

By Representatives Turnbull, Lawson, K. Pruitt and Horan

1 A bill to be entitled
2 An act relating to state group insurance;
3 amending s. 110.123, F.S.; providing a
4 definition; creating the Division of State
5 Group Insurance in the Department of Management
6 Services; requiring the department to provide
7 administrative support and service to the
8 division; excluding the division from control,
9 supervision, or direction by the department;
10 providing for a director of the division;
11 providing requirements; providing for
12 administration of the state group insurance
13 program by the division; providing criteria for
14 division contracts with insuring entities;
15 requiring a bond under certain circumstances;
16 providing for liquidated damages under certain
17 circumstances; providing for application of
18 certain administrative procedures provisions;
19 providing exceptions; authorizing the division
20 to adopt rules; creating the State Employee
21 Health Benefit Council within the division for
22 certain purposes; providing for membership;
23 providing for meetings of the council;
24 providing duties of the council; providing for
25 per diem and travel expenses; requiring
26 division to assist the council; providing an
27 effective date.

28
29 Be It Enacted by the Legislature of the State of Florida:
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31

1 Section 1. Section 110.123, Florida Statutes, 1996
2 Supplement, is amended to read:

3 110.123 State group insurance program.--

4 (1) TITLE.--This section may be cited as the "State
5 Group Insurance Program Law."

6 (2) DEFINITIONS.--As used in this section, the term:

7 (a) "Department" means the Department of Management
8 Services.

9 **(b) "Division" means the Division of State Group**
10 **Insurance in the department.**

11 **(c)**~~(b)~~ "Enrollee" means all state officers and
12 employees, retired state officers and employees, and surviving
13 spouses of deceased state officers and employees enrolled in
14 an insurance plan offered by the state group insurance
15 program.

16 **(d)**~~(e)~~ "Full-time state employees" includes all
17 full-time employees of all branches or agencies of state
18 government holding salaried positions and paid by state
19 warrant or from agency funds, and employees paid from regular
20 salary appropriations for 8 months' employment, including
21 university personnel on academic contracts, but in no case
22 shall "state employee" or "salaried position" include persons
23 paid from other-personal-services (OPS) funds.

24 **(e)**~~(d)~~ "Health maintenance organization" or "HMO"
25 means an entity certified under part I of chapter 641.

26 **(f)**~~(e)~~ "Part-time state employee" means any employee
27 of any branch or agency of state government paid by state
28 warrant from salary appropriations or from agency funds, and
29 who is employed for less than the normal full-time workweek
30 established by the department or, if on academic contract or
31 seasonal or other type of employment which is less than

1 year-round, is employed for less than 8 months during any
2 12-month period, but in no case shall "part-time" employee
3 include a person paid from other-personal-services (OPS)
4 funds.

5 (g)~~(f)~~ "Retired state officer or employee" or
6 "retiree" means any state officer or state employee who
7 retires under a state retirement system or a state optional
8 annuity or retirement program or is placed on disability
9 retirement, and who was insured under the state group
10 insurance program at the time of retirement, and who begins
11 receiving retirement benefits immediately after retirement
12 from state office or employment.

13 (h)~~(g)~~ "State agency" or "agency" means any branch,
14 department, or agency of state government.

15 (i)~~(h)~~ "State group health insurance plan" means the
16 state self-insured health insurance plan offered to state
17 officers and employees, retired state officers and employees,
18 and surviving spouses of deceased state officers and employees
19 pursuant to this section.

20 (j)~~(i)~~ "State group insurance program" or "programs"
21 means the package of insurance plans offered to state officers
22 and employees, retired state officers and employees, and
23 surviving spouses of deceased state officers and employees
24 pursuant to this section, including the state group health
25 insurance plan, health maintenance organization plans, and
26 other plans required or authorized by this section.

27 (k)~~(j)~~ "State officer" means any constitutional state
28 officer, any elected state officer paid by state warrant, or
29 any appointed state officer who is commissioned by the
30 Governor and who is paid by state warrant.

