

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

A bill to be entitled
 An act relating to the state group insurance program;
 amending s. 110.123, F.S.; revising definitions; including
 the TRICARE supplemental insurance plan within the state
 group insurance program; requiring the Department of
 Management Services to purchase health care for employees
 under the TRICARE supplemental insurance plan; authorizing
 a surviving spouse to elect to continue coverage under the
 TRICARE supplemental insurance plan; providing that an
 enrollee in the TRICARE supplemental insurance plan may
 change to any other state health plan during open
 enrollment; providing an effective date.

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

Section 1. Subsections (2) and (3) of section 110.123,
 Florida Statutes, are amended to read:

110.123 State group insurance program.--

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

(a) "Department" means the Department of Management
 Services.

(b) "Enrollee" means all state officers and employees,
 retired state officers and employees, surviving spouses of
 deceased state officers and employees, and terminated employees
 or individuals with continuation coverage who are enrolled in an
 insurance plan offered by the state group insurance program.

"Enrollee" includes all state university officers and employees,
 retired state university officers and employees, surviving

29 spouses of deceased state university officers and employees, and
 30 terminated state university employees or individuals with
 31 continuation coverage who are enrolled in an insurance plan
 32 offered by the state group insurance program.

33 (c) "Full-time state employees" includes all full-time
 34 employees of all branches or agencies of state government
 35 holding salaried positions and paid by state warrant or from
 36 agency funds, and employees paid from regular salary
 37 appropriations for 8 months' employment, including university
 38 personnel on academic contracts, but in no case shall "state
 39 employee" or "salaried position" include persons paid from
 40 other-personal-services (OPS) funds. "Full-time employees"
 41 includes all full-time employees of the state universities.

42 (d) "Health maintenance organization" or "HMO" means an
 43 entity certified under part I of chapter 641.

44 (e) "Health plan member" means any person participating in
 45 a state group health insurance plan, a TRICARE supplemental
 46 insurance plan, or ~~in~~ a health maintenance organization plan
 47 under the state group insurance program, including enrollees and
 48 covered dependents thereof.

49 (f) "Part-time state employee" means any employee of any
 50 branch or agency of state government paid by state warrant from
 51 salary appropriations or from agency funds, and who is employed
 52 for less than the normal full-time workweek established by the
 53 department or, if on academic contract or seasonal or other type
 54 of employment which is less than year-round, is employed for
 55 less than 8 months during any 12-month period, but in no case
 56 shall "part-time" employee include a person paid from other-

57 | personal-services (OPS) funds. "Part-time state employee"
 58 | includes any part-time employee of the state universities.

59 | (g) "Retired state officer or employee" or "retiree" means
 60 | any state or state university officer or employee who retires
 61 | under a state retirement system or a state optional annuity or
 62 | retirement program or is placed on disability retirement, and
 63 | who was insured under the state group insurance program at the
 64 | time of retirement, and who begins receiving retirement benefits
 65 | immediately after retirement from state or state university
 66 | office or employment. In addition to these requirements, any
 67 | state officer or state employee who retires under the Public
 68 | Employee Optional Retirement Program established under part II
 69 | of chapter 121 shall be considered a "retired state officer or
 70 | employee" or "retiree" as used in this section if he or she:

71 | 1. Meets the age and service requirements to qualify for
 72 | normal retirement as set forth in s. 121.021(29); or

73 | 2. Has attained the age specified by s. 72(t)(2)(A)(i) of
 74 | the Internal Revenue Code and has 6 years of creditable service.

75 | (h) "State agency" or "agency" means any branch,
 76 | department, or agency of state government. "State agency" or
 77 | "agency" includes any state university for purposes of this
 78 | section only.

79 | (i) "State group health insurance plan or plans" or "state
 80 | plan or plans" mean the state self-insured health insurance plan
 81 | or plans offered to state officers and employees, retired state
 82 | officers and employees, and surviving spouses of deceased state
 83 | officers and employees pursuant to this section.

