

By the Committee on Banking and Insurance; and Senators
Wasserman Schultz and Geller

311-1559-01

1 A bill to be entitled

2 An act relating to health insurance; creating

3 ss. 627.64191, 627.65741, F.S.; requiring

4 individual and group health insurance policies

5 to comply with decisions of the United States

6 Equal Employment Opportunity Commission with

7 respect to exclusions that violate Title VII of

8 the Civil Rights Act, as amended; requiring the

9 Department of Insurance to make such

10 determination when approving policy forms;

11 amending ss. 627.6699, 641.31, F.S.; requiring

12 standard and basic health benefit plans issued

13 by small employer carriers and health

14 maintenance contracts to comply with decisions

15 of the United States Equal Employment

16 Opportunity Commission with respect to

17 exclusions that violate Title VII of the Civil

18 Rights Act, as amended; requiring the

19 Department of Insurance to make such

20 determination when approving policy forms;

21 providing for application; providing an

22 effective date.

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

26 Section 1. Section 627.64191, Florida Statutes, is
27 created to read:

28 627.64191 Compliance with decisions of the United

29 States Equal Employment Opportunity Commission.--The benefits,

30 exclusions, and limitations of individual health insurance

31 policies must comply with and be consistent with the decisions

1 of the United States Equal Employment Opportunity Commission
2 which hold that the exclusion or limitation of a specific
3 benefit violates Title VII of the Civil Rights Act of 1964, as
4 amended by the Pregnancy Discrimination Act of 1978. The
5 department must determine such compliance in approving form
6 filings under ss. 627.410 and 627.411, based on decisions
7 rendered by the United States Equal Employment Opportunity
8 Commission before January 1, 2001.

9 Section 2. Section 627.65741, Florida Statutes, is
10 created to read:

11 627.65741 Compliance with decisions of the United
12 States Equal Employment Opportunity Commission.--The benefits,
13 exclusions, and limitations of group health insurance policies
14 must comply with and be consistent with the decisions of the
15 United States Equal Employment Opportunity Commission which
16 hold that the exclusion or limitation of a specific benefit
17 violates Title VII of the Civil Rights Act of 1964, as amended
18 by the Pregnancy Discrimination Act of 1978. The department
19 must determine such compliance in approving form filings under
20 ss. 627.410 and 627.411, based on decisions rendered by the
21 United States Equal Employment Opportunity Commission before
22 January 1, 2001.

23 Section 3. Paragraph (b) of subsection (12) of section
24 627.6699, Florida Statutes, is amended to read:

25 627.6699 Employee Health Care Access Act.--

26 (12) STANDARD, BASIC, AND LIMITED HEALTH BENEFIT
27 PLANS.--

28 (b)1. Each small employer carrier issuing new health
29 benefit plans shall offer to any small employer, upon request,
30 a standard health benefit plan and a basic health benefit plan
31 that meets the criteria set forth in this section.

1 2. For purposes of this subsection, the terms
2 "standard health benefit plan" and "basic health benefit plan"
3 mean policies or contracts that a small employer carrier
4 offers to eligible small employers that contain:

5 a. An exclusion for services that are not medically
6 necessary or that are not covered preventive health services;
7 and

8 b. A procedure for preauthorization by the small
9 employer carrier, or its designees.

10 3. A small employer carrier may include the following
11 managed care provisions in the policy or contract to control
12 costs:

13 a. A preferred provider arrangement or exclusive
14 provider organization or any combination thereof, in which a
15 small employer carrier enters into a written agreement with
16 the provider to provide services at specified levels of
17 reimbursement or to provide reimbursement to specified
18 providers. Any such written agreement between a provider and a
19 small employer carrier must contain a provision under which
20 the parties agree that the insured individual or covered
21 member has no obligation to make payment for any medical
22 service rendered by the provider which is determined not to be
23 medically necessary. A carrier may use preferred provider
24 arrangements or exclusive provider arrangements to the same
25 extent as allowed in group products that are not issued to
26 small employers.

27 b. A procedure for utilization review by the small
28 employer carrier or its designees.

