

Amendment No. 3 (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

The Committee on Health Promotion offered the following:

**Amendment**

On page 5, line 28, through page 7, line 28,  
remove: all of said lines

and insert in lieu thereof:

4. Results in actuarially justified rate increases on  
an annual basis:

a. Attributed to the insurer reducing the portion of  
the premium used to pay claims from the loss ratio standard  
certified in the last actuarial certification filed by the  
insurer, in excess of the greater of 50 percent of annual  
medical trend or 5 percent. At its option, the insurer may  
file for approval of an actuarially justified new business  
rate schedule for new insureds and a rate increase for  
existing insureds that is equal to the rate increase which  
equals the greater of 150 percent of annual medical trend or  
10 percent. Future annual rate increases for existing insureds  
shall be limited to the greater of 150 percent of the rate  
increase approved for new insureds or 10 percent until the two

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1 rate schedules converge;

2 b. In excess of the greater of 150 percent of annual  
3 medical trend or 10 percent and the company did not comply  
4 with the annual filing requirements of s. 627.410(7) or  
5 department rule for health maintenance organizations pursuant  
6 to s. 641.31. At its option the insurer may file for approval  
7 of an actuarially justified new business rate schedule for new  
8 insureds and a rate increase for existing insureds that is  
9 equal to the rate increase allowed by the preceding sentence.  
10 Future annual rate increases for existing insureds shall be  
11 limited to the greater of 150 percent of the rate increase  
12 approved for new insureds or 10 percent until the two rate  
13 schedules converge; or

14 c. In excess of the greater of 150 percent of annual  
15 medical trend or 10 percent on a form or block of pooled forms  
16 in which no form is currently available for sale.

17 (f) Excludes coverage for human immunodeficiency virus  
18 infection or acquired immune deficiency syndrome or contains  
19 limitations in the benefits payable, or in the terms or  
20 conditions of such contract, for human immunodeficiency virus  
21 infection or acquired immune deficiency syndrome which are  
22 different than those which apply to any other sickness or  
23 medical condition.

24 (2) In determining whether the benefits are reasonable  
25 in relation to the premium charged, the department, in  
26 accordance with reasonable actuarial techniques, shall  
27 consider:

28 (a) Past loss experience and prospective loss  
29 experience within and without this state.

30 (b) Allocation of expenses.

31 (c) Risk and contingency margins, along with

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1 justification of such margins.

2 (d) Acquisition costs.

3 (3) If a health insurance rate filing changes the  
4 established rate relationships between insureds, the aggregate  
5 effect of such change shall be revenue neutral. The change to  
6 the new relationship shall be phased in over a period not to  
7 exceed 3 years as approved by the department. The rate filing  
8 may also include increases based on overall experience or  
9 annual medical trend, or both, which portions shall not be  
10 phased in over any period.

11 (4) In determining medical trend for application of  
12 subparagraph (1)(e)4., the department shall

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