

By the Committee on Health Care Standards & Regulatory Reform and Representative Jones

1 A bill to be entitled
2 An act relating to managed health care;
3 amending s. 641.316, F.S.; revising fidelity
4 bond requirements for fiscal intermediary
5 services organizations; providing surety bond
6 requirements for such organizations; providing
7 an effective date.

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

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11 Section 1. Section 641.316, Florida Statutes, is
12 amended to read:

13 641.316 Fiscal intermediary services.--

14 (1) It is the intent of the Legislature, through the
15 adoption of this section, to ensure the financial soundness of
16 fiscal intermediary services organizations established to
17 develop, manage, and administer the business affairs of health
18 care professional providers such as medical doctors, doctors
19 of osteopathy, doctors of chiropractic, doctors of podiatric
20 medicine, doctors of dentistry, or other health professionals
21 regulated by the Department of Health.

22 (2)(a) The term "fiduciary" or "fiscal intermediary
23 services" means reimbursements received or collected on behalf
24 of health care professionals for services rendered, patient
25 and provider accounting, financial reporting and auditing,
26 receipts and collections management, compensation and
27 reimbursement disbursement services, or other related
28 fiduciary services pursuant to health care professional
29 contracts with health maintenance organizations.

30 (b) The term "fiscal intermediary services
31 organization" means a person or entity which performs

1 fiduciary or fiscal intermediary services to health care
2 professionals who contract with health maintenance
3 organizations other than a fiscal intermediary services
4 organization owned, operated, or controlled by a hospital
5 licensed under chapter 395, an insurer licensed under chapter
6 624, a third-party administrator licensed under chapter 626, a
7 prepaid limited health organization licensed under chapter
8 636, a health maintenance organization licensed under this
9 chapter, or physician group practices as defined in s.
10 455.654~~455.236~~(3)(f).

11 (3) A fiscal intermediary services organization which
12 is operated for the purpose of acquiring and administering
13 provider contracts with managed care plans for professional
14 health care services, including, but not limited to, medical,
15 surgical, chiropractic, dental, and podiatric care, and which
16 performs fiduciary or fiscal intermediary services shall be
17 required to secure and maintain a fidelity bond in the minimum
18 amount of 10 percent of the funds handled by the intermediary
19 in connection with its fiscal and fiduciary services during
20 the prior year or \$1 million, whichever is less. The minimum
21 bond amount shall be \$50,000. The fidelity bond shall protect
22 the fiscal intermediary from loss caused by the dishonesty of
23 its employees and must remain unimpaired for as long as the
24 intermediary continues in business in the state.~~\$10 million.~~
25 ~~This requirement shall apply to all persons or entities~~
26 ~~engaged in the business of providing fiduciary or fiscal~~
27 ~~intermediary services to any contracted provider or provider~~
28 ~~panel. The fidelity bond shall provide coverage against~~
29 ~~misappropriation of funds by the fiscal intermediary or its~~
30 ~~officers, agents, or employees; must be posted with the~~
31 ~~department for the benefit of managed care plans, subscribers,~~

1 ~~and providers; and must be on a form approved by the~~
2 ~~department. The fidelity bond must be maintained and remain~~
3 ~~unimpaired as long as the fiscal intermediary services~~
4 ~~organization continues in business in this state and until the~~
5 ~~termination of its registration.~~

6 (4) A fiscal intermediary services organization as
7 described in subsection (3) shall be required to secure and
8 maintain a surety bond on file with the department naming the
9 intermediary as principal. The bond must be obtained from a
10 company authorized to write surety insurance in the state, and
11 the department shall be obligee on behalf of itself and third
12 parties. The penal sum of the bond shall not be less than 5
13 percent of the funds handled by the intermediary in connection
14 with its fiscal and fiduciary services during the prior year,
15 or \$250,000, whichever is less. The minimum bond amount shall
16 be \$10,000. The condition of the bond shall be that the
17 intermediary shall register with the department and shall not
18 misappropriate funds within its control or custody as a fiscal
19 intermediary or fiduciary. The aggregate liability of the
20 surety for any and all breaches of the conditions of the bond
21 shall in no event exceed the penal sum of the bond. The bond
22 shall be continuous in form, shall be renewed annually by a
23 continuation certificate, and may be terminated by the surety
24 upon its giving 30 days' written notice of termination to the
25 department.

26 ~~(5)(4)~~ A fiscal intermediary services organization may
27 not collect from the subscriber any payment other than the
28 copayment or deductible specified in the subscriber agreement.

29 ~~(6)(5)~~ Any fiscal intermediary services organization,
30 other than a fiscal intermediary services organization owned,
31 operated, or controlled by a hospital licensed under chapter

1 395, an insurer licensed under chapter 624, a third-party
2 administrator licensed under chapter 626, a prepaid limited
3 health organization licensed under chapter 636, a health
4 maintenance organization licensed under this chapter, or
5 physician group practices as defined in s. 455.654
6 ~~455.236~~(3)(f), must register with the department and meet the
7 requirements of this section. In order to register as a fiscal
8 intermediary services organization, the organization must
9 comply with ss. 641.21(1)(c) and (d) and 641.22(6). Should the
10 department determine that the fiscal intermediary services
11 organization does not meet the requirements of this section,
12 the registration shall be denied. In the event that the
13 registrant fails to maintain compliance with the provisions of
14 this section, the department may revoke or suspend the
15 registration. In lieu of revocation or suspension of the
16 registration, the department may levy an administrative
17 penalty in accordance with s. 641.25.

18 (7)~~(6)~~ The department shall promulgate rules necessary
19 to implement the provisions of this section.

20 Section 2. This act shall take effect July 1 of the
21 year in which enacted.

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24 HOUSE SUMMARY

25 Revises fidelity bond requirements for fiscal
26 intermediary services organizations that administer
27 provider contracts with managed care plans for
28 professional health care services. Requires such
29 organizations to maintain a surety bond on file with the
30 Department of Insurance and prescribes bond requirements
31 and conditions.