84 | (j) "State-contracted HMO" means any health maintenance

85 organization under contract with the department to participate
86 in the state group insurance program.

87 (k) "State group insurance program" or "programs" means
88 the package of insurance plans offered to state officers and
89 employees, retired state officers and employees, and surviving
90 spouses of deceased state officers and employees pursuant to
91 this section, including the state group health insurance plan or
92 plans, health maintenance organization plans, TRICARE
93 supplemental insurance plans, and other plans required or
94 authorized by law.

95 (l) "State officer" means any constitutional state
96 officer, any elected state officer paid by state warrant, or any
97 appointed state officer who is commissioned by the Governor and
98 who is paid by state warrant.

99 (m) "Surviving spouse" means the widow or widower of a
100 deceased state officer, full-time state employee, part-time
101 state employee, or retiree if such widow or widower was covered
102 as a dependent under the state group health insurance plan, a
103 TRICARE supplemental insurance plan, or a health maintenance
104 organization plan established pursuant to this section at the
105 time of the death of the deceased officer, employee, or retiree.
106 "Surviving spouse" also means any widow or widower who is
107 receiving or eligible to receive a monthly state warrant from a
108 state retirement system as the beneficiary of a state officer,
109 full-time state employee, or retiree who died prior to July 1,
110 1979. For the purposes of this section, any such widow or
111 widower shall cease to be a surviving spouse upon his or her
112 remarriage.

113 (3) STATE GROUP INSURANCE PROGRAM.--

114 (a) The Division of State Group Insurance is created
 115 within the Department of Management Services.

116 (b) It is the intent of the Legislature to offer a
 117 comprehensive package of health insurance and retirement
 118 benefits and a personnel system for state employees which are
 119 provided in a cost-efficient and prudent manner, and to allow
 120 state employees the option to choose benefit plans which best
 121 suit their individual needs. Therefore, the state group
 122 insurance program is established which may include the state
 123 group health insurance plan or plans, health maintenance
 124 organization plans, group life insurance plans, TRICARE
 125 supplemental insurance plans, group accidental death and
 126 dismemberment plans, and group disability insurance plans.
 127 Furthermore, the department is additionally authorized to
 128 establish and provide as part of the state group insurance
 129 program any other group insurance plans or coverage choices that
 130 are consistent with the provisions of this section.

131 (c) Notwithstanding any provision in this section to the
 132 contrary, it is the intent of the Legislature that the
 133 department shall be responsible for all aspects of the purchase
 134 of health care for state employees under the state group health
 135 insurance plan or plans, TRICARE supplemental insurance plans,
 136 and the health maintenance organization plans. Responsibilities
 137 shall include, but not be limited to, the development of
 138 requests for proposals or invitations to negotiate for state
 139 employee health services, the determination of health care
 140 benefits to be provided, and the negotiation of contracts for

141 health care and health care administrative services. Prior to
142 the negotiation of contracts for health care services, the
143 Legislature intends that the department shall develop, with
144 respect to state collective bargaining issues, the health
145 benefits and terms to be included in the state group health
146 insurance program. The department shall adopt rules necessary to
147 perform its responsibilities pursuant to this section. It is
148 the intent of the Legislature that the department shall be
149 responsible for the contract management and day-to-day
150 management of the state employee health insurance program,
151 including, but not limited to, employee enrollment, premium
152 collection, payment to health care providers, and other
153 administrative functions related to the program.

154 (d)1. Notwithstanding the provisions of chapter 287 and
155 the authority of the department, for the purpose of protecting
156 the health of, and providing medical services to, state
157 employees participating in the state group insurance program,
158 the department may contract to retain the services of
159 professional administrators for the state group insurance
160 program. The agency shall follow good purchasing practices of
161 state procurement to the extent practicable under the
162 circumstances.

