A bill to be entitled 1 2 An act relating to health insurance; providing 3 a short title; providing legislative findings; creating the Premium Assistance Program within 4 5 the Agency for Health Care Administration to assist small businesses in purchasing health 6 7 insurance coverage for employees; providing 8 eligibility requirements; providing applicability to specified health benefit 9 plans; specifying the subsidies that a small 10 11 business may receive under the program; 12 requiring that specified moneys be used to fund 13 the Premium Assistance Program; providing for 14 distribution of funds; providing an 15 appropriation; providing an effective date.

16 17

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

18 19

20

21

22

23

24

25

26

27

28

29

30

Section 1. <u>(1) This section may be cited as the</u> "Premium Assistance Program."

over 310,000 small businesses in this state have four or fewer employees, that health care for uninsured employees of these small businesses represents a significant portion of the uncompensated costs of health care providers, and that these employees have impaired access to health care services and a correspondingly lower health status. The Legislature finds that the most difficult obstacle for a small business to overcome is the initial expense of instituting the benefit of health coverage for its employees because the premium expense represents a substantial increase in overhead expense for the

business. Once accustomed to this expense, a small business is more likely to be able to tolerate modest year-to-year increases in premium costs.

- (3) The Premium Assistance Program is created within the Agency for Health Care Administration to assist small businesses in purchasing health insurance coverage for their employees.
- Program, a small business must have four or fewer employees and must not have offered health insurance coverage to its employees or paid the health insurance premiums of its employees for the previous 6 months or longer. A small business is ineligible for the Premium Assistance Program if the business discontinues health insurance coverage for its employees in an attempt to qualify for the program.
- (b) The premium subsidy authorized by this section must be provided for standard and basic health benefit plans, as defined in section 627.6699, Florida Statutes.
- (c) The small business shall receive the following subsidies for single-parent or two-parent family contract coverage:
- 1. Seventy-five percent of the cost of health insurance premiums for the first year.
- $\underline{\text{2. }}$ Fifty percent of the cost of health insurance premiums for the second year.
- 3. Twenty-five percent of the cost of health insurance premiums for the third year.
- (5) Moneys that the state receives in the settlement
 of the court action that was filed in the Fifteenth Judicial
 Circuit, Palm Beach County, and styled "The State of Florida,
 et al., v. The American Tobacco Company, et al.," must be used

to fund the Premium Assistance Program and must be distributed 1 by the Agency for Health Care Administration according to the 2 3 estimated number of small businesses in each community health purchasing alliance district which do not offer health 4 5 insurance for their employees. Funds must be distributed quarterly and monitored by the Agency for Health Care 6 7 Administration. 8 Section 2. The sum of \$10 million is appropriated to 9 the Agency for Health Care Administration from the moneys that 10 the state receives in the settlement of the legal action that was filed in the Fifteenth Judicial Circuit, Palm Beach 11 12 County, and styled "The State of Florida, et al., v. The 13 American Tobacco Company, et al., " for the purpose of carrying out the provisions of this act during fiscal year 2000-2001. 14 15 Section 3. This act shall take effect upon becoming a 16 law. 17 18 19 SENATE SUMMARY Creates the Premium Assistance Program within the Agency for Health Care Administration to assist small businesses in paying the cost of health insurance premiums for employees. Requires that to be eligible for the program, a business must have four or fewer employees and must not 20 21 a business must have four or fewer employees and must not have offered health insurance for its employees for at 22 have offered health insurance for its employees for at least the previous 6 months. Provides that the premium subsidy applies to standard and basic health benefit plans. Provides for a small business to receive 75 percent of the cost of health insurance premiums for the first year, 50 percent of the cost of health insurance premiums for the second year, and 25 percent of the cost of health insurance premiums for the third year. Provides for the program to be funded from moneys that the state receives in settlement of "The State of Florida, et al., v. The American Tobacco Company, et al." 23 24 25 26 27 v. The American Tobacco Company, et al." 2.8 29

30 31