

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

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1 Representative(s) Benson offered the following:

2
3 **Amendment (with title amendment)**

4 On page 5, between lines 20 and 21, insert:

5 Section 7. Paragraph (i) of subsection (2) of section
6 636.204, Florida Statutes, is amended to read:

7 636.204 License required.--

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

13 (i) A copy of the applicant's most recent financial
14 statements audited by an independent certified public
15 accountant. An applicant that is a subsidiary of a parent entity
16 that is publicly traded and that prepares audited financial
17 statements reflecting the consolidated operations of the parent

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18 | entity and the subsidiary may submit ~~petition the office to~~
19 | ~~accept~~, in lieu of the audited financial statement of the
20 | applicant, the audited financial statement of the parent entity
21 | and a written guaranty by the parent entity that the minimum
22 | capital requirements of the applicant required by this part will
23 | be met by the parent entity.

24 | Section 8. 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 and
28 | 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 this
31 | part. The office may order any discount medical plan
32 | organization or applicant to produce any records, books, files,
33 | advertising and solicitation materials, or other information and
34 | may take statements under oath to determine whether the discount
35 | medical plan organization or applicant is in violation of the
36 | law or is acting contrary to the public interest. The expenses
37 | incurred in conducting any examination or investigation must be
38 | paid by the discount medical plan organization or applicant.
39 | Examinations and investigations must be conducted as provided in
40 | chapter 624.

41 | Section 9. Subsection (1) of section 636.210, Florida
42 | Statutes, is amended to read:

43 | 636.210 Prohibited activities of a discount medical plan
44 | organization.--

45 | (1) A discount medical plan organization may not:

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46 (a) Use in its advertisements, marketing material,
47 brochures, and discount cards the term "insurance" except as
48 otherwise provided in this part or as a disclaimer of any
49 relationship between discount medical plan organization benefits
50 and insurance;

51 (b) Use in its advertisements, marketing material,
52 brochures, and discount cards the terms "health plan,"
53 "coverage," "copay," "copayments," "preexisting conditions,"
54 "guaranteed issue," "premium," "PPO," "preferred provider
55 organization," or other terms in a manner that could reasonably
56 mislead a person into believing the discount medical plan was
57 health insurance;

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

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

62 Section 10. Subsection (1) of section 636.216, Florida
63 Statutes, is amended to read:

64 636.216 Charge or form filings.--

65 (1) All charges to members must be filed with the office.
66 ~~and~~ Any charge to members greater than \$30 per month or \$360 per
67 year for access to health care services other than those
68 provided by physicians licensed under chapter 458 or chapter
69 459, or by hospitals licensed under chapter 395, must be
70 approved by the office before the charges can be used. Any
71 charge to members greater than \$60 per month or \$720 per year
72 for health care services that include services provided by
73 physicians licensed under chapter 458 or chapter 459, or by
74 hospitals licensed under chapter 395, must be approved by the
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75 | office before the charges may be used. The discount medical plan
76 | organization has the burden of proof that the charges bear a
77 | reasonable relation to the benefits received by the member.

78 | Section 11. Subsection (2) of section 636.218, Florida
79 | Statutes, is amended to read:

80 | 636.218 Annual reports.--

81 | (2) Such reports must be on forms prescribed by the
82 | commission and must include:

83 | ~~(a) Audited financial statements prepared in accordance~~
84 | ~~with generally accepted accounting principles certified by an~~
85 | ~~independent certified public accountant, including the~~
86 | ~~organization's balance sheet, income statement, and statement of~~
87 | ~~changes in cash flow for the preceding year. An organization~~
88 | ~~that is a subsidiary of a parent entity that is publicly traded~~
89 | ~~and that prepares audited financial statements reflecting the~~
90 | ~~consolidated operations of the parent entity and the~~
91 | ~~organization may petition the office to accept, in lieu of the~~
92 | ~~audited financial statement of the organization, the audited~~
93 | ~~financial statement of the parent entity and a written guaranty~~
94 | ~~by the parent entity that the minimum capital requirements of~~
95 | ~~the organization required by this part will be met by the parent~~
96 | ~~entity.~~

97 | (a) ~~(b)~~ If different from the initial application or the
98 | last annual report, a list of the names and residence addresses
99 | of all persons responsible for the conduct of the organization's
100 | affairs, together with a disclosure of the extent and nature of
101 | any contracts or arrangements between such persons and the
102 | discount medical plan organization, including any possible
103 | conflicts of interest.

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104 ~~(b)-(e)~~ The number of discount medical plan members in the
105 state.

106 ~~(c)-(d)~~ Such other information relating to the performance
107 of the discount medical plan organization as is reasonably
108 required by the commission or office.

109 Section 12. Subsection (1) of section 636.220, Florida
110 Statutes, is amended to read:

111 636.220 Minimum capital requirements.--

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

117 Section 13. Section 636.230, Florida Statutes, is amended
118 to read:

119 636.230 Bundling discount medical plans with insurance
120 ~~ether~~ products.--When a marketer or discount medical plan
121 organization sells a discount medical plan together with any
122 insurance ~~ether~~ product, the fees for the discount medical plan
123 must be provided in writing to the member if the fees exceed \$30
124 per month for access to healthcare services other than those
125 provided by physicians licensed under chapter 458 or chapter
126 459, or by hospitals licensed under chapter 395, or \$60 dollars
127 per month for healthcare services which include services
128 provided by physicians licensed under chapter 458 or chapter
129 459, or by hospitals licensed under chapter 395.

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

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133 On page 1, line 13, after the semicolon, insert:
134 amending s. 636.204, F.S.; authorizing submittal of alternative
135 audited financial statements; amending s. 636.206, F.S.;
136 authorizing the Office of Insurance Regulation to examine or
137 investigate the business of a discount medical plan organization
138 under certain circumstances; amending s. 636.210, F.S.;
139 providing an exception to the prohibited restrictions on free
140 access to plan providers for hospital services; amending s.
141 636.216, F.S.; revising the charges and filing requirements for
142 access to certain health care services; amending s. 636.218,
143 F.S.; deleting a requirement that audited financial statements
144 be included in the annual report filed by a discount medical
145 plan organization; amending s. 636.220, F.S.; requiring a
146 discount medical plan organization to certify in writing and
147 under oath that certain requirements are satisfied; amending s.
148 636.230, F.S.; revising provisions relating to bundling discount
149 medical plans with insurance products; providing notification
150 requirement for fees in excess of certain amounts;