

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

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1 Representative(s) Garcia offered the following:

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

4 Between lines 116 and 117, insert:

5 Section 4. 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

199665  
4/21/2006 2:11:14 PM

Amendment No. (for drafter's use only)

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

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

42 636.210 Prohibited activities of a discount medical plan  
43 organization.--

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

45 (a) Use in its advertisements, marketing material,  
46 brochures, and discount cards the term "insurance" except as  
199665

4/21/2006 2:11:14 PM

Amendment No. (for drafter's use only)

47 otherwise provided in this part or as a disclaimer of any  
48 relationship between discount medical plan organization benefits  
49 and insurance;

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

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

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

61 Section 7. Subsections (1), (3), and (4) of section  
62 636.216, Florida Statutes, are amended to read:

63 636.216 Charge or form filings.--

64 (1) All charges to members must be filed with the office.  
65 ~~and~~ Any charge to members greater than \$30 per month or \$360 per  
66 year for access to healthcare services, other than those  
67 provided by physicians licensed under chapter 458 or chapter 459  
68 or by hospitals licensed under chapter 395, must be approved by  
69 the office before the charges can be used. Any charge to members  
70 greater than \$60 dollars per month or \$720 per year for  
71 healthcare services that include services provided by physicians  
72 licensed under chapters 458 and 459 or by hospitals licensed  
73 under chapter 395 must be approved by the office before the  
74 charges can be used. The discount medical plan organization has

199665

4/21/2006 2:11:14 PM

Amendment No. (for drafter's use only)

75 the burden of proof that the charges bear a reasonable relation  
76 to the benefits received by the member.

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

82 (4) A charge ~~or form~~ is considered approved on the 60th  
83 day after its date of filing unless it has been previously  
84 disapproved by the office. ~~The office shall disapprove any form~~  
85 ~~that does not meet the requirements of this part or that is~~  
86 ~~unreasonable, discriminatory, misleading, or unfair.~~ If such  
87 filing is ~~filings are~~ disapproved, the office shall notify the  
88 discount medical plan organization and shall specify in the  
89 notice the reasons for disapproval.

90 Section 8. Subsection (2) of section 636.218, Florida  
91 Statutes, is amended to read:

92 636.218 Annual reports.--

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

95 ~~(a) Audited financial statements prepared in accordance~~  
96 ~~with generally accepted accounting principles certified by an~~  
97 ~~independent certified public accountant, including the~~  
98 ~~organization's balance sheet, income statement, and statement of~~  
99 ~~changes in cash flow for the preceding year. An organization~~  
100 ~~that is a subsidiary of a parent entity that is publicly traded~~  
101 ~~and that prepares audited financial statements reflecting the~~  
102 ~~consolidated operations of the parent entity and the~~  
103 ~~organization may petition the office to accept, in lieu of the~~  
199665

4/21/2006 2:11:14 PM

Amendment No. (for drafter's use only)

104 ~~audited financial statement of the organization, the audited~~  
105 ~~financial statement of the parent entity and a written guaranty~~  
106 ~~by the parent entity that the minimum capital requirements of~~  
107 ~~the organization required by this part will be met by the parent~~  
108 ~~entity.~~

109 ~~(a)~~(b) If different from the initial application or the  
110 last annual report, a list of the names and residence addresses  
111 of all persons responsible for the conduct of the organization's  
112 affairs, together with a disclosure of the extent and nature of  
113 any contracts or arrangements between such persons and the  
114 discount medical plan organization, including any possible  
115 conflicts of interest.

116 ~~(b)~~(e) The number of discount medical plan members in the  
117 state.

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

121 Section 9. Subsection (1) of section 636.220, Florida  
122 Statutes, is amended to read:

123 636.220 Minimum capital requirements.--

124 (1) Each discount medical plan organization must at all  
125 times maintain a net worth of at least \$150,000 and each  
126 discount medical plan organization shall certify in writing  
127 under oath at licensure and annually that the minimum  
128 capitalization requirements of this part are satisfied.

129 Section 10. Section 636.232, Florida Statutes, is amended  
130 to read:

131 636.232 Rules.--The commission may adopt rules to  
132 administer this part, including rules for the licensing of  
199665

4/21/2006 2:11:14 PM

Amendment No. (for drafter's use only)

133 discount medical plan organizations; ~~establishing standards for~~  
134 ~~evaluating forms,~~ advertisements, marketing materials,  
135 brochures, and discount cards; providing for the collection of  
136 data; relating to disclosures to plan members; and defining  
137 terms used in this part.

138 Section 11. Section 636.230, Florida Statutes, is  
139 repealed.

140

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

142 Remove line(s) 15 and insert:

143 under group health insurance policies; amending s. 636.204,  
144 F.S.; revising a license application provision for discount  
145 medical plan organizations; amending s. 636.206, F.S.; revising  
146 examination and investigative authority; amending s. 636.210,  
147 F.S.; providing an exception to prohibited activities; amending  
148 s. 636.216, F.S.; providing exception to review of certain  
149 charges to members of the plan; amending s. 636.218, F.S.;  
150 removing certain information from the annual report; amending s.  
151 636.220, F.S.; revising certain minimum capital requirements of  
152 discount medical plan organizations; amending s. 636.232, F.S.;  
153 revising commission rulemaking authority; repealing s. 636.230,  
154 F.S., relating to the bundling of discount medical plans with  
155 other products; amending s. 641.31,

199665

4/21/2006 2:11:14 PM