

Committee on Banking and Insurance

CS/CS/HB 897 — Group Health Plans

by Health and Human Services Committee; Healthcare Regulation Subcommittee; and Rep. Fernandez-Barquin and others (CS/SB 940 by Banking and Insurance Committee and Senators Calatayud and Rodriguez)

The bill clarifies the criteria that employer members of a group or association must meet to constitute a bona fide group or association of employers in order to sponsor a group health plan for their members or employees. Association health plans (AHP) are a type of multiple employer welfare arrangement (MEWA). In Florida, the Office of Insurance Regulation has regulatory oversight of self-insured MEWAs and AHPs.

A 2018 Department of Labor rule on the regulation of association health plans (AHPs), provided another pathway for establishing an AHP in order to expand access to affordable health coverage for small employers and sole proprietors. This rule loosened the requirements for an association to qualify as a “bona-fide association” by allowing the establishment of an AHP for the explicit purpose of providing health coverage, so long as the association has another legitimate purpose for members. Florida subsequently codified the 2018 federal rule defining the term, “bona-fide group.” However, the federal rule’s definition of a “bona-fide group” was struck down by a federal district court in 2019.

The bill removes references in the Florida Insurance Code to the 2018 federal rule relating to AHPs and bona-fide group eligibility, and instead adopts the requirements to be considered a bona fide group from the stricken rule and thus maintains an expanded pathway for more groups or associations to form MEWAs.

If approved by the Governor, or allowed to become law without the Governor’s signature, these provisions take effect upon becoming law.

Vote: Senate 38-0; House 100-7