

By the Committee on Governmental Oversight and Productivity;
and Senators Mitchell, Latvala, Clary and Smith

302-1594-01

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 relating to multiple-employer welfare
10 arrangements; authorizing the Department of
11 Management Services to adopt rules; providing a
12 declaration that the act fulfills important
13 state interest; providing an effective date.

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

17 Section 1. Section 110.1228, Florida Statutes, is
18 created to read:

19 110.1228 Participation by small counties, small
20 municipalities, and district school boards located in small
21 counties.--

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

23 (a) "District school board" means a district school
24 board located in a small county.

25 (b) "Small municipality" means an incorporated
26 municipality that has a population of 12,500 or fewer
27 according to the most recent decennial census.

28 (c) "Small county" means a county that has a
29 population of 100,000 or fewer according to the most recent
30 decennial census.

31

1 (2) The governing body of a small county or small
2 municipality or a district school board may apply for
3 participation in the state group health insurance program
4 authorized in s. 110.123 and the prescription drug coverage
5 program authorized by s. 110.12315 by submitting an
6 application along with a \$500 nonrefundable fee to the
7 department.

8 (3) As a prerequisite to the adoption of an ordinance
9 or resolution for participation in the state group health
10 insurance and prescription drug coverage program, a small
11 county, small municipality, or district school board shall
12 issue a request for proposals to provide health insurance and
13 prescription drug coverage. Such request for proposals shall
14 seek coverages equivalent to those offered currently by the
15 small county, small municipality, or district school board and
16 coverages equivalent to the state group health insurance and
17 prescription drug coverage program. Such requests for
18 proposals must provide an opportunity for the receipt of
19 competitive proposals from all interested parties without
20 restriction. The small county, small municipality, and
21 district school board shall review and consider all responsive
22 proposals prior to the adoption of any ordinance or resolution
23 for participation in the state group health insurance and
24 prescription drug coverage program.

25 (4) If the department determines that a small county,
26 small municipality, or district school board is eligible to
27 enroll, the small county, small municipality, or district
28 school board must agree to the following terms and conditions:

29 (a) The minimum enrollment or contractual period will
30 be 3 years.

31

1 (b) The small county, small municipality, or district
2 school board must pay to the department an initial
3 administrative fee not less than \$2.61 per enrollee per month,
4 or such other amount established annually to fully reimburse
5 the department for its costs.

6 (c) Termination of participation of a small county,
7 small municipality, or district school board requires written
8 notice 1 year before the termination date.

9 (d) If participation is terminated, a small county,
10 small municipality, or district school board may not reapply
11 for participation for a period of 2 years.

12 (e) Small counties, small municipalities, and district
13 school boards shall reimburse the state for 100 percent of its
14 costs, including administrative costs.

15 (f) If a small county, small municipality, or district
16 school board employer fails to make the payments required by
17 this section to fully reimburse the state, the Department of
18 Revenue or the Department of Banking and Finance shall, upon
19 the request of the Department of Management Services, deduct
20 the amount owed by the employer from any funds to be
21 distributed by it to the small county, small municipality, or
22 district school board. The amounts so deducted shall be
23 transferred to the Department of Management Services for
24 further distribution to the trust funds in accordance with
25 this chapter.

26 (g) The small county, small municipality, or district
27 school board shall furnish the department any information
28 requested by the department which the department considers
29 necessary to administer the state group health insurance
30 program and the prescription drug program.

31

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

3 (6) The Department of Management Services may adopt
4 rules necessary to administer this section.

5 Section 2. The Legislature finds that a proper and
6 legitimate state purpose is served when public employers, and
7 their employees and dependents, in small counties, small
8 municipalities, and district school boards are given
9 additional choices for the basic protections afforded by group
10 health and prescription drug coverage programs that also
11 permit the continued operation of a competitive marketplace
12 and assure that affordable and available coverage is extended
13 to all interested parties. Therefore, the Legislature
14 determines and declares that this act fulfills an important
15 state interest.

16 Section 3. This act shall take effect upon becoming a
17 law and shall apply to eligible local government plan
18 participants effective with the January 1, 2003, plan year.

19
20 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
21 COMMITTEE SUBSTITUTE FOR
22 Senate Bill 1172

23 The Committee Substitute provides for the issuance of local
24 government requests for proposals on the availability of
25 health and prescription drug coverage insurance prior to entry
26 into the state plan. It also requires participating units of
27 local government to provide full reimbursement of costs to the
28 State of Florida. An important state interest is declared due
29 to the bill's mandate of a local government proposal process.
30 The bill's previous contingent effective date is changed to be
31 effective upon becoming a law and to apply to insurance plan
years beginning January 1, 2003.