Amendment No. ___ (for drafter's use only)

CHAMBER ACTION

Senate		House
	.	

ORIGINAL STAMP BELOW

Representative(s) Arnall offered the following:

Amendment (with title amendment)

On page 2, line 2,

insert:

Section 1. Subsection (1) and paragraph (a) of subsection (6) of section 627.410, Florida Statutes, 1998 Supplement, are amended to read:

627.410 Filing, approval of forms.--

(1) No basic insurance policy or annuity contract form, or application form where written application is required and is to be made a part of the policy or contract, or group certificates issued under a master contract delivered in this state, or printed rider or endorsement form or form of renewal certificate, shall be delivered or issued for delivery in this state, unless the form has been filed with the department at its offices in Tallahassee by or in behalf of the insurer which proposes to use such form and has been approved by the department. This provision does not apply to surety bonds or to policies, riders, endorsements, or forms of

unique character which are designed for and used with relation to insurance upon a particular subject (other than as to individual or small group health insurance), or which relate to the manner of distribution of benefits or to the reservation of rights and benefits under life or health insurance policies and are used at the request of the individual policyholder, contract holder, or certificateholder. As to group insurance policies effectuated and delivered outside this state but covering persons resident in this state, the group certificates to be delivered or issued for delivery in this state shall be filed with the department for information purposes only.

(6)(a) An insurer shall not deliver or issue for delivery or renew in this state any health insurance policy form until it has filed with the department a copy of every applicable rating manual, rating schedule, change in rating manual, and change in rating schedule; if rating manuals and rating schedules are not applicable, the insurer must file with the department applicable premium rates and any change in applicable premium rates. This provision does not apply to rating manuals, rating schedules, changes in rating manuals or schedules, or if rating manuals or schedules are not applicable, to premium rates or changes in such rates, relating to policies, riders, endorsements, or forms of unique character which are designed for and used with relation to insurance upon a particular subject or to benefits under group health insurance policies insuring 100 or more persons and are used at the request of the individual policyholder, contract holder, or certificate holder.

Section 2. Section 627.6474, Florida Statutes, is created to read:

1 627.6474 Point of service policies; purpose;
2 definitions; authority; standards; reporting; application.--
3 (1) PURPOSE.--It is the purpose of this section to
4 encourage the issuance to persons coverage that provides an
5 option, at the time medical services are secured, of accessing
6 benefits provided by a licensed health maintenance
7 organization or by a licensed health insurer. By authorizing
8 the issuance of such coverage, the Legislature intends to
9 maximize health care options for consumers of health care
10 policies.
11 (2) SCOPE.--Point of service coverage may be issued on
12 an individual or group basis.
13 (3) DEFINITIONS.--As used in this section:
14 (a) "Point of service agreement" is the contractual
15 means by which a health insurer and health maintenance
16 organization jointly offer point of service coverage.
17 (b) "Point of service policy" is a policy providing
18 comprehensive health benefits under which a covered person
19 has:
20 1. A health insurance policy issued by an authorized
21 health insurer in conjunction with a health maintenance
22 contract issued by a licensed health maintenance organization,
23 under which the covered person may choose at each time of
24 service to access indemnity benefits under the health
25 insurance policy or benefits under the health maintenance
26 contract, but not both; or
27 2. A single contract issued by a health maintenance
28 organization or a single policy issued by a health insurer,
29 pursuant to a point of service agreement between the health
30 insurer and the health maintenance organization, under which
31 the covered person may choose at each time of service to

