

Bill No. CS for SB 1274

Barcode 414820

CHAMBER ACTION

Senate

House

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The Committee on Health Care (Peaden) recommended the following amendment:

Senate Amendment (with title amendment)

On page 4, between lines 24 and 25,

insert:

Section 4. Subsection (2) of section 636.204, Florida Statutes, is amended to read:

636.204 License required.--

(2) An application for a license to operate as a discount medical plan organization must be filed with the office on a form prescribed by the commission. Such application must be sworn to by an officer or authorized representative of the applicant and be accompanied by the following, if applicable:

(a) A copy of the applicant's articles of incorporation or other organizing documents, including all amendments.

(b) A copy of the applicant's bylaws.

(c) A list of the names, addresses, official

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1 positions, and biographical information of the individuals who
 2 are responsible for conducting the applicant's affairs,
 3 including, but not limited to, all members of the board of
 4 directors, board of trustees, executive committee, or other
 5 governing board or committee, the officers, contracted
 6 management company personnel, and any person or entity owning
 7 or having the right to acquire 10 percent or more of the
 8 voting securities of the applicant. Such listing must fully
 9 disclose the extent and nature of any contracts or
 10 arrangements between any individual who is responsible for
 11 conducting the applicant's affairs and the discount medical
 12 plan organization, including any possible conflicts of
 13 interest.

14 (d) A complete biographical statement, on forms
 15 prescribed by the commission, an independent investigation
 16 report, and a set of fingerprints, as provided in chapter 624,
 17 with respect to each individual identified under paragraph
 18 (c).

19 (e) A statement generally describing the applicant,
 20 its facilities and personnel, and the medical services to be
 21 offered.

22 (f) A copy of the form of all contracts made or to be
 23 made between the applicant and any providers or provider
 24 networks regarding the provision of medical services to
 25 members.

26 (g) A copy of the form of any contract made or
 27 arrangement to be made between the applicant and any person
 28 listed in paragraph (c).

29 (h) A copy of the form of any contract made or to be
 30 made between the applicant and any person, corporation,
 31 partnership, or other entity for the performance on the

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1 applicant's behalf of any function, including, but not limited
2 to, marketing, administration, enrollment, investment
3 management, and subcontracting for the provision of health
4 services to members.

5 ~~(i) A copy of the applicant's most recent financial~~
6 ~~statements audited by an independent certified public~~
7 ~~accountant. An applicant that is a subsidiary of a parent~~
8 ~~entity that is publicly traded and that prepares audited~~
9 ~~financial statements reflecting the consolidated operations of~~
10 ~~the parent entity and the subsidiary may petition the office~~
11 ~~to accept, in lieu of the audited financial statement of the~~
12 ~~applicant, the audited financial statement of the parent~~
13 ~~entity and a written guaranty by the parent entity that the~~
14 ~~minimum capital requirements of the applicant required by this~~
15 ~~part will be met by the parent entity.~~

16 ~~(i)(j)~~ A description of the proposed method of
17 marketing.

18 ~~(j)(k)~~ A description of the subscriber complaint
19 procedures to be established and maintained.

20 ~~(k)(l)~~ The fee for issuance of a license.

21 ~~(l)(m)~~ Such other information as the commission or
22 office may reasonably require to make the determinations
23 required by this part.

24 Section 5. Subsection (1) of section 636.206, Florida
25 Statutes, is amended to read:

26 636.206 Examinations and investigations.--

27 (1) The office may examine or investigate the business
28 and affairs of any discount medical plan organization if the
29 commissioner has reason to believe that the discount medical
30 plan organization is not complying with the requirements of
31 this part. The office may order any discount medical plan

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1 organization or applicant to produce any records, books,
 2 files, advertising and solicitation materials, or other
 3 information and may take statements under oath to determine
 4 whether the discount medical plan organization or applicant is
 5 in violation of the law or is acting contrary to the public
 6 interest. The expenses incurred in conducting any examination
 7 or investigation must be paid by the discount medical plan
 8 organization or applicant. Examinations and investigations
 9 must be conducted as provided in chapter 624.

10 Section 6. Subsection (1) of section 636.210, Florida
 11 Statutes, is amended to read:

12 636.210 Prohibited activities of a discount medical
 13 plan organization.--

14 (1) A discount medical plan organization may not:

15 (a) Use in its advertisements, marketing material,
 16 brochures, and discount cards the term "insurance" except as
 17 otherwise provided in this part or as a disclaimer of any
 18 relationship between discount medical plan organization
 19 benefits and insurance;

20 (b) Use in its advertisements, marketing material,
 21 brochures, and discount cards the terms "health plan,"
 22 "coverage," "copay," "copayments," "preexisting conditions,"
 23 "guaranteed issue," "premium," "PPO," "preferred provider
 24 organization," or other terms in a manner that could
 25 reasonably mislead a person into believing the discount
 26 medical plan was health insurance;

27 (c) Have restrictions on free access to plan
 28 providers, except for hospital services, including, but not
 29 limited to, waiting periods and notification periods; or

30 (d) Pay providers any fees for medical services.

