

Bill No. CS for CS for SB's 662 & 232, 2nd Eng.

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

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

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Representative(s) Alexander offered the following:

Amendment (with title amendment)

On page 832 of the bill, between lines 12 and 13,

insert:

Section 893. Effective upon this act becoming a law, paragraph (h) of subsection (3) of section 110.123, Florida Statutes, is amended to read:

110.123 State group insurance program.--

(3) STATE GROUP INSURANCE PROGRAM.--

(h)1. A person eligible to participate in the state group insurance program may be authorized by rules adopted by the department, in lieu of participating in the state group health insurance plan, to exercise an option to elect membership in a health maintenance organization plan which is under contract with the state in accordance with criteria established by this section and by said rules. The offer of optional membership in a health maintenance organization plan permitted by this paragraph may be limited or conditioned by rule as may be necessary to meet the requirements of state and

1 federal laws.

2 2. The department shall contract with health
3 maintenance organizations seeking to participate in the state
4 group insurance program through a request for proposal or
5 other procurement process, as developed by the Department of
6 Management Services and determined to be appropriate.

7 a. The department shall establish a schedule of
8 minimum benefits for health maintenance organization coverage,
9 and that schedule shall include: physician services; inpatient
10 and outpatient hospital services; emergency medical services,
11 including out-of-area emergency coverage; diagnostic
12 laboratory and diagnostic and therapeutic radiologic services;
13 mental health, alcohol, and chemical dependency treatment
14 services meeting the minimum requirements of state and federal
15 law; skilled nursing facilities and services; prescription
16 drugs; and other benefits as may be required by the
17 department. Additional services may be provided subject to
18 the contract between the department and the HMO.

19 b. The department may establish uniform deductibles,
20 copayments, or coinsurance schedules for all participating HMO
21 plans.

22 c. The department may require detailed information
23 from each health maintenance organization participating in the
24 procurement process, including information pertaining to
25 organizational status, experience in providing prepaid health
26 benefits, accessibility of services, financial stability of
27 the plan, quality of management services, accreditation
28 status, quality of medical services, network access and
29 adequacy, performance measurement, ability to meet the
30 department's reporting requirements, and the actuarial basis
31 of the proposed rates and other data determined by the

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1 director to be necessary for the evaluation and selection of
2 health maintenance organization plans and negotiation of
3 appropriate rates for these plans. Upon receipt of proposals
4 by health maintenance organization plans and the evaluation of
5 those proposals, the department may enter into negotiations
6 with all of the plans or a subset of the plans, as the
7 department determines appropriate. Nothing shall preclude the
8 department from negotiating regional or statewide contracts
9 with health maintenance organization plans when this is
10 cost-effective and when the department determines that the
11 plan offers high value to enrollees.

12 d. The department may limit the number of HMOs that it
13 contracts with in each service area based on the nature of the
14 bids the department receives, the number of state employees in
15 the service area, or any unique geographical characteristics
16 of the service area. The department shall establish by rule
17 service areas throughout the state.

18 e. All persons participating in the state group
19 insurance program who are required to contribute towards a
20 total state group health premium shall be subject to the same
21 dollar contribution regardless of whether the enrollee enrolls
22 in the state group health insurance plan or in an HMO plan.

23 3. The department is authorized to negotiate and to
24 contract with specialty psychiatric hospitals for mental
25 health benefits, on a regional basis, for alcohol, drug abuse,
26 and mental and nervous disorders. The department may
27 establish, subject to the approval of the Legislature pursuant
28 to subsection (5), any such regional plan upon completion of
29 an actuarial study to determine any impact on plan benefits
30 and premiums.

31 4. In addition to contracting pursuant to subparagraph

- 1 2., the department shall enter into contract with any HMO to
2 participate in the state group insurance program which:
- 3 a. Serves greater than 5,000 recipients on a prepaid
4 basis under the Medicaid program;
 - 5 b. Does not currently meet the 25-percent
6 non-Medicare/non-Medicaid enrollment composition requirement
7 established by the Department of Health excluding participants
8 enrolled in the state group insurance program;
 - 9 c. Meets the minimum benefit package and copayments
10 and deductibles contained in sub-subparagraphs 2.a. and b.;
 - 11 d. Is willing to participate in the state group
12 insurance program at a cost of premiums that is not greater
13 than 95 percent of the cost of HMO premiums accepted by the
14 department in each service area; and
 - 15 e. Meets the minimum surplus requirements of s.
16 641.225.

