

By Representative Farkas

1 A bill to be entitled
2 An act relating to limited benefit policies or
3 contracts; amending s. 627.6699, F.S.; revising
4 a definition; prohibiting small employer
5 carriers from using certain policies,
6 contracts, forms, or rates unless filed with
7 and approved by the Department of Insurance
8 pursuant to certain provisions; providing an
9 exception; restricting application of certain
10 laws to limited benefit policies under certain
11 circumstances; authorizing offering or
12 delivering limited benefit policies or
13 contracts to certain employers; providing
14 requirements for benefits in limited benefit
15 policies or contracts for small employers;
16 providing an effective date.

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18 WHEREAS, the Legislature recognizes that the increasing
19 number of uninsured Floridians is due in part to small
20 employers' and their employees' inability to afford
21 comprehensive health insurance coverage, and

22 WHEREAS, the Legislature recognizes the need for small
23 employers and their employees to have the opportunity to
24 choose more affordable and flexible health insurance plans,
25 and

26 WHEREAS, it is the intent of the Legislature that
27 insurers and health maintenance organizations have maximum
28 flexibility in health plan design, NOW, THEREFORE,

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

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1 Section 1. Paragraph (m) of subsection (3), paragraphs
2 (d) and (e) of subsection (12), and subsection (15) of section
3 627.6699, Florida Statutes, are amended to read:

4 627.6699 Employee Health Care Access Act.--

5 (3) DEFINITIONS.--As used in this section, the term:

6 (m) "Limited benefit policy or contract" means a
7 policy or contract that provides coverage for each person
8 insured under the policy for a specifically named disease or
9 diseases, a specifically named accident, or a specifically
10 named limited market that fulfills an experimental or
11 reasonable need, such as the small group market, or to
12 complement a medical savings account program established by a
13 small employer for the benefit of its employees.

14 (12) STANDARD, BASIC, AND LIMITED HEALTH BENEFIT
15 PLANS.--

16 ~~(d)1. Upon offering coverage under a standard health~~
17 ~~benefit plan, a basic health benefit plan, or a limited~~
18 ~~benefit policy or contract for any small employer, the small~~
19 ~~employer carrier shall provide such employer group with a~~
20 ~~written statement that contains, at a minimum:~~

21 ~~a. An explanation of those mandated benefits and~~
22 ~~providers that are not covered by the policy or contract;~~

23 ~~b. An explanation of the managed care and cost control~~
24 ~~features of the policy or contract, along with all appropriate~~
25 ~~mailing addresses and telephone numbers to be used by insureds~~
26 ~~in seeking information or authorization; and~~

27 ~~c. An explanation of the primary and preventive care~~
28 ~~features of the policy or contract.~~

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30 ~~Such disclosure statement must be presented in a clear and~~
31 ~~understandable form and format and must be separate from the~~

1 ~~policy or certificate or evidence of coverage provided to the~~
2 ~~employer group.~~

3 ~~2. Before a small employer carrier issues a standard~~
4 ~~health benefit plan, a basic health benefit plan, or a limited~~
5 ~~benefit policy or contract, it must obtain from the~~
6 ~~prospective policyholder a signed written statement in which~~
7 ~~the prospective policyholder:~~

8 ~~a. Certifies as to eligibility for coverage under the~~
9 ~~standard health benefit plan, basic health benefit plan, or~~
10 ~~limited benefit policy or contract;~~

11 ~~b. Acknowledges the limited nature of the coverage and~~
12 ~~an understanding of the managed care and cost control features~~
13 ~~of the policy or contract;~~

14 ~~c. Acknowledges that if misrepresentations are made~~
15 ~~regarding eligibility for coverage under a standard health~~
16 ~~benefit plan, a basic health benefit plan, or a limited~~
17 ~~benefit policy or contract, the person making such~~
18 ~~misrepresentations forfeits coverage provided by the policy or~~
19 ~~contract; and~~

20 ~~d. If a limited plan is requested, acknowledges that~~
21 ~~the prospective policyholder had been offered, at the time of~~
22 ~~application for the insurance policy or contract, the~~
23 ~~opportunity to purchase any health benefit plan offered by the~~
24 ~~carrier and that the prospective policyholder had rejected~~
25 ~~that coverage.~~

