

By the Committee on Banking and Insurance; and Senators Mitchell, Clary, Rossin, McKay and Latvala

311-1901-00

1 A bill to be entitled
2 An act relating to the state group health
3 insurance and prescription drug programs;
4 creating s. 110.1228, F.S.; authorizing
5 specified local governmental entities to apply
6 for participation; providing eligibility
7 requirements for enrollment; authorizing
8 rulemaking; exempting the program from ss.
9 624.436-624.446, F.S.; providing a conditional
10 effective date.

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

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14 Section 1. Section 110.1228, Florida Statutes, is
15 created to read:

16 110.1228 Participation by small counties, small
17 municipalities, and district school boards located in small
18 counties.--

19 (1) DEFINITIONS.--As used in this section, the term:

20 (a) "Department" means the Department of Management
21 Services.

22 (b) "District school board" means any district school
23 board located in a small county.

24 (c) "Small municipality" means any incorporated
25 municipality that has a population of 12,500 or less according
26 to the most recent decennial census.

27 (d) "Small county" means any county that has a
28 population of 100,000 or less according to the most recent
29 decennial census.

30 (2) The governing body of a small county or a small
31 municipality or a district school board shall be eligible to

1 apply for participation in the state group health insurance
2 program authorized in s. 110.123 and the prescription drug
3 coverage program authorized by s. 110.12315. The department
4 shall determine whether the municipality, county, or district
5 school board meets the terms and conditions for enrollment.

6 (3) As a prerequisite to applying for participation in
7 the state group health insurance program and the prescription
8 drug coverage program, a small county, small municipality, or
9 district school board must pass an ordinance or resolution
10 ratifying such application to the state group health insurance
11 program and the prescription drug coverage program.

12 (4) If the department determines that a small
13 municipality or small county or district school board is
14 eligible to enroll, the small municipality or county or
15 district school board must agree to the following terms and
16 conditions:

17 (a) The minimum enrollment or contractual period will
18 be 3 years;

19 (b) Withdrawal of participation of a small
20 municipality or small county or district school board will
21 require written notice 1 year prior to the termination date;

22 (c) If coverage is terminated, a small municipality or
23 small county or district school board will not be eligible to
24 reapply for participation for a period of 2 years;

25 (d) If any employer other than a state employer fails
26 to make the premium payment required by this chapter, the
27 Department of Revenue or the Department of Banking and
28 Finance, shall, upon the request of the Department of
29 Management Services, deduct the amount owed by the employer
30 from any funds to be distributed by it to the small county,
31 small municipality, or district school board. The amounts so

1 deducted shall be transferred to the department for further
2 distribution to the trust funds in accordance with this
3 chapter.

4 (e) The small municipality or small county or district
5 school board shall furnish the department such information in
6 the form and format requested by the department which the
7 department considers necessary to administer the state group
8 health insurance program and the prescription drug program.

9 (5) The provisions of ss. 624.436-624.446 do not apply
10 to the State Group Insurance Program or to this section.

11 (6) The department of Management Services may adopt
12 rules to implement this act.

13 Section 2. The Department of Management Services shall
14 request from the Internal Revenue Service, by October 1, 2000,
15 a written determination letter and a favorable private letter
16 ruling, stating that the State Group Self-Insurance program is
17 a facially qualified plan. The department shall notify the
18 Speaker of the House of Representatives and the President of
19 the Senate within 30 days after receipt of the favorable or
20 unfavorable letters.

21 Section 3. This act shall take effect upon becoming a
22 law, except that section 1 shall take effect July 1, 2001, but
23 only if the Department of Management Services receives the
24 favorable letters prior to that date. If the favorable letters
25 are not received by July 1, 2001, section 1 shall not take
26 effect.

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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 Senate Bill 414

4 The committee substitute provides the following changes:

- 5 1. Limits the eligibility of local governments for applying
6 for participation in the state group health insurance
7 program and the prescription drug coverage program
8 administered by the Division of State Group Insurance of
9 the Department of Management Services to small
10 municipalities, small counties, and school boards
11 located in small counties in Florida. A small
12 municipality is defined to mean any incorporated
13 municipality that has a population of 12,500 or less and
14 a small county is defined to mean a county with a
15 population of 100,000 or less. As a prerequisite for
16 applying, a local government would be required to pass
17 an ordinance or resolution ratifying such application.
- 18 2. Provides that if the department determines that the
19 local government is eligible to enroll, the local
20 government must agree to a minimum enrollment period of
21 3 years; a minimum 1-year prior notice of withdrawal
22 from the state programs; a 2-year ineligibility period
23 subsequent to a termination from the programs; a
24 deduction of the premium payment, in the event a local
25 government fails to pay the required premium, from any
26 funds to be distributed by the Department of Revenue or
27 the Department of Banking and Finance to the city,
28 county, or school board; and to submit necessary
29 information to the Department of Management Services.
- 30 3. Specifies that the provisions of ch. 624, F.S., relating
31 to the regulation of multiple-employer welfare
associations by the Department of Insurance, would not
apply to the state group insurance program.
4. Requires the Department of Management Services to
request a written determination letter and a favorable
letter ruling from the Internal Revenue Service by
October 1, 2000. The department is required to submit
such letters to the President of the Senate and the
Speaker of the House of Representatives within 30 days
after receipt of the favorable or unfavorable letter.
The authority for local governments to participate takes
effect July 1, 2001, but only if the department receives
a favorable letter prior to that date. If the favorable
letters are not received by July 1, 2001, such
provisions will not take effect.