

A bill to be entitled

An act relating to health maintenance organizations; amending s. 641.316, F.S.; redefining the term "fiscal intermediary services organization"; amending s. 641.234, F.S.; expanding the requirement that a health maintenance organization remains responsible for violations of certain statutory requirements if the organization transfers to any entity the obligations to pay any provider for claims arising from services to subscribers of the organization; amending s. 626.88, F.S., relating to the regulation of insurance administrators; conforming provisions to changes made by the act; providing an effective date.

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

Section 1. Paragraph (b) of subsection (2) of section 641.316, Florida Statutes, is amended to read:

641.316 Fiscal intermediary services.--

(2)

(b) The term "fiscal intermediary services organization" means a person or entity that ~~which~~ performs fiduciary or fiscal intermediary services to health care professionals who contract with health maintenance organizations other than a ~~fiscal intermediary services organization owned, operated, or controlled by~~ a hospital licensed under chapter 395, an insurer licensed under chapter 624, a third-party administrator licensed under chapter 626, a prepaid limited health service organization licensed under chapter 636, a health maintenance organization

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29 licensed under this chapter, or physician group practices as
 30 defined in s. 456.053(3)(h) and providing services under the
 31 scope of licenses of the members of the group practice.

32 Section 2. Subsection (4) of section 641.234, Florida
 33 Statutes, is amended to read:

34 641.234 Administrative, provider, and management
 35 contracts.--

36 (4)(a) If a health maintenance organization, ~~through a~~
 37 ~~health care risk contract,~~ transfers to any entity the
 38 obligations to pay any provider for any claims arising from
 39 services provided to or for the benefit of any subscriber of the
 40 organization, the health maintenance organization remains ~~shall~~
 41 ~~remain~~ responsible for any violations of ss. 641.3155, 641.3156,
 42 and 641.51(4). The provisions of ss. 624.418-624.4211 and 641.52
 43 ~~shall~~ apply to any such violations.

44 (b) As used in this subsection, ~~+~~

45 ~~1. The term "health care risk contract" means a contract~~
 46 ~~under which an entity receives compensation in exchange for~~
 47 ~~providing to the health maintenance organization a provider~~
 48 ~~network or other services, which may include administrative~~
 49 ~~services.~~

50 ~~2. the term "entity" means a person licensed as an~~
 51 ~~administrator under s. 626.88 and does not include any provider~~
 52 ~~or group practice, as defined in s. 456.053, providing services~~
 53 ~~under the scope of the license of the provider or the members of~~
 54 ~~the group practice. The term does not include a hospital~~
 55 ~~providing billing, claims, and collection services solely on its~~
 56 ~~own and its physicians' behalf and providing services under the~~

57 | scope of its license.

58 | Section 3. Subsection (1) of section 626.88, Florida
 59 | Statutes, is amended to read:

60 | 626.88 Definitions.--For the purposes of this part, the
 61 | term:

62 | (1) "Administrator" is any person who directly or
 63 | indirectly solicits or effects coverage of, collects charges or
 64 | premiums from, or adjusts or settles claims on residents of this
 65 | state in connection with authorized commercial self-insurance
 66 | funds or with insured or self-insured programs which provide
 67 | life or health insurance coverage or coverage of any other
 68 | expenses described in s. 624.33(1) or any person who, through a
 69 | health care risk contract ~~as defined in s. 641.234~~ with an
 70 | insurer or health maintenance organization, provides billing and
 71 | collection services to health insurers and health maintenance
 72 | organizations on behalf of health care providers, other than any
 73 | of the following persons:

74 | (a) An employer or wholly owned direct or indirect
 75 | subsidiary of an employer, on behalf of such employer's
 76 | employees or the employees of one or more subsidiary or
 77 | affiliated corporations of such employer.

78 | (b) A union on behalf of its members.

79 | (c) An insurance company which is either authorized to
 80 | transact insurance in this state or is acting as an insurer with
 81 | respect to a policy lawfully issued and delivered by such
 82 | company in and pursuant to the laws of a state in which the
 83 | insurer was authorized to transact an insurance business.

84 | (d) A health care services plan, health maintenance

85 organization, professional service plan corporation, or person
86 in the business of providing continuing care, possessing a valid
87 certificate of authority issued by the office, and the sales
88 representatives thereof, if the activities of such entity are
89 limited to the activities permitted under the certificate of
90 authority.

91 (e) An entity that is affiliated with an insurer and that
92 only performs the contractual duties, between the administrator
93 and the insurer, of an administrator for the direct and assumed
94 insurance business of the affiliated insurer. The insurer is
95 responsible for the acts of the administrator and is responsible
96 for providing all of the administrator's books and records to
97 the insurance commissioner, upon a request from the insurance
98 commissioner. For purposes of this paragraph, the term "insurer"
99 means a licensed insurance company, health maintenance
100 organization, prepaid limited health service organization, or
101 prepaid health clinic.

102 (f) A nonresident entity licensed in its state of domicile
103 as an administrator if its duties in this state are limited to
104 the administration of a group policy or plan of insurance and no
105 more than a total of 100 lives for all plans reside in this
106 state.

107 (g) An insurance agent licensed in this state whose
108 activities are limited exclusively to the sale of insurance.

109 (h) A person licensed as a managing general agent in this
110 state, whose activities are limited exclusively to the scope of
111 activities conveyed under such license.

112 (i) An adjuster licensed in this state whose activities

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113 are limited to the adjustment of claims.

114 (j) A creditor on behalf of such creditor's debtors with
115 respect to insurance covering a debt between the creditor and
116 its debtors.

117 (k) A trust and its trustees, agents, and employees acting
118 pursuant to such trust established in conformity with 29 U.S.C.
119 s. 186.

120 (l) A trust exempt from taxation under s. 501(a) of the
121 Internal Revenue Code, a trust satisfying the requirements of
122 ss. 624.438 and 624.439, or any governmental trust as defined in
123 s. 624.33(3), and the trustees and employees acting pursuant to
124 such trust, or a custodian and its agents and employees,
125 including individuals representing the trustees in overseeing
126 the activities of a service company or administrator, acting
127 pursuant to a custodial account which meets the requirements of
128 s. 401(f) of the Internal Revenue Code.

129 (m) A financial institution which is subject to
130 supervision or examination by federal or state authorities or a
131 mortgage lender licensed under chapter 494 who collects and
132 remits premiums to licensed insurance agents or authorized
133 insurers concurrently or in connection with mortgage loan
134 payments.

135 (n) A credit card issuing company which advances for and
136 collects premiums or charges from its credit card holders who
137 have authorized such collection if such company does not adjust
138 or settle claims.

139 (o) A person who adjusts or settles claims in the normal
140 course of such person's practice or employment as an attorney at

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141 law and who does not collect charges or premiums in connection
142 with life or health insurance coverage.

143 (p) A person approved by the department who administers
144 only self-insured workers' compensation plans.

145 (q) A service company or service agent and its employees,
146 authorized in accordance with ss. 626.895-626.899, serving only
147 a single employer plan, multiple-employer welfare arrangements,
148 or a combination thereof.

149 (r) Any provider or group practice, as defined in s.
150 456.053, providing services under the scope of the license of
151 the provider or the member of the group practice.

152 (s) Any hospital providing billing, claims, and collection
153 services solely on its own and its physicians' behalf and
154 providing services under the scope of its license.

155

156 A person who provides billing and collection services to health
157 insurers and health maintenance organizations on behalf of
158 health care providers shall comply with the provisions of ss.
159 627.6131, 641.3155, and 641.51(4).

160 Section 4. This act shall take effect October 1, 2006.