31

1 ~~(1)(*)~~ "Surviving spouse" means the widow or widower
2 of a deceased state officer, full-time state employee,
3 part-time state employee, or retiree if such widow or widower
4 was covered as a dependent under the state group health
5 insurance plan or a health maintenance organization plan
6 established pursuant to this section at the time of the death
7 of the deceased officer, employee, or retiree. "Surviving
8 spouse" also means any widow or widower who is receiving or
9 eligible to receive a monthly state warrant from a state
10 retirement system as the beneficiary of a state officer,
11 full-time state employee, or retiree who died prior to July 1,
12 1979. For the purposes of this section, any such widow or
13 widower shall cease to be a surviving spouse upon his or her
14 remarriage.

15 (3) STATE GROUP INSURANCE PROGRAM.--

16 (a) The Division of State Group Insurance is created
17 within the Department of Management Services, to be headed by
18 a director who shall be appointed by the Governor and
19 confirmed by the Senate. The division shall be a separate
20 budget entity, and the director shall be its agency head for
21 all purposes. The Department of Management Services shall
22 provide administrative support and service to the division to
23 the extent requested by the director. The division shall not
24 be subject to control, supervision, or direction by the
25 Department of Management Services in any manner, including,
26 but not limited to, personnel, purchasing, transactions
27 involving real or personal property, and budgetary matters,
28 except to the extent as provided in chapters 110, 216, 255,
29 282, and 287 for agencies of the executive branch.

30 (b) The director shall be a person qualified by
31 training and experience to understand the problems and needs

1 of state employees in the area of health care coverage and
2 insurance issues. The director shall have training and
3 experience in the field of health care reimbursement,
4 insurance or self-insurance programs and the administration of
5 programs in the public or private sector.

6 (c)~~(a)~~ It is the intent of the Legislature to offer a
7 comprehensive package of health insurance benefits for state
8 employees which are provided in a cost-efficient and prudent
9 manner, and to allow state employees the option to choose
10 benefit plans which best suit their individual needs.
11 Therefore, the state group insurance program is established
12 which may include the state group health insurance plan,
13 health maintenance organization plans, group life insurance
14 plans, group accidental death and dismemberment plans, and
15 group disability insurance plans. Furthermore, the division
16 ~~department~~ is additionally authorized to establish and provide
17 as part of the state group insurance program any other group
18 insurance plans which are consistent with the provisions of
19 this section.

20 (d)~~(b)~~ Notwithstanding any provision in this section
21 to the contrary, it is the intent of the Legislature that the
22 division ~~Agency for Health Care Administration~~ shall be
23 responsible for all aspects of the purchase of health care for
24 state employees under the state group health insurance plan
25 and the health maintenance organizations plans.
26 Responsibilities shall include, but not be limited to, the
27 development of requests for proposals for state employee
28 health services, the determination of health care benefits to
29 be provided, and the negotiation of contracts for health care
30 and health care administrative services. Prior to the
31 negotiation of contracts for health care services, the

1 Legislature intends that the division ~~Agency for Health Care~~
2 ~~Administration~~ shall develop, in consultation with the
3 Department of Management Services with respect to state
4 collective bargaining issues, the health benefits and terms to
5 be included in the state group health insurance program. The
6 division ~~Agency for Health Care Administration~~ shall adopt
7 rules necessary to perform its responsibilities pursuant to
8 this section. It is the intent of the Legislature that the
9 division ~~Department of Management Services~~ shall be
10 responsible for the contract management and day-to-day
11 management of the state employee health insurance program,
12 including, but not limited to, employee enrollment, premium
13 collection, payment to health care providers, and other
14 administrative functions related to the program.

15 (e)1. For purposes of purchasing medical care
16 services, third-party administrative services, or health
17 insurance, the division may perform any functions of the
18 department, and grant any approvals, provided under chapter
19 287 and rules adopted pursuant to such chapter. If the
20 division finds that compliance with chapter 287 would impair
21 or impede the effective or efficient operation of the state
22 group insurance program, the division may adopt any rule
23 providing for alternative procurement procedures.

