

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

21  
22   Be It Enacted by the Legislature of the State of Florida:

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24           Section 1. Health Flex plans.--  
25           (1) INTENT.--The Legislature finds that a significant  
26           proportion of state residents are not able to obtain  
27           affordable health insurance coverage. Therefore, it is the  
28           intent of the Legislature to expand the availability of health  
29           care options for lower-income uninsured state residents by  
30           encouraging health insurers, health maintenance organizations,  
31           health care provider-sponsored organizations, local

1 governments, health care districts, or other public or private  
2 community-based organizations to develop alternative  
3 approaches to traditional health insurance which emphasize  
4 coverage for basic and preventive health care services. To  
5 the maximum extent possible these options should be  
6 coordinated with existing governmental or community-based  
7 health services programs in a manner which is consistent with  
8 the objectives and requirements of such programs.

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

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

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

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

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

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

25 (f) "Health flex plan entity" means a health insurer,  
26 health maintenance organization, health care  
27 provider-sponsored organization, local government, health care  
28 district, or other public or private community-based  
29 organization which develops and implements an approved health  
30 flex plan and is responsible for administering the health flex  
31

1 plan and paying all claims for health flex plan coverage by  
2 enrollees of the health flex plan.

3 (3) PILOT PROGRAM.--The agency and the department  
4 shall each approve or disapprove health flex plans which  
5 provide health care coverage for eligible participants  
6 residing in the 3 service areas of the state with the highest  
7 number of uninsured as identified in the Florida Health  
8 Insurance Study conducted by the agency. A health flex plan  
9 may limit or exclude benefits otherwise required by law for  
10 insurers offering coverage in this state, cap the total amount  
11 of claims paid per year per enrollee, limit the number of  
12 enrollees, or any combination of the foregoing.

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

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

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

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

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

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

3           (4) LICENSE NOT REQUIRED.--A health flex plan approved  
4 under this section shall not be subject to the licensing  
5 requirements of the Florida Insurance Code or chapter 641,  
6 Florida Statutes, relating to health maintenance  
7 organizations, unless expressly made applicable. However, for  
8 the purposes of prohibiting unfair trade practices health flex  
9 plans shall be considered insurance subject to the applicable  
10 provisions of part IX of chapter 626, Florida Statutes, except  
11 as otherwise provided in this section.

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

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

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

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

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

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

1 reported to the agency biannually to enable the agency to  
2 monitor access to care.

3 (7) NOTICE.--The denial of coverage by a health flex  
4 plan, or nonrenewal or cancellation of coverage, must be  
5 accompanied by the specific reasons for denial, nonrenewal, or  
6 cancellation. Notice of nonrenewal or cancellation must be  
7 provided at least 45 days in advance of such nonrenewal or  
8 cancellation, except that 10 days' written notice shall be  
9 given for cancellation due to nonpayment of premiums. If the  
10 health flex plan fails to give the required notice, the health  
11 flex plan coverage shall remain in effect until notice is  
12 appropriately given.

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

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

28 (10) REPEAL.--Unless specifically reenacted by the  
29 Legislature, this section shall stand repealed on July 1,  
30 2004.

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