

By Senator Saunders

25-648-99

1                                   A bill to be entitled  
2           An act relating to managed care; requiring the  
3           Agency for Health Care Administration to  
4           establish the Statewide Managed-Care Ombudsman  
5           Office to direct a managed-care ombudsman  
6           program; specifying the purpose of the  
7           managed-care ombudsman program; requiring that  
8           the managed-care ombudsman office contract with  
9           district managed-care ombudsman organizations  
10          to assist consumers in resolving complaints  
11          against managed-care plans; requiring that the  
12          ombudsman office issue an annual report;  
13          requiring that the managed-care ombudsman  
14          program provide certain public-outreach  
15          services; providing requirements for contracts  
16          with district managed-care ombudsman  
17          organizations; providing for the appointment of  
18          a program director for the ombudsman office;  
19          providing duties of the ombudsman office;  
20          providing for the appointment of members to the  
21          Statewide Managed-Care Advisory Council;  
22          specifying the duties of the advisory council;  
23          providing for a pilot project to test the  
24          managed-care ombudsman program; providing for  
25          funding the managed-care ombudsman program  
26          through an assessment on health plan premiums;  
27          requiring the Agency for Health Care  
28          Administration to adopt rules; repealing ss.  
29          641.60, 641.61, 641.62, 641.65, 641.67, 641.68,  
30          641.70, 641.75, F.S., relating to the Statewide  
31          Managed Care Ombudsman Committee and district

1 managed care ombudsman committees; providing an  
2 effective date.

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

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6 Section 1. Managed-care ombudsman program.--

7 (1) PURPOSE AND INTENT.--The Agency for Health Care  
8 Administration shall establish a Statewide Managed-Care  
9 Ombudsman Office to direct a managed-care ombudsman program.  
10 The ombudsman office shall be advised by a Statewide  
11 Managed-Care Advisory Council. The purpose of the managed-care  
12 ombudsman program shall be to:

13 (a) Educate consumers concerning managed care, health  
14 plans, and health plan options.

15 (b) Educate consumers concerning their rights and  
16 responsibilities as members of a health plan.

17 (c) Facilitate the resolution of the concerns and  
18 problems of health plan members.

19 (2) ASSISTANCE FUNCTIONS OF THE MANAGED-CARE OMBUDSMAN  
20 PROGRAM.--The ombudsman office shall contract with district  
21 managed-care ombudsman organizations to perform, at a minimum,  
22 the following functions:

23 (a) Assist consumers in understanding managed care,  
24 health plans, and their options as health plan members, and  
25 educate consumers in understanding and using objective,  
26 comparative plan information in selecting a health plan.

27 (b) Educate consumers regarding their rights and  
28 responsibilities as health plan members, including the right  
29 to various complaint, grievance, and appeals processes.

30 (c) Receive, evaluate, and catalogue all concerns of  
31 plan members and complaints concerning health plans.

1           (d) Facilitate the resolution of problems through  
2 active communication with health plans, particularly member  
3 service departments. A health plan may release medical  
4 information directly only to the plan member, or his or her  
5 designated representative, upon the member's written  
6 authorization. The plan member shall release the health plan  
7 from any liability for providing such information.

8           (e) Assist health plan members in filing formal  
9 grievances and appeals when complaints cannot be resolved by  
10 working with the health plan, and assist members throughout  
11 the grievance and appeals processes.

12           (f) Refer health plan members, when appropriate, to  
13 other organizations for assistance, particularly for legal  
14 representation during the grievance and appeals processes.

15           (g) Conduct periodic meetings and share information  
16 with health plan representatives and officials of the  
17 ombudsman office. The purpose of these meetings is to discuss  
18 issues of concern which arise from the activities of the  
19 managed-care ombudsman program and to provide feedback  
20 concerning systematic failures to help identify opportunities  
21 for improving health plans and state rules governing health  
22 plans.

23           (h) Collect and analyze data gathered through the  
24 activities of the managed-care ombudsman program, or otherwise  
25 available to the program, and provide an annual report to the  
26 ombudsman office on program initiatives, results, and issues  
27 of concern to consumers. The annual report must include  
28 recommendations for improving the managed-care delivery system  
29 and the state regulatory system for managed care.

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1           (i) Provide a resource to all employers, particularly  
2 small employers, by establishing an independent assistance  
3 program for employers and their families.

4           (j) Provide a resource for health plans by educating  
5 plan members, assisting in resolving member problems, and  
6 identifying opportunities for improving health plans.

7           (3) PUBLIC OUTREACH STRATEGIES OF THE MANAGED-CARE  
8 OMBUDSMAN PROGRAM.--The managed-care ombudsman program shall  
9 implement innovative strategies and maximize its outreach to  
10 consumers. Each health plan must include in its marketing and  
11 membership materials information regarding the availability of  
12 the managed-care ombudsman program. The public outreach  
13 strategies must, at a minimum, include:

14           (a) A toll-free telephone number.

15           (b) A web site on the Internet.

16           (c) Person-to-person counseling.

17           (d) Publication and distribution of printed materials  
18 and reports.

19           (e) Active liaison services, partnership services, and  
20 information-sharing with community, consumer, health,  
21 disability, religious, and ethnic-based organizations and  
22 other organizations that represent consumers.

