

By Representative Murman

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:
 23

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 three service areas of the state with the
7 highest number of uninsured persons as identified in the
8 Florida Health Insurance Study conducted by the agency. A
9 health flex plan may limit or exclude benefits otherwise
10 required by law for insurers offering coverage in this state,
11 cap the total amount of claims paid per year per enrollee,
12 limit the number of enrollees, or any combination of the
13 foregoing.

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

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

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

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

30
31

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

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

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

15 (5) ELIGIBILITY.--Eligibility to enroll in an approved
16 health flex plan is limited to residents of this state who:

17 (a) Are 64 years of age or younger.

18 (b) Have a family income equal to or less than 200
19 percent of the federal poverty level.

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

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

29 (6) RECORDS.--Every health flex plan shall maintain
30 enrollment data, reasonable records of its loss, expense, and
31 claims experience, and shall make such records reasonably

1 available to enable the department to monitor and determine
2 the financial viability of the health flex plan, as necessary.
3 Provider networks and total enrollment by area shall be
4 reported to the agency biannually to enable the agency to
5 monitor access to care.

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

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

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

31

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

(10) REPEAL.--Unless specifically reenacted by the
Legislature, this section is repealed July 1, 2004.

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

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.