STORAGE NAME: h1869.go
DATE: March 26, 1999

HOUSE OF REPRESENTATIVES
COMMITTEE ON
GOVERNMENTAL OPERATIONS
ANALYSIS

BILL #: HB 1869

RELATING TO: Long-Term-Care Insurance for Public Employees

SPONSOR(S): Representative Tullis

COMPANION BILL(S): SB 1400 (identical)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:
(1) GOVERNMENTAL OPERATIONS
(2) ELDER AFFAIRS AND LONG-TERM CARE
(3) HEALTH CARE SERVICES
(4) GENERAL APPROPRIATIONS
(5)

I. SUMMARY:

This bill establishes that it is the intent of the Legislature that the Division of State Group Insurance and the Department of Elderly Affairs provide and opportunity for public employees to purchase voluntary, long-term-care insurance by means of payroll deduction.

It directs the Department of Elderly Affairs and the Division of State Group Insurance to jointly review long-term-care insurance offerings to identify those that represent the best value for public employees.

This bill deletes much of the statutory language found in s. 110.1227, F.S., relating to implementation of a self-funded or fully insured , voluntary, long-term-care plan for public employees and their families which the Department of Elderly Affairs successfully advocated for in Chapter 98-400, L.O.F., and which was codified at s. 110.1127, F.S. It now appears that a more realistic approach is being contemplated.

This bill provides for an effective date of upon becoming a law.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Chapter 98-400, L.O.F., directed the Department of Elderly Affairs and the Division of State Group Insurance to jointly design and implement a self-funded or fully insured, voluntary, long-term-care plan for public employees and their families. It provided for: who would be included as eligible participants; sharing of expenses between the two agencies; definitions; contracting with a professional administrator; marketing of the plan; investment of funds; a Florida Employee Long-Term-Care Plan Board of Directors; preparation of an annual report; appointment of an executive director; and travel and per diem for board members.

Apparently, there has been a re-thinking of the most cost-effective way to provide long-term-care coverage for public employees.

B. EFFECT OF PROPOSED CHANGES:

This bill revises the duties of the Department of Elderly Affairs and the Division of State Group Insurance with respect to long-term-care insurance for public employees. It directs these two agencies to jointly review long-term-care insurance offerings to identify those that represent the best value for public employees. It establishes legislative intent that these two agencies provide an opportunity for public employees to purchase voluntary, long-term-care insurance by means of payroll deduction.

This bill removes from the statutes most of s. 110.1227, F.S., which became law as Chapter 98-400, L.O.F., and revises the remaining language to accomplish the legislative intent described in the above paragraph.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

This bill does not eliminate or reduce an agency or program.

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

This bill would provide an opportunity for public employees to purchase voluntary, long-term-care insurance by means of payroll deduction.

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

Yes.

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

This bill does not purport to provide services to families or children.

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

This bill does not create or change a program providing services to families or children.

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

s.110.1227, F.S.

E. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends s. 110.1227, F.S., 1998 Supplement, directing the Division of State Group Insurance and the Department of Elderly Affairs to provide an opportunity for public employees to purchase voluntary, long-term-care insurance by means of payroll deduction; providing that the Department of Elderly Affairs and the Division of State Group Insurance shall jointly review long-term-care insurance offerings to identify those that represent the best value; and removing from the statutes most of s. 110.1227, F.S., which became law as Chapter 98-400, L.O.F.

Section 2. Provides an effective date of upon becoming a law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

   There may be an indeterminate amount of cost to jointly review insurance offerings to identify the best value for public employees.

2. Recurring Effects:

   Public employees who elect to purchase voluntary, long-term-care insurance would pay for the cost of this insurance through payroll deduction.

3. Long Run Effects Other Than Normal Growth:

   None.

4. Total Revenues and Expenditures:

   N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

   None.

2. Recurring Effects:

   None.

3. Long Run Effects Other Than Normal Growth:

   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

   None.

2. Direct Private Sector Benefits:

   Indeterminate.

3. Effects on Competition, Private Enterprise and Employment Markets:

   Indeterminate.

D. FISCAL COMMENTS:

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to expend funds or take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties and municipalities.

V. COMMENTS:

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

COMMITTEE ON GOVERNMENTAL OPERATIONS:

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