

By the Committee on Insurance and Representatives Bainter, Cosgrove, Waters, Patterson, Rayson, Melvin, Wiles, Dockery, Tullis, Lawson, Lee, Goode, Sublette, Casey, Crady, Bronson, Trovillion, Kelly, Argenziano and Futch

1 A bill to be entitled
 2 An act relating to mandated health benefits;
 3 creating s. 11.90, F.S.; creating the Advisory
 4 Commission on Mandated Health Benefits;
 5 specifying the purpose and membership of the
 6 commission; prescribing duties and
 7 responsibilities of the commission; amending s.
 8 624.215, F.S.; revising legislative intent;
 9 providing a definition; revising reporting
 10 requirements; providing for criteria for
 11 assessing social and financial impacts;
 12 providing for automatic repeal of mandated
 13 health benefits; providing an exception;
 14 providing an appropriation; providing an
 15 effective date.
 16
 17 Be It Enacted by the Legislature of the State of Florida:
 18
 19 Section 1. Section 11.90, Florida Statutes, is created
 20 to read:
 21 11.90 Advisory Commission on Mandated Health
 22 Benefits.--
 23 (1) The Advisory Commission on Mandated Health
 24 Benefits is created for the purpose of reviewing legislation
 25 proposing mandated health benefits and managing the cumulative
 26 impact of mandated health benefits. The commission shall be
 27 comprised of six members appointed as follows: three members
 28 of the Senate appointed by the President of the Senate, one of
 29 whom must be a member of the minority party; and three members
 30 of the House of Representatives appointed by the Speaker of
 31 the House of Representatives, one of whom must be a member of

1 the minority party. The chair and vice chair of the
2 commission shall be appointed from the commission membership
3 by the President of the Senate and the Speaker of the House of
4 Representatives for 1-year terms with the appointments
5 alternating between the President of the Senate and the
6 Speaker of the House of Representatives.

7 (2) The commission shall:

8 (a) Compile an official inventory of all mandated
9 health benefits as defined in s. 624.215(2).

10 (b) Monitor the cumulative cost impact of mandated
11 health benefits as a percentage of premiums on an ongoing
12 basis, beginning with the establishment of a baseline cost
13 impact for mandated health benefits in effect as of October 1,
14 2000. The commission shall contract for actuarial or other
15 professional services through the Office of Economic and
16 Demographic Research for the completion of the baseline cost
17 impact analysis and in identifying the primary beneficial
18 social and health consequences.

19 (c) Assess the impact of legislation proposing
20 mandated health benefits, in accordance with s. 624.215, if
21 proponents submit an impact assessment meeting the
22 requirements of that section and rules adopted by the
23 commission. The commission may contract with actuaries and
24 other professionals through the Office of Economic and
25 Demographic Research to conduct the impact assessments and may
26 establish ad hoc panels of experts to assist in the assessment
27 process.

28 (d) Certify that legislation proposing mandated health
29 benefits has satisfied requirements specified in s. 624.215,
30 and in rules adopted by the commission.

31

1 (e) Adopt rules governing commission operations and
2 procedures for reviewing legislation proposing mandated health
3 benefits, including the format and timing of information to be
4 submitted to the commission. These rules must be submitted to
5 the President of the Senate and the Speaker of the House of
6 Representatives for approval.

7 (f) As warranted, after receipt and consideration of
8 the baseline cost impact assessment conducted pursuant to
9 paragraph (b), recommend legislation to manage the impacts of
10 mandated health benefits, including legislation to repeal or
11 amend particular mandated health benefits, convert some or all
12 mandated health benefits to mandatory offers of coverage,
13 adjust the mix of mandated health benefits to comply with any
14 limits imposed on the percentage of total premium that
15 mandated health benefits may represent, or create additional
16 mandated health benefits.

17 (g) As warranted, recommend and develop legislation
18 necessary to resolve any statutory ambiguities or
19 inconsistencies creating interpretative differences over the
20 application of particular mandated health benefits to
21 insurance policies or health maintenance organization
22 contracts.

23 (h) Recommend a limit on the percentage of total
24 premium costs that mandated health benefits in the aggregate
25 may represent based on the baseline cost impact assessment
26 conducted pursuant to paragraph (b).

27 (3) The Office of Economic and Demographic Research
28 shall develop and maintain a system and program of data
29 collection to enable the commission to assess the cumulative
30 impact of mandated health benefits on an ongoing basis and the
31 impact of legislation proposing mandated health benefits.

1 (4) The commission shall not be considered an agency
2 or part of an agency for purposes of chapter 120.

3 Section 2. Section 624.215, Florida Statutes, is
4 amended to read:

5 624.215 Proposals for legislation which mandates
6 health benefit coverage; review by Legislature.--

7 (1) LEGISLATIVE INTENT.--The Legislature finds that
8 there has been a dramatic increase in the ~~is an increasing~~
9 number of proposals which mandate that certain health benefits
10 be provided by insurers and health maintenance organizations
11 as components of individual and group policies. The
12 Legislature further finds that many of these mandated health
13 benefits provide beneficial social and health consequences
14 ~~which may be in the public interest.~~ However, the Legislature
15 also finds ~~recognizes~~ that most mandated health benefits
16 contribute to the increasing cost of health insurance
17 premiums. Therefore, it is the intent of the Legislature to
18 conduct a systematic review of current and proposed mandated
19 health benefits ~~or mandatorily offered health coverages~~ and to
20 establish a process ~~guidelines~~ for conducting such a review.
21 This review will assist the Legislature in determining whether
22 or not a particular mandated health benefit ~~mandating a~~
23 ~~particular coverage~~ is in the public interest.

