

1                   A bill to be entitled  
2           An act relating to state group insurance  
3           program; amending s. 110.123, F.S.; requiring  
4           provision of a comprehensive indemnity dental  
5           plan providing unrestricted enrollee access to  
6           dentists; providing an effective date.

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

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10           Section 1. Paragraph (g) of subsection (3) of section  
11   110.123, Florida Statutes, is amended to read:

12           110.123 State group insurance program.--

13           (3) STATE GROUP INSURANCE PROGRAM.--

14           (g)1. A person eligible to participate in the state  
15   group insurance program may be authorized by rules adopted by  
16   the department, in lieu of participating in the state group  
17   health insurance plan, to exercise an option to elect  
18   membership in a health maintenance organization plan which is  
19   under contract with the state in accordance with criteria  
20   established by this section and by said rules. The offer of  
21   optional membership in a health maintenance organization plan  
22   permitted by this paragraph may be limited or conditioned by  
23   rule as may be necessary to meet the requirements of state and  
24   federal laws.

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

30           a. The department shall establish a schedule of  
31   minimum benefits for health maintenance organization coverage,

1 and that schedule shall include: physician services; inpatient  
 2 and outpatient hospital services; emergency medical services,  
 3 including out-of-area emergency coverage; diagnostic  
 4 laboratory and diagnostic and therapeutic radiologic services;  
 5 mental health, alcohol, and chemical dependency treatment  
 6 services meeting the minimum requirements of state and federal  
 7 law; skilled nursing facilities and services; prescription  
 8 drugs; and other benefits as may be required by the  
 9 department. Additional services may be provided subject to  
 10 the contract between the department and the HMO.

11           b. The department may establish uniform deductibles,  
 12 copayments, or coinsurance schedules for all participating HMO  
 13 plans.

14           c. The department may require detailed information  
 15 from each health maintenance organization participating in the  
 16 procurement process, including information pertaining to  
 17 organizational status, experience in providing prepaid health  
 18 benefits, accessibility of services, financial stability of  
 19 the plan, quality of management services, accreditation  
 20 status, quality of medical services, network access and  
 21 adequacy, performance measurement, ability to meet the  
 22 department's reporting requirements, and the actuarial basis  
 23 of the proposed rates and other data determined by the  
 24 director to be necessary for the evaluation and selection of  
 25 health maintenance organization plans and negotiation of  
 26 appropriate rates for these plans. Upon receipt of proposals  
 27 by health maintenance organization plans and the evaluation of  
 28 those proposals, the department may enter into negotiations  
 29 with all of the plans or a subset of the plans, as the  
 30 department determines appropriate. Nothing shall preclude the  
 31 department from negotiating regional or statewide contracts

1 with health maintenance organization plans when this is  
2 cost-effective and when the department determines that the  
3 plan offers high value to enrollees.

4 d. The department may limit the number of HMOs that it  
5 contracts with in each service area based on the nature of the  
6 bids the department receives, the number of state employees in  
7 the service area, or any unique geographical characteristics  
8 of the service area. The department shall establish by rule  
9 service areas throughout the state.

10 e. All persons participating in the state group  
11 insurance program who are required to contribute towards a  
12 total state group health premium shall be subject to the same  
13 dollar contribution regardless of whether the enrollee enrolls  
14 in the state group health insurance plan or in an HMO plan.

15 3. The division is authorized to negotiate and to  
16 contract with specialty psychiatric hospitals for mental  
17 health benefits, on a regional basis, for alcohol, drug abuse,  
18 and mental and nervous disorders. The division may establish,  
19 subject to the approval of the Legislature pursuant to  
20 subsection (5), any such regional plan upon completion of an  
21 actuarial study to determine any impact on plan benefits and  
22 premiums.

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

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

28 b. Does not currently meet the 25 percent  
29 non-Medicare/non-Medicaid enrollment composition requirement  
30 established by the Department of Health excluding participants  
31 enrolled in the state group insurance program;

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

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

7 e. Meets the minimum surplus requirements of s.  
8 641.225.

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10 The department is authorized to contract with HMOs that meet  
11 the requirements of sub-subparagraphs a. through d. prior to  
12 the open enrollment period for state employees. The  
13 department is not required to renew the contract with the HMOs  
14 as set forth in this paragraph more than twice. Thereafter,  
15 the HMOs shall be eligible to participate in the state group  
16 insurance program only through the request for proposal  
17 process described in subparagraph 2.

