

1                   A bill to be entitled  
2           An act relating to small employer health insurance;  
3           amending s. 627.6699, F.S.; establishing the Healthy  
4           Florida Small Employer Health Insurance Program for  
5           certain purposes; providing requirements for small  
6           employer carriers; describing qualifying small employers;  
7           providing requirements for small employers; providing wage  
8           level criteria for small employers; providing for  
9           reimbursement of small employer carriers for portions of  
10          claims paid from the Healthy Florida Small Employer Stop  
11          Loss Fund; providing procedures, requirements, and  
12          limitations on reimbursements from the fund; requiring the  
13          Financial Services Commission to adopt rules; providing  
14          duties of the Office of Insurance Regulation in  
15          administering and making reimbursement payments; providing  
16          for eligibility and criteria for reimbursement;  
17          authorizing the office to hire an organization to  
18          administer the fund; providing for a proposal submittal  
19          process for organizations to administer the fund;  
20          providing fund administration requirements; authorizing  
21          the administration organization to purchase insurance for  
22          certain purposes; providing for payment from the fund for  
23          such insurance; authorizing the office to use fund moneys  
24          for certain purposes; providing a limitation; authorizing  
25          the office to contract with marketing organizations to  
26          assist in such purposes; requiring the office to report on  
27          the program to the Governor and Legislature; providing for  
28          future repeal of the program; providing an effective date.

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

Section 1. Subsection (17) of section 627.6699, Florida Statutes, is renumbered as subsection (18) and a new subsection (17) is added to that section to read:

627.6699 Employee Health Care Access Act.--

(17) HEALTHY FLORIDA SMALL EMPLOYER HEALTH INSURANCE PROGRAM.--The Healthy Florida Small Employer Health Insurance Program is established for the purpose of making small employer health insurance available to qualifying small employers as defined in this subsection. The program is designed to encourage small employers to offer health insurance coverage to their employees. All small employer carriers shall offer high deductible plans as referenced in subsection (12) to all qualified small employers, at rates which incorporate the savings provided by the stop loss fund established in s. 627.66991, and the provisions of this subsection.

(a)1. A qualifying small employer is a small employer with:

a. No health benefit plan covering employees in effect during the previous 12-month period prior to application.

b. At least 30 percent of its eligible employees receiving annual wages from the employer at a level equal to or less than \$33,000. The \$33,000 figure shall be adjusted annually pursuant to paragraph (b).

2. A qualifying small employer must pay at least 50 percent of the premium for covered employees under the basic

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57 plan and must offer coverage to all employees receiving annual  
58 wages at a level of \$33,000 or less, and at least one such  
59 employee shall accept such coverage. The employer premium  
60 contribution must be the same percentage for all covered  
61 employees.

62 (b) The wage levels used in paragraph (a) shall be  
63 adjusted annually, beginning in 2008. The adjustment shall take  
64 effect on July 1 of each year. For July 1, 2008, the adjustment  
65 shall be a percentage of the annual wage figure specified in  
66 paragraph (a). For subsequent years, the adjustment shall be a  
67 percentage of the annual wage figure which took effect on July 1  
68 of the immediately preceding year. The percentage adjustment  
69 shall be the same percentage by which the current year's nonfarm  
70 federal poverty level, as defined and updated by the United  
71 States Department of Health and Human Services, for a family  
72 unit of two persons for the 48 contiguous states and Washington,  
73 D.C., changed from the same level established for the prior  
74 year.

75 (c) A small employer carrier shall obtain from the  
76 employer written certification at the time of initial  
77 application and annually thereafter in conjunction with the  
78 contract renewal that such employer meets the requirements of a  
79 qualifying small employer. A small employer carrier may require  
80 the submission of appropriate documentation in support of the  
81 certification.

82 (d) The commissioner, by order, may require small employer  
83 carriers to give preference to qualifying small employers whose  
84 eligible employees have the lowest average salaries.

85 (e) A small employer carrier shall submit reports to the  
86 office in a format and at times as may be reasonably required in  
87 order to evaluate the operations and results of the program  
88 established by this subsection.

89 (f)1. Commencing on January 1, 2007, small employer  
90 carriers shall be eligible to receive reimbursement for 90  
91 percent of aggregate claims paid, under the plans issued  
92 pursuant to this subsection, between \$5,000 and \$75,000 in a  
93 calendar year for any covered lives under a qualified small  
94 employer contract issued pursuant to this subsection. Claims  
95 paid for covered lives under qualifying small employer contracts  
96 issued pursuant to this subsection shall be reimbursable from  
97 the Healthy Florida Small Employer Stop Loss Fund created in s.  
98 627.66991.

99 2. The premiums for qualifying small employer contracts  
100 must factor in the availability of reimbursement from the fund.

101 3. The commission shall adopt rules pursuant to ss.  
102 120.536(1) and 120.54 that set forth procedures for the  
103 operation of the fund and distribution of moneys from the fund.

104 4. Claims shall be reported and funds shall be distributed  
105 from the fund on a calendar-year basis. Claims shall be eligible  
106 for reimbursement only for the calendar year in which the claims  
107 are paid.