24 2. Each vendor in a major procurement in excess of
25 \$25,000, and any other vendor if the division deems it
26 necessary to protect the state's financial interests, shall,
27 at the time of executing any contract with the division, post
28 an appropriate bond with the division in an amount determined
29 by the division to be adequate to protect the state's
30 interests but not higher than the full amount estimated to be
31 paid annually to the vendor under the contract.

1 3. Each contract in excess of \$25,000 entered into by
2 the division pursuant to this section shall contain a
3 provision for payment of liquidated damages to the division
4 for material noncompliance by a vendor with a contract
5 provision. The division may require a liquidated damages
6 provision in any contract if the division deems it necessary
7 to protect the state's financial interests.

8 4. The provisions of s. 120.57(3) apply to the
9 division's contracting process, except:

10 a. A formal written protest of any decision, intended
11 decision, or other action subject to protest shall be filed
12 within 72 hours after receipt of notice of the decision,
13 intended decision, or other action.

14 b. As an alternative to any provision of s. 120.57(3),
15 the division may proceed with the bid selection or contract
16 award process if the director of the department sets forth, in
17 writing, particular facts and circumstances which demonstrate
18 the necessity of continuing the procurement process or the
19 contract award process in order to avoid a substantial
20 disruption to the provision of any scheduled insurance
21 services.

22 (f)(c) Except as provided for in subparagraph
23 (h)(e)2., the percentage of state contribution toward the cost
24 of any plan in the state group insurance program shall be
25 uniform with respect to all state employees in state
26 collective bargaining units participating in the same plan or
27 any similar plan. Nothing contained within this section
28 prohibits the development of separate benefit plans for
29 officers and employees exempt from collective bargaining or
30 the development of separate benefit plans for each collective
31 bargaining unit.

1 (g)~~(d)~~ Participation by individuals in the program
2 shall be available to all state officers, full-time state
3 employees, and part-time state employees; and such
4 participation in the program or any plan thereof shall be
5 voluntary. Participation in the program shall also be
6 available to retired state officers and employees who elect at
7 the time of retirement to continue coverage under the program,
8 but they may elect to continue all or only part of the
9 coverage they had at the time of retirement. A surviving
10 spouse may elect to continue coverage only under the state
11 group health insurance plan or a health maintenance
12 organization plan.

13 (h)~~(e)~~1. A person eligible to participate in the state
14 group health insurance plan may be authorized by rules
15 ~~approved by the Agency for Health Care Administration and~~
16 adopted by the division ~~department~~, in lieu of participating
17 in the state group health insurance plan, to exercise an
18 option to elect membership in a health maintenance
19 organization plan which is under contract with the state in
20 accordance with criteria established by this section and by
21 said rules. The offer of optional membership in a health
22 maintenance organization plan permitted by this paragraph may
23 be limited or conditioned by rule as may be necessary to meet
24 the requirements of state and federal laws.

25 2. ~~Subject to the approval of and supervision by the~~
26 ~~Agency for Health Care Administration, The~~ division ~~department~~
27 shall contract with health maintenance organizations to
28 participate in the state group insurance program through a
29 request for proposal based upon a premium and a minimum
30 benefit package as follows:

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1 a. A minimum benefit package to be provided by a
2 participating HMO shall include: physician services; inpatient
3 and outpatient hospital services; emergency medical services,
4 including out-of-area emergency coverage; diagnostic
5 laboratory and diagnostic and therapeutic radiologic services;
6 mental health, alcohol, and chemical dependency treatment
7 services meeting the minimum requirements of state and federal
8 law; skilled nursing facilities and services; prescription
9 drugs; and other benefits as may be required by the division
10 ~~department~~. Additional services may be provided subject to
11 the contract between the division ~~department~~ and the HMO.

12 b. A uniform schedule for deductibles and copayments
13 may be established for all participating HMOs.