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18 The department is authorized to contract with HMOs that meet
19 the requirements of sub-subparagraphs a.-d. prior to the open
20 enrollment period for state employees. The department is not
21 required to renew the contract with the HMOs as set forth in
22 this paragraph more than twice. Thereafter, the HMOs shall be
23 eligible to participate in the state group insurance program
24 only through the request for proposal process described in
25 subparagraph 2.

26 5. All enrollees in the state group health insurance
27 plan or any health maintenance organization plan shall have
28 the option of changing to any other health plan which is
29 offered by the state within any open enrollment period
30 designated by the department. Open enrollment shall be held at
31 least once each calendar year.

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1 6. When a contract between a treating provider and the
2 state-contracted health maintenance organization is terminated
3 for any reason other than for cause, each party shall allow
4 any enrollee for whom treatment was active to continue
5 coverage and care when medically necessary, through completion
6 of treatment of a condition for which the enrollee was
7 receiving care at the time of the termination, until the
8 enrollee selects another treating provider, or until the next
9 open enrollment period offered, whichever is longer, but no
10 longer than 6 months after termination of the contract. Each
11 party to the terminated contract shall allow an enrollee who
12 has initiated a course of prenatal care, regardless of the
13 trimester in which care was initiated, to continue care and
14 coverage until completion of postpartum care. This does not
15 prevent a provider from refusing to continue to provide care
16 to an enrollee who is abusive, noncompliant, or in arrears in
17 payments for services provided. For care continued under this
18 subparagraph, the program and the provider shall continue to
19 be bound by the terms of the terminated contract. Changes made
20 within 30 days before termination of a contract are effective
21 only if agreed to by both parties.

22 7. Any HMO participating in the state group insurance
23 program shall submit health care utilization and cost data to
24 the department, in such form and in such manner as the
25 department shall require, as a condition of participating in
26 the program. The department shall enter into negotiations
27 with its contracting HMOs to determine the nature and scope of
28 the data submission and the final requirements, format,
29 penalties associated with noncompliance, and timetables for
30 submission. These determinations shall be adopted by rule.

31 8. The department may establish and direct, with

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1 respect to collective bargaining issues, a comprehensive
2 package of insurance benefits that may include supplemental
3 health and life coverage, dental care, long-term care, vision
4 care, and other benefits it determines necessary to enable
5 state employees to select from among benefit options that best
6 suit their individual and family needs.

7 a. Based upon a desired benefit package, the
8 department shall issue a request for proposal for health
9 insurance providers interested in participating in the state
10 group insurance program, and the department shall issue a
11 request for proposal for insurance providers interested in
12 participating in the non-health-related components of the
13 state group insurance program. Upon receipt of all proposals,
14 the department may enter into contract negotiations with
15 insurance providers submitting bids or negotiate a specially
16 designed benefit package. Insurance providers offering or
17 providing supplemental coverage as of May 30, 2002 ~~1991~~, which
18 qualify for pretax benefit treatment pursuant to s. 125 of the
19 Internal Revenue Code of 1986, with 5,500 or more state
20 employees currently enrolled shall ~~may~~ be included by the
21 department in the supplemental insurance benefit plan
22 established by the department without participating in a
23 request for proposal, submitting bids, negotiating contracts,
24 or negotiating a specially designed benefit package. These
25 contracts shall provide state employees with the most
26 cost-effective and comprehensive coverage available; however,
27 no state or agency funds shall be contributed toward the cost
28 of any part of the premium of such supplemental benefit plans.
29 With respect to dental coverage, the division shall include in
30 any solicitation or contract for any state group dental
31 program made after July 1, 2001, a comprehensive indemnity

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1 dental plan option which offers enrollees a completely
2 unrestricted choice of dentists. If a dental plan is endorsed,
3 or in some manner recognized as the preferred product, such
4 plan shall include a comprehensive indemnity dental plan
5 option which provides enrollees with a completely unrestricted
6 choice of dentists.

7 b. Pursuant to the applicable provisions of s.
8 110.161, and s. 125 of the Internal Revenue Code of 1986, the
9 department shall enroll in the pretax benefit program those
10 state employees who voluntarily elect coverage in any of the
11 supplemental insurance benefit plans as provided by
12 sub-subparagraph a.

13 c. Nothing herein contained shall be construed to
14 prohibit insurance providers from continuing to provide or
15 offer supplemental benefit coverage to state employees as
16 provided under existing agency plans.

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

20 And the title is amended as follows:

21 On page 8, line 20 after the semicolon,

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23 insert:

24 amending s. 110.123, F.S.; requiring inclusion
25 of certain supplemental coverage within a
26 supplemental insurance benefit plan;

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