

Amendment No. 1 (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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The Committee on Health Promotion offered the following:

**Amendment (with title amendment)**

Remove from the bill: Everything after the enacting clause  
and insert in lieu thereof:

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

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1 the objectives and requirements of such programs.

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

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

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

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

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

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

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

26 (3) PILOT PROGRAM.--The agency and the department  
27 shall each approve or disapprove health flex plans which  
28 provide health care coverage for eligible participants  
29 residing in the 3 service areas of the state with the highest  
30 number of uninsured as identified in the Florida Health  
31 Insurance Study conducted by the agency. A health flex plan

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1 may limit or exclude benefits otherwise required by law for  
2 insurers offering coverage in this state, cap the total amount  
3 of claims paid per year per enrollee, limit the number of  
4 enrollees, or any combination of the foregoing.

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

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

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

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

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

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

26 (4) LICENSE NOT REQUIRED.--A health flex plan approved  
27 under this section shall not be subject to the licensing  
28 requirements of the Florida Insurance Code or chapter 641,  
29 Florida Statutes, relating to health maintenance  
30 organizations, unless expressly made applicable. However, for  
31 the purposes of prohibiting unfair trade practices health flex

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1 plans shall be considered insurance subject to the applicable  
2 provisions of part IX of chapter 626, Florida Statutes, except  
3 as otherwise provided in this section.

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

6 (a) Are 64 years of age or younger;

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

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

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

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

26 (7) NOTICE.--The denial of coverage by a health flex  
27 plan, or nonrenewal or cancellation of coverage, must be  
28 accompanied by the specific reasons for denial, nonrenewal, or  
29 cancellation. Notice of nonrenewal or cancellation must be  
30 provided at least 45 days in advance of such nonrenewal or  
31 cancellation, except that 10 days' written notice shall be

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1 given for cancellation due to nonpayment of premiums. If the  
2 health flex plan fails to give the required notice, the health  
3 flex plan coverage shall remain in effect until notice is  
4 appropriately given.

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

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

20 (10) REPEAL.--Unless specifically reenacted by the  
21 Legislature, this section shall stand repealed on July 1,  
22 2004.

23 Section 2. This act shall take effect July 1, 2002.

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

27 And the title is amended as follows:

28 remove from the title of the bill: the entire title

29  
30 and insert in lieu thereof:

31 An act relating to health flex plans; providing

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1 legislative findings and intent; providing  
2 definitions; providing for a pilot program for  
3 health flex plans for certain uninsured  
4 persons; providing criteria for approval of  
5 health flex plans; delineating the  
6 responsibilities of the Agency for Health Care  
7 Administration and the Department of Insurance;  
8 exempting approved health flex plans from  
9 certain regulatory requirements; providing  
10 criteria for eligibility to enroll in a health  
11 flex plan; requiring health flex plan entities  
12 to maintain certain records; providing  
13 requirements for denial, nonrenewal, or  
14 cancellation of coverage; specifying that  
15 coverage under an approved health flex plan is  
16 not an entitlement; requiring an evaluation and  
17 report; providing for subsequent repeal;  
18 providing an effective date.

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