14 c. Based upon the minimum benefit package and
15 copayments and deductibles contained in sub-subparagraphs a.
16 and b., the division ~~Agency for Health Care Administration~~
17 shall issue a request for proposal for all HMOs which are
18 interested in participating in the state group insurance
19 program. Upon receipt of all proposals, the division ~~Agency~~
20 ~~for Health Care Administration~~ may, as it deems appropriate,
21 enter into contract negotiations with HMOs submitting bids. As
22 part of the request for proposal process, the division ~~Agency~~
23 ~~for Health Care Administration~~ may require detailed financial
24 data from each HMO which participates in the bidding process
25 for the purpose of determining the financial stability of the
26 HMO.

27 d. In determining which HMOs to contract with, the
28 division ~~Agency for Health Care Administration~~ shall, at a
29 minimum, consider: each proposed contractor's previous
30 experience and expertise in providing prepaid health benefits;
31 each proposed contractor's historical experience in enrolling

1 and providing health care services to participants in the
2 state group insurance program; the cost of the premiums; the
3 plan's ability to adequately provide service coverage and
4 administrative support services as determined by the division
5 ~~Agency for Health Care Administration~~; plan benefits in
6 addition to the minimum benefit package; accessibility to
7 providers; and the financial solvency of the plan. Nothing
8 shall preclude the division ~~Agency for Health Care~~
9 ~~Administration~~ from negotiating regional or statewide
10 contracts with health maintenance organization plans when this
11 is cost-effective and when the division ~~Agency for Health Care~~
12 ~~Administration~~ determines the plan has the best overall
13 benefit package for the service areas involved. However, no
14 HMO shall be eligible for a contract if the HMO's retiree
15 Medicare premium exceeds the retiree rate as set by the
16 division ~~department~~ for the state group health insurance plan.

17 e. The division ~~department~~, ~~subject to the review and~~
18 ~~approval of the Agency for Health Care Administration~~, may
19 limit the number of HMOs that it contracts with in each
20 service area based on the nature of the bids the division
21 ~~Agency for Health Care Administration~~ receives, the number of
22 state employees in the service area, and any unique
23 geographical characteristics of the service area. The division
24 ~~department~~, ~~subject to the review and approval of the Agency~~
25 ~~for Health Care Administration~~, shall establish by rule
26 service areas throughout the state.

27 f. All persons participating in the state group
28 insurance program who are required to contribute towards a
29 total state group health premium shall be subject to the same
30 dollar contribution regardless of whether the enrollee enrolls
31 in the state group health insurance plan or in an HMO plan.

1 3. The division ~~Agency for Health Care Administration~~
2 is authorized to negotiate and ~~the department is authorized to~~
3 contract with specialty psychiatric hospitals for mental
4 health benefits, on a regional basis, for alcohol, drug abuse,
5 and mental and nervous disorders. The division ~~department~~ may
6 establish, subject to the approval of ~~the Agency for Health~~
7 ~~Care Administration~~ and the Legislature pursuant to subsection
8 (5), any such regional plan upon completion of an actuarial
9 study to determine any impact on plan benefits and premiums.

10 4. In addition to contracting pursuant to subparagraph
11 2., the division ~~department~~ shall enter into contract with any
12 HMO to participate in the state group insurance program which:

13 a. Serves greater than 5,000 recipients on a prepaid
14 basis under the Medicaid program;

15 b. Does not currently meet the 25 percent
16 non-Medicare/non-Medicaid enrollment composition requirement
17 established by the Department of Health and Human Services
18 excluding participants enrolled in the state group insurance
19 program;

20 c. Meets the minimum benefit package and copayments
21 and deductibles contained in sub-subparagraphs 2.a. and b.;

22 d. Is willing to participate in the state group
23 insurance program at a cost of premiums that is not greater
24 than 95 percent of the cost of HMO premiums accepted by the
25 division ~~department~~ in each service area; and

26 e. Meets the minimum surplus requirements of s.
27 641.225.

28
29 The division ~~department~~ is authorized to contract with HMOs
30 that meet the requirements of sub-subparagraphs a. through d.
31 prior to the open enrollment period for state employees. The

1 department is not required to renew the contract with the HMOs
2 as set forth in this paragraph more than twice. Thereafter,
3 the HMOs shall be eligible to participate in the state group
4 insurance program only through the request for proposal
5 process described in subparagraph 2.

