

By Representative Peadar

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;
7 providing eligibility for standard market
8 coverage for certain individuals under certain
9 circumstances; amending s. 627.6486, F.S., to
10 conform; amending s. 627.6487, F.S.; providing
11 an additional criterion for a definition;
12 amending s. 627.6492, F.S.; exempting certain
13 insurers from certain assessments under certain
14 circumstances; providing an exception;
15 providing requirements; providing an effective
16 date.

17

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

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20 Section 1. Section 627.6484, Florida Statutes, is
21 amended to read:22 627.6484 Termination of enrollment; availability of
23 other coverage.--24 (1) The association may ~~shall~~ accept up to 5,000
25 applications for insurance at a rate of up to 1,000
26 applications annually for a 5-year period, exclusive of
27 replacement applications only until June 30, 1991, after which
28 ~~date no further applications may be accepted~~. Upon receipt of
29 an application for insurance, the association shall issue
30 coverage for an eligible applicant. Applications shall be
31 processed on a first-come, first-served basis. All

1 applications received on the same day at the same time shall
2 be processed as a group, provided, if processing the number of
3 applications in such group would exceed the 1,000 application
4 limit for a given year, such group shall be held for
5 processing until such time as processing such applications
6 would not exceed such limit.~~When appropriate, the~~
7 ~~administrator shall forward a copy of the application to a~~
8 ~~market assistance plan created by the department, which shall~~
9 ~~conduct a diligent search of the private marketplace for a~~
10 ~~carrier willing to accept the application.~~

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

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

27 ~~(4) If a carrier is found through the market~~
28 ~~assistance plan, the individual shall apply to that company.~~
29 ~~If the individual's application is accepted, association~~
30 ~~coverage shall terminate upon the effective date of the~~
31 ~~coverage with the private carrier. For the purpose of~~

1 ~~applying a preexisting condition limitation or exclusion, any~~
2 ~~carrier accepting a risk pursuant to this section shall~~
3 ~~provide coverage as if it began on the date coverage was~~
4 ~~effectuated on behalf of the association, and shall be~~
5 ~~indemnified by the association for claims costs incurred as a~~
6 ~~result of utilizing such effective date.~~

7 (2)(5) The association shall establish a policyholder
8 assistance program by July 1, 1991, to assist in placing
9 eligible policyholders in other coverage programs, including
10 Medicare and Medicaid.

11 (3) An individual who has been eligible for coverage
12 through the association for a period of 36 months after
13 October 1, 1998, shall be eligible for coverage in the
14 standard market.

15 Section 2. Paragraph (f) of subsection (2) of section
16 627.6486, Florida Statutes, is amended to read:

17 627.6486 Eligibility.--

18 (2)

19 (f) No person is eligible for coverage under the plan
20 unless such person has been rejected by two insurers for
21 coverage substantially similar to the plan coverage and no
22 insurer has been found ~~through the market assistance plan~~
23 ~~pursuant to s. 627.6484~~ that is willing to accept the
24 application. As used in this paragraph, "rejection" includes
25 an offer of coverage with a material underwriting restriction
26 or an offer of coverage at a rate greater than the association
27 plan rate.

28 Section 3. Paragraph (f) is added to subsection (3) of
29 section 627.6487, Florida Statutes, to read:

30 627.6487 Guaranteed availability of individual health
31 insurance coverage to eligible individuals.--

1 (3) For the purposes of this section, the term
2 "eligible individual" means an individual:
3 (a)1. For whom, as of the date on which the individual
4 seeks coverage under this section, the aggregate of the
5 periods of creditable coverage, as defined in s. 627.6561(5)
6 and (6), is 18 or more months; and
7 2. Whose most recent prior creditable coverage was
8 under a group health plan, governmental plan, or church plan,
9 or health insurance coverage offered in connection with any
10 such plan;
11 (b) Who is not eligible for coverage under:
12 1. A group health plan, as defined in s. 2791 of the
13 Public Health Service Act;
14 2. A conversion policy under s. 627.6675 or s.
15 641.3921;
16 3. Part A or part B of Title XVIII of the Social
17 Security Act; or
18 4. A state plan under Title XIX of such act, or any
19 successor program, and does not have other health insurance
20 coverage;
21 (c) With respect to whom the most recent coverage
22 within the coverage period described in paragraph (1)(a) was
23 not terminated based on a factor described in s.
24 627.6571(2)(a) or (b), relating to nonpayment of premiums or
25 fraud, unless such nonpayment of premiums or fraud was due to
26 acts of an employer or person other than the individual;
27 (d) Who, having been offered the option of
28 continuation coverage under a COBRA continuation provision or
29 under s. 627.6692, elected such coverage; ~~and~~
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31

1 (e) Who, if the individual elected such continuation
2 provision, has exhausted such continuation coverage under such
3 provision or program; and-

4 (f) Who has been enrolled for a period of at least 36
5 months in coverage under the Florida Comprehensive Health
6 Association and is enrolled with the association on January 1,
7 2002.

8 Section 4. Subsection (4) is added to section
9 627.6492, Florida Statutes, to read:

10 627.6492 Participation of insurers.--

11 (4) An insurer is exempt from the assessment imposed
12 under this section for all administrative costs and losses
13 incurred by all policyholders enrolled after January 1, 1999,
14 if such insurer has assumed the risk of insurance for a
15 proportionate number of persons from the Florida Comprehensive
16 Health Association pool of new applicants equal to the
17 percentage such insurer has in relation to the total insurance
18 coverage provided by all insurers. An insurer may not be
19 exempt from the assessment imposed under this section if such
20 insurer's market percentage in relation to the total insurance
21 coverage provided by all insurers is less than 2 percent.
22 Administrative costs and losses incurred by all policyholders
23 prior to January 1, 1999, shall be distributed as provided in
24 this section. Participation of insurers shall continue until
25 such time as the pool of insureds ceases to exist.

26 Section 5. This act shall take effect October 1 of the
27 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.