

hbd-032

Bill No. CS for CS for CS for SB 414

Amendment No. \_\_\_\_ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Representative(s) Spratt offered the following:

**Amendment to Senate Amendment (435613) (with title amendment)**

On page 3, lines 1 and 2,  
remove from the amendment: all of said lines,  
insert:

Section 2. Paragraph (g) of subsection (3) of section 110.123, Florida Statutes, is amended to read:

110.123 State group insurance program.--

(3) STATE GROUP INSURANCE PROGRAM.--

(g)1. A person eligible to participate in the state group insurance program may be authorized by rules adopted by the department, in lieu of participating in the state group health insurance plan, to exercise an option to elect membership in a health maintenance organization plan which is under contract with the state in accordance with criteria established by this section and by said rules. The offer of optional membership in a health maintenance organization plan permitted by this paragraph may be limited or conditioned by

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1 rule as may be necessary to meet the requirements of state and  
2 federal laws.

3           2. The department shall contract with health  
4 maintenance organizations seeking to participate in the state  
5 group insurance program through a request for proposal or  
6 other procurement process, as developed by the Department of  
7 Management Services and determined to be appropriate.

8           a. The department shall establish a schedule of  
9 minimum benefits for health maintenance organization coverage,  
10 and that schedule shall include: physician services; inpatient  
11 and outpatient hospital services; emergency medical services,  
12 including out-of-area emergency coverage; diagnostic  
13 laboratory and diagnostic and therapeutic radiologic services;  
14 mental health, alcohol, and chemical dependency treatment  
15 services meeting the minimum requirements of state and federal  
16 law; skilled nursing facilities and services; prescription  
17 drugs; and other benefits as may be required by the  
18 department. Additional services may be provided subject to  
19 the contract between the department and the HMO.

20           b. The department may establish uniform deductibles,  
21 copayments, or coinsurance schedules for all participating HMO  
22 plans.

23           c. The department may require detailed information  
24 from each health maintenance organization participating in the  
25 procurement process, including information pertaining to  
26 organizational status, experience in providing prepaid health  
27 benefits, accessibility of services, financial stability of  
28 the plan, quality of management services, accreditation  
29 status, quality of medical services, network access and  
30 adequacy, performance measurement, ability to meet the  
31 department's reporting requirements, and the actuarial basis

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1 of the proposed rates and other data determined by the  
2 director to be necessary for the evaluation and selection of  
3 health maintenance organization plans and negotiation of  
4 appropriate rates for these plans. Upon receipt of proposals  
5 by health maintenance organization plans and the evaluation of  
6 those proposals, the department may enter into negotiations  
7 with all of the plans or a subset of the plans, as the  
8 department determines appropriate. Nothing shall preclude the  
9 department from negotiating regional or statewide contracts  
10 with health maintenance organization plans when this is  
11 cost-effective and when the department determines that the  
12 plan offers high value to enrollees.

13 d. The department may limit the number of HMOs that it  
14 contracts with in each service area based on the nature of the  
15 bids the department receives, the number of state employees in  
16 the service area, or any unique geographical characteristics  
17 of the service area. The department shall establish by rule  
18 service areas throughout the state.

19 e. All persons participating in the state group  
20 insurance program who are required to contribute towards a  
21 total state group health premium shall be subject to the same  
22 dollar contribution regardless of whether the enrollee enrolls  
23 in the state group health insurance plan or in an HMO plan.

24 3. The division is authorized to negotiate and to  
25 contract with specialty psychiatric hospitals for mental  
26 health benefits, on a regional basis, for alcohol, drug abuse,  
27 and mental and nervous disorders. The division may establish,  
28 subject to the approval of the Legislature pursuant to  
29 subsection (5), any such regional plan upon completion of an  
30 actuarial study to determine any impact on plan benefits and  
31 premiums.

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1           4. In addition to contracting pursuant to subparagraph  
2 2., the department shall enter into contract with any HMO to  
3 participate in the state group insurance program which:

4           a. Serves greater than 5,000 recipients on a prepaid  
5 basis under the Medicaid program;

6           b. Does not currently meet the 25 percent  
7 non-Medicare/non-Medicaid enrollment composition requirement  
8 established by the Department of Health excluding participants  
9 enrolled in the state group insurance program;

10          c. Meets the minimum benefit package and copayments  
11 and deductibles contained in sub-subparagraphs 2.a. and b.;

12          d. Is willing to participate in the state group  
13 insurance program at a cost of premiums that is not greater  
14 than 95 percent of the cost of HMO premiums accepted by the  
15 department in each service area; and

16          e. Meets the minimum surplus requirements of s.  
17 641.225.

18  
19 The department is authorized to contract with HMOs that meet  
20 the requirements of sub-subparagraphs a. through d. prior to  
21 the open enrollment period for state employees. The  
22 department is not required to renew the contract with the HMOs  
23 as set forth in this paragraph more than twice. Thereafter,  
24 the HMOs shall be eligible to participate in the state group  
25 insurance program only through the request for proposal  
26 process described in subparagraph 2.

