

By Senator Fasano

11-94-06

1                                   A bill to be entitled  
2                   An act relating to health maintenance  
3                   organizations; amending s. 641.316, F.S.;  
4                   redefining the term "fiscal intermediary  
5                   services organization"; amending s. 641.234,  
6                   F.S.; expanding the requirement that a health  
7                   maintenance organization remains responsible  
8                   for violations of certain statutory  
9                   requirements if the organization transfers to  
10                  any entity the obligations to pay any provider  
11                  for claims arising from services to subscribers  
12                  of the organization; amending s. 626.88, F.S.,  
13                  relating to the regulation of insurance  
14                  administrators; conforming provisions to  
15                  changes made by the act; providing an effective  
16                  date.

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

20                  Section 1. Paragraph (b) of subsection (2) of section  
21 641.316, Florida Statutes, is amended to read:

22                  641.316 Fiscal intermediary services.--

23                  (2)

24                  (b) The term "fiscal intermediary services  
25 organization" means a person or entity that ~~which~~ performs  
26 fiduciary or fiscal intermediary services to health care  
27 professionals who contract with health maintenance  
28 organizations other than ~~a fiscal intermediary services~~  
29 ~~organization owned, operated, or controlled by~~ a hospital  
30 licensed under chapter 395, an insurer licensed under chapter  
31 624, a third-party administrator licensed under chapter 626, a

1 prepaid limited health service organization licensed under  
2 chapter 636, a health maintenance organization licensed under  
3 this chapter, or physician group practices as defined in s.  
4 456.053(3)(h) and providing services under the scope of  
5 licenses of the members of the group practice.

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

8 641.234 Administrative, provider, and management  
9 contracts.--

10 (4)(a) If a health maintenance organization, ~~through a~~  
11 ~~health care risk contract,~~ transfers to any entity the  
12 obligations to pay any provider for any claims arising from  
13 services provided to or for the benefit of any subscriber of  
14 the organization, the health maintenance organization remains  
15 ~~shall remain~~ responsible for any violations of ss. 641.3155,  
16 641.3156, and 641.51(4). The provisions of ss.  
17 624.418-624.4211 and 641.52 ~~shall~~ apply to any such  
18 violations.

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

20 1. ~~The term "health care risk contract" means a~~  
21 ~~contract under which an entity receives compensation in~~  
22 ~~exchange for providing to the health maintenance organization~~  
23 ~~a provider network or other services, which may include~~  
24 ~~administrative services.~~

25 2. ~~the term "entity" means a person licensed as an~~  
26 ~~administrator under s. 626.88 and does not include any~~  
27 ~~provider or group practice, as defined in s. 456.053,~~  
28 ~~providing services under the scope of the license of the~~  
29 ~~provider or the members of the group practice. The term does~~  
30 ~~not include a hospital providing billing, claims, and~~  
31

1 collection services solely on its own and its physicians'  
2 behalf and providing services under the scope of its license.

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

5 626.88 Definitions.--For the purposes of this part,  
6 the term:

7 (1) "Administrator" is any person who directly or  
8 indirectly solicits or effects coverage of, collects charges  
9 or premiums from, or adjusts or settles claims on residents of  
10 this state in connection with authorized commercial  
11 self-insurance funds or with insured or self-insured programs  
12 which provide life or health insurance coverage or coverage of  
13 any other expenses described in s. 624.33(1) or any person  
14 who, through a health care risk contract ~~as defined in s.~~  
15 ~~641.234~~ with an insurer or health maintenance organization,  
16 provides billing and collection services to health insurers  
17 and health maintenance organizations on behalf of health care  
18 providers, other than any of the following persons:

19 (a) An employer or wholly owned direct or indirect  
20 subsidiary of an employer, on behalf of such employer's  
21 employees or the employees of one or more subsidiary or  
22 affiliated corporations of such employer.

23 (b) A union on behalf of its members.

24 (c) An insurance company which is either authorized to  
25 transact insurance in this state or is acting as an insurer  
26 with respect to a policy lawfully issued and delivered by such  
27 company in and pursuant to the laws of a state in which the  
28 insurer was authorized to transact an insurance business.