1 access indemnity benefits under the health insurance portion
2 of the policy or benefits under the health maintenance portion
3 or the policy, but not both.
4 (c) "Covered person" means the policyholder or
5 subscriber of an individual point of service policy, or the
6 subscriber or certificateholder under a group point of service
7 policy.
8 (4) AUTHORITY TO ISSUE.--Subject to the requirements
9 contained in this section, nothing in this code, including
10 chapter 641, and rules adopted under the code and such
11 chapter, shall be deemed to prohibit an authorized health
12 insurer and a licensed health maintenance organization, in
13 conjunction, from soliciting, offering, or providing point of
14 service coverage either in a separate policy issued by the
15 health insurer jointly with a separate health maintenance
16 contract issued by the health maintenance organization or in a
17 single contract issued by the health maintenance organization
18 or in a single policy issued by the health insurer.
19 (5) PROVISIONS OF POINT OF SERVICE POLICIES.--Each
20 point of service policy shall contain, in addition to all
21 others required under this code, chapter 641, and rules
22 adopted under the code and such chapter, a provision:
23 (a) Clearly identifying both the health insurer and
24 the health maintenance organization and, in the instance of a
25 group policy, a provision in the member handbook or
26 certificate of coverage clearly identifying the health insurer
27 and the health maintenance organization.
28 (b) Stating that a covered person covered under a
29 point of service policy must elect either indemnity benefits
30 or health maintenance organization coverage at the time of
31 service.

1 (c) Stating that whenever coverage has been paid or
2 provided with respect to a given medical service by either the
3 health insurer or the health maintenance organization pursuant
4 to a filed and approved point of service policy, the
5 provisions of s. 627.4235 shall not apply with respect to the
6 point of service policy but shall apply as to other policies,
7 plans, or contracts of the covered person.
8 (d) Stating that 60 days prior to the termination of a
9 point of service agreement, the terminating company must
10 provide each covered person who has a policy under the
11 agreement notice in writing of the termination.
12 (e) That, if a point of service agreement is
13 terminated, the policyholder in an individual contract or the
14 contract holder in a group contract may, within 60 days after
15 receiving notice of the termination, elect to continue
16 coverage for the remainder of the contract period on the form
17 and at the rate approved by the department pursuant to
18 subsection (6) with either the health maintenance organization
19 or the health insurer that was a party to the point of service
20 agreement. Point of service policies and contracts issued
21 pursuant to this section are exempt from the notice
22 requirements of s. 641.31074(3)(a)1. and 2. and s.
23 627.6571(3)(a) 1. and 2.
24 (f) That, if the covered person is entitled to a
25 conversion plan, the covered person is entitled to a choice of
26 either an indemnity plan from the health insurer or a health
27 maintenance organization contract, without prejudice.
28 (6) FILING AND REPORTING REQUIREMENTS.--
29 (a) The following requirements apply to point of
30 service policy forms and rate filings.
31 1. All point of service policy form and rate filings

1 shall be made jointly, whether or not separate or combined
2 forms are used.
3 2. The point of service policy form and rate filing
4 shall include all forms and rates required by this section.
5 However, if forms and rates which have been previously
6 approved are used to satisfy the required separate health
7 benefit policies and the conversion policies to be used in
8 conjunction with such point of service policy, it shall be
9 sufficient to identify the form number and date of approval of
10 these forms and related rates.
11 3. The point of service policy form and rate filing
12 shall contain certification from an officer of the health
13 insurer and an officer of the health maintenance organization
14 that each company agrees, as a condition precedent to
15 termination of the point of service agreement, to provide the
16 department with notice of its intention to terminate the point
17 of service arrangement no less than 90 days prior to the
18 effective date of termination. Further, each company agrees to
19 notify the department within 48 hours after a material breach
20 by either company.
21 4. All point of service policy filings shall contain
22 an authorization from the health insurer and the health
23 maintenance organization, either as joint signatories or an
24 original letter of authorization from each company to the
25 other, to make the combined filing whenever a single policy
26 will be used and that each company will be responsible for the
27 accuracy of the information which it provided for the combined
28 filing. The insurer or health maintenance organization that
29 issues the single policy shall be primarily responsible for
30 insuring that the benefits specified in the contract are
31 provided in the manner specified in the contact.