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30 This subparagraph does not prohibit a small employer carrier
31 from including in its policy or contract additional managed

1 care and cost containment provisions, subject to the approval
2 of the department, which have potential for controlling costs
3 in a manner that does not result in inequitable treatment of
4 insureds or subscribers. The carrier may use such provisions
5 to the same extent as authorized for group products that are
6 not issued to small employers.

7 4. The standard health benefit plan shall include:
8 a. Coverage for inpatient hospitalization;
9 b. Coverage for outpatient services;
10 c. Coverage for newborn children pursuant to s.
11 627.6575;
12 d. Coverage for child care supervision services
13 pursuant to s. 627.6579;
14 e. Coverage for adopted children upon placement in the
15 residence pursuant to s. 627.6578;
16 f. Coverage for mammograms pursuant to s. 627.6613;
17 g. Coverage for handicapped children pursuant to s.
18 627.6615;
19 h. Emergency or urgent care out of the geographic
20 service area; and
21 i. Coverage for services provided by a hospice
22 licensed under s. 400.602 in cases where such coverage would
23 be the most appropriate and the most cost-effective method for
24 treating a covered illness.

25 5. The standard health benefit plan and the basic
26 health benefit plan may include a schedule of benefit
27 limitations for specified services and procedures. If the
28 committee develops such a schedule of benefits limitation for
29 the standard health benefit plan or the basic health benefit
30 plan, a small employer carrier offering the plan must offer
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1 the employer an option for increasing the benefit schedule
2 amounts by 4 percent annually.

3 6. The basic health benefit plan shall include all of
4 the benefits specified in subparagraph 4.; however, the basic
5 health benefit plan shall place additional restrictions on the
6 benefits and utilization and may also impose additional cost
7 containment measures.

8 7. Sections 627.419(2), (3), and (4), 627.6574,
9 627.65741, 627.6612, 627.66121, 627.66122, 627.6616, 627.6618,
10 627.668, and 627.66911 apply to the standard health benefit
11 plan and to the basic health benefit plan. However,
12 notwithstanding said provisions, the plans may specify limits
13 on the number of authorized treatments, if such limits are
14 reasonable and do not discriminate against any type of
15 provider.

16 8. Each small employer carrier that provides for
17 inpatient and outpatient services by allopathic hospitals may
18 provide as an option of the insured similar inpatient and
19 outpatient services by hospitals accredited by the American
20 Osteopathic Association when such services are available and
21 the osteopathic hospital agrees to provide the service.

22 Section 4. Subsection (40) is added to section 641.31,
23 Florida Statutes, to read:

24 641.31 Health maintenance contracts.--

25 (40) The benefits, exclusions, and limitations of
26 organization contracts must comply with and be consistent with
27 the decisions of the United States Equal Employment
28 Opportunity Commission which hold that the exclusion or
29 limitation of a specific benefit violates Title VII of the
30 Civil Rights Act of 1964, as amended by the Pregnancy
31 Discrimination Act of 1978. The department must determine such

1 compliance in approving form filings under this section, based
2 on decisions rendered by the United States Equal Employment
3 Opportunity Commission before January 1, 2001.

4 Section 5. This act shall take effect July 1, 2001,
5 and shall apply to policies and contracts issued or renewed on
6 or after that date.

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8 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
9 COMMITTEE SUBSTITUTE FOR
10 SB 168

11 Replaces the provisions of the bill with the requirement that
12 individual and group (including the standard and basic
13 insurance policies and health maintenance organization
14 (HMO) contracts be in compliance with the decisions of the
15 Equal Employment Opportunity Commission (EEOC) that hold that
16 the exclusion or limitation of a specific benefit violates
17 Title VII of the Civil Rights Act of 1964, as amended by the
18 Pregnancy Discrimination Act (PDA) of 1978. The Department of
19 Insurance would determine such compliance in approving policy
20 forms, based on the decisions by the EEOC rendered prior to
21 January 1, 2001.

22 This provision would require insurance policies to be in
23 compliance with a recent ruling by the EEOC which held that it
24 was unlawful to exclude prescription contraceptive drugs and
25 devices from health insurance plans because such exclusion
26 violated Title VII and the Pregnancy Discrimination Act (PDA).
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