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2 An act relating to long-term care; requiring  
3 the Department of Elderly Affairs and the  
4 Division of State Group Insurance to design a  
5 long-term-care plan for public employees and  
6 their families; requiring the division to  
7 coordinate marketing of the plan; providing for  
8 use of plan funds for marketing expenses;  
9 authorizing the division to contract with the  
10 State Board of Administration to invest certain  
11 funds; providing limitations; creating a  
12 Florida Employee Long-Term-Care Plan Board of  
13 Directors; providing for board membership,  
14 terms, and duties; requiring an annual report;  
15 providing for expenses of the board;  
16 prohibiting use of state funds for certain  
17 costs; providing for expiration of the act;  
18 providing an effective date.

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

21  
22 Section 1. Florida Employee Long-Term-Care Plan Act.--  
23 (1) The Legislature finds that state expenditures for  
24 long-term-care services continue to increase at a rapid rate  
25 and that the state faces increasing pressure in its efforts to  
26 meet the long-term-care needs of the public.  
27 (a) It is the intent of the Legislature that the  
28 Division of State Group Insurance and the Department of  
29 Elderly Affairs implement a self-funded or fully insured,  
30 voluntary, long-term-care plan for public employees and their  
31 families.

1           (b) The Department of Elderly Affairs and the Division  
2 of State Group Insurance shall jointly design the plan to  
3 provide long-term-care coverage for public employees and  
4 family members of public employees. The Division of State  
5 Group Insurance and the Department of Elderly Affairs shall  
6 enter into an interagency agreement defining their roles with  
7 regard to plan development and design. Joint planning expenses  
8 shall be shared to the extent that funded planning activities  
9 are consistent with the goals of the department and the  
10 division. Eligible plan participants must include active and  
11 retired officers and employees of all branches and agencies of  
12 state and local government and their spouses, children,  
13 stepchildren, parents, and parents-in-law; active and retired  
14 federal employees residing in the state and their spouses,  
15 children, stepchildren, parents, and parents-in-law residing  
16 in the state; and the surviving spouses, children,  
17 stepchildren, parents, and parents-in-law of such deceased  
18 officers and employees, whether active or retired at the time  
19 of death.

20           (c) This act in no way affects the Division of State  
21 Group Insurance's authority pursuant to s. 110.123.

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

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

25           (b) "Division" means the Division of State Group  
26 Insurance.

27           (c) "Self-funded" means that plan benefits and costs  
28 are funded from contributions made by or on behalf of  
29 participants and trust fund investment revenue.

30           (d) "Plan" means the Florida Employee Long-Term-Care  
31 Plan.

1           (3) The division and the department shall, in  
2 consultation with public employers and employees and  
3 representatives from unions and associations representing  
4 state, university, local government, and other public  
5 employees, establish and supervise the implementation and  
6 administration of a self-funded or fully insured  
7 long-term-care plan entitled "Florida Employee Long-Term-Care  
8 Plan."

9           (a) The division and the department shall, in  
10 consultation with the department, the Department of Management  
11 Services, and the Department of Insurance, contract for  
12 actuarial, professional-administrator, and other services for  
13 the Florida Employee Long-Term-Care Plan.

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

28           (c) Any contract with a professional administrator  
29 entered into by the division must require that the state be  
30 held harmless and indemnified for any financial loss caused by  
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1 the failure of the professional administrator to comply with  
2 the terms of the contract.

3 (d) The division shall explore innovations in  
4 long-term-care financing and service delivery with regard to  
5 possible future inclusion in the plan. Such innovative  
6 financing and service-delivery mechanisms may include managed  
7 long-term care and plans that set aside assets with regard to  
8 eligibility for Medicaid-funded long-term-care services in the  
9 same proportion that private long-term-care insurance benefits  
10 are used to pay for long-term care.

11 (4) The division and the department shall coordinate,  
12 directly or through contract, marketing of the plan. Expenses  
13 related to such marketing shall be reimbursed from funds of  
14 the plan.

15 (5) The division shall contract with the State Board  
16 of Administration for the investment of funds in the Florida  
17 Employee Long-Term-Care Plan reserve fund. Plan funds are not  
18 state funds. The moneys shall be held by the State Board of  
19 Administration on behalf of enrollees and invested and  
20 disbursed in accordance with a trust agreement approved by the  
21 division and the State Board of Administration and in  
22 accordance with the provisions of sections 215.44-215.53,  
23 Florida Statutes. Moneys in the reserve fund may be used only  
24 for the purposes specified in the agreement.

25 (6) A Florida Employee Long-term Care Plan Board of  
26 Directors is created, composed of seven members who shall  
27 serve 2-year terms, to be appointed as follows:

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

30 (b) The Insurance Commissioner shall appoint an  
31 actuary.

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

3           (d) The Governor shall appoint three members from a  
4 broad cross-section of the residents of this state.

5           (e) The division shall appoint a member.

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

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

13           (b) Approve the appointment of an executive director  
14 jointly recommended by the division and the department to  
15 serve as the chief administrative and operational officer of  
16 the Florida Employee Long-term Care Plan.

17           (c) Approve the terms of the division'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) Members of the board may not receive a salary, but  
23 may be reimbursed for travel, per diem, and administrative  
24 expenses related to their duties. Board expenses and costs for  
25 the annual report and other administrative expenses must be  
26 borne by the plan. State funds may not be contributed toward  
27 costs associated with board members or their activities  
28 conducted on behalf of and for the benefit of plan  
29 beneficiaries.

30           Section 2. This act shall take effect July 1, 1998.

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