6 5. All enrollees in the state group health insurance
7 plan or any health maintenance organization plan shall have
8 the option of changing to any other health plan which is
9 offered by the state within any open enrollment period
10 designated by the division ~~department~~. Open enrollment shall
11 be held at least once each calendar year.

12 6. Any HMO participating in the state group insurance
13 program shall, upon the request of the division ~~Agency for~~
14 ~~Health Care Administration~~, submit to the division ~~Agency for~~
15 ~~Health Care Administration~~ standardized data for the purpose
16 of comparison of the appropriateness, quality, and efficiency
17 of care provided by the HMO. Such standardized data shall
18 include: membership profiles; inpatient and outpatient
19 utilization by age and sex, type of service, provider type,
20 and facility; and emergency care experience. Requirements and
21 timetables for submission of such standardized data and such
22 other data as the division ~~Agency for Health Care~~
23 ~~Administration~~ deems necessary to evaluate the performance of
24 participating HMOs shall be adopted ~~promulgated~~ by rule.

25 7. The division ~~department~~ shall, after consultation
26 with ~~the Agency for Health Care Administration and~~
27 representatives from each of the unions representing state and
28 university employees, establish a comprehensive package of
29 insurance benefits including, but not limited to, supplemental
30 health and life coverage, dental care, and vision care to
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1 allow state employees the option to choose the benefit plans
2 which best suit their individual needs.

3 a. Based upon a desired benefit package, the division
4 ~~Agency for Health Care Administration~~ shall issue a request
5 for proposal for health insurance providers interested in
6 participating in the state group insurance program, and the
7 department shall issue a request for proposal for insurance
8 providers interested in participating in the
9 non-health-related components of the state group insurance
10 program. Upon receipt of all proposals, the division
11 ~~department or the Agency for Health Care Administration may,~~
12 ~~as either deems appropriate,~~ enter into contract negotiations
13 with insurance providers submitting bids or negotiate a
14 specially designed benefit package. Insurance providers
15 offering or providing supplemental coverage as of May 30,
16 1991, which qualify for pretax benefit treatment pursuant to
17 s. 125 of the Internal Revenue Code of 1986, with 5,500 or
18 more state employees currently enrolled may be included by the
19 division ~~department~~ in the supplemental insurance benefit plan
20 established by the division ~~department or the Agency for~~
21 ~~Health Care Administration~~ without participating in a request
22 for proposal, submitting bids, negotiating contracts, or
23 negotiating a specially designed benefit package. These
24 contracts shall provide state employees with the most
25 cost-effective and comprehensive coverage available; however,
26 no state or agency funds shall be contributed toward the cost
27 of any part of the premium of such supplemental benefit plans.

28 b. Pursuant to the applicable provisions of s.
29 110.161, and s. 125 of the Internal Revenue Code of 1986, the
30 division ~~department~~ shall enroll in the pretax benefit program
31 those state employees who voluntarily elect coverage in any of

1 the supplemental insurance benefit plans as provided by
2 sub-subparagraph a.

3 c. Nothing herein contained shall be construed to
4 prohibit insurance providers from continuing to provide or
5 offer supplemental benefit coverage to state employees as
6 provided under existing agency plans.

7 (i)~~(f)~~ The benefits of the insurance authorized by
8 this section shall not be in lieu of any benefits payable
9 under chapter 440, the Workers' Compensation Law. The
10 insurance authorized by this law shall not be deemed to
11 constitute insurance to secure workers' compensation benefits
12 as required by chapter 440.

13 (4) PAYMENT OF PREMIUMS; CONTRIBUTION BY STATE;
14 LIMITATION ON ACTIONS TO PAY AND COLLECT PREMIUMS.--

15 (a) Except as provided in paragraph (e) with respect
16 to law enforcement, correctional, and correctional probation
17 officers, legislative authorization through the appropriations
18 act is required for payment by a state agency of any part of
19 the premium cost of participation in any group insurance plan.
20 However, the state contribution for full-time employees or
21 part-time permanent employees shall continue in the respective
22 proportions for up to 6 months for any such officer or
23 employee who has been granted an approved parental or medical
24 leave of absence without pay.