163 2. Each vendor in a major procurement, and any other
164 vendor if the department deems it necessary to protect the
165 state's financial interests, shall, at the time of executing any
166 contract with the department, post an appropriate bond with the
167 department in an amount determined by the department to be
168 adequate to protect the state's interests but not higher than

169 the full amount estimated to be paid annually to the vendor
 170 under the contract.

171 3. Each major contract entered into by the department
 172 pursuant to this section shall contain a provision for payment
 173 of liquidated damages to the department for material
 174 noncompliance by a vendor with a contract provision. The
 175 department may require a liquidated damages provision in any
 176 contract if the department deems it necessary to protect the
 177 state's financial interests.

178 4. The provisions of s. 120.57(3) apply to the
 179 department's contracting process, except:

180 a. A formal written protest of any decision, intended
 181 decision, or other action subject to protest shall be filed
 182 within 72 hours after receipt of notice of the decision,
 183 intended decision, or other action.

184 b. As an alternative to any provision of s. 120.57(3), the
 185 department may proceed with the bid selection or contract award
 186 process if the director of the department sets forth, in
 187 writing, particular facts and circumstances which demonstrate
 188 the necessity of continuing the procurement process or the
 189 contract award process in order to avoid a substantial
 190 disruption to the provision of any scheduled insurance services.

191 (e) The Department of Management Services and the Division
 192 of State Group Insurance may ~~shall~~ not prohibit or limit any
 193 properly licensed insurer, health maintenance organization,
 194 prepaid limited health services organization, or insurance agent
 195 from competing for any insurance product or plan purchased,
 196 provided, or endorsed by the department or the division on the

197 basis of the compensation arrangement used by the insurer or
 198 organization for its agents.

199 (f) Except as provided for in subparagraph (h)2., the
 200 state contribution toward the cost of any plan in the state
 201 group insurance program shall be uniform with respect to all
 202 state employees in a state collective bargaining unit
 203 participating in the same coverage tier in the same plan.

204 ~~Nothing contained within~~ This section does not prohibit
 205 ~~prohibits~~ the development of separate benefit plans for officers
 206 and employees exempt from the career service or the development
 207 of separate benefit plans for each collective bargaining unit.

208 (g) Participation by individuals in the program is ~~shall~~
 209 ~~be~~ available to all state officers, full-time state employees,
 210 and part-time state employees; and such participation in the
 211 program or any plan is ~~thereof shall be~~ voluntary. Participation
 212 in the program is ~~shall~~ also ~~be~~ available to retired state
 213 officers and employees, as defined in paragraph (2)(g), who
 214 elect at the time of retirement to continue coverage under the
 215 program, but they may elect to continue all or only part of the
 216 coverage they had at the time of retirement. A surviving spouse
 217 may elect to continue coverage only under a state group health
 218 insurance plan, a TRICARE supplemental insurance plan, or a
 219 health maintenance organization plan.

220 (h)1. A person eligible to participate in the state group
 221 insurance program may be authorized by rules adopted by the
 222 department, in lieu of participating in the state group health
 223 insurance plan, to exercise an option to elect membership in a
 224 health maintenance organization plan which is under contract

225 with the state in accordance with criteria established by this
226 section and by said rules. The offer of optional membership in
227 a health maintenance organization plan permitted by this
228 paragraph may be limited or conditioned by rule as may be
229 necessary to meet the requirements of state and federal laws.

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

235 a. The department shall establish a schedule of minimum
236 benefits for health maintenance organization coverage, and that
237 schedule shall include: physician services; inpatient and
238 outpatient hospital services; emergency medical services,
239 including out-of-area emergency coverage; diagnostic laboratory
240 and diagnostic and therapeutic radiologic services; mental
241 health, alcohol, and chemical dependency treatment services
242 meeting the minimum requirements of state and federal law;
243 skilled nursing facilities and services; prescription drugs;
244 age-based and gender-based wellness benefits; and other benefits
245 as may be required by the department. Additional services may be
246 provided subject to the contract between the department and the
247 HMO.