29 (d) A health care services plan, health maintenance  
30 organization, professional service plan corporation, or person  
31 in the business of providing continuing care, possessing a

1 | valid certificate of authority issued by the office, and the  
2 | sales representatives thereof, if the activities of such  
3 | entity are limited to the activities permitted under the  
4 | certificate of authority.

5 |         (e) An entity that is affiliated with an insurer and  
6 | that only performs the contractual duties, between the  
7 | administrator and the insurer, of an administrator for the  
8 | direct and assumed insurance business of the affiliated  
9 | insurer. The insurer is responsible for the acts of the  
10 | administrator and is responsible for providing all of the  
11 | administrator's books and records to the insurance  
12 | commissioner, upon a request from the insurance commissioner.  
13 | For purposes of this paragraph, the term "insurer" means a  
14 | licensed insurance company, health maintenance organization,  
15 | prepaid limited health service organization, or prepaid health  
16 | clinic.

17 |         (f) A nonresident entity licensed in its state of  
18 | domicile as an administrator if its duties in this state are  
19 | limited to the administration of a group policy or plan of  
20 | insurance and no more than a total of 100 lives for all plans  
21 | reside in this state.

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

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

27 |         (i) An adjuster licensed in this state whose  
28 | activities are limited to the adjustment of claims.

29 |         (j) A creditor on behalf of such creditor's debtors  
30 | with respect to insurance covering a debt between the creditor  
31 | and its debtors.

1 (k) A trust and its trustees, agents, and employees  
2 acting pursuant to such trust established in conformity with  
3 29 U.S.C. s. 186.

4 (l) A trust exempt from taxation under s. 501(a) of  
5 the Internal Revenue Code, a trust satisfying the requirements  
6 of ss. 624.438 and 624.439, or any governmental trust as  
7 defined in s. 624.33(3), and the trustees and employees acting  
8 pursuant to such trust, or a custodian and its agents and  
9 employees, including individuals representing the trustees in  
10 overseeing the activities of a service company or  
11 administrator, acting pursuant to a custodial account which  
12 meets the requirements of s. 401(f) of the Internal Revenue  
13 Code.

14 (m) A financial institution which is subject to  
15 supervision or examination by federal or state authorities or  
16 a mortgage lender licensed under chapter 494 who collects and  
17 remits premiums to licensed insurance agents or authorized  
18 insurers concurrently or in connection with mortgage loan  
19 payments.

20 (n) A credit card issuing company which advances for  
21 and collects premiums or charges from its credit card holders  
22 who have authorized such collection if such company does not  
23 adjust or settle claims.

24 (o) A person who adjusts or settles claims in the  
25 normal course of such person's practice or employment as an  
26 attorney at law and who does not collect charges or premiums  
27 in connection with life or health insurance coverage.

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

30 (q) A service company or service agent and its  
31 employees, authorized in accordance with ss. 626.895-626.899,

1 | serving only a single employer plan, multiple-employer welfare  
2 | arrangements, or a combination thereof.

3 |         (r) Any provider or group practice, as defined in s.  
4 | 456.053, providing services under the scope of the license of  
5 | the provider or the member of the group practice.

6 |         (s) Any hospital providing billing, claims, and  
7 | collection services solely on its own and its physicians'  
8 | behalf and providing services under the scope of its license.

9 |  
10 | A person who provides billing and collection services to  
11 | health insurers and health maintenance organizations on behalf  
12 | of health care providers shall comply with the provisions of  
13 | ss. 627.6131, 641.3155, and 641.51(4).

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

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17 |                   SENATE SUMMARY

18 | Redefines the term "fiscal intermediary services  
19 | organization" to remove an exclusion provided for certain  
20 | organizations owned, operated, or controlled by a  
21 | hospital and to clarify that the term includes certain  
22 | group practices. Provides that a health maintenance  
23 | organization remains responsible for certain violations  
24 | regardless of the form of certain transfers of the  
25 | obligation to pay claims.