

hbd-032

Bill No. CS/HB 913, 1st Eng.

Amendment No. \_\_\_\_ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Representative(s) Farkas offered the following:

**Amendment (with directory language and title amendments)**

On page 8, line 6, through page 12, line 16,  
remove: all of said lines,

and insert:

(b)1. Each small employer carrier issuing new health benefit plans shall offer to any small employer, upon request, a standard health benefit plan and a basic health benefit plan that meets the criteria set forth in this section.

2. For purposes of this subsection, the terms "standard health benefit plan" and "basic health benefit plan" mean policies or contracts that a small employer carrier offers to eligible small employers that contain:

a. An exclusion for services that are not medically necessary or that are not covered preventive health services; and

b. A procedure for preauthorization by the small employer carrier, or its designees.

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1           3. A small employer carrier may include the following  
2 managed care provisions in the policy or contract to control  
3 costs:

4           a. A preferred provider arrangement or exclusive  
5 provider organization or any combination thereof, in which a  
6 small employer carrier enters into a written agreement with  
7 the provider to provide services at specified levels of  
8 reimbursement or to provide reimbursement to specified  
9 providers. Any such written agreement between a provider and a  
10 small employer carrier must contain a provision under which  
11 the parties agree that the insured individual or covered  
12 member has no obligation to make payment for any medical  
13 service rendered by the provider which is determined not to be  
14 medically necessary. A carrier may use preferred provider  
15 arrangements or exclusive provider arrangements to the same  
16 extent as allowed in group products that are not issued to  
17 small employers.

18           b. A procedure for utilization review by the small  
19 employer carrier or its designees.

20  
21 This subparagraph does not prohibit a small employer carrier  
22 from including in its policy or contract additional managed  
23 care and cost containment provisions, subject to the approval  
24 of the department, which have potential for controlling costs  
25 in a manner that does not result in inequitable treatment of  
26 insureds or subscribers. The carrier may use such provisions  
27 to the same extent as authorized for group products that are  
28 not issued to small employers.

29           4. The standard health benefit plan and any flexible  
30 benefit policy or contract shall include:

31           a. Coverage for inpatient hospitalization;

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- 1           b. Coverage for outpatient services;
- 2           c. Coverage for newborn children pursuant to s.
- 3 627.6575;
- 4           d. Coverage for child care supervision services
- 5 pursuant to s. 627.6579;
- 6           e. Coverage for adopted children upon placement in the
- 7 residence pursuant to s. 627.6578;
- 8           f. Coverage for mammograms pursuant to s. 627.6613;
- 9           g. Coverage for handicapped children pursuant to s.
- 10 627.6615;
- 11           h. Emergency or urgent care out of the geographic
- 12 service area; and
- 13           i. Coverage for services provided by a hospice
- 14 licensed under s. 400.602 in cases where such coverage would
- 15 be the most appropriate and the most cost-effective method for
- 16 treating a covered illness.
- 17           5. The standard health benefit plan and the basic
- 18 health benefit plan may include a schedule of benefit
- 19 limitations for specified services and procedures. If the
- 20 committee develops such a schedule of benefits limitation for
- 21 the standard health benefit plan or the basic health benefit
- 22 plan, a small employer carrier offering the plan must offer
- 23 the employer an option for increasing the benefit schedule
- 24 amounts by 4 percent annually.
- 25           6. The basic health benefit plan shall include all of
- 26 the benefits specified in subparagraph 4.; however, the basic
- 27 health benefit plan shall place additional restrictions on the
- 28 benefits and utilization and may also impose additional cost
- 29 containment measures.
- 30           7. Sections 627.419(2), (3), and (4), 627.6574,
- 31 627.6612, 627.66121, 627.66122, 627.6616, 627.6618, 627.668,

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1 and 627.66911 apply to the standard health benefit plan, to  
 2 any flexible benefit policy or contract, and to the basic  
 3 health benefit plan. However, notwithstanding said provisions,  
 4 the plans may specify limits on the number of authorized  
 5 treatments, if such limits are reasonable and do not  
 6 discriminate against any type of provider.

