 AM  
**Ends:** 10/10/2017 10:35:13 AM      **Length:** 00:34:10

10:01:03 AM Meeting called to order  
10:01:11 AM Roll Call  
10:01:27 AM Chair excuses Senator Mayfield  
10:01:55 AM Chair opening comments and welcoming Sen. Stargel to committee  
10:02:28 AM Introduction of new staff to committee  
10:04:01 AM Chair comments regarding committee overview  
10:04:31 AM TAB 1 - Diana Caldwell, Staff Director, Committee Overview/Jurisdiction  
10:06:03 AM Chair asks for jurisdiction to be sent to members  
10:06:19 AM Senator Rouson question regarding jurisdiction  
10:08:09 AM Chair Baxley comment regarding Sen. Rouson's inquiry  
10:08:27 AM Senator Galvano comments regarding Sen. Rouson's inquiry  
10:08:48 AM TAB 2 - Presentation by Dept. of Management Services, State Group Insurance, Tami Fillyaw, Director  
10:11:48 AM DMS Insurance Plans  
10:12:10 AM Program participants  
10:13:15 AM Health Plan Options  
10:13:37 AM Service areas for PPO and HMO plans  
10:14:23 AM Prescription Drugs Overview  
10:15:50 AM Monthly Premiums and Contributions  
10:16:43 AM Premium history for career service employees  
10:17:20 AM Plan enrollment trends/patterns  
10:17:57 AM Financial view of health program  
10:18:57 AM Implementaion of SB 7022 (2017-088, Laws of Florida)  
10:19:53 AM Independent Benefits Consultant  
10:21:54 AM Transparency Vendor  
10:23:30 AM Comprehensive Surgical and Medical Procedures Entity  
10:24:46 AM Timeline for Transparency and Bundled Services Entities  
10:25:40 AM Implementation of Metal Tier Health Plans  
10:27:09 AM Approved contracts  
10:27:59 AM Communication to policy holders  
10:28:21 AM Weight Management Pilot  
10:29:37 AM Member questions?  
10:29:56 AM Senator Baxley asks if there is a provision to use Health Savings Account  
10:30:54 AM Ms. Fillyaw answers Senator Baxley's question  
10:31:52 AM Senator Baxley asks another question of the presenter  
10:32:59 AM Senator Baxley question regarding bidding for pharmacy  
10:34:43 AM Senator Baxley remarks  
10:35:00 AM Senator Stargel moves to adjourn