HOUSE AMENDMENT

Bill No. HB 111

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

CHAMBER ACTION

Senate | House

ORIGINAL STAMP BELOW

Representative(s) Seiler offered the following:

Substitute Amendment for Amendment (822643) (with title amendment)

Remove everything after the enacting clause

and insert:

Section 1. Health flex plans.--

(1) INTENT.--The Legislature finds that a significant proportion of state residents are not able to obtain affordable health insurance coverage. Therefore, it is the intent of the Legislature to expand the availability of health care options for lower-income uninsured state residents by encouraging health insurers, health maintenance organizations, health care provider-sponsored organizations, local governments, health care districts, or other public or private community-based organizations to develop alternative approaches to traditional health insurance which emphasize coverage for basic and preventive health care services. To the maximum extent possible these options should be coordinated with existing governmental or community-based

health services programs in a manner which is consistent with the objectives and requirements of such programs.

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

(a) "Agency" means the Agency for Health Care Administration.

(b) "Department" means the Department of Insurance.

(c) "Enrollee" means an individual who has been determined eligible for and is receiving health care coverage under a health flex plan approved under this section.

(d) "Health care coverage" or "health flex plan coverage" means health care services covered as benefits under an approved health flex plan or that are otherwise provided, either directly or through arrangements with other persons, via health flex plan health care services on a prepaid per capita basis or on a prepaid aggregate fixed-sum basis.

(e) "Health flex plan" means a health plan approved under subsection (3) which guarantees payment for specified health care coverage provided to the enrollee.

(f) "Health flex plan entity" means a health insurer, health maintenance organization, health care provider-sponsored organization, local government, health care district, or other public or private community-based organization which develops and implements an approved health flex plan and is responsible for administering the health flex plan and paying all claims for health flex plan coverage by enrollees of the health flex plan.

(3) PILOT PROGRAM.--The agency and the department shall each approve or disapprove health flex plans which provide health care coverage for eligible participants residing in the 3 service areas of the state with the highest number of uninsured as identified in the Florida Health

Insurance Study conducted by the agency. A health flex plan may limit or exclude benefits otherwise required by law for insurers offering coverage in this state, cap the total amount of claims paid per year per enrollee, limit the number of enrollees, or any combination of the foregoing.

(a) The agency shall develop guidelines for the review of health flex plan applications and shall not approve or shall withdraw approval of plans which do not or no longer meet minimum quality of care and access to care standards.

(b) The department shall develop guidelines for the review of health flex plan applications and shall not approve or shall withdraw approval of plans which:

1. Contain any ambiguous, inconsistent or misleading provisions, or exceptions or conditions that deceptively affect or limit the benefits purported to be assumed in the general coverage provided by the health flex plan;

2. Provide benefits that are unreasonable in relation to the premium charged, contain provisions that are unfair or inequitable or contrary to the public policy of this state, that encourage misrepresentation, or that result in unfair discrimination in sales practices; or

3. Cannot demonstrate that the health flex plan is financially sound and that the applicant has the ability to underwrite or finance the health care coverage provided.

(c) The agency and the department are each authorized to adopt rules as needed to implement this section.

(4) LICENSE NOT REQUIRED.--A health flex plan approved under this section shall not be subject to the licensing requirements of the Florida Insurance Code or chapter 641, Florida Statutes, relating to health maintenance organizations, unless expressly made applicable. However, for

the purposes of prohibiting unfair trade practices health flex plans shall be considered insurance subject to the applicable provisions of part IX of chapter 626, Florida Statutes, except as otherwise provided in this section.

(5) ELIGIBILITY.--Eligibility to enroll in an approved health flex plan is limited to Florida residents who:

(a) Are 64 years of age or younger;

(b) Have a family income equal to or less than 200 percent of the federal poverty level;

(c) Are not covered by a private insurance policy and are not eligible for coverage through a public health insurance program such as Medicare or Medicaid, or another public health care program, such as KidCare, and have not been covered at any time during the past 6 months; and

(d) Have applied for health care coverage through an approved health flex plan and agree to make any payments required for participation, including periodic payments or payments due at the time health care services are provided.

(6) RECORDS.--Every health flex plan shall maintain enrollment data, reasonable records of its loss, expense, and claims experience, and shall make such records reasonably available to enable the department to monitor and determine the financial viability of the health flex plan, as necessary. Provider networks and total enrollment by area shall be reported to the agency biannually to enable the agency to monitor access to care.

(7) NOTICE.--The denial of coverage by a health flex plan, or nonrenewal or cancellation of coverage, must be accompanied by the specific reasons for denial, nonrenewal, or cancellation. Notice of nonrenewal or cancellation must be provided at least 45 days in advance of such nonrenewal or

cancellation, except that 10 days' written notice shall be given for cancellation due to nonpayment of premiums. If the health flex plan fails to give the required notice, the health flex plan coverage shall remain in effect until notice is appropriately given.

(8) NONENTITLEMENT.--Coverage under an approved health flex plan is not an entitlement, and no cause of action shall arise against the state, local government entity or other political subdivision of this state, or the agency for failure to make coverage available to eligible persons under this section.

(9) PROGRAM EVALUATION.--The agency and the department shall evaluate the pilot program and its impact on the entities that seek approval as health flex plans, the number of enrollees, the scope of health care coverage offered under a health flex plan, and an assessment of the health flex plans and their potential applicability in other settings, and jointly submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives, no later than January 1, 2004.

(10) REPEAL.--Unless specifically reenacted by the Legislature, this section shall stand repealed on July 1, 2004.

Section 2. Paragraph (a) of subsection (2) of section 627.6425, Florida Statutes, is amended to read:

627.6425 Renewability of individual coverage.--

(2) An insurer may nonrenew or discontinue health insurance coverage of an individual in the individual market based only on one or more of the following:

(a) The individual has failed to pay premiums, ~~or~~ contributions, or a required copayment payable to the insurer

in accordance with the terms of the health insurance coverage or the insurer has not received timely premium payments. When the copayment is payable to the insurer and exceeds $300, the insurer shall allow the insured up to 90 days after the date of the procedure to pay the required copayment. The insurer shall print, in 10-point type on the Declaration of Benefits page, notification that the insured could be terminated for failure to make any required copayment to the insurer.

Section 3. This act shall take effect July 1, 2002.

========== T I T L E A M E N D M E N T ==========

And the title is amended as follows:

remove everything before the enacting clause

and insert:

A bill to be entitled

An act relating to health insurance; providing legislative findings and intent and definitions applicable to health flex plans; providing for a pilot program for health flex plans for certain uninsured persons; providing criteria for approval of health flex plans; delineating the responsibilities of the Agency for Health Care Administration and the Department of Insurance; exempting approved health flex plans from certain regulatory requirements; providing criteria for eligibility to enroll in a health flex plan; requiring health flex plan entities to maintain certain records; providing requirements for denial, nonrenewal, or

cancellation of coverage; specifying that coverage under an approved health flex plan is not an entitlement; requiring an evaluation and report; providing for subsequent repeal; amending s. 627.6425, F.S.; authorizing insurers to nonrenew or discontinue health insurance coverage for failure to pay certain copayments; providing procedures and requirements relating to certain copayments; providing an effective date.