

1 officers and employees, retired state university officers and
2 employees, surviving spouses of deceased state university
3 officers and employees, and terminated state university
4 employees or individuals with continuation coverage who are
5 enrolled in an insurance plan offered by the state group
6 insurance program.

7 (c) "Full-time state employees" includes all full-time
8 employees of all branches or agencies of state government
9 holding salaried positions and paid by state warrant or from
10 agency funds, and employees paid from regular salary
11 appropriations for 8 months' employment, including university
12 personnel on academic contracts, but in no case shall "state
13 employee" or "salaried position" include persons paid from
14 other-personal-services (OPS) funds. "Full-time employees"
15 includes all full-time employees of the state universities.

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

18 (e) "Health plan member" means any person
19 participating in a state group health insurance plan, a
20 TRICARE supplemental insurance plan, or ~~in~~ a health
21 maintenance organization plan under the state group insurance
22 program, including enrollees and covered dependents thereof.

23 (f) "Part-time state employee" means any employee of
24 any branch or agency of state government paid by state warrant
25 from salary appropriations or from agency funds, and who is
26 employed for less than the normal full-time workweek
27 established by the department or, if on academic contract or
28 seasonal or other type of employment which is less than
29 year-round, is employed for less than 8 months during any
30 12-month period, but in no case shall "part-time" employee
31 include a person paid from other-personal-services (OPS)

1 funds. "Part-time state employee" includes any part-time
2 employee of the state universities.

3 (g) "Retired state officer or employee" or "retiree"
4 means any state or state university officer or employee who
5 retires under a state retirement system or a state optional
6 annuity or retirement program or is placed on disability
7 retirement, and who was insured under the state group
8 insurance program at the time of retirement, and who begins
9 receiving retirement benefits immediately after retirement
10 from state or state university office or employment. In
11 addition to these requirements, any state officer or state
12 employee who retires under the Public Employee Optional
13 Retirement Program established under part II of chapter 121
14 shall be considered a "retired state officer or employee" or
15 "retiree" as used in this section if he or she:

- 16 1. Meets the age and service requirements to qualify
17 for normal retirement as set forth in s. 121.021(29); or
18 2. Has attained the age specified by s. 72(t)(2)(A)(i)
19 of the Internal Revenue Code and has 6 years of creditable
20 service.

21 (h) "State agency" or "agency" means any branch,
22 department, or agency of state government. "State agency" or
23 "agency" includes any state university for purposes of this
24 section only.

25 (i) "State group health insurance plan or plans" or
26 "state plan or plans" mean the state self-insured health
27 insurance plan or plans offered to state officers and
28 employees, retired state officers and employees, and surviving
29 spouses of deceased state officers and employees pursuant to
30 this section.

31

1 (j) "State-contracted HMO" means any health
2 maintenance organization under contract with the department to
3 participate in the state group insurance program.

4 (k) "State group insurance program" or "programs"
5 means the package of insurance plans offered to state officers
6 and employees, retired state officers and employees, and
7 surviving spouses of deceased state officers and employees
8 pursuant to this section, including the state group health
9 insurance plan or plans, health maintenance organization
10 plans, TRICARE supplemental insurance plans, and other plans
11 required or authorized by law.

12 (l) "State officer" means any constitutional state
13 officer, any elected state officer paid by state warrant, or
14 any appointed state officer who is commissioned by the
15 Governor and who is paid by state warrant.

16 (m) "Surviving spouse" means the widow or widower of a
17 deceased state officer, full-time state employee, part-time
18 state employee, or retiree if such widow or widower was
19 covered as a dependent under the state group health insurance
20 plan, a TRICARE supplemental insurance plan, or a health
21 maintenance organization plan established pursuant to this
22 section at the time of the death of the deceased officer,
23 employee, or retiree. "Surviving spouse" also means any widow
24 or widower who is receiving or eligible to receive a monthly
25 state warrant from a state retirement system as the
26 beneficiary of a state officer, full-time state employee, or
27 retiree who died prior to July 1, 1979. For the purposes of
28 this section, any such widow or widower shall cease to be a
29 surviving spouse upon his or her remarriage.