25 (b) If a state officer or full-time state employee
26 selects membership in a health maintenance organization as
27 authorized by paragraph (3)(h)~~(e)~~, the officer or employee is
28 entitled to a state contribution toward individual and
29 dependent membership as provided by the Legislature through
30 the appropriations act.

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1 (c) During each policy or budget year, no state agency
2 shall contribute a greater percentage of the premium cost for
3 its officers or employees for any type of coverage under the
4 state group insurance program than any other agency, nor shall
5 any greater percentage contribution of premium cost be made
6 for employees in one state collective bargaining unit than for
7 those in any other state collective bargaining unit.

8 (d) The state contribution for a part-time permanent
9 state employee who elects to participate in the program shall
10 be prorated so that the percentage of the cost contributed for
11 the part-time permanent employee bears that relation to the
12 percentage of cost contributed for a similar full-time
13 employee that the part-time employee's normal workday bears to
14 a full-time employee's normal workday.

15 (e) No state contribution for the cost of any part of
16 the premium shall be made for retirees or surviving spouses
17 for any type of coverage under the state group insurance
18 program. However, any state agency that employs a full-time
19 law enforcement officer, correctional officer, or correctional
20 probation officer who is killed in the line of duty on or
21 after July 1, 1980, as a result of an act of violence
22 inflicted by another person while the officer is engaged in
23 the performance of law enforcement duties or as a result of an
24 assault against the officer under riot conditions shall pay
25 the entire premium of the state group health insurance plan
26 for the employee's surviving spouse until remarried, and for
27 each dependent child of the employee until the child reaches
28 the age of majority or until the end of the calendar year in
29 which the child reaches the age of 25 if:

30 1. At the time of the employee's death, the child is
31 dependent upon the employee for support; and

1 2. The surviving child continues to be a dependent for
2 support, or the surviving child is a full-time or part-time
3 student and is dependent for support.

4 (f) Pursuant to the request of each state officer,
5 full-time or part-time state employee, or retiree
6 participating in the state group insurance program, and upon
7 certification of the employing agency approved by the
8 Secretary of Management Services, the Comptroller shall deduct
9 from the salary or retirement warrant payable to each
10 participant the amount so certified and shall handle such
11 deductions in accordance with rules established by the
12 department.

13 (g) No administrative or civil proceeding shall be
14 commenced to collect an underpayment or refund an overpayment
15 of premiums collected pursuant to this subsection unless such
16 claim is filed with the Division of State Employees' Insurance
17 within 2 years after the alleged underpayment or overpayment
18 was made. For purposes of this paragraph, a payroll
19 deduction, salary reduction, or contribution by an agency is
20 deemed to be made on the date the salary warrant is issued.

21 (5) DIVISION OF STATE GROUP INSURANCE ~~DEPARTMENT OF~~
22 ~~MANAGEMENT SERVICES~~; POWERS AND DUTIES.--The division
23 ~~Department of Management Services~~ is responsible for the
24 administration of the state group insurance program. The
25 division ~~department~~ shall initiate and supervise the program
26 as established by this section and shall adopt such rules as
27 are necessary to perform its responsibilities. To implement
28 this program, the division ~~department~~ shall, with prior
29 approval by the Legislature ~~and, for state employee health~~
30 ~~insurance, by the Agency for Health Care Administration:~~

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1 (a) Determine the benefits to be provided and the
2 contributions to be required for the state group insurance
3 program. Such determinations, whether for a contracted plan or
4 a self-insurance plan pursuant to paragraph (c), do not
5 constitute rules within the meaning of s. 120.52 or final
6 orders within the meaning of s. 120.52. Any physician's fee
7 schedule used in the health and accident plan shall not be
8 available for inspection or copying by medical providers or
9 other persons not involved in the administration of the
10 program. However, in the determination of the design of the
11 program, the division ~~department or the Agency for Health Care~~
12 ~~Administration~~ shall consider existing and complementary
13 benefits provided by the Florida Retirement System and the
14 Social Security System.

