**By** Senators Thomas, Childers and Mitchell

3-722-99 See HB

1 A bill to be entitled
2 An act relating to the state group insurance
3 program; amending s. 110.123, F.S.; requiring
4 the state group insurance plan to provide an
5 enrollee with continued access to a treating
6 health care provider who loses provider status
7 under the program; providing limitations;
8 providing applicability; providing an effective
9 date.
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11 Be It Enacted by the Legislature of the State of Florida:
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13 Section 1. Paragraph (h) of subsection (3) of section
14 110.123, Florida Statutes, 1998 Supplement, is amended to
15 read:
16 110.123 State group insurance program.--
17 (3) STATE GROUP INSURANCE PROGRAM.--
18 (h)1. A person eligible to participate in the state
19 group health insurance plan may be authorized by rules adopted
20 by the division, in lieu of participating in the state group
21 health insurance plan, to exercise an option to elect
22 membership in a health maintenance organization plan which is
23 under contract with the state in accordance with criteria
24 established by this section and by said rules. The offer of
25 optional membership in a health maintenance organization plan
26 permitted by this paragraph may be limited or conditioned by
27 rule as may be necessary to meet the requirements of state and
28 federal laws.
29 2. The division shall contract with health maintenance
30 organizations to participate in the state group insurance
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1 program through a request for proposal based upon a premium
2 and a minimum benefit package as follows:
3 a. A minimum benefit package to be provided by a
4 participating HMO shall include: physician services; inpatient
5 and outpatient hospital services; emergency medical services,
6 including out-of-area emergency coverage; diagnostic
7 laboratory and diagnostic and therapeutic radiologic services;
8 mental health, alcohol, and chemical dependency treatment
9 services meeting the minimum requirements of state and federal
10 law; skilled nursing facilities and services; prescription
11 drugs; and other benefits as may be required by the division.
12 Additional services may be provided subject to the contract
13 between the division and the HMO.
14 b. A uniform schedule for deductibles and copayments
15 may be established for all participating HMOs.
16 c. Based upon the minimum benefit package and
17 copayments and deductibles contained in sub-subparagraphs a.
18 and b., the division shall issue a request for proposal for
19 all HMOs which are interested in participating in the state
20 group insurance program. Upon receipt of all proposals, the
21 division may, as it deems appropriate, enter into contract
22 negotiations with HMOs submitting bids. As part of the request
23 for proposal process, the division may require detailed
24 financial data from each HMO which participates in the bidding
25 process for the purpose of determining the financial stability
26 of the HMO.
27 d. In determining which HMOs to contract with, the
28 division shall, at a minimum, consider: each proposed
29 contractor's previous experience and expertise in providing
30 prepaid health benefits; each proposed contractor's historical
31 experience in enrolling and providing health care services to

1 participants in the state group insurance program; the cost of
2 the premiums; the plan's ability to adequately provide service
3 coverage and administrative support services as determined by
4 the division; plan benefits in addition to the minimum benefit
5 package; accessibility to providers; and the financial
6 solvency of the plan. Nothing shall preclude the division from
7 negotiating regional or statewide contracts with health
8 maintenance organization plans when this is cost-effective and
9 when the division determines the plan has the best overall
10 benefit package for the service areas involved. However, no
11 HMO shall be eligible for a contract if the HMO's retiree
12 Medicare premium exceeds the retiree rate as set by the
13 division for the state group health insurance plan.
14 e. The division may limit the number of HMOs that it
15 contracts with in each service area based on the nature of the
16 bids the division receives, the number of state employees in
17 the service area, and any unique geographical characteristics
18 of the service area. The division shall establish by rule
19 service areas throughout the state.
20 f. All persons participating in the state group
21 insurance program who are required to contribute towards a
22 total state group health premium shall be subject to the same
23 dollar contribution regardless of whether the enrollee enrolls
24 in the state group health insurance plan or in an HMO plan.
25 3. The division is authorized to negotiate and to
26 contract with specialty psychiatric hospitals for mental
27 health benefits, on a regional basis, for alcohol, drug abuse,
28 and mental and nervous disorders. The division may establish,
29 subject to the approval of the Legislature pursuant to
30 subsection (5), any such regional plan upon completion of an
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**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