23           (4) SELECTION CRITERIA FOR DISTRICT MANAGED-CARE  
24 OMBUDSMAN ORGANIZATIONS.--The ombudsman office shall contract,  
25 through a competitive bidding process, with independent  
26 district managed-care ombudsman organizations to perform  
27 program functions. The ombudsman office shall establish  
28 criteria for selecting organizations. The criteria must, at a  
29 minimum, include:

30           (a) Status as a private entity.

31           (b) Not-for-profit status.

- 1           (c) Public interest mission.
- 2           (d) A governing board that consists of a majority of  
3 consumers.
- 4           (e) Qualified staff expertise in managed care, public  
5 education and outreach, program resolution, and  
6 quality-of-care evaluation.
- 7           (5) FUNCTIONS OF THE STATEWIDE MANAGED-CARE OMBUDSMAN  
8 OFFICE.--The director of the Agency for Health Care  
9 Administration shall appoint a program director of the  
10 ombudsman office. The ombudsman office shall design,  
11 implement, and evaluate the managed-care ombudsman program. At  
12 a minimum, the ombudsman office shall:
- 13           (a) Administer competitive contracts with district  
14 managed-care ombudsman organizations for performing the  
15 functions of the managed-care ombudsman program.
- 16           (b) Establish the scope of work for the organizations  
17 under contract with the ombudsman office.
- 18           (c) Adopt rules to administer the managed-care  
19 ombudsman program. The rules must authorize and describe the  
20 process by which an organization under contract with the  
21 ombudsman office may access health plan information necessary  
22 to facilitate resolving problems of health plan members.
- 23           (d) Evaluate the performance of all organizations  
24 under contract with the ombudsman office.
- 25           (e) Provide technical assistance and training to all  
26 organizations under contract with the ombudsman office.
- 27           (f) Collect and analyze data gathered through the  
28 activities of the managed-care ombudsman program, or otherwise  
29 available to the ombudsman office, and publish an annual  
30 report on the initiatives, results, and issues of concern to  
31 consumers. The annual report must include recommendations for

1 improving the managed-care delivery system and the state  
2 regulatory system for managed care.

3 1. The ombudsman office shall have access to  
4 managed-care information that is available through state  
5 licensing agencies, external quality reviews, independent  
6 appeals, and report-card programs of managed-care programs.

7 2. The ombudsman office shall coordinate the sharing  
8 of data and managed-care information among organizations under  
9 contract with the ombudsman office. The annual report shall be  
10 widely disseminated to state agencies and to the public.

11 (6) COMPOSITION AND FUNCTIONS OF THE STATEWIDE  
12 MANAGED-CARE ADVISORY COUNCIL.--The members of the Statewide  
13 Managed-Care Advisory Council shall be appointed, in equal  
14 number, by the Governor, the Insurance Commissioner, the  
15 President of the Senate, and the Speaker of the House of  
16 Representatives. The members of the advisory council must be  
17 broadly representative of the health care community and shall,  
18 at a minimum, include consumers, employers, providers, and  
19 representatives of the district ombudsman organizations, the  
20 managed-care industry, and state agencies that regulate and  
21 oversee managed care. The Statewide Managed-Care Advisory  
22 Council shall, at a minimum, perform the following functions:

23 (a) Advise the ombudsman office on program design and  
24 operational issues, including the scope of work to be included  
25 in contracts with district ombudsman organizations and the  
26 rules of the managed-care ombudsman program.

27 (b) Recommend to the ombudsman office the eligibility  
28 criteria to be used in selecting district ombudsman  
29 organizations.

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1           (c) Recommend to the ombudsman office the criteria to  
2 be used in evaluating the performance of district ombudsman  
3 organizations.

4           (d) Recommend to the ombudsman office possible changes  
5 to the managed-care ombudsman program and standards and  
6 consumer protections for managed care.

7           (7) TWO-YEAR PILOT PROJECT.--The managed-care  
8 ombudsman program shall be initially tested through a 2-year  
9 pilot project. The director of the Agency for Health Care  
10 Administration shall select two locations, one urban and one  
11 rural, for implementing the pilot project. The ombudsman  
12 office shall select a different district managed-care  
13 ombudsman organization to conduct the managed-care ombudsman  
14 program in each location. The state contract with each  
15 district managed-care ombudsman organization shall be for 2  
16 years and must be consistent with all requirements of the  
17 managed-care ombudsman program.

18           (8) FUNDING FOR THE MANAGED-CARE OMBUDSMAN  
19 PROGRAM.--The managed-care ombudsman program shall be funded  
20 by an assessment on health plan premiums. The ombudsman office  
21 shall determine the exact assessment on health plans, which  
22 must be based on the scope of work of the managed-care  
23 ombudsman program and include the cost of contracts with  
24 district managed-care ombudsman organizations.

25           (a) As a condition of the contract, any district  
26 managed-care ombudsman organization under contract with the  
27 managed-care ombudsman program to perform program functions  
28 shall be required to raise funds from the private sector.

29           (b) The 2-year pilot project shall be funded in the  
30 General Appropriations Act.

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