15 (b) Prepare, in cooperation with the Department of
16 Insurance ~~and the Agency for Health Care Administration~~, the
17 specifications necessary to implement the program.

18 (c) Contract on a competitive proposal basis with an
19 insurance carrier or carriers, or professional administrator,
20 determined by the Department of Insurance to be fully
21 qualified, financially sound, and capable of meeting all
22 servicing requirements. Alternatively, the division
23 ~~Department of Management Services~~ may self-insure any plan or
24 plans contained in the state group insurance program subject
25 to approval based on actuarial soundness by the Department of
26 Insurance. The division ~~department~~ may contract with an
27 insurance company or professional administrator qualified and
28 approved by the Department of Insurance to administer such
29 plan. Before entering into any contract, the division
30 ~~Department of Management Services or, for state employee~~
31 ~~health insurance, the Agency for Health Care Administration~~

1 shall advertise for competitive proposals, and such contract
2 shall be let upon the consideration of the benefits provided
3 in relationship to the cost of such benefits. In determining
4 which entity to contract with, the division shall, at a
5 minimum, consider: the quality of the product; the entity's
6 previous experience and expertise in administering group
7 insurance programs; the timely performance of the vendor; the
8 entity's anticipated administrative costs and claims
9 experience; the entity's ability to adequately provide service
10 coverage and administrative support services, as determined by
11 the division; the entity's accessibility to state employees
12 and providers; the financial solvency of the entity; and
13 additional benefits provided to state employees and providers
14 by the entity. ~~The division department, subject to the review~~
15 ~~and approval of the Agency for Health Care Administration,~~ may
16 contract for medical services which will improve the health or
17 reduce medical costs for employees who participate in the
18 state group insurance plan.

19 (d) With respect to the state group health insurance
20 plan, be authorized, ~~subject to the review and approval of the~~
21 ~~Agency for Health Care Administration,~~ to require copayments
22 with respect to all providers under the plan.

23 (e) Have authority to establish, ~~subject to the review~~
24 ~~and approval of the Agency for Health Care Administration,~~ a
25 voluntary program for comprehensive health maintenance, which
26 may include health educational components and health
27 appraisals.

28
29 Final decisions concerning the existence of coverage or
30 benefits under the state group health insurance plan shall not
31 be delegated or deemed to have been delegated by the division

1 ~~department, except that such decisions shall be subject to the~~
2 ~~review and approval of the Agency for Health Care~~
3 ~~Administration.~~

4 (6) DEPOSIT OF PREMIUMS AND REFUNDS.--Premium dollars
5 collected and not required to pay the costs of the program,
6 prior to being paid to the carrier insurance company, shall be
7 invested, and the earnings from such investment shall be
8 deposited in a trust fund to be designated in the State
9 Treasury and utilized for increased benefits or reduced
10 premiums for the participants or may be used to pay for the
11 administration of the state group insurance program. Any
12 refunds paid the state by the insurance carrier from premium
13 dollar reserves held by the carrier and earned on such refunds
14 shall be deposited in the trust fund and used for such
15 purposes.

16 (7) CONTINUATION OF AGENCY INSURANCE PLANS.--Nothing
17 contained in this section shall require the discontinuation of
18 any insurance plan provided by any state agency; however, no
19 state or agency funds shall be contributed toward the cost of
20 any part of the premium of such agency plans. Such agency
21 plans shall not be deemed to be included in the state group
22 insurance program.

23 (8) COVERAGE FOR LEGISLATIVE MEMBERS AND
24 EMPLOYEES.--The Legislature may provide coverage for its
25 members and employees under all or any part of the state group
26 insurance program; may provide coverage for its members and
27 employees under a legislative group insurance program in lieu
28 of all or any part of the state group insurance program; and,
29 notwithstanding the provisions of paragraph (4)(c), may assume
30 the cost of any group insurance coverage provided to its
31 members and employees.