7 8. Each small employer carrier that provides for  
 8 inpatient and outpatient services by allopathic hospitals may  
 9 provide as an option of the insured similar inpatient and  
 10 outpatient services by hospitals accredited by the American  
 11 Osteopathic Association when such services are available and  
 12 the osteopathic hospital agrees to provide the service.

13 (c) If a small employer rejects, in writing, the  
 14 standard health benefit plan and the basic health benefit  
 15 plan, the small employer carrier may offer the small employer  
 16 a flexible limited benefit policy or contract.

17 (d)1. Upon offering coverage under a standard health  
 18 benefit plan, a basic health benefit plan, or a flexible  
 19 limited benefit policy or contract for any small employer, the  
 20 small employer carrier shall disclose in writing to the  
 21 ~~provide such employer group with a written statement that~~  
 22 ~~contains, at a minimum:~~

23 ~~a. An explanation of those mandated benefits and~~  
 24 ~~providers that are not covered by the policy or contract;~~

25 a.b. An outline of coverage together ~~explanation of~~  
 26 ~~the managed care and cost control features of the policy or~~  
 27 ~~contract, along with all appropriate mailing addresses and~~  
 28 ~~telephone numbers to be used by insureds in seeking~~  
 29 ~~information or authorization.~~ and

30 b.c. An explanation of The primary and preventive care  
 31 features of the policy or contract.

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~~Such disclosure statement must be presented in a clear and understandable form and format and must be separate from the policy or certificate or evidence of coverage provided to the employer group.~~

~~2. Before a small employer carrier issues a standard health benefit plan, a basic health benefit plan, or a limited benefit policy or contract, it must obtain from the prospective policyholder a signed written statement in which the prospective policyholder:~~

~~a. Certifies as to eligibility for coverage under the standard health benefit plan, basic health benefit plan, or limited benefit policy or contract;~~

~~c.b. Acknowledges The limited nature of the coverage and an understanding of the managed care and cost control features of the policy or contract.~~

~~c. Acknowledges that if misrepresentations are made regarding eligibility for coverage under a standard health benefit plan, a basic health benefit plan, or a limited benefit policy or contract, the person making such misrepresentations forfeits coverage provided by the policy or contract; and~~

~~2.d. If a flexible benefit policy or contract limited plan is requested, the prospective policyholder must acknowledge in writing ~~acknowledges~~ that he or she ~~the prospective policyholder~~ had been offered, at the time of application for the insurance policy or contract, the opportunity to purchase any health benefit plan offered by the carrier and that the prospective policyholder had rejected that coverage.~~

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1 ~~A copy of such written statement shall be provided to the~~  
2 ~~prospective policyholder no later than at the time of delivery~~  
3 ~~of the policy or contract, and the original of such written~~  
4 ~~statement shall be retained in the files of the small employer~~  
5 ~~carrier for the period of time that the policy or contract~~  
6 ~~remains in effect or for 5 years, whichever period is longer.~~

7 ~~3. Any material statement made by an applicant for~~  
8 ~~coverage under a health benefit plan which falsely certifies~~  
9 ~~as to the applicant's eligibility for coverage serves as the~~  
10 ~~basis for terminating coverage under the policy or contract.~~

11 ~~3.4.~~ Each marketing communication that is intended to  
12 be used in the marketing of a health benefit plan in this  
13 state must be submitted for review by the department prior to  
14 use and must contain the disclosures stated in this  
15 subsection.

16 4. The contract, policy, and certificates evidencing  
17 coverage under a flexible benefit policy or contract and the  
18 application for coverage under such plans must state in not  
19 less than 12-point bold type on the first page in contrasting  
20 color the following: "The benefits provided by this health  
21 plan are limited and may not cover all of your medical needs.  
22 You should carefully review the benefits offered under this  
23 health plan."

