By Senator Saunders

25-338-00

1 A bill to be entitled
2 An act relating to managed care; requiring the
3 Agency for Health Care Administration to
4 establish the Statewide Managed-Care Ombudsman
5 Office to direct a managed-care ombudsman
6 program; specifying the purpose of the
7 managed-care ombudsman program; requiring that
8 the managed-care ombudsman office contract with
9 district managed-care ombudsman organizations
10 to assist consumers in resolving complaints
11 against managed-care plans; requiring that the
12 ombudsman office issue an annual report;
13 requiring that the managed-care ombudsman
14 program provide certain public-outreach
15 services; providing requirements for contracts
16 with district managed-care ombudsman
17 organizations; providing for the appointment of
18 a program director for the ombudsman office;
19 providing duties of the ombudsman office;
20 providing for the appointment of members to the
21 Statewide Managed-Care Advisory Council;
22 specifying the duties of the advisory council;
23 providing for a pilot project to test the
24 managed-care ombudsman program; providing for
25 funding the managed-care ombudsman program
26 through an assessment on health plan premiums;
27 requiring the Agency for Health Care
28 Administration to adopt rules; repealing ss.
29 641.60, 641.61, 641.62, 641.65, 641.67, 641.68,
30 641.70, 641.75, F.S., relating to the Statewide
31 Managed Care Ombudsman Committee and district

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1 managed care ombudsman committees; providing an
2 effective date.
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4 Be It Enacted by the Legislature of the State of Florida:
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6 Section 1. Managed-care ombudsman program.--
7 (1) PURPOSE AND INTENT.--The Agency for Health Care
8 Administration shall establish a Statewide Managed-Care
9 Ombudsman Office to direct a managed-care ombudsman program.
10 The ombudsman office shall be advised by a Statewide
11 Managed-Care Advisory Council. The purpose of the managed-care
12 ombudsman program shall be to:
13 (a) Educate consumers concerning managed care, health
14 plans, and health plan options.
15 (b) Educate consumers concerning their rights and
16 responsibilities as members of a health plan.
17 (c) Facilitate the resolution of the concerns and
18 problems of health plan members.
19 (2) ASSISTANCE FUNCTIONS OF THE MANAGED-CARE OMBUDSMAN
20 PROGRAM.--The ombudsman office shall contract with district
21 managed-care ombudsman organizations to perform, at a minimum,
22 the following functions:
23 (a) Assist consumers in understanding managed care,
24 health plans, and their options as health plan members, and
25 educate consumers in understanding and using objective,
26 comparative plan information in selecting a health plan.
27 (b) Educate consumers regarding their rights and
28 responsibilities as health plan members, including the right
29 to various complaint, grievance, and appeals processes.
30 (c) Receive, evaluate, and catalogue all concerns of
31 plan members and complaints concerning health plans.

1 (d) Facilitate the resolution of problems through
2 active communication with health plans, particularly member
3 service departments. A health plan may release medical
4 information directly only to the plan member, or his or her
5 designated representative, upon the member's written
6 authorization. The plan member shall release the health plan
7 from any liability for providing such information.
8 (e) Assist health plan members in filing formal
9 grievances and appeals when complaints cannot be resolved by
10 working with the health plan, and assist members throughout
11 the grievance and appeals processes.
12 (f) Refer health plan members, when appropriate, to
13 other organizations for assistance, particularly for legal
14 representation during the grievance and appeals processes.
15 (g) Conduct periodic meetings and share information
16 with health plan representatives and officials of the
17 ombudsman office. The purpose of these meetings is to discuss
18 issues of concern which arise from the activities of the
19 managed-care ombudsman program and to provide feedback
20 concerning systematic failures to help identify opportunities
21 for improving health plans and state rules governing health
22 plans.
23 (h) Collect and analyze data gathered through the
24 activities of the managed-care ombudsman program, or otherwise
25 available to the program, and provide an annual report to the
26 ombudsman office on program initiatives, results, and issues
27 of concern to consumers. The annual report must include
28 recommendations for improving the managed-care delivery system
29 and the state regulatory system for managed care.
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1 (i) Provide a resource to all employers, particularly
2 small employers, by establishing an independent assistance
3 program for employers and their families.
4 (j) Provide a resource for health plans by educating
5 plan members, assisting in resolving member problems, and
6 identifying opportunities for improving health plans.
7 (3) PUBLIC OUTREACH STRATEGIES OF THE MANAGED-CARE
8 OMBUDSMAN PROGRAM.--The managed-care ombudsman program shall
9 implement innovative strategies and maximize its outreach to
10 consumers. Each health plan must include in its marketing and
11 membership materials information regarding the availability of
12 the managed-care ombudsman program. The public outreach
13 strategies must, at a minimum, include:
14 (a) A toll-free telephone number.
15 (b) A web site on the Internet.
16 (c) Person-to-person counseling.
17 (d) Publication and distribution of printed materials
18 and reports.
19 (e) Active liaison services, partnership services, and
20 information-sharing with community, consumer, health,
21 disability, religious, and ethnic-based organizations and
22 other organizations that represent consumers.
23 (4) SELECTION CRITERIA FOR DISTRICT MANAGED-CARE
24 OMBUDSMAN ORGANIZATIONS.--The ombudsman office shall contract,
25 through a competitive bidding process, with independent
26 district managed-care ombudsman organizations to perform
27 program functions. The ombudsman office shall establish
28 criteria for selecting organizations. The criteria must, at a
29 minimum, include:
30 (a) Status as a private entity.
31 (b) Not-for-profit status.

