

By the Committee on Insurance and Representatives Albright and Boyd

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A bill to be entitled
An act relating to the Employee Health Care Access Act; amending s. 627.6699, F.S.; revising and updating provisions requiring small employer carriers to offer and issue certain health benefit plans; providing additional restrictions on premium rates for certain health benefit plans; providing an effective date.

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

Section 1. Paragraph (c) of subsection (5) and paragraphs (b) and (d) of section 627.6699, Florida Statutes, 1998 Supplement, are amended to read:

627.6699 Employee Health Care Access Act.--

(5) AVAILABILITY OF COVERAGE.--

(c) Every small employer carrier must, as a condition of transacting business in this state:

1. Beginning July ~~January~~ 1, 1999 ~~1994~~, offer and issue all small employer health benefit plans on a guaranteed-issue basis to every eligible small employer, with 2 ~~3~~ to 50 eligible employees, that elects to be covered under such plan, agrees to make the required premium payments, and satisfies the other provisions of the plan. A rider for additional or increased benefits may be medically underwritten and may only be added to the standard health benefit plan. The increased rate charged for the additional or increased benefit must be rated in accordance with this section.

2. Beginning August 1, 1999 ~~April 15, 1994~~, offer and issue basic and standard small employer health benefit plans

1 on a guaranteed-issue basis, during a 31-day open enrollment
2 period of August 1 through August 31 of each year, to every
3 eligible small employer, with less than ~~one or~~ two eligible
4 employees, which small employer is not formed primarily for
5 the purposes of buying health insurance, which elects to be
6 covered under such plan, agrees to make the required premium
7 payments, and satisfies the other provisions of the plan.
8 Coverage provided pursuant to this subparagraph shall begin on
9 October 1 of the same year as the date of enrollment, unless
10 the small employer carrier and the small employer mutually
11 agree to a different date. A rider for additional or increased
12 benefits may be medically underwritten and may only be added
13 to the standard health benefit plan. The increased rate
14 charged for the additional or increased benefit must be rated
15 in accordance with this section.

16 ~~3. Offer to eligible small employers the standard and~~
17 ~~basic health benefit plans.~~

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19 This paragraph ~~subparagraph~~ does not limit a carrier's ability
20 to offer other health benefit plans to small employers if the
21 standard and basic health benefit plans are offered and
22 rejected.

23 (6) RESTRICTIONS RELATING TO PREMIUM RATES.--

24 (b) For all small employer health benefit plans that
25 are subject to this section and are issued by small employer
26 carriers on or after January 1, 1994, premium rates for health
27 benefit plans subject to this section are subject to the
28 following:

29 1. Small employer carriers must use a modified
30 community rating methodology in which the premium for each
31 small employer must be determined solely on the basis of the

1 eligible employee's and eligible dependent's gender, age,
2 family composition, tobacco use, or geographic area as
3 determined under paragraph (5)(k).

4 2. Rating factors related to age, gender, family
5 composition, tobacco use, or geographic location may be
6 developed by each carrier to reflect the carrier's experience.
7 The factors used by carriers are subject to department review
8 and approval.

9 3. Small employer carriers may not modify the rate for
10 a small employer for 12 months from the initial issue date or
11 renewal date, unless the composition of the group changes or
12 benefits are changed.

13 4. Carriers participating in the alliance program, in
14 accordance with ss. 408.700-408.707, may apply a different
15 community rate to business written in that program.

16 5. A small employer carrier rating methodology may
17 include separate rating categories for one dependent child,
18 for two dependent children, and three or more dependent
19 children for family coverage of employees having a spouse and
20 dependent children or employees having dependent children
21 only. A small employer carrier may have fewer, but not
22 greater, numbers of categories for dependent children than
23 those specified in this subparagraph.

24 6. Small employer carriers may not use a composite
25 rating methodology to rate a small employer with fewer than 10
26 employees. For the purposes of this subparagraph a "composite
27 rating methodology" means a rating methodology that averages
28 the impact of the rating factors for age and gender in the
29 premiums charged to all of the employees of a small employer.

30 (d) Notwithstanding s. 627.401(2), this section and
31 ss. 627.410 and 627.411 apply to any health benefit plan

1 provided by a small employer carrier that is an insurer, and
2 this section and s. 641.31 apply to any health benefit
3 provided by a small employer carrier that is a health
4 maintenance organization,that provides coverage to one or
5 more employees of a small employer regardless of where the
6 policy, certificate, or contract is issued or delivered, if
7 the health benefit plan covers employees or their covered
8 dependents who are residents of this state.

9 Section 2. This act shall take effect July 1, 1999.

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