30 (3) STATE GROUP INSURANCE PROGRAM.--
31

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

3 (b) It is the intent of the Legislature to offer a
4 comprehensive package of health insurance and retirement
5 benefits and a personnel system for state employees which are
6 provided in a cost-efficient and prudent manner, and to allow
7 state employees the option to choose benefit plans which best
8 suit their individual needs. Therefore, the state group
9 insurance program is established which may include the state
10 group health insurance plan or plans, health maintenance
11 organization plans, group life insurance plans, TRICARE
12 supplemental insurance plans, group accidental death and
13 dismemberment plans, and group disability insurance plans.
14 Furthermore, the department is additionally authorized to
15 establish and provide as part of the state group insurance
16 program any other group insurance plans or coverage choices
17 that are consistent with the provisions of this section.

18 (c) Notwithstanding any provision in this section to
19 the contrary, it is the intent of the Legislature that the
20 department shall be responsible for all aspects of the
21 purchase of health care for state employees under the state
22 group health insurance plan or plans, TRICARE supplemental
23 insurance plans, and the health maintenance organization
24 plans. Responsibilities shall include, but not be limited to,
25 the development of requests for proposals or invitations to
26 negotiate for state employee health services, the
27 determination of health care benefits to be provided, and the
28 negotiation of contracts for health care and health care
29 administrative services. Prior to the negotiation of
30 contracts for health care services, the Legislature intends
31 that the department shall develop, with respect to state

1 collective bargaining issues, the health benefits and terms to
2 be included in the state group health insurance program. The
3 department shall adopt rules necessary to perform its
4 responsibilities pursuant to this section. It is the intent
5 of the Legislature that the department shall be responsible
6 for the contract management and day-to-day management of the
7 state employee health insurance program, including, but not
8 limited to, employee enrollment, premium collection, payment
9 to health care providers, and other administrative functions
10 related to the program.

11 (d)1. Notwithstanding the provisions of chapter 287
12 and the authority of the department, for the purpose of
13 protecting the health of, and providing medical services to,
14 state employees participating in the state group insurance
15 program, the department may contract to retain the services of
16 professional administrators for the state group insurance
17 program. The agency shall follow good purchasing practices of
18 state procurement to the extent practicable under the
19 circumstances.

20 2. Each vendor in a major procurement, and any other
21 vendor if the department deems it necessary to protect the
22 state's financial interests, shall, at the time of executing
23 any contract with the department, post an appropriate bond
24 with the department in an amount determined by the department
25 to be adequate to protect the state's interests but not higher
26 than the full amount estimated to be paid annually to the
27 vendor under the contract.

28 3. Each major contract entered into by the department
29 pursuant to this section shall contain a provision for payment
30 of liquidated damages to the department for material
31 noncompliance by a vendor with a contract provision. The

1 department may require a liquidated damages provision in any
2 contract if the department deems it necessary to protect the
3 state's financial interests.

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

6 a. A formal written protest of any decision, intended
7 decision, or other action subject to protest shall be filed
8 within 72 hours after receipt of notice of the decision,
9 intended decision, or other action.

10 b. As an alternative to any provision of s. 120.57(3),
11 the department may proceed with the bid selection or contract
12 award process if the director of the department sets forth, in
13 writing, particular facts and circumstances which demonstrate
14 the necessity of continuing the procurement process or the
15 contract award process in order to avoid a substantial
16 disruption to the provision of any scheduled insurance
17 services.

18 (e) The Department of Management Services and the
19 Division of State Group Insurance ~~may shall~~ not prohibit or
20 limit any properly licensed insurer, health maintenance
21 organization, prepaid limited health services organization, or
22 insurance agent from competing for any insurance product or
23 plan purchased, provided, or endorsed by the department or the
24 division on the basis of the compensation arrangement used by
25 the insurer or organization for its agents.