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1 (c) Public interest mission.
2 (d) A governing board that consists of a majority of
3 consumers.
4 (e) Qualified staff expertise in managed care, public
5 education and outreach, program resolution, and
6 quality-of-care evaluation.
7 (5) FUNCTIONS OF THE STATEWIDE MANAGED-CARE OMBUDSMAN
8 OFFICE.--The director of the Agency for Health Care
9 Administration shall appoint a program director of the
10 ombudsman office. The ombudsman office shall design,
11 implement, and evaluate the managed-care ombudsman program. At
12 a minimum, the ombudsman office shall:
13 (a) Administer competitive contracts with district
14 managed-care ombudsman organizations for performing the
15 functions of the managed-care ombudsman program.
16 (b) Establish the scope of work for the organizations
17 under contract with the ombudsman office.
18 (c) Adopt rules to administer the managed-care
19 ombudsman program. The rules must authorize and describe the
20 process by which an organization under contract with the
21 ombudsman office may access health plan information necessary
22 to facilitate resolving problems of health plan members.
23 (d) Evaluate the performance of all organizations
24 under contract with the ombudsman office.
25 (e) Provide technical assistance and training to all
26 organizations under contract with the ombudsman office.
27 (f) Collect and analyze data gathered through the
28 activities of the managed-care ombudsman program, or otherwise
29 available to the ombudsman office, and publish an annual
30 report on the initiatives, results, and issues of concern to
31 consumers. The annual report must include recommendations for

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improving the managed-care delivery system and the state regulatory system for managed care.

1. The ombudsman office shall have access to managed-care information that is available through state licensing agencies, external quality reviews, independent appeals, and report-card programs of managed-care programs.

2. The ombudsman office shall coordinate the sharing of data and managed-care information among organizations under contract with the ombudsman office. The annual report shall be widely disseminated to state agencies and to the public.

(6) COMPOSITION AND FUNCTIONS OF THE STATEWIDE MANAGED-CARE ADVISORY COUNCIL.--The members of the Statewide Managed-Care Advisory Council shall be appointed, in equal number, by the Governor, the Insurance Commissioner, the President of the Senate, and the Speaker of the House of Representatives. The members of the advisory council must be broadly representative of the health care community and shall, at a minimum, include consumers, employers, providers, and representatives of the district ombudsman organizations, the managed-care industry, and state agencies that regulate and oversee managed care. The Statewide Managed-Care Advisory Council shall, at a minimum, perform the following functions:

(a) Advise the ombudsman office on program design and operational issues, including the scope of work to be included in contracts with district ombudsman organizations and the rules of the managed-care ombudsman program.

(b) Recommend to the ombudsman office the eligibility criteria to be used in selecting district ombudsman organizations.

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1 (c) Recommend to the ombudsman office the criteria to
2 be used in evaluating the performance of district ombudsman
3 organizations.
4 (d) Recommend to the ombudsman office possible changes
5 to the managed-care ombudsman program and standards and
6 consumer protections for managed care.
7 (7) TWO-YEAR PILOT PROJECT.--The managed-care
8 ombudsman program shall be initially tested through a 2-year
9 pilot project. The director of the Agency for Health Care
10 Administration shall select two locations, one urban and one
11 rural, for implementing the pilot project. The ombudsman
12 office shall select a different district managed-care
13 ombudsman organization to conduct the managed-care ombudsman
14 program in each location. The state contract with each
15 district managed-care ombudsman organization shall be for 2
16 years and must be consistent with all requirements of the
17 managed-care ombudsman program.
18 (8) FUNDING FOR THE MANAGED-CARE OMBUDSMAN
19 PROGRAM.--The managed-care ombudsman program shall be funded
20 by an assessment on health plan premiums. The ombudsman office
21 shall determine the exact assessment on health plans, which
22 must be based on the scope of work of the managed-care
23 ombudsman program and include the cost of contracts with
24 district managed-care ombudsman organizations.
25 (a) As a condition of the contract, any district
26 managed-care ombudsman organization under contract with the
27 managed-care ombudsman program to perform program functions
28 shall be required to raise funds from the private sector.
29 (b) The 2-year pilot project shall be funded in the
30 General Appropriations Act.
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1 (9) RULEMAKING AUTHORITY.--The Agency for Health Care
2 Administration shall adopt rules to administer this section.
3 Section 2. Sections 641.60, 641.61, 641.62, 641.65,
4 641.67, 641.68, 641.70, and 641.75, Florida Statutes, are
5 repealed.
6 Section 3. This act shall take effect July 1, 2000.
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9 SENATE SUMMARY

Creates the Statewide Managed-Care Ombudsman Office within the Agency for Health Care Administration. Provides for the ombudsman office to contract with district managed-care ombudsman organizations to assist consumers in resolving complaints against managed-care plans and to perform additional duties. Creates the Statewide Managed-Care Advisory Council and provides for the appointment of members. Requires that the advisory council make recommendations to the ombudsman office. Provides for a 2-year pilot project to test the managed-care ombudsman program. Requires that the managed-care ombudsman program be funded by an assessment on health plan premiums. Repeals provisions that establish the Statewide Managed Care Ombudsman Committee and district managed care ombudsman committees. (See bill for details.)

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