

Bill No. CS for SB 232

Amendment No. \_\_\_\_

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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11	Senator Brown-Waite moved the following amendment:		
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13	<b>Senate Amendment (with title amendment)</b>		
14	On page 3, between lines 19 and 20,		
15			
16	insert:		
17	Section 4. Effective July 1, 1999, and applicable to		
18	policies and contracts issued or renewed on or after that		
19	date, subsections (2) and (3) of section 641.31, Florida		
20	Statutes, are amended to read:		
21	641.31 Health maintenance contracts.--		
22	(2) The rates charged by any health maintenance		
23	organization to its subscribers shall not be excessive,		
24	inadequate, or unfairly discriminatory <u>or follow a rating</u>		
25	<u>methodology that is inconsistent, indeterminate, or ambiguous</u>		
26	<u>or encourages misrepresentation or misunderstanding.</u> The		
27	department, in accordance with generally accepted actuarial		
28	practice as applied to health maintenance organizations, may		
29	define by rule what constitutes excessive, inadequate, or		
30	unfairly discriminatory rates and may require whatever		
31	information it deems necessary to determine that a rate or		

Bill No. CS for SB 232

Amendment No. \_\_\_\_

1 proposed rate meets the requirements of this subsection.

2           (3)(a) If a health maintenance organization desires to  
3 amend any contract with its subscribers or any certificate or  
4 member handbook, or desires to ~~change any rate charged for the~~  
5 ~~contract or to change any basic health maintenance contract,~~  
6 certificate, grievance procedure, or member handbook form, or  
7 application form where written application is required and is  
8 to be made a part of the contract, or printed amendment,  
9 addendum, rider, or endorsement form or form of renewal  
10 certificate, it may do so, upon filing with the department the  
11 proposed change ~~or, amendment, or change in rates~~. Any  
12 proposed change shall be effective immediately, subject to  
13 disapproval by the department. Following receipt of notice of  
14 such disapproval or withdrawal of approval, no health  
15 maintenance organization shall issue or use any form ~~or rate~~  
16 disapproved by the department or as to which the department  
17 has withdrawn approval.

18           (b) Any change in the rate is subject to paragraph (d)  
19 and requires at least 30 days' advance written notice to the  
20 subscriber. In the case of a group member, there may be a  
21 contractual agreement with the health maintenance organization  
22 to have the employer provide the required notice to the  
23 individual members of the group.

24           (c)~~(b)~~ The department shall disapprove any form filed  
25 under this subsection, or withdraw any previous approval  
26 thereof, if the form:

27           1. Is in any respect in violation of, or does not  
28 comply with, any provision of this part or rule adopted  
29 thereunder.

30           2. Contains or incorporates by reference, where such  
31 incorporation is otherwise permissible, any inconsistent,

Bill No. CS for SB 232

Amendment No. \_\_\_\_

1 ambiguous, or misleading clauses or exceptions and conditions  
2 which deceptively affect the risk purported to be assumed in  
3 the general coverage of the contract.

4 3. Has any title, heading, or other indication of its  
5 provisions which is misleading.

6 4. Is printed or otherwise reproduced in such a manner  
7 as to render any material provision of the form substantially  
8 illegible.

9 5. Contains provisions which are unfair, inequitable,  
10 or contrary to the public policy of this state or which  
11 encourage misrepresentation.

12 ~~6. Charges rates that are determined by the department~~  
13 ~~to be inadequate, excessive, or unfairly discriminatory, or~~  
14 ~~the rating methodology followed by the health maintenance~~  
15 ~~organization is determined by the department to be~~  
16 ~~inconsistent, indeterminate, ambiguous, or encouraging~~  
17 ~~misrepresentation or misunderstanding. Use of the rating~~  
18 ~~methodology must be discontinued immediately upon disapproval~~  
19 ~~unless the health maintenance organization seeks~~  
20 ~~administrative relief. If a new rating methodology is filed~~  
21 ~~with the department, the premiums determined by such newly~~  
22 ~~filed rating methodology may apply prospectively only to new~~  
23 ~~or renewal business written on or after the effective date of~~  
24 ~~the responsive filing made by the health maintenance~~  
25 ~~organization.~~

26 6.7. Excludes coverage for human immunodeficiency  
27 virus infection or acquired immune deficiency syndrome or  
28 contains limitations in the benefits payable, or in the terms  
29 or conditions of such contract, for human immunodeficiency  
30 virus infection or acquired immune deficiency syndrome which  
31 are different than those which apply to any other sickness or

Bill No. CS for SB 232

Amendment No. \_\_\_\_

1 medical condition.

2 (d) Any change in rates charged for the contract must  
3 be filed with the department not less than 30 days in advance  
4 of the effective date. At the expiration of such 30 days, the  
5 rate filing shall be deemed approved unless prior to such time  
6 the filing has been affirmatively approved or disapproved by  
7 order of the department. The approval of the filing by the  
8 department constitutes a waiver of any unexpired portion of  
9 such waiting period. The department may extend by not more  
10 than an additional 15 days the period within which it may so  
11 affirmatively approve or disapprove any such filing, by giving  
12 notice of such extension before expiration of the initial  
13 30-day period. At the expiration of any such period as so  
14 extended, and in the absence of such prior affirmative  
15 approval or disapproval, any such filing shall be deemed  
16 approved.

17 (e)(c) It is not the intent of this subsection to  
18 restrict unduly the right to modify rates in the exercise of  
19 reasonable business judgment.

20  
21 (Redesignate subsequent sections.)

22  
23  
24 ===== T I T L E A M E N D M E N T =====

25 And the title is amended as follows:

26 On page 1, line 13, following the semicolon

27  
28 insert:

29 amending s. 641.31, F.S.; revising the  
30 procedures and standards for rate changes made  
31 by an organization; deleting current provisions

Bill No. CS for SB 232

Amendment No. \_\_\_\_

1           that allow rate changes to be implemented  
2           immediately upon filing with the Department of  
3           Insurance, subject to disapproval; requiring  
4           rate changes to be filed with the department a  
5           specified time period prior to use; providing  
6           that a filing is deemed approved after a  
7           certain time period absent affirmative approval  
8           or disapproval by the department; making  
9           conforming changes;  
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