1 (9) PUBLIC RECORDS LAW; EXEMPTION.--Patient medical
2 records and medical claims records of state employees, former
3 employees, and eligible dependents in the custody or control
4 of the state group insurance program are confidential and
5 exempt from the provisions of s. 119.07(1). Such records
6 shall not be furnished to any person other than the employee
7 or the employee's legal representative, except upon written
8 authorization of the employee, but may be furnished in any
9 civil or criminal action, unless otherwise prohibited by law,
10 upon the issuance of a subpoena from a court of competent
11 jurisdiction and proper notice to the employee or the
12 employee's legal representative by the party seeking such
13 records.

14 (10) STATEMENTS OF PURPOSE AND INTENT AND OTHER
15 PROVISIONS REQUIRED FOR QUALIFICATION UNDER THE INTERNAL
16 REVENUE CODE OF THE UNITED STATES.--Any other provisions in
17 this chapter to the contrary notwithstanding:

18 (a) Any provision in this chapter relating to a state
19 group insurance program shall be construed and administered to
20 qualify such program to be a qualified and nondiscriminatory
21 employee benefit plan under existing or hereafter-enacted
22 provisions of the Internal Revenue Code of the United States.

23 (b) The division ~~department~~ may adopt any rule
24 necessary to accomplish the purposes of this subsection not
25 inconsistent with this chapter.

26 (c) This subsection is declaratory of the legislative
27 intent upon the original enactment of this section and is
28 deemed to have been in effect since that date.

29 (11) STATE EMPLOYEE HEALTH BENEFIT COUNCIL.--

30 (a) The State Employee Health Benefit Council is
31 created within the division for the purpose of providing joint

1 and coordinated oversight of the operation and administration
2 of the state group insurance program. The group shall be
3 comprised of seven members, including representatives of
4 providers and consumers, who shall be appointed by the
5 Governor and confirmed by the Senate. Members shall be
6 appointed for 6-year terms, however, of the initial members of
7 the council, two shall be appointed for terms of 2 years, two
8 shall be appointed for terms of 4 years, and three shall be
9 appointed for terms of 6 years. Each member shall serve until
10 a successor is appointed and confirmed and a member may be
11 appointed to succeed himself or herself. Any vacancy shall be
12 filled by appointment by the Governor for the unexpired period
13 of the term. No person who holds an elective public office of
14 the state or any political subdivision of the state or holds
15 any office in, or serves as an agent for, a political party
16 shall serve as a member of the council. The Governor may
17 suspend a member only for cause. The council shall elect a
18 chair and such other officers as the council deems necessary.
19 The council shall meet at least twice each year and shall meet
20 prior to the division contracting with an administrator of the
21 state group health insurance plan. The division shall furnish
22 administrative and secretarial assistance to the council and
23 shall provide a place for the council to hold meetings.
24 Members of the council shall receive no compensation but shall
25 be reimbursed by the division for per diem and travel expenses
26 pursuant to s. 112.061 when engaged in performing duties of
27 the council.

28 (b) Responsibilities of the council include, but are
29 not limited to:

30 1. Providing accountability measures.

31

1 2. Reviewing procedures and criteria for contract
2 selection prior to any contract solicitation.

3 3. Reviewing benefit packages.

4 4. Reviewing external audit reports, service
5 organization reports, compliance reviews, or other
6 contractually required management reports relating to
7 third-party administrator activities to determine potential
8 areas which may require division action.

9 5. Reviewing third-party administrator management
10 reports leading to conclusions regarding report completion,
11 accuracy, validity, and reasonableness.

12 6. Reviewing third-party administrator overpayment and
13 refund collection activities to provide assurance that health
14 plan assets are safeguarded.

15 7. Reviewing utilization of detailed
16 provider/subscriber surveys designed to detect potential
17 problem areas with the state group insurance program.

18 Section 2. This act shall take effect October 1, 1997.

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21 HOUSE SUMMARY

22
23 Creates the Division of State Group Insurance in the
24 Department of Management Services and requires the
25 division, independent of the department and the Agency
26 for Health Care Administration, to administer the state
27 group insurance program. Creates the State Employee
28 Health Benefit Council within the division to provide
29 oversight of the operation and administration of the
30 state group insurance program and specifies
31 responsibilities. See bill for details.