

By Senator Burt

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A bill to be entitled

An act relating to long-term-care insurance for public employees; amending s. 110.1227, F.S.; providing legislative intent; revising duties of the Department of Elderly Affairs and the Division of State Group Insurance with respect to long-term-care insurance for public employees; providing an effective date.

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

Section 1. Section 110.1227, Florida Statutes, 1998 Supplement, is amended to read:

110.1227 Florida Employee Long-Term-Care Plan Act.--

(1) The Legislature finds that state expenditures for long-term-care services continue to increase at a rapid rate and that the state faces increasing pressure in its efforts to meet the long-term-care needs of the public.

~~(2)(a)~~ It is the intent of the Legislature that the Division of State Group Insurance and the Department of Elderly Affairs provide an opportunity for public employees to purchase implement a self-funded or fully insured, voluntary, long-term-care insurance by means of payroll deduction plan ~~for public employees and their families.~~

~~(3)(b)~~ The Department of Elderly Affairs and the Division of State Group Insurance shall jointly review design ~~the plan to provide~~ long-term-care insurance offerings to identify those that represent the best value coverage ~~for public employees and family members of public employees. The Division of State Group Insurance and the Department of Elderly Affairs shall enter into an interagency agreement~~

1 ~~defining their roles with regard to plan development and~~
2 ~~design. Joint planning expenses shall be shared to the extent~~
3 ~~that funded planning activities are consistent with the goals~~
4 ~~of the department and the division. Eligible plan participants~~
5 ~~must include active and retired officers and employees of all~~
6 ~~branches and agencies of state and local government and their~~
7 ~~spouses, children, stepchildren, parents, and parents-in-law;~~
8 ~~active and retired federal employees residing in the state and~~
9 ~~their spouses, children, stepchildren, parents, and~~
10 ~~parents-in-law residing in the state; and the surviving~~
11 ~~spouses, children, stepchildren, parents, and parents-in-law~~
12 ~~of such deceased officers and employees, whether active or~~
13 ~~retired at the time of death.~~

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

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

17 ~~(a) "Department" means the Department of Elderly~~
18 ~~Affairs.~~

19 ~~(b) "Division" means the Division of State Group~~
20 ~~Insurance.~~

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

24 ~~(d) "Plan" means the Florida Employee Long-Term-Care~~
25 ~~Plan.~~

26 ~~(3) The division and the department shall, in~~
27 ~~consultation with public employers and employees and~~
28 ~~representatives from unions and associations representing~~
29 ~~state, university, local government, and other public~~
30 ~~employees, establish and supervise the implementation and~~
31 ~~administration of a self-funded or fully insured~~

1 ~~long-term care plan entitled "Florida Employee Long-Term Care~~
2 ~~Plan."~~

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

8 ~~(b) When contracting for a professional administrator,~~
9 ~~the division shall consider, at a minimum, the entity's~~
10 ~~previous experience and expertise in administering group~~
11 ~~long-term care self-funded plans or long-term care insurance~~
12 ~~programs; the entity's demonstrated ability to perform its~~
13 ~~contractual obligations in the state and in other~~
14 ~~jurisdictions; the entity's projected administrative costs;~~
15 ~~the entity's capability to adequately provide service~~
16 ~~coverage, including a sufficient number of experienced and~~
17 ~~qualified personnel in the areas of marketing, claims~~
18 ~~processing, recordkeeping, and underwriting; the entity's~~
19 ~~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 division 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 division 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 division and the department shall coordinate,~~
5 ~~directly or through contract, marketing of the plan. Expenses~~
6 ~~related to such marketing shall be reimbursed from funds of~~
7 ~~the plan.~~

8 ~~(5) The division shall contract with the State Board~~
9 ~~of Administration for the investment of funds in the Florida~~
10 ~~Employee Long-Term Care Plan reserve fund. Plan funds are not~~
11 ~~state funds. The moneys shall be held by the State Board of~~
12 ~~Administration on behalf of enrollees and invested and~~
13 ~~disbursed in accordance with a trust agreement approved by the~~
14 ~~division and the State Board of Administration and in~~
15 ~~accordance with the provisions of ss. 215.44-215.53. Moneys in~~
16 ~~the reserve fund may be used only for the purposes specified~~
17 ~~in the agreement.~~

18 ~~(6) A Florida Employee Long-Term-Care Plan Board of~~
19 ~~Directors is created, composed of seven members who shall~~
20 ~~serve 2-year terms, to be appointed as follows:~~

21 ~~(a) The secretary of the Department of Elderly Affairs~~
22 ~~shall appoint a member who is a plan participant.~~

23 ~~(b) The Insurance Commissioner shall appoint an~~
24 ~~actuary.~~

25 ~~(c) The Attorney General shall appoint an attorney~~
26 ~~licensed to practice law in this state.~~

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

29 ~~(e) The division shall appoint a member.~~

30 ~~(7) The board of directors of the Florida~~
31 ~~Long-Term-Care Plan shall:~~

1 ~~(a) Prepare an annual report of the plan, with the~~
2 ~~assistance of an actuarial consultant, to be submitted to the~~
3 ~~Speaker of the House of Representatives, the President of the~~
4 ~~Senate, the Governor, and the Minority Leaders of the Senate~~
5 ~~and the House of Representatives.~~

6 ~~(b) Approve the appointment of an executive director~~
7 ~~jointly recommended by the division and the department to~~
8 ~~serve as the chief administrative and operational officer of~~
9 ~~the Florida Employee Long-Term-Care Plan.~~

10 ~~(c) Approve the terms of the division's third-party~~
11 ~~administrator contract.~~

12 ~~(d) Implement such other policies and procedures as~~
13 ~~necessary to assure the soundness and efficient operation of~~
14 ~~the plan.~~

15 ~~(8) Members of the board may not receive a salary, but~~
16 ~~may be reimbursed for travel, per diem, and administrative~~
17 ~~expenses related to their duties. Board expenses and costs for~~
18 ~~the annual report and other administrative expenses must be~~
19 ~~borne by the plan. State funds may not be contributed toward~~
20 ~~costs associated with board members or their activities~~
21 ~~conducted on behalf of and for the benefit of plan~~
22 ~~beneficiaries.~~

23 Section 2. This act shall take effect upon becoming a
24 law.

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27 SENATE SUMMARY

28 Revises the duties of the Department of Elderly Affairs
29 and the Division of State Group Insurance with respect to
30 long-term-care insurance for public employees.