

By the Committee on Financial Services and Representatives  
Safley, Lippman and Bitner

1                                   A bill to be entitled  
2           An act relating to workers' compensation;  
3           amending s. 440.09, F.S.; excluding coverage  
4           under the Defense Base Act; amending s.  
5           440.134, F.S.; providing individually  
6           self-insured employers the option to provide  
7           medical benefits either through managed care  
8           arrangements or without managed care  
9           arrangements; amending s. 440.135, F.S.;  
10          modifying the requirements of the 24-hour  
11          health insurance coverage pilot programs;  
12          amending s. 440.49, F.S.; providing authority  
13          to privatize functions and liabilities;  
14          providing an effective date.

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

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18           Section 1. Subsection (2) of section 440.09, Florida  
19 Statutes, is amended to read:

20           440.09 Coverage.--

21           (2) Benefits are not payable in respect of the  
22 disability or death of any employee covered by the Federal  
23 Employer's Liability Act, the Longshoremen's and Harbor  
24 Worker's Compensation Act, the Defense Base Act, or the Jones  
25 Act.

26           Section 2. Paragraph (b) of subsection (2) of section  
27 440.134, Florida Statutes, is amended to read:

28           440.134 Workers' compensation managed care  
29 arrangement.--

30           (2)

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1           (b) Effective January 1, 1997, the employer shall,  
2 subject to the limitations specified elsewhere in this  
3 chapter, furnish to the employee solely through managed care  
4 arrangements such medically necessary remedial treatment,  
5 care, and attendance for such period as the nature of the  
6 injury or the process of recovery requires pursuant to s.  
7 440.13(2)(a) and (b). An employer that has secured coverage  
8 under s. 440.38(1)(b) as an individual self-insurer or under  
9 s. 440.38(6) shall furnish such medically necessary remedial  
10 treatment, care, and attendance to the employee for such a  
11 period as the nature or process of recovery may require  
12 pursuant to s. 440.13(2)(a) and (b) either through managed  
13 care arrangements or without managed care arrangements.  
14 Nothing in this subsection shall be construed to prevent an  
15 individual self-insurer from implementing or continuing to use  
16 managed care arrangements in accordance with this section.

17           Section 3. Paragraph (f) of subsection (1) of section  
18 440.135, Florida Statutes, is amended to read:

19           440.135 Pilot programs for medical and remedial care  
20 in workers' compensation.--

21           (1) It is the intent of the Legislature to determine  
22 whether the costs of the workers' compensation system can be  
23 effectively contained by monitoring more closely the medical,  
24 hospital, and remedial care required by s. 440.13, while  
25 providing injured workers with more prompt and effective care  
26 and earlier restoration of earning capacity without diminution  
27 of the quality of such care. It is the further intent of the  
28 Legislature to determine whether the total cost to an employer  
29 that provides a policy or plan of health insurance and a  
30 separate policy or plan of workers' compensation and  
31 employer's liability insurance for its employees can be

1 reduced by combining both coverages under a policy or plan  
2 that provides 24-hour health insurance coverage as set forth  
3 in this section. Therefore, the Legislature authorizes the  
4 establishment of one or more pilot programs to be administered  
5 by the Department of Insurance after consulting with the  
6 division. Each pilot program shall terminate 2 years after the  
7 first date of operation of the program, unless extended by act  
8 of the Legislature. In order to evaluate the feasibility of  
9 implementing these pilot programs, the Department of Insurance  
10 shall consult with the division regarding:

11 (f) Initiating one or more pilot programs under which  
12 participating employers would provide a 24-hour health  
13 insurance coverage policy to their employees under a single  
14 insurance plan policy or self-insured plan that may contain  
15 more than one policy. The ~~policy or~~ plan must provide a level  
16 of health insurance benefits which meets criteria established  
17 by the Department of Insurance but which provides medical  
18 benefits for at least occupational injuries and illnesses  
19 comparable to those required by this chapter and which may use  
20 deductibles and coinsurance provisions that require the  
21 employee to pay a portion of the actual medical care received  
22 by the employee, notwithstanding any other provisions of this  
23 chapter. The policy or plan may also provide indemnity  
24 benefits as specified in s. 440.38(1)(e). The employer shall  
25 pay the entire workers' compensation portion of the premium  
26 for the 24-hour health insurance policy or self-insured plan.  
27 The employee may pay all or part of the nonworkers'  
28 compensation portion of the premium and all or part of other  
29 ~~than~~ the portion of the premium which relates to dependent  
30 coverage.

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1 Section 4. Subsection (13) is added to section 440.49,  
2 Florida Statutes, to read:

3 440.49 Limitation of liability for subsequent injury  
4 through Special Disability Trust Fund.--

5 (13) The Department of Labor and Employment Security  
6 is hereby authorized to privatize the Special Disability Trust  
7 Fund. The department may solicit proposals for one or more  
8 private entities to perform the functions and purchase the  
9 liabilities of the Special Disability Trust Fund on terms and  
10 conditions specified by the department. The terms and  
11 conditions may include the issuance of state revenue bonds in  
12 principal amounts not to exceed the present value of future  
13 claims obligations and any debt service.

14 Section 5. This act shall take effect upon becoming a  
15 law.

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18 HOUSE SUMMARY

19 Excludes payment of workers' compensation disability or  
20 death benefits to workers covered under the Defense Base  
21 Act. Provides individually self-insured employers the  
22 option to provide medical benefits either through managed  
23 care arrangements or without managed care arrangements.  
24 Modifies the requirements of the 24-hour health insurance  
25 coverage pilot programs. Authorizes privatization of  
26 functions and liabilities under the Special Disability  
27 Trust Fund. See bill for details.  
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