24 (2) DEFINITION.--For purposes of this section,
25 "mandated health benefits" are requirements imposed upon
26 health benefit plans offered by health insurers or health
27 maintenance organizations to provide their insureds,
28 policyholders, or subscribers with coverage for specific
29 health care services, treatments, drugs, or supplies;
30 particular health conditions; certain providers of health care
31 services; or certain persons because of their relation to the

1 covered individual. "Mandated health benefits" includes
2 requirements to offer or make available optional coverages.
3 ~~(3)(2)~~ MANDATED HEALTH BENEFITS COVERAGE; REPORT TO
4 ADVISORY COMMISSION ON MANDATED HEALTH BENEFITS AGENCY FOR
5 HEALTH CARE ADMINISTRATION AND LEGISLATIVE COMMITTEES;
6 CRITERIA GUIDELINES FOR ASSESSING IMPACT.--Every person or
7 organization seeking consideration of legislation containing a
8 mandated health benefit must submit to the Advisory Commission
9 on Mandated Health Benefits, at the time the proposal is filed
10 in either house, an impact assessment of the proposal
11 conducted by certified actuaries and other appropriate
12 professionals using the criteria set forth in this subsection.
13 If the proponents submit an impact assessment meeting the
14 requirements of this section and rules adopted by the
15 commission, the commission shall prepare its own impact
16 assessment and, upon completion, submit its assessment to the
17 presiding officers of both houses. In preparing its own
18 assessment, the commission shall consider the assessment
19 submitted by proponents of the proposed mandated health
20 benefit and similar assessments conducted by other entities,
21 including state agencies, insurers, and health maintenance
22 organizations. The criteria used by proponents and the
23 commission in assessing the social and financial impacts of
24 proposed mandated health benefits a legislative proposal which
25 would mandate a health coverage or the offering of a health
26 coverage by an insurance carrier, health care service
27 contractor, or health maintenance organization as a component
28 of individual or group policies, shall submit to the Agency
29 for Health Care Administration and the legislative committees
30 having jurisdiction a report which assesses the social and
31 financial impacts of the proposed coverage. Guidelines for

1 ~~assessing the impact of a proposed mandated or mandatorily~~
2 ~~offered health coverage, to the extent that information is~~
3 ~~available,~~ shall include:
4 (a) For the social impact:
5 ~~1.(a)~~ To what extent is the treatment or service
6 generally used by a significant portion of the population.
7 ~~2.(b)~~ To what extent is the insurance coverage
8 generally available.
9 ~~3.(c)~~ If the insurance coverage is not generally
10 available, to what extent does the lack of coverage result in
11 persons avoiding necessary health care treatment.
12 ~~4.(d)~~ If the coverage is not generally available, to
13 what extent does the lack of coverage result in unreasonable
14 financial hardship.
15 ~~5.(e)~~ The level of public demand for the treatment or
16 service.
17 ~~6.(f)~~ The level of public demand for insurance
18 coverage of the treatment or service.
19 ~~7.(g)~~ The level of interest of collective bargaining
20 agents in negotiating for the inclusion of this coverage in
21 group contracts.
22 8. To what extent can the expressed need be met
23 through other alternatives.
24 (b) For the financial impact:
25 ~~1.(h)~~ To what extent will the coverage increase or
26 decrease the cost of the treatment or service.
27 ~~2.(i)~~ To what extent will the coverage increase the
28 appropriate uses of the treatment or service.
29 ~~3.(j)~~ To what extent will the mandated treatment or
30 service be a substitute for a more expensive treatment or
31 service.

1 ~~4.(k)~~ To what extent will the coverage increase or
2 decrease the administrative expenses of insurance companies
3 and ~~the premium and administrative expenses of policyholders~~
4 or subscribers.

5 5. To what extent will the coverage increase or
6 decrease the premium costs of policyholders or subscribers.

7 ~~6.(l)~~ The impact of this coverage on the total cost of
8 health care.

9 7. The cumulative impact of all mandated health
10 benefits on the ability and willingness of employers to
11 purchase health benefit plans for their employees, or maintain
12 or improve the terms of coverage for their employees.

13
14 A bill proposing a mandated health benefit shall not be
15 considered by any committee in the Senate or the House of
16 Representatives unless and until the commission has submitted
17 its impact assessment to the presiding officers of the Senate
18 and the House of Representatives, except as otherwise provided
19 in joint rules adopted by the Senate and the House of
20 Representatives or in rules applicable to either the Senate or
21 the House of Representatives.

22 (4) AUTOMATIC REPEAL OF MANDATED HEALTH BENEFITS.--

23 (a) Any mandated health benefit enacted on or after
24 July 1, 2000, shall stand repealed 5 years after the date
25 enacted, unless otherwise reenacted by the Legislature.

26 (b) The repeal of a mandated health benefit under
27 paragraph (a) shall not apply to an insurance policy or health
28 maintenance organization contract in existence on the
29 effective date of the repeal but shall apply to any renewal or
30 extension of such policy or contract, or issuance of any new
31

1 policy or contract, on or after the effective date of the
2 repealer.

3 Section 3. There is hereby appropriated from the
4 Insurance Commissioner's Regulatory Trust Fund an amount
5 sufficient to implement this act.

6 Section 4. This act shall take effect upon becoming a
7 law.

8
9

10
11

HOUSE SUMMARY

12 Creates the Advisory Commission on Mandated Health
13 Benefits to review legislation proposing mandated health
14 benefits and manage the impacts of such benefits. Defines
15 mandated health benefits, requires any person or
16 organization seeking consideration of legislation
17 proposing a mandated health benefit to submit an impact
18 assessment to the commission, and specifies criteria to
19 assess the social and financial impacts of such proposed
20 mandated health benefits. See bill for details.

21
22
23
24
25
26
27
28
29
30
31