

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. Subsection (2) of section 636.204, Florida  
6 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 (a) A copy of the applicant's articles of incorporation or  
14 other organizing documents, including all amendments.

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

16 (c) A list of the names, addresses, official positions,  
17 and biographical information of the individuals who are

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18 responsible for conducting the applicant's affairs, including,  
19 but not limited to, all members of the board of directors, board  
20 of trustees, executive committee, or other governing board or  
21 committee, the officers, contracted management company  
22 personnel, and any person or entity owning or having the right  
23 to acquire 10 percent or more of the voting securities of the  
24 applicant. Such listing must fully disclose the extent and  
25 nature of any contracts or arrangements between any individual  
26 who is responsible for conducting the applicant's affairs and  
27 the discount medical plan organization, including any possible  
28 conflicts of interest.

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

33 (e) A statement generally describing the applicant, its  
34 facilities and personnel, and the medical services to be  
35 offered.

36 (f) A copy of the form of all contracts made or to be made  
37 between the applicant and any providers or provider networks  
38 regarding the provision of medical services to members.

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

42 (h) A copy of the form of any contract made or to be made  
43 between the applicant and any person, corporation, partnership,  
44 or other entity for the performance on the applicant's behalf of  
45 any function, including, but not limited to, marketing,

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46 administration, enrollment, investment management, and  
47 subcontracting for the provision of health services to members.

48 ~~(i) A copy of the applicant's most recent financial~~  
49 ~~statements audited by an independent certified public~~  
50 ~~accountant. An applicant that is a subsidiary of a parent entity~~  
51 ~~that is publicly traded and that prepares audited financial~~  
52 ~~statements reflecting the consolidated operations of the parent~~  
53 ~~entity and the subsidiary may petition the office to accept, in~~  
54 ~~lieu of the audited financial statement of the applicant, the~~  
55 ~~audited financial statement of the parent entity and a written~~  
56 ~~guaranty by the parent entity that the minimum capital~~  
57 ~~requirements of the applicant required by this part will be met~~  
58 ~~by the parent entity.~~

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

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

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

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

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

68 636.206 Examinations and investigations.--

69 (1) The office may examine or investigate the business and  
70 affairs of any discount medical plan organization if the  
71 commissioner has reason to believe that the discount medical  
72 plan organization is not complying with the requirements of this  
73 act. The office may order any discount medical plan organization  
74 or applicant to produce any records, books, files, advertising

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75 and solicitation materials, or other information and may take  
76 statements under oath to determine whether the discount medical  
77 plan organization or applicant is in violation of the law or is  
78 acting contrary to the public interest. The expenses incurred in  
79 conducting any examination or investigation must be paid by the  
80 discount medical plan organization or applicant. Examinations  
81 and investigations must be conducted as provided in chapter 624.

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

84 636.210 Prohibited activities of a discount medical plan  
85 organization.--

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

87 (a) Use in its advertisements, marketing material,  
88 brochures, and discount cards the term "insurance" except as  
89 otherwise provided in this part or as a disclaimer of any  
90 relationship between discount medical plan organization benefits  
91 and insurance;

92 (b) Use in its advertisements, marketing material,  
93 brochures, and discount cards the terms "health plan,"  
94 "coverage," "copay," "copayments," "preexisting conditions,"  
95 "guaranteed issue," "premium," "PPO," "preferred provider  
96 organization," or other terms in a manner that could reasonably  
97 mislead a person into believing the discount medical plan was  
98 health insurance;

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

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

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103 Section 7. Subsections (1), (3), and (4) of section  
104 636.216, Florida Statutes, are amended to read:

105 636.216 Charge or form filings.--

106 (1) All charges to members must be filed with the office.  
107 ~~and~~ Any charge to members greater than \$30 per month or \$360 per  
108 year for access to healthcare services, other than those  
109 provided by physicians licensed under chapters 458 and 459 or by  
110 hospitals licensed under chapter 395, must be approved by the  
111 office before the charges can be used. Any charge to members  
112 greater than \$60 dollars per month or \$720 per year for  
113 healthcare services that include services provided by physicians  
114 licensed under chapter 458 and 459 or by hospitals licensed  
115 under chapter 395 must be approved by the office before the  
116 charges can be used. The discount medical plan organization has  
117 the burden of proof that the charges bear a reasonable relation  
118 to the benefits received by the member.

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

124 (4) A charge ~~or form~~ is considered approved on the 60th  
125 day after its date of filing unless it has been previously  
126 disapproved by the office. ~~The office shall disapprove any form~~  
127 ~~that does not meet the requirements of this part or that is~~  
128 ~~unreasonable, discriminatory, misleading, or unfair.~~ If such  
129 filing is ~~filings~~ are disapproved, the office shall notify the  
130 discount medical plan organization and shall specify in the  
131 notice the reasons for disapproval.

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

134 636.218 Annual reports.--

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

137 ~~(a) Audited financial statements prepared in accordance~~  
138 ~~with generally accepted accounting principles certified by an~~  
139 ~~independent certified public accountant, including the~~  
140 ~~organization's balance sheet, income statement, and statement of~~  
141 ~~changes in cash flow for the preceding year. An organization~~  
142 ~~that is a subsidiary of a parent entity that is publicly traded~~  
143 ~~and that prepares audited financial statements reflecting the~~  
144 ~~consolidated operations of the parent entity and the~~  
145 ~~organization may petition the office to accept, in lieu of the~~  
146 ~~audited financial statement of the organization, the audited~~  
147 ~~financial statement of the parent entity and a written guaranty~~  
148 ~~by the parent entity that the minimum capital requirements of~~  
149 ~~the organization required by this part will be met by the parent~~  
150 ~~entity.~~

151 (a)~~(b)~~ If different from the initial application or the  
152 last annual report, a list of the names and residence addresses  
153 of all persons responsible for the conduct of the organization's  
154 affairs, together with a disclosure of the extent and nature of  
155 any contracts or arrangements between such persons and the  
156 discount medical plan organization, including any possible  
157 conflicts of interest.

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

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

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

165            636.220 Minimum capital requirements.--

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

171        Section 10. Section 636.230, Florida Statutes, is  
172 repealed.

173  
174 ===== T I T L E   A M E N D M E N T =====

175        Remove line(s) 15 and insert:  
176 under group health insurance policies; amending s. 636.204,  
177 F.S.; revising license application provisions for discount  
178 medical plan organizations; amending s. 636.206, F.S.; revising  
179 examination and investigative authority; amending s. 636.210,  
180 F.S.; providing an exception to prohibited activities; amending  
181 s. 636.216, F.S.; providing exception to review of certain  
182 charges to members of the plan; amending s. 636.218, F.S.;  
183 removing certain information from the annual report; amending s.  
184 636.220, F.S.; revising certain minimum capital requirements of  
185 discount medical plan organizations; repealing s. 636.230, F.S.,  
186 relating to the bundling of discount medical plans with other  
187 products; amending s. 641.31,