

By Senator Forman

32-494-99

1 A bill to be entitled
2 An act relating to health insurance; providing
3 a short title; providing legislative findings;
4 creating the Premium Assistance Program within
5 the Agency for Health Care Administration to
6 assist small businesses in purchasing health
7 insurance coverage for employees; providing
8 eligibility requirements; providing
9 applicability to specified health benefit
10 plans; specifying the subsidies that a small
11 business may receive under the program;
12 requiring that specified moneys be used to fund
13 the Premium Assistance Program; providing for
14 distribution of funds; providing an
15 appropriation; providing an effective date.

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

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19 Section 1. (1) This section may be cited as the
20 "Premium Assistance Program."

21 (2) The Legislature recognizes that 212,000 of the
22 over 310,000 small businesses in this state have four or fewer
23 employees, that health care for uninsured employees of these
24 small businesses represents a significant portion of the
25 uncompensated costs of health care providers, and that these
26 employees have impaired access to health care services and a
27 correspondingly lower health status. The Legislature finds
28 that the most difficult obstacle for a small business to
29 overcome is the initial expense of instituting the benefit of
30 health coverage for its employees because the premium expense
31 represents a substantial increase in overhead expense for the

1 business. Once accustomed to this expense, a small business is
2 more likely to be able to tolerate modest year-to-year
3 increases in premium costs.

4 (3) The Premium Assistance Program is created within
5 the Agency for Health Care Administration to assist small
6 businesses in purchasing health insurance coverage for their
7 employees.

8 (4)(a) To be eligible for the Premium Assistance
9 Program a small business must have four or fewer employees and
10 must not have offered health insurance coverage to its
11 employees or paid the health insurance premiums of its
12 employees for the previous 6 months or longer. A small
13 business is ineligible for the Premium Assistance Program if
14 the business discontinues health insurance coverage for its
15 employees in an attempt to qualify for the program.

16 (b) The premium subsidy authorized by this section
17 shall be provided for standard and basic health benefit plans,
18 as defined in section 627.6699, Florida Statutes.

19 (c) The small business shall receive the following
20 subsidies for single-parent or two-parent family contract
21 coverage:

22 1. Seventy-five percent of the health insurance
23 premiums for the first year.

24 2. Fifty percent of the cost of health insurance
25 premiums for the second year.

26 3. Twenty-five percent of the cost of health insurance
27 premiums for the third year.

28 (5) Moneys that the state receives in the settlement
29 of the court action that was filed in the Fifteenth Judicial
30 Circuit, Palm Beach County, and styled "The State of Florida,
31 et al., v. The American Tobacco Company, et al.," shall be

1 used to fund the Premium Assistance Program and shall be
2 distributed by the Agency for Health Care Administration
3 according to the estimated number of small businesses in each
4 community health purchasing alliance district which do not
5 offer health insurance for their employees. Funds shall be
6 distributed quarterly and monitored by the Agency for Health
7 Care Administration.

8 Section 2. The sum of \$10 million is appropriated to
9 the Agency for Health Care Administration from the moneys that
10 the state receives in the settlement of the legal action that
11 was filed in the Fifteenth Judicial Circuit, Palm Beach
12 County, and styled "The State of Florida, et al., v. The
13 American Tobacco Company, et al.," for the purpose of carrying
14 out the provisions of this act during fiscal year 1999-2000.

15 Section 3. This act shall take effect upon becoming a
16 law.

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19 SENATE SUMMARY

20 Creates the Premium Assistance Program within the Agency
21 for Health Care Administration to assist small businesses
22 in paying the cost of health insurance premiums for
23 employees. Requires that to be eligible for the program,
24 a business must have four or fewer employees and must not
25 have offered health insurance for its employees for the
26 previous 6 months. Provides that the premium subsidy
27 applies to standard and basic health benefit plans.
28 Provides for a small business to receive 75 percent of
29 health insurance premiums for the first year, 50 percent
30 of the cost of health insurance premiums for the second
31 year, and 25 percent of the cost of health insurance
premiums for the third year. Provides for the program to
be funded from moneys that the state receives in
settlement of "The State of Florida, et al., v. The
American Tobacco Company, et al."