By Representative Murman

1 A bill to be entitled
2 An act relating to health flex plans; making
3 legislative findings and providing legislative
4 intent; providing definitions; providing for a
5 pilot program for health flex plans for certain
6 uninsured persons; providing criteria;
7 exempting approved health flex plans from
8 certain licensing requirements; providing
9 criteria for eligibility to enroll in a health
10 flex plan; requiring health flex plan providers
11 to maintain certain records; providing
12 requirements for denial, nonrenewal, or
13 cancellation of coverage; specifying that
14 coverage under an approved health flex plan is
15 not an entitlement; providing for civil actions
16 against health plan entities by the Agency for
17 Health Care Administration under certain
18 circumstances; providing an effective date.
19
20 Be It Enacted by the Legislature of the State of Florida:
21
22 Section 1. Health flex plans.--
23 (1) INTENT.--The Legislature finds that a significant
24 portion of state residents are not able to obtain affordable
25 health insurance coverage. Therefore, it is the intent of the
26 Legislature to expand the availability of health care options
27 for lower-income uninsured state residents by encouraging
28 health insurers, health maintenance organizations, health care
29 provider-sponsored organizations, local governments, health
30 care districts, and other public or private community-based
31 organizations to develop alternative approaches to traditional

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1 health insurance which emphasize coverage for basic and
2 preventive health care services. To the maximum extent
3 possible, these options should be coordinated with existing
4 governmental or community-based health services programs in a
5 manner that is consistent with the objectives and requirements
6 of such programs.
7 (2) DEFINITIONS.--As used in this section, the term:
8 (a) "Agency" means the Agency for Health Care
9 Administration.
10 (b) "Approved plan" means a health flex plan approved
11 under subsection (3) which guarantees payment by the health
12 plan entity for specified health care services provided to the
13 enrollee.
14 (c) "Enrollee" means an individual who has been
15 determined eligible for and is receiving health benefits under
16 a health flex plan approved under this section.
17 (d) "Health care coverage" means payment for health
18 care services covered as benefits under an approved plan or
19 which otherwise provides, either directly or through
20 arrangements with other persons, covered health care services
21 on a prepaid per capita basis or on a prepaid aggregate
22 fixed-sum basis.
23 (e) "Health plan entity" means a health insurer,
24 health maintenance organization, health care
25 provider-sponsored organization, local government, health care
26 district, or other public or private community-based
27 organization that develops and implements an approved plan and
28 is responsible for financing and paying all claims by
29 enrollees of the plan.
30 (3) PILOT PROGRAM.--The agency and the Department of
31 Insurance shall jointly approve or disapprove health flex

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1 plans that provide health care coverage for eligible
2 participants residing in the three areas of the state having
3 the highest number of uninsured residents as determined by the
4 agency. A plan may limit or exclude benefits otherwise
5 required by law for insurers offering coverage in this state,
6 cap the total amount of claims paid in 1 year per enrollee, or
7 limit the number of enrollees covered. The agency and the
8 Department of Insurance shall not approve, or shall withdraw
9 approval of, plans that:
10 (a) Contain any ambiguous, inconsistent, or misleading
11 provisions or any exceptions or conditions that deceptively
12 affect or limit the benefits purported to be assumed in the
13 general coverage provided by the plan;
14 (b) Provide benefits that are unreasonable in relation
15 to the premium charged, contain provisions that are unfair or
16 inequitable or contrary to the public policy of this state,
17 that encourage misrepresentation, or that result in unfair
18 discrimination in sales practices; or
19 (c) Cannot demonstrate that the plan is financially
20 sound and that the applicant has the ability to underwrite or
21 finance the benefits provided.
22 (4) LICENSE NOT REQUIRED.--A health flex plan approved
23 under this section is not subject to the licensing
24 requirements of the Florida Insurance Code or chapter 641,
25 Florida Statutes, relating to health maintenance
26 organizations, unless expressly made applicable. However, for
27 the purposes of prohibiting unfair trade practices, health
28 flex plans shall be considered insurance subject to the
29 applicable provisions of part IX of chapter 626, Florida
30 Statutes, except as otherwise provided in this section.
31

1 (5) ELIGIBILITY.--Eligibility to enroll in an approved
2 health flex plan is limited to Florida residents who:
3 (a) Are 64 years of age or younger;
4 (b) Have a family income equal to or less than 200
5 percent of the federal poverty level;
6 (c) Are not covered by a private insurance policy and
7 are not eligible for coverage through a public health
8 insurance program such as Medicare or Medicaid or another
9 public health care program, including, but not limited to,
10 KidCare; and have not been covered at any time during the
11 preceding 6 months; and
12 (d) Have applied for health care benefits through an
13 approved health flex plan and agree to make any payments
14 required for participation, including, but not limited to,
15 periodic payments or payments due at the time health care
16 services are provided.
17 (6) RECORDS.--Every health plan entity shall maintain
18 reasonable records of its loss, expense, and claims experience
19 and shall make such records reasonably available to enable the
20 agency and the Department of Insurance to monitor and
21 determine the financial viability of the plan, as necessary.
22 (7) NOTICE.--The denial of coverage by the health plan
23 entity, or nonrenewal or cancellation of coverage, must be
24 accompanied by the specific reasons for denial, nonrenewal, or
25 cancellation. Notice of nonrenewal or cancellation shall be
26 provided at least 45 days in advance of such nonrenewal or
27 cancellation, except that 10 days' written notice shall be
28 given for cancellation due to nonpayment of premiums. If the
29 health plan entity fails to give the required notice, the plan
30 shall remain in effect until notice is appropriately given.
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(8) NONENTITLEMENT.--Coverage under an approved health flex plan is not an entitlement, and no cause of action shall arise against the state, a 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) CIVIL ACTIONS.--In addition to an administrative action initiated under subsection (4), the agency may seek any remedy provided by law, including, but not limited to, the remedies provided in s. 812.035, Florida Statutes, if the agency finds that a health plan entity has engaged in any act resulting in injury to an enrollee covered by a plan approved under this section.

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

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HOUSE SUMMARY

Creates a pilot program, designated health flex plans, to provide health care coverage for uninsured persons under the oversight of the Agency for Health Care Administration. See bill for details.

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