18 5. All enrollees in the state group health insurance  
19 plan or any health maintenance organization plan shall have  
20 the option of changing to any other health plan which is  
21 offered by the state within any open enrollment period  
22 designated by the department. Open enrollment shall be held at  
23 least once each calendar year.

24 6. When a contract between a treating provider and the  
25 state-contracted health maintenance organization is terminated  
26 for any reason other than for cause, each party shall allow  
27 any enrollee for whom treatment was active to continue  
28 coverage and care when medically necessary, through completion  
29 of treatment of a condition for which the enrollee was  
30 receiving care at the time of the termination, until the  
31 enrollee selects another treating provider, or until the next

1 open enrollment period offered, whichever is longer, but no  
 2 longer than 6 months after termination of the contract. Each  
 3 party to the terminated contract shall allow an enrollee who  
 4 has initiated a course of prenatal care, regardless of the  
 5 trimester in which care was initiated, to continue care and  
 6 coverage until completion of postpartum care. This does not  
 7 prevent a provider from refusing to continue to provide care  
 8 to an enrollee who is abusive, noncompliant, or in arrears in  
 9 payments for services provided. For care continued under this  
 10 subparagraph, the program and the provider shall continue to  
 11 be bound by the terms of the terminated contract. Changes made  
 12 within 30 days before termination of a contract are effective  
 13 only if agreed to by both parties.

14           7. Any HMO participating in the state group insurance  
 15 program shall submit health care utilization and cost data to  
 16 the department, in such form and in such manner as the  
 17 division shall require, as a condition of participating in the  
 18 program. The department shall enter into negotiations with  
 19 its contracting HMOs to determine the nature and scope of the  
 20 data submission and the final requirements, format, penalties  
 21 associated with noncompliance, and timetables for submission.  
 22 These determinations shall be adopted by rule.

23           8. The department may establish and direct, with  
 24 respect to collective bargaining issues, a comprehensive  
 25 package of insurance benefits that may include supplemental  
 26 health and life coverage, dental care, long-term care, vision  
 27 care, and other benefits it determines necessary to enable  
 28 state employees to select from among benefit options that best  
 29 suit their individual and family needs.

30           a. Based upon a desired benefit package, the  
 31 department shall issue a request for proposal for health

1 insurance providers interested in participating in the state  
 2 group insurance program, and the division shall issue a  
 3 request for proposal for insurance providers interested in  
 4 participating in the non-health-related components of the  
 5 state group insurance program. The division shall issue a  
 6 request for proposal for a comprehensive indemnity dental plan  
 7 providing enrollees with a completely unrestricted choice of  
 8 dentists. Upon receipt of all proposals, the department may  
 9 enter into contract negotiations with insurance providers  
 10 submitting bids or negotiate a specially designed benefit  
 11 package. Insurance providers offering or providing  
 12 supplemental coverage as of May 30, 1991, which qualify for  
 13 pretax benefit treatment pursuant to s. 125 of the Internal  
 14 Revenue Code of 1986, with 5,500 or more state employees  
 15 currently enrolled may be included by the department in the  
 16 supplemental insurance benefit plan established by the  
 17 department without participating in a request for proposal,  
 18 submitting bids, negotiating contracts, or negotiating a  
 19 specially designed benefit package. These contracts shall  
 20 provide state employees with the most cost-effective and  
 21 comprehensive coverage available; however, no state or agency  
 22 funds shall be contributed toward the cost of any part of the  
 23 premium of such supplemental benefit plans. With respect to  
 24 dental coverage, the state group insurance program shall offer  
 25 a comprehensive indemnity dental plan providing enrollees with  
 26 a completely unrestricted choice of dentists. If a dental  
 27 plan is endorsed, or in some manner recognized as the  
 28 preferred product, such endorsement or recognition shall  
 29 include a comprehensive indemnity dental plan providing  
 30 enrollees with a completely unrestricted choice of dentists.  
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1           b. Pursuant to the applicable provisions of s.  
2 110.161, and s. 125 of the Internal Revenue Code of 1986, the  
3 department shall enroll in the pretax benefit program those  
4 state employees who voluntarily elect coverage in any of the  
5 supplemental insurance benefit plans as provided by  
6 sub-subparagraph a.

7           c. Nothing herein contained shall be construed to  
8 prohibit insurance providers from continuing to provide or  
9 offer supplemental benefit coverage to state employees as  
10 provided under existing agency plans.

11           Section 2. This act shall take effect upon becoming a  
12 law.

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