27          5. All enrollees in the state group health insurance  
28 plan or any health maintenance organization plan shall have  
29 the option of changing to any other health plan which is  
30 offered by the state within any open enrollment period  
31 designated by the department. Open enrollment shall be held at

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1 least once each calendar year.

2           6. When a contract between a treating provider and the  
3 state-contracted health maintenance organization is terminated  
4 for any reason other than for cause, each party shall allow  
5 any enrollee for whom treatment was active to continue  
6 coverage and care when medically necessary, through completion  
7 of treatment of a condition for which the enrollee was  
8 receiving care at the time of the termination, until the  
9 enrollee selects another treating provider, or until the next  
10 open enrollment period offered, whichever is longer, but no  
11 longer than 6 months after termination of the contract. Each  
12 party to the terminated contract shall allow an enrollee who  
13 has initiated a course of prenatal care, regardless of the  
14 trimester in which care was initiated, to continue care and  
15 coverage until completion of postpartum care. This does not  
16 prevent a provider from refusing to continue to provide care  
17 to an enrollee who is abusive, noncompliant, or in arrears in  
18 payments for services provided. For care continued under this  
19 subparagraph, the program and the provider shall continue to  
20 be bound by the terms of the terminated contract. Changes made  
21 within 30 days before termination of a contract are effective  
22 only if agreed to by both parties.

23           7. Any HMO participating in the state group insurance  
24 program shall submit health care utilization and cost data to  
25 the department, in such form and in such manner as the  
26 division shall require, as a condition of participating in the  
27 program. The department shall enter into negotiations with  
28 its contracting HMOs to determine the nature and scope of the  
29 data submission and the final requirements, format, penalties  
30 associated with noncompliance, and timetables for submission.  
31 These determinations shall be adopted by rule.

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1           8. The department may establish and direct, with  
2 respect to collective bargaining issues, a comprehensive  
3 package of insurance benefits that may include supplemental  
4 health and life coverage, dental care, long-term care, vision  
5 care, and other benefits it determines necessary to enable  
6 state employees to select from among benefit options that best  
7 suit their individual and family needs.

8           a. Based upon a desired benefit package, the  
9 department shall issue a request for proposal for health  
10 insurance providers interested in participating in the state  
11 group insurance program, and the division shall issue a  
12 request for proposal for insurance providers interested in  
13 participating in the non-health-related components of the  
14 state group insurance program. Upon receipt of all proposals,  
15 the department may enter into contract negotiations with  
16 insurance providers submitting bids or negotiate a specially  
17 designed benefit package. Insurance providers offering or  
18 providing supplemental coverage as of May 30, 1991, which  
19 qualify for pretax benefit treatment pursuant to s. 125 of the  
20 Internal Revenue Code of 1986, with 5,500 or more state  
21 employees currently enrolled may be included by the department  
22 in the supplemental insurance benefit plan established by the  
23 department without participating in a request for proposal,  
24 submitting bids, negotiating contracts, or negotiating a  
25 specially designed benefit package. These contracts shall  
26 provide state employees with the most cost-effective and  
27 comprehensive coverage available; however, no state or agency  
28 funds shall be contributed toward the cost of any part of the  
29 premium of such supplemental benefit plans. With respect to  
30 dental coverage, the division shall include in any  
31 solicitation or contract for any state group dental program

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1 made after July 1, 2001, a comprehensive indemnity dental plan  
2 option which offers enrollees a completely unrestricted choice  
3 of dentists. If a dental plan is endorsed, or in some manner  
4 recognized as the preferred product, such plan shall include a  
5 comprehensive indemnity dental plan option which provides  
6 enrollees with a completely unrestricted choice of dentists.

7           b. Pursuant to the applicable provisions of s.  
8 110.161, and s. 125 of the Internal Revenue Code of 1986, the  
9 department shall enroll in the pretax benefit program those  
10 state employees who voluntarily elect coverage in any of the  
11 supplemental insurance benefit plans as provided by  
12 sub-subparagraph a.

13           c. Nothing herein contained shall be construed to  
14 prohibit insurance providers from continuing to provide or  
15 offer supplemental benefit coverage to state employees as  
16 provided under existing agency plans.

17           Section 3. This act shall take effect upon becoming a  
18 law except that section 1 shall take effect July 1, 2001.

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21 ===== T I T L E   A M E N D M E N T =====

22 And the title is amended as follows:

23           On page 3, lines 19 and 20, of the amendment,  
24 remove: all of said lines,

25

26 and insert in lieu thereof:

27           Service; providing definitions; amending s.  
28 110.123, F.S.; requiring solicitations or  
29 contracts for a state group dental program to  
30 include a comprehensive indemnity dental plan  
31 providing unrestricted enrollee access to

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dentists; providing effective dates.