108 5. Each small employer carrier shall submit a request for  
109 reimbursement from the fund on forms prescribed by the  
110 commission. The request for reimbursement shall be submitted no  
111 later than April 1, following the end of the calendar year for  
112 which the reimbursement request is made. The office may require

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113 small employer carriers to submit such claims data in connection  
114 with reimbursement requests as the office deems necessary to  
115 enable the office to distribute moneys and oversee the operation  
116 of the fund. The office may require that such data be submitted  
117 on a per member, aggregate, or categorical basis. Data shall be  
118 reported separately for each qualifying small employer plan  
119 issued under this subsection.

120 6. The office shall calculate the total claims  
121 reimbursement amount for all small employer carriers for the  
122 calendar year for which claims are being reported.

123 a. If the total amount requested for reimbursement for a  
124 calendar year exceeds funds available for distribution from the  
125 fund for claims paid during that same calendar year, the  
126 commissioner shall provide for a pro rata distribution of the  
127 available funds. Each small employer carrier shall be eligible  
128 to receive only such proportionate amount of the available funds  
129 as the small employer carrier's total eligible claims paid bears  
130 to the total eligible claims paid by all small employer  
131 carriers. Any claims for reimbursement that cannot be made due  
132 to a deficit for a particular calendar year may be carried over  
133 to a subsequent calendar year.

134 b. If funds available for distribution for claims paid by  
135 all small employer carriers during a calendar year exceeds the  
136 total amount requested for reimbursement by all small employer  
137 carriers during that same calendar year, any excess funds shall  
138 be carried forward in the fund and made available for  
139 distribution from the fund in the next calendar year. Such  
140 excess funds shall be in addition to the moneys appropriated for

141 the fund in the subsequent calendar year.

142 7.a. Upon the request of the office, each small employer  
143 carrier shall be required to furnish such data in a format and  
144 at times as the office deems necessary to oversee the operation  
145 of the fund. Each small employer carrier shall provide the  
146 office with monthly reports of the total enrollment under the  
147 qualifying small employer contracts issued pursuant to this  
148 subsection.

149 b. The office shall estimate the per member annual cost of  
150 total claims reimbursement from the fund for qualifying small  
151 employer contracts based upon available data and appropriate  
152 actuarial assumptions. Upon request, each small employer carrier  
153 shall furnish to the office claims experience data for use in  
154 such estimations.

155 c. The office shall determine total eligible enrollment  
156 under qualifying small employer contracts. For qualifying small  
157 employer contracts, the total eligible enrollment shall be  
158 determined by dividing the total funds available for  
159 distribution from the fund by the estimated per member annual  
160 cost of total claims reimbursement from the fund.

161 d. The office shall suspend the enrollment of new  
162 employers under qualifying small employer contracts if the  
163 office determines that the total enrollment reported by all  
164 small employer carriers exceeds the total eligible enrollment  
165 causing anticipated annual expenditures from the fund to exceed  
166 the total funds available for distribution from the fund.

167 e. The office shall provide the small employer carriers  
168 with notification of any enrollment suspension.

169 f. If at any point during a suspension of enrollment of  
170 new qualifying small employers the office determines that funds  
171 are sufficient to provide for the addition of new enrollments,  
172 the office may reactivate new enrollments and notify all small  
173 employer carriers that enrollment of new employers may again  
174 commence.

175 g. The suspension of issuance of qualifying small employer  
176 contracts to new qualifying small employers shall not preclude  
177 the addition of new employees of an employer already covered  
178 under such a contract or new dependents of employees already  
179 covered under such contracts.

180 8. The office may obtain the services of an organization  
181 to administer the fund. The office shall establish guidelines  
182 for the submission of proposals by organizations for the  
183 purposes of administering the fund and make a determination  
184 whether to approve, disapprove, or recommend modification to the  
185 proposal of an applicant to administer the fund. An organization  
186 approved to administer the fund shall submit reports to the  
187 office in such format and at times as may be required by the  
188 office in order to facilitate evaluation and ensure orderly  
189 operation of the fund. An organization approved to administer  
190 the fund shall maintain records in a format as designated by the  
191 office and which shall be available for inspection by or at the  
192 request of the office. The office shall determine the amount of  
193 compensation to be allocated to an approved organization as  
194 payment for fund administration. Compensation of the  
195 organization shall be payable from the fund. An organization  
196 approved to administer the fund may be removed by the office and

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197 must cooperate in the orderly transition of services to another  
198 approved organization or to the office.

199 9. If the office deems it appropriate for the proper  
200 administration of the fund, the administrator of the fund, on  
201 behalf of and with the prior approval of the office, shall be  
202 authorized to purchase stop loss insurance or reinsurance from  
203 an insurer licensed to write such type of insurance in this  
204 state. Such stop loss insurance or reinsurance may be purchased  
205 to the extent moneys are available in the fund.

206 10. The office may use moneys in the fund for purposes of  
207 developing and implementing public education, outreach, and  
208 facilitated enrollment strategies targeted to small employers.  
209 The office may contract with marketing organizations to perform  
210 or provide assistance with such education, outreach, and  
211 enrollment strategies. The office shall determine the amount of  
212 funding available for the purposes of this subparagraph, which  
213 in no event shall exceed 10 percent of the annual funding  
214 amounts for the fund.

215 (g) By September 1, 2007, and annually thereafter, the  
216 office shall submit to the Governor, the President of the  
217 Senate, and the Speaker of the House of Representatives a report  
218 summarizing the activities of the program, including enrollment  
219 and claims paid and an estimate of the required funding for the  
220 next program year.

221 (h) This subsection is repealed July 1, 2010.

222 Section 2. This act shall take effect July 1, 2006.