

By Senator King

8-969A-01

See HB

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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13           HOUSE SUMMARY

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

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