248 b. The department may establish uniform deductibles,
249 copayments, coverage tiers, or coinsurance schedules for all
250 participating HMO plans.

251 c. The department may require detailed information from
252 each health maintenance organization participating in the

253 procurement process, including information pertaining to
254 organizational status, experience in providing prepaid health
255 benefits, accessibility of services, financial stability of the
256 plan, quality of management services, accreditation status,
257 quality of medical services, network access and adequacy,
258 performance measurement, ability to meet the department's
259 reporting requirements, and the actuarial basis of the proposed
260 rates and other data determined by the director to be necessary
261 for the evaluation and selection of health maintenance
262 organization plans and negotiation of appropriate rates for
263 these plans. Upon receipt of proposals by health maintenance
264 organization plans and the evaluation of those proposals, the
265 department may enter into negotiations with all of the plans or
266 a subset of the plans, as the department determines appropriate.
267 Nothing shall preclude the department from negotiating regional
268 or statewide contracts with health maintenance organization
269 plans when this is cost-effective and when the department
270 determines that the plan offers high value to enrollees.

271 d. The department may limit the number of HMOs that it
272 contracts with in each service area based on the nature of the
273 bids the department receives, the number of state employees in
274 the service area, or any unique geographical characteristics of
275 the service area. The department shall establish by rule service
276 areas throughout the state.

277 e. All persons participating in the state group insurance
278 program may be required to contribute towards a total state
279 group health premium that may vary depending upon the plan and
280 coverage tier selected by the enrollee and the level of state

281 contribution authorized by the Legislature.

282 3. The department is authorized to negotiate and to
283 contract with specialty psychiatric hospitals for mental health
284 benefits, on a regional basis, for alcohol, drug abuse, and
285 mental and nervous disorders. The department may establish,
286 subject to the approval of the Legislature pursuant to
287 subsection (5), any such regional plan upon completion of an
288 actuarial study to determine any impact on plan benefits and
289 premiums.

290 4. In addition to contracting pursuant to subparagraph 2.,
291 the department may enter into contract with any HMO to
292 participate in the state group insurance program which:

293 a. Serves greater than 5,000 recipients on a prepaid basis
294 under the Medicaid program;

295 b. Does not currently meet the 25-percent non-
296 Medicare/non-Medicaid enrollment composition requirement
297 established by the Department of Health excluding participants
298 enrolled in the state group insurance program;

299 c. Meets the minimum benefit package and copayments and
300 deductibles contained in sub-subparagraphs 2.a. and b.;

301 d. Is willing to participate in the state group insurance
302 program at a cost of premiums that is not greater than 95
303 percent of the cost of HMO premiums accepted by the department
304 in each service area; and

305 e. Meets the minimum surplus requirements of s. 641.225.

306

307 The department is authorized to contract with HMOs that meet the
308 requirements of sub-subparagraphs a.-d. prior to the open

309 enrollment period for state employees. The department is not
 310 required to renew the contract with the HMOs as set forth in
 311 this paragraph more than twice. Thereafter, the HMOs shall be
 312 eligible to participate in the state group insurance program
 313 only through the request for proposal or invitation to negotiate
 314 process described in subparagraph 2.

315 5. All enrollees in a state group health insurance plan, a
 316 TRICARE supplemental insurance plan, or any health maintenance
 317 organization plan ~~shall~~ have the option of changing to any other
 318 health plan that ~~which~~ is offered by the state within any open
 319 enrollment period designated by the department. Open enrollment
 320 shall be held at least once each calendar year.