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

31 ~~Nothing contained within~~ This section does not prohibit

1 ~~prohibits~~ the development of separate benefit plans for
2 officers and employees exempt from the career service or the
3 development of separate benefit plans for each collective
4 bargaining unit.

5 (g) Participation by individuals in the program is
6 ~~shall be~~ available to all state officers, full-time state
7 employees, and part-time state employees; and such
8 participation in the program or any plan is ~~thereof shall be~~
9 voluntary. Participation in the program is ~~shall also be~~
10 available to retired state officers and employees, as defined
11 in paragraph (2)(g), who elect at the time of retirement to
12 continue coverage under the program, but they may elect to
13 continue all or only part of the coverage they had at the time
14 of retirement. A surviving spouse may elect to continue
15 coverage only under a state group health insurance plan, a
16 TRICARE supplemental insurance plan, or a health maintenance
17 organization plan.

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

29 2. The department shall contract with health
30 maintenance organizations seeking to participate in the state
31 group insurance program through a request for proposal or

1 other procurement process, as developed by the Department of
2 Management Services and determined to be appropriate.

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

16 b. The department may establish uniform deductibles,
17 copayments, coverage tiers, or coinsurance schedules for all
18 participating HMO plans.

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

1 | by health maintenance organization plans and the evaluation of
2 | those proposals, the department may enter into negotiations
3 | with all of the plans or a subset of the plans, as the
4 | department determines appropriate. Nothing shall preclude the
5 | department from negotiating regional or statewide contracts
6 | with health maintenance organization plans when this is
7 | cost-effective and when the department determines that the
8 | plan offers high value to enrollees.

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

15 | e. All persons participating in the state group
16 | insurance program may be required to contribute towards a
17 | total state group health premium that may vary depending upon
18 | the plan and coverage tier selected by the enrollee and the
19 | level of state contribution authorized by the Legislature.

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

28 | 4. In addition to contracting pursuant to subparagraph
29 | 2., the department may enter into contract with any HMO to
30 | participate in the state group insurance program which:
31 |

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

3 b. Does not currently meet the 25-percent
4 non-Medicare/non-Medicaid enrollment composition requirement
5 established by the Department of Health excluding participants
6 enrolled in the state group insurance program;

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

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

13 e. Meets the minimum surplus requirements of s.
14 641.225.

15
16 The department is authorized to contract with HMOs that meet
17 the requirements of sub-subparagraphs a.-d. prior to the open
18 enrollment period for state employees. The department is not
19 required to renew the contract with the HMOs as set forth in
20 this paragraph more than twice. Thereafter, the HMOs shall be
21 eligible to participate in the state group insurance program
22 only through the request for proposal or invitation to
23 negotiate process described in subparagraph 2.

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

31

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

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

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

1 solicitation or contract for any state group dental program
2 made after July 1, 2001, a comprehensive indemnity dental plan
3 option which offers enrollees a completely unrestricted choice
4 of dentists. If a dental plan is endorsed, or in some manner
5 recognized as the preferred product, such plan shall include a
6 comprehensive indemnity dental plan option which provides
7 enrollees with a completely unrestricted choice of dentists.

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

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

18 (i) The benefits of the insurance authorized by this
19 section shall not be in lieu of any benefits payable under
20 chapter 440, the Workers' Compensation Law. The insurance
21 authorized by this law shall not be deemed to constitute
22 insurance to secure workers' compensation benefits as required
23 by chapter 440.

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

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

SENATE SUMMARY

Includes the TRICARE supplemental insurance plan within the state group insurance program. Provides for the Department of Management Services to purchase health care for members of that plan. Provides that a surviving spouse may elect to continue coverage under the TRICARE supplemental insurance plan. Provides that an enrollee in the TRICARE supplemental insurance plan may change to any other state health plan during open enrollment.