

By the Committees on Fiscal Policy; Governmental Oversight and Productivity; Banking and Insurance; and Senators Mitchell, Clary, Rossin, McKay and Latvala

309-2217-00

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; exempting the  
 8           program from ss. 624.436-624.446, F.S.;  
 9           authorizing the Department of Management  
 10          Services to adopt rules; authorizing the  
 11          department to contract with a third party for  
 12          an actuarial study; requiring that additional  
 13          costs or savings be passed on to local  
 14          government entities; providing a conditional  
 15          effective date.

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

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 19           Section 1. Section 110.1228, Florida Statutes, is  
 20 created to read:

21           110.1228 Participation by small counties, small  
 22 municipalities, and district school boards located in small  
 23 counties.--

24           (1) As used in this section, the term:

25           (a) "Department" means the Department of Management  
 26 Services.

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

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

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

4           (2) The governing body of a small county or a small  
5 municipality or a district school board may apply for  
6 participation in the state group health insurance program  
7 authorized in s. 110.123 and the prescription drug coverage  
8 program authorized by s. 110.12315. The department shall  
9 determine whether the municipality, county, or district school  
10 board meets the terms and conditions for enrollment.

11           (3) As a prerequisite to applying for participation in  
12 the state group health insurance program and the prescription  
13 drug coverage program, a small county, small municipality, or  
14 district school board must pass an ordinance or resolution  
15 ratifying such application to the state group health insurance  
16 program and the prescription drug coverage program.

17           (4) If the department determines that a small  
18 municipality, small county, or district school board is  
19 eligible to enroll, the small municipality or county or  
20 district school board must agree to the following terms and  
21 conditions:

22           (a) The minimum enrollment or contractual period will  
23 be 3 years.

24           (b) Withdrawal of participation of a small  
25 municipality, small county, or district school board requires  
26 written notice 1 year prior to the termination date.

27           (c) If coverage is terminated, a small municipality,  
28 small county, or district school board may not reapply for  
29 participation for a period of 2 years.

30           (d) If any employer other than a state employer fails  
31 to make the premium payment required by this chapter, the

1 Department of Revenue or the Department of Banking and  
2 Finance, shall, upon the request of the Department of  
3 Management Services, deduct the amount owed by the employer  
4 from any funds to be distributed by it to the small county,  
5 small municipality, or district school board. The amounts so  
6 deducted shall be transferred to the department for further  
7 distribution to the trust funds in accordance with this  
8 chapter.

9 (e) The small municipality, small county, or district  
10 school board shall furnish the department such information in  
11 the form and format requested by the department which the  
12 department considers necessary to administer the state group  
13 health insurance program and the prescription drug program.

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

16 (6) The Department of Management Services may adopt  
17 rules to administer this section.

18 Section 2. The Department of Management Services shall  
19 contract with a third party to conduct an actuarial study to  
20 determine the cost of allowing small counties, small  
21 municipalities, and district school boards located in small  
22 counties to participate in the state group health insurance  
23 program and state prescription drug coverage program. The  
24 study must identify the costs associated with offering  
25 coverage to employees and dependents and identify any such  
26 costs associated with the offering of coverage to retirees of  
27 small counties, small municipalities, and district school  
28 boards. The study shall identify any costs to the state  
29 regarding the addition of these new participants to the state  
30 group health insurance and state prescription drug coverage  
31 programs. It is the intent of the Legislature that any

1 additional costs or savings resulting from the addition of  
2 these entities to the state group health insurance or  
3 prescription drug coverage program shall be passed on to their  
4 participants or their employers. The department shall issue  
5 its report to the Governor, the President of the Senate, and  
6 the Speaker of the House of Representatives by December 1,  
7 2000.

8       Section 3. The Department of Management Services shall  
9 request from the Internal Revenue Service, by October 1, 2000,  
10 a written determination letter and a favorable private letter  
11 ruling, stating that the State Group Self-Insurance program is  
12 a facially qualified plan. The department shall notify the  
13 President of the Senate and the Speaker of the House of  
14 Representatives within 30 days after receipt of the favorable  
15 or unfavorable letters.

16       Section 4. This act shall take effect upon becoming a  
17 law, except that section 1 shall take effect July 1, 2001, but  
18 only if the Department of Management Services receives the  
19 favorable letters prior to that date. If the favorable letters  
20 are not received by July 1, 2001, section 1 shall not take  
21 effect.

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23                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
24                                   COMMITTEE SUBSTITUTE FOR  
25                                   CS for CS SB 414

26 The committee substitute removes special districts from the  
27 bill.

28 The committee substitute directs the Department of Management  
29 Services to contract with a third party to provide an  
30 actuarial study to determine the cost of allowing small  
31 counties, small municipalities, and district school boards in  
small counties to participate in the state group health  
insurance and prescription drug programs. The department must  
submit a report to the Governor, the President of the Senate,  
and the Speaker of the House of Representative by December 1,  
2000.