31 Section 7. Section 636.216, Florida Statutes, is

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1 amended to read:

2 636.216 Charge or form filings.--

3 (1) All charges to members must be filed with the
 4 office. ~~and~~ Any charge to members greater than \$30 per month
 5 or \$360 per year for access to health care services other than
 6 those provided by physicians licensed under chapter 458 or
 7 chapter 459, or by hospitals licensed under chapter 395, must
 8 be approved by the office before the charges can be used. Any
 9 charge to members greater than \$60 per month or \$720 per year
 10 for health care services that include services provided by
 11 physicians licensed under chapter 458 or chapter 459, or by
 12 hospitals licensed under chapter 395, must be approved by the
 13 office before the charges may be used. The discount medical
 14 plan organization has the burden of proof that the charges
 15 bear a reasonable relation to the benefits received by the
 16 member.

17 (2) There must be a written agreement between the
 18 discount medical plan organization and the member specifying
 19 the benefits under the discount medical plan and complying
 20 with the disclosure requirements of this part.

21 (3) All forms used, including the written agreement
 22 pursuant to subsection (2), must first be filed with ~~and~~
 23 ~~approved by~~ the office. Every form filed shall be identified
 24 by a unique form number placed in the lower left corner of
 25 each form.

26 (4) A charge ~~or form~~ is considered approved on the
 27 60th day after its date of filing unless it has been
 28 previously disapproved by the office. ~~The office shall~~
 29 ~~disapprove any form that does not meet the requirements of~~
 30 ~~this part or that is unreasonable, discriminatory, misleading,~~
 31 ~~or unfair.~~ If such filing is ~~filings are~~ disapproved, the

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1 office shall notify the discount medical plan organization and
2 shall specify in the notice the reasons for disapproval.

3 Section 8. Section 636.218, Florida Statutes, is
4 amended to read:

5 636.218 Annual reports.--

6 (1) Each discount medical plan organization must file
7 with the office, within 3 months after the end of each fiscal
8 year, an annual report.

9 (2) Such reports must be on forms prescribed by the
10 commission and must include:

11 ~~(a) Audited financial statements prepared in~~
12 ~~accordance with generally accepted accounting principles~~
13 ~~certified by an independent certified public accountant,~~
14 ~~including the organization's balance sheet, income statement,~~
15 ~~and statement of changes in cash flow for the preceding year.~~
16 ~~An organization that is a subsidiary of a parent entity that~~
17 ~~is publicly traded and that prepares audited financial~~
18 ~~statements reflecting the consolidated operations of the~~
19 ~~parent entity and the organization may petition the office to~~
20 ~~accept, in lieu of the audited financial statement of the~~
21 ~~organization, the audited financial statement of the parent~~
22 ~~entity and a written guaranty by the parent entity that the~~
23 ~~minimum capital requirements of the organization required by~~
24 ~~this part will be met by the parent entity.~~

25 ~~(a)(b)~~ If different from the initial application or
26 the last annual report, a list of the names and residence
27 addresses of all persons responsible for the conduct of the
28 organization's affairs, together with a disclosure of the
29 extent and nature of any contracts or arrangements between
30 such persons and the discount medical plan organization,
31 including any possible conflicts of interest.

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1 ~~(b)(c)~~ The number of discount medical plan members in
2 the state.

3 ~~(c)(d)~~ Such other information relating to the
4 performance of the discount medical plan organization as is
5 reasonably required by the commission or office.

6 (3) Every discount medical plan organization which
7 fails to file an annual report in the form and within the time
8 required by this section shall forfeit up to \$500 for each day
9 for the first 10 days during which the neglect continues and
10 shall forfeit up to \$1,000 for each day after the first 10
11 days during which the neglect continues; and, upon notice by
12 the office to that effect, the organization's authority to
13 enroll new members or to do business in this state ceases
14 while such default continues. The office shall deposit all
15 sums collected by the office under this section to the credit
16 of the Insurance Regulatory Trust Fund. The office may not
17 collect more than \$50,000 for each report.

18 Section 9. Section 636.220, Florida Statutes, is
19 amended to read:

20 636.220 Minimum capital requirements.--

21 (1) Each discount medical plan organization must at
22 all times maintain a net worth of at least \$150,000 and shall
23 certify in writing and under oath at the time of licensure and
24 annually thereafter that the minimum capitalization
25 requirements of this part are satisfied.

26 (2) The office may not issue a license unless the
27 discount medical plan organization has a net worth of at least
28 \$150,000.

29
30 (Redesignate subsequent sections.)

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

2 And the title is amended as follows:

3 On page 1, line 13, after the semicolon,

4

5 insert:

6 amending s. 636.204, F.S.; deleting a
7 requirement that an application for licensure
8 as a discount medical plan organization must be
9 accompanied by a copy of the applicant's most
10 recent financial statements; amending s.
11 636.206, F.S.; authorizing the Office of
12 Insurance Regulation to examine or investigate
13 the business of a discount medical plan
14 organization under certain circumstances;
15 amending s. 636.210, F.S.; providing an
16 exception to the prohibited restrictions on
17 free access to plan providers for hospital
18 services; amending s. 636.216, F.S.; revising
19 the charges and filing requirements for access
20 to certain health care services; amending s.
21 636.218, F.S.; deleting a requirement that
22 audited financial statements be included in the
23 annual report filed by a discount medical plan
24 organization; amending s. 636.220, F.S.;
25 requiring a discount medical plan organization
26 to certify in writing and under oath that
27 certain requirements are satisfied;

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