321 6. When a contract between a treating provider and the
 322 state-contracted health maintenance organization is terminated
 323 for any reason other than for cause, each party shall allow any
 324 enrollee for whom treatment was active to continue coverage and
 325 care when medically necessary, through completion of treatment
 326 of a condition for which the enrollee was receiving care at the
 327 time of the termination, until the enrollee selects another
 328 treating provider, or until the next open enrollment period
 329 offered, whichever is longer, but no longer than 6 months after
 330 termination of the contract. Each party to the terminated
 331 contract shall allow an enrollee who has initiated a course of
 332 prenatal care, regardless of the trimester in which care was
 333 initiated, to continue care and coverage until completion of
 334 postpartum care. This does not prevent a provider from refusing
 335 to continue to provide care to an enrollee who is abusive,
 336 noncompliant, or in arrears in payments for services provided.

337 For care continued under this subparagraph, the program and the
338 provider shall continue to be bound by the terms of the
339 terminated contract. Changes made within 30 days before
340 termination of a contract are effective only if agreed to by
341 both parties.

342 7. Any HMO participating in the state group insurance
343 program shall submit health care utilization and cost data to
344 the department, in such form and in such manner as the
345 department shall require, as a condition of participating in the
346 program. The department shall enter into negotiations with its
347 contracting HMOs to determine the nature and scope of the data
348 submission and the final requirements, format, penalties
349 associated with noncompliance, and timetables for submission.
350 These determinations shall be adopted by rule.

351 8. The department may establish and direct, with respect
352 to collective bargaining issues, a comprehensive package of
353 insurance benefits that may include supplemental health and life
354 coverage, dental care, long-term care, vision care, and other
355 benefits it determines necessary to enable state employees to
356 select from among benefit options that best suit their
357 individual and family needs.

358 a. Based upon a desired benefit package, the department
359 shall issue a request for proposal or invitation to negotiate
360 for health insurance providers interested in participating in
361 the state group insurance program, and the department shall
362 issue a request for proposal or invitation to negotiate for
363 insurance providers interested in participating in the non-
364 health-related components of the state group insurance program.

HB 0295

2005

365 Upon receipt of all proposals, the department may enter into
366 contract negotiations with insurance providers submitting bids
367 or negotiate a specially designed benefit package. Insurance
368 providers offering or providing supplemental coverage as of May
369 30, 1991, which qualify for pretax benefit treatment pursuant to
370 s. 125 of the Internal Revenue Code of 1986, with 5,500 or more
371 state employees currently enrolled may be included by the
372 department in the supplemental insurance benefit plan
373 established by the department without participating in a request
374 for proposal, submitting bids, negotiating contracts, or
375 negotiating a specially designed benefit package. These
376 contracts shall provide state employees with the most cost-
377 effective and comprehensive coverage available; however, no
378 state or agency funds shall be contributed toward the cost of
379 any part of the premium of such supplemental benefit plans. With
380 respect to dental coverage, the division shall include in any
381 solicitation or contract for any state group dental program made
382 after July 1, 2001, a comprehensive indemnity dental plan option
383 which offers enrollees a completely unrestricted choice of
384 dentists. If a dental plan is endorsed, or in some manner
385 recognized as the preferred product, such plan shall include a
386 comprehensive indemnity dental plan option which provides
387 enrollees with a completely unrestricted choice of dentists.

388 b. Pursuant to the applicable provisions of s. 110.161,
389 and s. 125 of the Internal Revenue Code of 1986, the department
390 shall enroll in the pretax benefit program those state employees
391 who voluntarily elect coverage in any of the supplemental
392 insurance benefit plans as provided by sub-subparagraph a.

HB 0295

2005

393 c. Nothing herein contained shall be construed to prohibit
394 insurance providers from continuing to provide or offer
395 supplemental benefit coverage to state employees as provided
396 under existing agency plans.

397 (i) The benefits of the insurance authorized by this
398 section shall not be in lieu of any benefits payable under
399 chapter 440, the Workers' Compensation Law. The insurance
400 authorized by this law shall not be deemed to constitute
401 insurance to secure workers' compensation benefits as required
402 by chapter 440.

403 Section 2. This act shall take effect upon becoming a law.