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27 ~~A copy of such written statement shall be provided to the~~
28 ~~prospective policyholder no later than at the time of delivery~~
29 ~~of the policy or contract, and the original of such written~~
30 ~~statement shall be retained in the files of the small employer~~
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1 ~~carrier for the period of time that the policy or contract~~
2 ~~remains in effect or for 5 years, whichever period is longer.~~

3 ~~3. Any material statement made by an applicant for~~
4 ~~coverage under a health benefit plan which falsely certifies~~
5 ~~as to the applicant's eligibility for coverage serves as the~~
6 ~~basis for terminating coverage under the policy or contract.~~

7 ~~4. Each marketing communication that is intended to be~~
8 ~~used in the marketing of a health benefit plan in this state~~
9 ~~must be submitted for review by the department prior to use~~
10 ~~and must contain the disclosures stated in this subsection.~~

11 ~~(d)(e)~~ A small employer carrier may not use any
12 policy, contract, form, or rate under this section, including
13 applications, enrollment forms, policies, contracts,
14 certificates, evidences of coverage, riders, amendments,
15 endorsements, and disclosure forms, until the insurer has
16 filed it with the department and the department has approved
17 it under ss. 627.410, 627.4106, ~~and~~ 627.411, and 641.31,
18 except as provided in paragraph (15)(b).

19 (15) APPLICABILITY OF OTHER STATE LAWS.--

20 (a) Except as expressly provided in this section, a
21 law requiring coverage for a specific health care service or
22 benefit, or a law requiring reimbursement, utilization, or
23 consideration of a specific category of licensed health care
24 practitioner, does not apply to a standard or basic health
25 benefit plan policy or contract or a limited benefit policy or
26 contract offered or delivered to a small employer unless that
27 law is made expressly applicable to such policies or
28 contracts. A law restricting or limiting deductibles,
29 copayments, annual or lifetime maximum payments, or payments
30 for treatment of a specific disease or condition does not
31 apply to a limited benefit policy or contract offered or

1 delivered to a small employer unless such law is made
2 expressly applicable to such policy or contract. A limited
3 benefit policy or contract which is offered or delivered to a
4 small employer may also be offered or delivered to an employer
5 with 51 or more eligible employees.

6 (b) The benefits in a limited benefit policy or
7 contract offered or delivered to a small employer shall be
8 reasonable in relation to the premium charged and shall comply
9 with the small employer group health product medical loss
10 ratio requirements established by the department pursuant to
11 ss. 627.410(6)(b) and 641.31(2). However, a limited benefit
12 policy or contract offered or delivered to a small employer is
13 exempt from the form and rate filing requirements of ss.
14 627.410 and 641.31.

15 (c)~~(b)~~ Except as provided in this section, a standard
16 or basic health benefit plan policy or contract or limited
17 benefit policy or contract offered to a small employer is not
18 subject to any provision of this code which:

19 1. Inhibits a small employer carrier from contracting
20 with providers or groups of providers with respect to health
21 care services or benefits;

22 2. Imposes any restriction on a small employer
23 carrier's ability to negotiate with providers regarding the
24 level or method of reimbursing care or services provided under
25 a health benefit plan; or

26 3. Requires a small employer carrier to either include
27 a specific provider or class of providers when contracting for
28 health care services or benefits or to exclude any class of
29 providers that is generally authorized by statute to provide
30 such care.

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1 (d)~~(e)~~ Any second tier assessment paid by a carrier
2 pursuant to paragraph (11)(j) may be credited against
3 assessments levied against the carrier pursuant to s.
4 627.6494.

5 (e)~~(d)~~ Notwithstanding chapter 641, a health
6 maintenance organization is authorized to issue contracts
7 providing benefits equal to the standard health benefit plan,
8 the basic health benefit plan, and the limited benefit policy
9 authorized by this section.

10 Section 2. This act shall take effect October 1, 2001.

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HOUSE SUMMARY

Provides additional criteria for limited benefit policies or contracts to increase access and affordability of health insurance for small employers. Limits application of laws restricting or limiting deductibles, copayments, maximum payments, or payment limitations for treatment of specific diseases or conditions. Requires benefits to be reasonable in relation to premium charged. See bill for details.