1 actuarial study to determine any impact on plan benefits and
2 premiums.
3 4. In addition to contracting pursuant to subparagraph
4 2., the division shall enter into contract with any HMO to
5 participate in the state group insurance program which:
6 a. Serves greater than 5,000 recipients on a prepaid
7 basis under the Medicaid program;
8 b. Does not currently meet the 25 percent
9 non-Medicare/non-Medicaid enrollment composition requirement
10 established by the Department of Health and Human Services
11 excluding participants enrolled in the state group insurance
12 program;
13 c. Meets the minimum benefit package and copayments
14 and deductibles contained in sub-subparagraphs 2.a. and b.;
15 d. Is willing to participate in the state group
16 insurance program at a cost of premiums that is not greater
17 than 95 percent of the cost of HMO premiums accepted by the
18 division in each service area; and
19 e. Meets the minimum surplus requirements of s.
20 641.225.
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22 The division is authorized to contract with HMOs that meet the
23 requirements of sub-subparagraphs a. through d. prior to the
24 open enrollment period for state employees. The division is
25 not required to renew the contract with the HMOs as set forth
26 in this paragraph more than twice. Thereafter, the HMOs shall
27 be eligible to participate in the state group insurance
28 program only through the request for proposal process
29 described in subparagraph 2.
30 5. All enrollees in the state group health insurance
31 plan or any health maintenance organization plan shall have



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1 the option of changing to any other health plan which is
2 offered by the state within any open enrollment period
3 designated by the division. Open enrollment shall be held at
4 least once each calendar year.
5 6. When a treating health care provider under the
6 state group insurance program or any health maintenance
7 organization loses his or her network provider status for any
8 reason other than for cause, the state group insurance plan
9 shall allow any enrollee in the state group health insurance
10 plan or any health maintenance organization plan for whom the
11 terminated provider was a treating provider to continue care
12 with the terminated treating provider through completion of
13 treatment of a condition for which the enrollee was receiving
14 care at the time of termination, until the enrollee selects
15 another treating provider or until the next open enrollment
16 period designated by the division, whichever occurs first, but
17 no longer than 1 year after termination of the treating
18 provider. The state group health insurance plan shall allow
19 an enrollee who is in the third trimester of pregnancy to
20 continue care with a terminated treating provider until
21 completion of postpartum care. For care continued under this
22 subparagraph, the program and the provider shall continue to
23 be bound by the terms of the terminated contract for such
24 continued care. This subparagraph shall not apply to treating
25 health care providers who have been terminated by the program
26 for cause.
27 7.~~6.~~ Any HMO participating in the state group
28 insurance program shall, upon the request of the division,
29 submit to the division standardized data for the purpose of
30 comparison of the appropriateness, quality, and efficiency of
31 care provided by the HMO. Such standardized data shall

1 include: membership profiles; inpatient and outpatient
2 utilization by age and sex, type of service, provider type,
3 and facility; and emergency care experience. Requirements and
4 timetables for submission of such standardized data and such
5 other data as the division deems necessary to evaluate the
6 performance of participating HMOs shall be adopted by rule.
7 8. ~~7.~~ The division shall, after consultation with
8 representatives from each of the unions representing state and
9 university employees, establish a comprehensive package of
10 insurance benefits including, but not limited to, supplemental
11 health and life coverage, dental care, long-term care, and
12 vision care to allow state employees the option to choose the
13 benefit plans which best suit their individual needs.
14 a. Based upon a desired benefit package, the division
15 shall issue a request for proposal for health insurance
16 providers interested in participating in the state group
17 insurance program, and the division shall issue a request for
18 proposal for insurance providers interested in participating
19 in the non-health-related components of the state group
20 insurance program. Upon receipt of all proposals, the
21 division may enter into contract negotiations with insurance
22 providers submitting bids or negotiate a specially designed
23 benefit package. Insurance providers offering or providing
24 supplemental coverage as of May 30, 1991, which qualify for
25 pretax benefit treatment pursuant to s. 125 of the Internal
26 Revenue Code of 1986, with 5,500 or more state employees
27 currently enrolled may be included by the division in the
28 supplemental insurance benefit plan established by the
29 division without participating in a request for proposal,
30 submitting bids, negotiating contracts, or negotiating a
31 specially designed benefit package. These contracts shall

1 provide state employees with the most cost-effective and
2 comprehensive coverage available; however, no state or agency
3 funds shall be contributed toward the cost of any part of the
4 premium of such supplemental benefit plans.
5 b. Pursuant to the applicable provisions of s.
6 110.161, and s. 125 of the Internal Revenue Code of 1986, the
7 division shall enroll in the pretax benefit program those
8 state employees who voluntarily elect coverage in any of the
9 supplemental insurance benefit plans as provided by
10 sub-subparagraph a.
11 c. Nothing herein contained shall be construed to
12 prohibit insurance providers from continuing to provide or
13 offer supplemental benefit coverage to state employees as
14 provided under existing agency plans.
15 Section 2. This act shall take effect upon becoming a
16 law.
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19 LEGISLATIVE SUMMARY
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Requires the state group insurance plan to provide an enrollee with continued access to a treating health care provider who loses provider status under the program for any reason other than for cause, through completion of treatment of a condition for which the enrollee was receiving care at the time of loss of provider status, until the enrollee selects another treating provider or until the next open enrollment period, whichever occurs first. Provides a 1-year limit on such continued access. Allows an enrollee who is in the third trimester of pregnancy to continue care with a terminated treating provider until completion of postpartum care. Provides limitations.

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