1 5. All point of service policy forms and rates shall
2 be filed and approved prior to use. All form and rate changes
3 to such policy shall be filed and approved prior to use.
4 6. The health insurer and the health maintenance
5 organization shall each file and have approved a policy form
6 and rate to be made available to the covered person when the
7 point of service agreement is terminated during an existing
8 contract period. The filing shall:
9 a. Contain levels of indemnity benefits or other
10 health benefit coverage no less than that provided by the
11 insurer under the point of service policy for the insurer's
12 policy form or by the health maintenance organization under
13 the point of service policy for the health maintenance
14 organization contract.
15 b. Comply in all respects with the requirements of the
16 insurance code or chapter 641 as related to the product being
17 filed.
18 c. Clearly identify that the policy is intended for
19 use as a replacement for a point of service policy.
20 7. The health insurer or the health maintenance
21 organization shall make, at a minimum, an annual rate filing
22 for each point of service policy form offered in this state.
23 Annual periodic rate adjustments shall be made to reflect the
24 actual premium split based on experience and compared with the
25 assumed split at the beginning of the contract. Except as so
26 described, no other experience adjustments shall be made on a
27 retrospective basis without approval by the department.
28 8. All rate filings for a point of service policy
29 shall contain the following terms and conditions, in addition
30 to all others required by law or rule:
31 a. The health insurer and the health maintenance

1 organization shall each perform its own pricing on a net claim
2 basis.
3 b. The health insurer and the health maintenance
4 organization shall each calculate its own expenses and profit
5 margins.
6 c. Expenses shall be itemized and shall clearly
7 identify which entity is performing which duty relative to
8 each expense item noted.
9 d. Minimum loss ratios, as defined in the code or in
10 any applicable rule adopted under the code, shall be met by
11 each company.
12 (b) Each health insurer and health maintenance
13 organization shall maintain separate records relating to any
14 point of service policy. The annual actuarial certification
15 shall contain a specific actuarial certification that the
16 rates charged for this product are not inadequate, excessive,
17 or discriminatory.
18 (7) APPLICABILITY.--
19 (a) Any health insurer entering into a point of
20 service arrangement pursuant to this section, in addition to
21 the requirements of this section, shall be subject to all
22 provisions of the insurance code and other laws, and rules
23 adopted under the code or such laws, applicable to health
24 insurers generally. However, an agent that sells or solicits a
25 product issued as a single policy or contract by either the
26 health maintenance organization or the insurer shall be
27 appointed by the entity issuing the policy or contract and
28 shall not be required to be appointed by both carriers.
29 (b) Any health maintenance organization entering into
30 a point of service arrangement pursuant to this section, in
31 addition to the requirements of this section, shall be subject

1 to all provisions of chapter 641, and rules adopted under such
2 chapter, and to all other provisions of this code and other
3 laws and rules adopted under such code and laws applicable to
4 health maintenance organizations generally.
5 (c) The health insurance portion of a point of service
6 arrangement policy shall be subject to the provisions of part
7 III of chapter 631. The health maintenance portion of a point
8 of service arrangement shall be subject to part IV of chapter
9 631.
10 (d) Any health maintenance organization entering into
11 a point of service arrangement pursuant to this section shall
12 not be subject to part VII of chapter 626 when administering a
13 point of service policy.
14 (8) RULEMAKING.--The department may adopt any rule
15 necessary to implement the intent and provisions of this
16 section. In adopting such rule, the department shall consider
17 requirements to ensure that experience adjustments and other
18 adjustments are reasonable, fair, and equitable; that point of
19 service policies, advertisements, solicitation materials, and
20 other statements or related documents are clear and
21 understandable; that point of service policies are provided to
22 the insurance buying public in a fashion that meets the
23 purposes of this section and are provided in a fair and
24 equitable fashion; and that point of service policies provide
25 for a proper triggering of the conversion plan policies.
26
27
28 =============== T I T L E A M E N D M E N T ===============
29 And the title is amended as follows:
30 On page 1, line 2, after the semicolon,
31

1 insert:
2 amending s. 627.410, F.S.; limiting application
3 of an exception; providing an exception to
4 certain filing requirements for manuals,
5 schedules, or rates relating to certain group
6 health insurance policies; creating s.
7 627.6474, F.S.; providing for point of service
8 policies; providing purpose and scope;
9 providing definitions; providing authority to
10 issue point of service policies; specifying
11 required provisions in such policies; providing
12 filing and reporting requirements; specifying
13 applicability; authorizing the Department of
14 Insurance to adopt rules;
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31