

1 A bill to be entitled
2 An act relating to long-term-care insurance for
3 public employees; amending s. 110.1227, F.S.;
4 revising the Florida Employee Long-Term-Care
5 Plan Act; requiring the Department of
6 Management Services and the Department of
7 Elderly Affairs to provide for long-term-care
8 insurance through payroll deduction; requiring
9 the Department of Management Services to review
10 proposals; authorizing the department to award
11 a contract; providing an effective date.

12
13 Be It Enacted by the Legislature of the State of Florida:

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

17 110.1227 Florida Employee Long-Term-Care Plan Act.--

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

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

29 ~~(3)(b)~~ The Department of Elderly Affairs and the
30 Department of Management Services ~~Division of State Group~~
31 ~~Insurance~~ shall jointly review ~~design the plan to provide~~

1 long-term-care insurance offerings to identify those that
2 represent the best value coverage for public employees, and
3 family members of public employees, and retirees. The
4 Department of Management Services shall review all fully
5 insured proposals submitted to it by qualified vendors who
6 have submitted responses to ITN #102A prior to February 23,
7 1999. Upon review of the proposals, the Department of
8 Management Services may award a contract to the vendor that
9 the department deems to represent the best value to public
10 employees, family members of public employees, and retirees.
11 ~~The Division of State Group Insurance and the Department of~~
12 ~~Elderly Affairs shall enter into an interagency agreement~~
13 ~~defining their roles with regard to plan development and~~
14 ~~design. Joint planning expenses shall be shared to the extent~~
15 ~~that funded planning activities are consistent with the goals~~
16 ~~of the department and the division. Eligible plan participants~~
17 ~~must include active and retired officers and employees of all~~
18 ~~branches and agencies of state and local government and their~~
19 ~~spouses, children, stepchildren, parents, and parents-in-law;~~
20 ~~active and retired federal employees residing in the state and~~
21 ~~their spouses, children, stepchildren, parents, and~~
22 ~~parents-in-law residing in the state; and the surviving~~
23 ~~spouses, children, stepchildren, parents, and parents-in-law~~
24 ~~of such deceased officers and employees, whether active or~~
25 ~~retired at the time of death.~~
26 ~~(c) This act in no way affects the Division of State~~
27 ~~Group Insurance's authority pursuant to s. 110.123.~~
28 ~~(2) As used in this section, the term:~~
29 ~~(a) "Department" means the Department of Elderly~~
30 ~~Affairs.~~
31

1 ~~(b) "Division" means the Division of State Group~~
2 ~~Insurance.~~

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

6 ~~(d) "Plan" means the Florida Employee Long-Term-Care~~
7 ~~Plan.~~

8 ~~(3) The division and the department shall, in~~
9 ~~consultation with public employers and employees and~~
10 ~~representatives from unions and associations representing~~
11 ~~state, university, local government, and other public~~
12 ~~employees, establish and supervise the implementation and~~
13 ~~administration of a self-funded or fully insured~~
14 ~~long-term-care plan entitled "Florida Employee Long-Term-Care~~
15 ~~Plan."~~

16 ~~(a) The division and the department shall, in~~
17 ~~consultation with the department, the Department of Management~~
18 ~~Services, and the Department of Insurance, contract for~~
19 ~~actuarial, professional-administrator, and other services for~~
20 ~~the Florida Employee Long-Term-Care Plan.~~

21 ~~(b) When contracting for a professional administrator,~~
22 ~~the division shall consider, at a minimum, the entity's~~
23 ~~previous experience and expertise in administering group~~
24 ~~long-term-care self-funded plans or long-term-care insurance~~
25 ~~programs; the entity's demonstrated ability to perform its~~
26 ~~contractual obligations in the state and in other~~
27 ~~jurisdictions; the entity's projected administrative costs;~~
28 ~~the entity's capability to adequately provide service~~
29 ~~coverage, including a sufficient number of experienced and~~
30 ~~qualified personnel in the areas of marketing, claims~~
31 ~~processing, recordkeeping, and underwriting; the entity's~~

1 ~~accessibility to public employees and other qualified~~
2 ~~participants; and the entity's financial soundness and~~
3 ~~solvency.~~

4 ~~(c) Any contract with a professional administrator~~
5 ~~entered into by the division must require that the state be~~
6 ~~held harmless and indemnified for any financial loss caused by~~
7 ~~the failure of the professional administrator to comply with~~
8 ~~the terms of the contract.~~

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

17 ~~(4) The division and the department shall coordinate,~~
18 ~~directly or through contract, marketing of the plan. Expenses~~
19 ~~related to such marketing shall be reimbursed from funds of~~
20 ~~the plan.~~

21 ~~(5) The division shall contract with the State Board~~
22 ~~of Administration for the investment of funds in the Florida~~
23 ~~Employee Long-Term-Care Plan reserve fund. Plan funds are not~~
24 ~~state funds. The moneys shall be held by the State Board of~~
25 ~~Administration on behalf of enrollees and invested and~~
26 ~~disbursed in accordance with a trust agreement approved by the~~
27 ~~division and the State Board of Administration and in~~
28 ~~accordance with the provisions of ss. 215.44-215.53. Moneys in~~
29 ~~the reserve fund may be used only for the purposes specified~~
30 ~~in the agreement.~~

31

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

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

6 ~~(b) The Insurance Commissioner shall appoint an~~
7 ~~actuary.~~

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

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

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

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

15 ~~(a) Prepare an annual report of the plan, with the~~
16 ~~assistance of an actuarial consultant, to be submitted to the~~
17 ~~Speaker of the House of Representatives, the President of the~~
18 ~~Senate, the Governor, and the Minority Leaders of the Senate~~
19 ~~and the House of Representatives.~~

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

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

26 ~~(d) Implement such other policies and procedures as~~
27 ~~necessary to assure the soundness and efficient operation of~~
28 ~~the plan.~~

29 ~~(8) Members of the board may not receive a salary, but~~
30 ~~may be reimbursed for travel, per diem, and administrative~~
31 ~~expenses related to their duties. Board expenses and costs for~~

1 ~~the annual report and other administrative expenses must be~~
2 ~~borne by the plan. State funds may not be contributed toward~~
3 ~~costs associated with board members or their activities~~
4 ~~conducted on behalf of and for the benefit of plan~~
5 ~~beneficiaries.~~

6 Section 2. This act shall take effect upon becoming a
7 law.

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