24 (e) A small employer carrier may not use any policy,  
25 contract, form, or rate under this section, including  
26 applications, enrollment forms, policies, contracts,  
27 certificates, evidences of coverage, riders, amendments,  
28 endorsements, and disclosure forms, until the carrier insurer  
29 has filed it with the department and the department has  
30 approved it under ss. 627.410, and 627.411, and 641.31 and  
31 this section.

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1           (f) A flexible benefit policy or contract must have an  
2 annual maximum benefit of \$25,000 or greater and a lifetime  
3 benefit of \$500,000 or greater and such benefit shall be  
4 disclosed in 12-point bold type in contrasting color.

5           (15) APPLICABILITY OF OTHER STATE LAWS.--

6           (a) Except as expressly provided in this section, a  
7 law requiring coverage for a specific health care service or  
8 benefit, or a law requiring reimbursement, utilization, or  
9 consideration of a specific category of licensed health care  
10 practitioner, does not apply to a standard or basic health  
11 benefit plan policy or contract or a flexible ~~limited~~ benefit  
12 policy or contract offered or delivered to a small employer  
13 unless that law is made expressly applicable to such policies  
14 or contracts. A law restricting or limiting deductibles,  
15 coinsurance, copayments, or annual or lifetime maximum  
16 payments does not apply to any health plan policy, including a  
17 standard or basic health benefit plan policy or contract or a  
18 flexible benefit policy or contract, offered or delivered to a  
19 small employer unless such law is made expressly applicable to  
20 such policy or contract. When any flexible benefit health  
21 insurance policy or flexible benefit contract provides for the  
22 payment for medical expense benefits or procedures, such  
23 policy or contract shall be construed to include payment to a  
24 licensed physician who provides the medical service benefits  
25 or procedures which are within the scope of a licensed  
26 physician's license. Any limitation or condition placed upon  
27 payment to, or upon services, diagnosis, or treatment by, any  
28 licensed physician shall apply equally to all licensed  
29 physicians without unfair discrimination to the usual and  
30 customary treatment procedures of any class of physicians.

31           (b) Except as provided in this section, a standard or

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1 basic health benefit plan policy or contract or flexible  
2 ~~limited~~ benefit policy or contract offered to a small employer  
3 is not subject to any provision of this code which:

4 1. Inhibits a small employer carrier from contracting  
5 with providers or groups of providers with respect to health  
6 care services or benefits;

7 2. Imposes any restriction on a small employer  
8 carrier's ability to negotiate with providers regarding the  
9 level or method of reimbursing care or services provided under  
10 a health benefit plan; or

11 3. Requires a small employer carrier to either include  
12 a specific provider or class of providers when contracting for  
13 health care services or benefits or to exclude any class of  
14 providers that is generally authorized by statute to provide  
15 such care.

16 (c) Any second tier assessment paid by a carrier  
17 pursuant to paragraph (11)(j) may be credited against  
18 assessments levied against the carrier pursuant to s.  
19 627.6494.

20 (d) Notwithstanding chapter 641, a health maintenance  
21 organization is authorized to issue contracts providing  
22 benefits to a small employer equal to the standard health  
23 benefit plan, the basic health benefit plan, and the flexible  
24 ~~limited~~ benefit policy authorized by this section.

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27 == D I R E C T O R Y L A N G U A G E A M E N D M E N T ==

28 And the directory language is amended as follows:

29 On page 2, lines 13-16,  
30 remove: all of said lines,

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1 and insert: (b) of subsection (6), and subsections (12) and  
2 (15) of section 627.6699, Florida Statutes, are amended to  
3 read:

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

7 And the title is amended as follows:

8 On page 1, line 11, after the semicolon,

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10 insert:

11 revising certain disclosure requirements;  
12 providing additional notice requirements;

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