

By Senator Forman

32-1346-98

See HB

1                                   A bill to be entitled  
2           An act relating to health insurance; amending  
3           s. 627.6484, F.S.; providing limitations on  
4           applications for insurance under certain  
5           circumstances; deleting requirements and  
6           criteria for a market assistance plan; amending  
7           s. 627.6486, F.S., to conform; amending s.  
8           627.6492, F.S.; exempting certain insurers from  
9           certain assessments under certain  
10          circumstances; providing an exception;  
11          providing requirements; providing an effective  
12          date.

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

16           Section 1. Section 627.6484, Florida Statutes, is  
17 amended to read:

18           627.6484 Termination of enrollment; availability of  
19 other coverage.--

20           (1) The association may ~~shall~~ accept up to 5,000  
21 applications for insurance at a rate of up to 1,000  
22 applications annually for a 5-year period, exclusive of  
23 replacement applications only until June 30, 1991, after which  
24 date no further applications may be accepted. Upon receipt of  
25 an application for insurance, the association shall issue  
26 coverage for an eligible applicant. Applications shall be  
27 processed on a first-come, first-served basis. All  
28 applications received on the same day at the same time shall  
29 be processed as a group, provided, if processing the number of  
30 applications in such group would exceed the 1,000 application  
31 limit for a given year, such group shall be held for

1 processing until such time as processing such applications  
2 would not exceed such limit.~~When appropriate, the~~  
3 ~~administrator shall forward a copy of the application to a~~  
4 ~~market assistance plan created by the department, which shall~~  
5 ~~conduct a diligent search of the private marketplace for a~~  
6 ~~carrier willing to accept the application.~~

7       ~~(2) The department shall, after consultation with the~~  
8 ~~health insurers licensed in this state, adopt a market~~  
9 ~~assistance plan to assist in the placement of risks of Florida~~  
10 ~~Comprehensive Health Association applicants. All health~~  
11 ~~insurers and health maintenance organizations licensed in this~~  
12 ~~state shall participate in the plan.~~

13       ~~(3) Guidelines for the use of such program shall be a~~  
14 ~~part of the association's plan of operation. The guidelines~~  
15 ~~shall describe which types of applications are to be exempt~~  
16 ~~from submission to the market assistance plan. An exemption~~  
17 ~~shall be based upon a determination that due to a specific~~  
18 ~~health condition an applicant is ineligible for coverage in~~  
19 ~~the standard market. The guidelines shall also describe how~~  
20 ~~the market assistance plan is to be conducted, and how the~~  
21 ~~periodic reviews to depopulate the association are to be~~  
22 ~~conducted.~~

23       ~~(4) If a carrier is found through the market~~  
24 ~~assistance plan, the individual shall apply to that company.~~  
25 ~~If the individual's application is accepted, association~~  
26 ~~coverage shall terminate upon the effective date of the~~  
27 ~~coverage with the private carrier. For the purpose of~~  
28 ~~applying a preexisting condition limitation or exclusion, any~~  
29 ~~carrier accepting a risk pursuant to this section shall~~  
30 ~~provide coverage as if it began on the date coverage was~~  
31 ~~effectuated on behalf of the association, and shall be~~

1 ~~indemnified by the association for claims costs incurred as a~~  
2 ~~result of utilizing such effective date.~~

3 ~~(2)(5)~~ The association shall establish a policyholder  
4 assistance program by July 1, 1991, to assist in placing  
5 eligible policyholders in other coverage programs, including  
6 Medicare and Medicaid.

7 Section 2. Paragraph (f) of subsection (2) of section  
8 627.6486, Florida Statutes, is amended to read:

9 627.6486 Eligibility.--

10 (2)

11 (f) No person is eligible for coverage under the plan  
12 unless such person has been rejected by two insurers for  
13 coverage substantially similar to the plan coverage and no  
14 insurer has been found ~~through the market assistance plan~~  
15 ~~pursuant to s. 627.6484~~ that is willing to accept the  
16 application. As used in this paragraph, "rejection" includes  
17 an offer of coverage with a material underwriting restriction  
18 or an offer of coverage at a rate greater than the association  
19 plan rate.

20 Section 3. Subsection (4) is added to section  
21 627.6492, Florida Statutes, to read:

22 627.6492 Participation of insurers.--

23 (4) An insurer is exempt from the assessment imposed  
24 under this section for all administrative costs and losses  
25 incurred by all policyholders enrolled after January 1, 1999,  
26 if such insurer has assumed the risk of insurance for a  
27 proportionate number of persons from the Florida Comprehensive  
28 Health Association pool of new applicants equal to the  
29 percentage such insurer has in relation to the total insurance  
30 coverage provided by all insurers. An insurer may not be  
31 exempt from the assessment imposed under this section if such

1 insurer's market percentage in relation to the total insurance  
2 coverage provided by all insurers is less than 2 percent.  
3 Administrative costs and losses incurred by all policyholders  
4 prior to January 1, 1999, shall be distributed as provided in  
5 this section. Participation of insurers shall continue until  
6 such time as the pool of insureds ceases to exist.

7 Section 4. This act shall take effect October 1 of the  
8 year in which enacted.

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HOUSE SUMMARY

Provides limitations on applications for insurance through the Florida Comprehensive Health Association. Deletes requirements for a market assistance plan for placement of risks. Exempts insurers from assessments for administrative costs and losses incurred by policyholders under specific circumstances. See bill for details.