

By the Committee on Elder Affairs & Long Term Care and
Representatives Peaden and Jacobs

1 A bill to be entitled
2 An act relating to long-term care; creating s.
3 430.801, F.S.; creating the Florida Employee
4 Long-Term-Care Plan Act; directing the
5 Department of Elderly Affairs to develop,
6 implement, and administer the long-term care
7 plan for public employees; authorizing the
8 department to contract for such administration;
9 providing duties of the department; requiring
10 the department to appoint a Florida Employee
11 Long-Term-Care Plan Advisory Council for
12 certain purposes; authorizing the department to
13 contract with the State Board of Administration
14 to invest certain funds; providing limitations;
15 creating a Florida Employee Long-Term-Care Plan
16 Board of Directors; providing for board
17 membership and duties; providing trustees'
18 duties, powers, and responsibilities; requiring
19 an annual report; providing for terms of
20 trustees; providing for expenses of the board
21 of trustees; prohibiting use of state funds for
22 certain costs; providing an effective date.

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

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26 Section 1. Section 430.801, Florida Statutes, is
27 created to read:
28 430.801 Florida Employee Long-Term-Care Plan Act.--
29 (1) The Legislature finds that state expenditures for
30 long-term-care services continue to increase at a rapid rate
31 and that the state faces increasing pressure in its efforts to

1 meet the long-term-care needs of the public. It is the intent
2 of the Legislature that:

3 (a) The Department of Elderly Affairs implement a
4 self-funded voluntary long-term-care plan for public employees
5 and their families.

6 (b) The department shall design the plan to provide
7 long-term-care coverage for public employees and family
8 members of public employees. Eligible plan participants must
9 include active and retired officers and employees of all
10 branches and agencies of state and local government and their
11 spouses, children, stepchildren, parents, and parents-in-law;
12 active and retired federal employees residing in the state and
13 their spouses, children, stepchildren, parents, and
14 parents-in-law residing in the state; and the surviving
15 spouses, children, stepchildren, parents, and parents-in-law
16 of such deceased officers and employees, whether active or
17 retired at the time of death.

18 (c) The Florida Employee Long-Term-Care Plan is not
19 subject to chapter 624, chapter 625, chapter 626, or chapter
20 627 or the rules of the Department of Insurance.

21 (2) As used in this section, the term:

22 (a) "Department" means the Department of Elderly
23 Affairs.

24 (b) "Self-funded" means that plan benefits and costs
25 are funded from contributions made by or on behalf of
26 participants and trust fund investment revenue.

27 (c) "Plan" means the Florida Employee Long-Term-Care
28 Plan.

29 (3) The department shall, in consultation with public
30 employees and representatives from unions and associations
31 representing state, university, local government, and other

1 public employees, establish and supervise the implementation
2 and administration of a self-funded, long-term-care plan
3 entitled "Florida Employee Long-Term-Care Plan."

4 (a) The department shall, in consultation with the
5 Division of State Group Insurance, the Department of
6 Management Services, and the Department of Insurance, contract
7 for actuarial, professional-administrator, and other services
8 for the Florida Employee Long-Term-Care Plan.

9 (b) When contracting for a professional administrator,
10 the department shall consider, at a minimum, the entity's
11 previous experience and expertise in administering group
12 long-term-care insurance programs; the entity's demonstrated
13 ability to perform its contractual obligations in the state
14 and in other jurisdictions; the entity's projected
15 administrative costs; the entity's capability to adequately
16 provide service coverage, including a sufficient number of
17 experienced and qualified personnel in the areas of marketing,
18 claims processing, recordkeeping, and underwriting; the
19 entity's accessibility to public employees and other qualified
20 participants; and the entity's financial soundness and
21 solvency.

22 (c) Any contract with a professional administrator
23 entered into by the department must require that the state be
24 held harmless and indemnified for any financial loss caused by
25 the failure of the professional administrator to comply with
26 the terms of the contract.

27 (d) The department shall explore innovations in
28 long-term-care financing and service delivery with regard to
29 possible future inclusion in the plan. Such innovative
30 financing and service-delivery mechanisms may include managed
31 long-term care and plans that set aside assets with regard to

1 eligibility for Medicaid-funded long-term-care services in the
2 same proportion that private long-term care insurance benefits
3 are used to pay for long-term care.

4 (4) The department shall appoint a Florida Employee
5 Long-Term-Care Plan Advisory Council to assist in designing
6 and marketing the plan. The advisory council shall be composed
7 of representatives of public employers and representatives of
8 other eligible participants, not to exceed 12 members. Council
9 members may not be reimbursed for travel and other expenses
10 related to their duties from department funds, but they may be
11 reimbursed from funds of the plan.

12 (5) The department shall contract with the State Board
13 of Administration for the investment of funds in the Florida
14 Employee Long-Term-Care Plan reserve fund. Plan contributions
15 collected and not required to pay the costs of the plan are
16 held on behalf of and for the benefit of the enrollees, and
17 are not state funds. The moneys shall be held by the State
18 Board of Administration on behalf of enrollees and invested in
19 accordance with a trust agreement approved by the department
20 and the State Board of Administration and in accordance with
21 the provisions of ss. 215.44-215.53. Moneys in the trust fund
22 may be used only for the purposes specified in the trust
23 agreement.

24 (6) A Florida Employee Long-term Care Plan Board of
25 Directors, is created, composed of 7 members, appointed as
26 follows:

27 (a) The Secretary of the Department of Elderly Affairs
28 shall appoint a member who is a plan participant.

29 (b) The Florida Employee Long-Term Care Plan Advisory
30 Council shall appoint one of its members.

31 (c) The Treasurer shall appoint an actuary.

1 (d) The Attorney General shall appoint an attorney
2 licensed to practice law in this state.

3 (e) The Governor, the Speaker of the House of
4 Representatives, and the President of the Senate each shall
5 appoint a member from a broad cross-section of the residents
6 of this state.

7 (7) The board of directors of the Florida Long-term
8 Care Plan shall:

9 (a) Prepare an annual report of the plan with the
10 assistance of an actuarial consultant to be submitted to the
11 Speaker of the House of Representatives, the President of the
12 Senate, and the Governor.

13 (b) Approve the Secretary's appointment of an
14 executive director to serve as the chief administrative and
15 operational officer of the Florida Employee Long-term Care
16 Plan.

17 (c) Approve the terms of the department's third party
18 administrator contract.

19 (d) Implement such other policies and procedures as
20 necessary to assure the soundness and efficient operation of
21 the plan.

22 (8) The trust's board of trustees' duties,
23 responsibilities, and powers shall be as specified in the
24 Florida Employee Long-Term-Care Plan Trust; however, at a
25 minimum, the trustees shall submit an annual report prepared
26 with the assistance of an actuarial consultant, to the
27 Governor, the Speaker of the House of Representatives, the
28 President of the Senate, the Secretary of Elderly Affairs, and
29 the minority leaders of the Senate and the House of
30 Representatives.

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1 (9) Each Trustee shall be appointed for a 2-year term
2 and may be reappointed for one additional 2-year term.

3 (10) Members of the board of trustees may not receive
4 a salary, but may be reimbursed for travel, per diem, and
5 administrative expenses related to their duties. Trustee
6 expenses and costs for the annual report and other
7 administrative expenses must be borne by the plan. State funds
8 may not be contributed toward costs associated with board
9 members or their activities conducted on behalf of and for the
10 benefit of trust beneficiaries.

11 Section 2. This act shall take effect upon becoming a
12 law.

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