



1           627.6699 Employee Health Care Access Act.--  
2           (3) DEFINITIONS.--As used in this section, the term:  
3           (o) "Office" means the Office of Insurance Regulation  
4 of the Department of Financial Services.  
5           (15) SMALL EMPLOYERS ACCESS PROGRAM.--  
6           (c) Definitions.--For purposes of this subsection:  
7           1. "Fair commission" means a commission structure  
8 determined by the insurers and reflected in the insurers' rate  
9 filings made pursuant to this subsection.  
10           2. "Insurer" means any entity that provides health  
11 insurance in this state. For purposes of this subsection,  
12 insurer includes an insurance company holding a certificate of  
13 authority pursuant to chapter 624 or a health maintenance  
14 organization holding a certificate of authority pursuant to  
15 chapter 641, which qualifies to provide coverage to small  
16 employer groups pursuant to this section.  
17           3. "Mutually supported benefit plan" means an optional  
18 alternative coverage plan developed within a defined  
19 geographic region which may include, but is not limited to, a  
20 minimum level of primary care coverage in which the percentage  
21 of the premium is distributed among the employer, the  
22 employee, and community-generated revenue either alone or in  
23 conjunction with federal matching funds.  
24           ~~4. "Office" means the Office of Insurance Regulation~~  
25 ~~of the Department of Financial Services.~~  
26           ~~4.5.~~ "Participating insurer" means any insurer  
27 providing health insurance to small employers that has been  
28 selected by the office in accordance with this subsection for  
29 its designated region.  
30           ~~5.6.~~ "Program" means the Small Employer Access Program  
31 as created by this subsection.

1           (16) HEALTHY FLORIDA SMALL EMPLOYER PROGRAM.--The  
2 Healthy Florida Small Employer Program is established for the  
3 purpose of making affordable health insurance available to  
4 qualifying small employers and to encourage small employers to  
5 offer health insurance coverage to their employees. All small  
6 employer carriers shall offer the standard, basic,  
7 high-deductible, and limited health benefit plans described in  
8 subsection (12) to all qualified small employers at rates that  
9 incorporate the reduction in claims costs available to  
10 carriers under this program.

11           (a) A qualifying small employer is a small employer  
12 that has:

13           1. No health benefit plan covering employees in effect  
14 during the previous 12-month period prior to application; and

15           2. At least 30 percent of its eligible employees  
16 receiving annual wages from the employer at a maximum level  
17 less than or equal to \$33,000 for the 2007-2008 fiscal year.  
18 The maximum wage shall be adjusted annually beginning July 1,  
19 2008. For each fiscal year, the adjustment shall be a  
20 percentage of the annual wage figure that took effect on July  
21 1 of the prior fiscal year. The percentage adjustment shall  
22 correspond to the percentage change in the federal poverty  
23 guideline for a family unit of two persons, as annually  
24 defined and updated by the federal Department of Health and  
25 Human Services.

26           (b) A qualifying small employer must pay at least 50  
27 percent of the premium for employees covered under the basic  
28 plan, and must offer coverage to all employees receiving  
29 annual wages at the maximum level described in subparagraph  
30 (a)2. and at least one such employee must accept such  
31 coverage. The amount of the premium contributed by the

1 employer must be the same percentage for all covered  
2 employees.

3 (c) The small employer shall provide the small  
4 employer carrier with written certification that the employer  
5 is a qualifying small employer at the time of initial  
6 application and annually at the time of contract renewal. The  
7 carrier may require the submission of appropriate  
8 documentation in support of the employer's certification.

9 (d) The Insurance Commissioner, by order, may require  
10 small employer carriers to give preference to qualifying small  
11 employers whose eligible employees have the lowest average  
12 salaries.

13 (e) Moneys in the Healthy Florida Small Employer  
14 Stop-Loss Trust Fund established under s. 17.45 shall be used  
15 to reimburse small employer carriers for claims paid in  
16 accordance with this program.

17 1. The trust fund shall be administered by the office  
18 and the costs of administering the fund shall be paid from the  
19 fund. The Chief Financial Officer shall invest the fund's  
20 assets in the same manner that other state moneys may be  
21 invested, and any investment earnings of the fund shall be  
22 retained to the credit of the fund.

23 2. Beginning January 1, 2008, small employer carriers  
24 providing coverage under this program are eligible to receive  
25 reimbursement for up to 90 percent of the aggregate claims  
26 between \$5,000 and \$75,000 paid in a calendar year for covered  
27 lives under the plans issued to eligible small employers under  
28 this program. The premiums received by a small employer  
29 carrier from qualifying small employer contracts shall be  
30 factored into the amount of claims reimbursement the carrier  
31 may receive from the trust fund.

1           3. Claims shall be reported and moneys be distributed  
2 from the trust fund on a calendar-year basis. A small employer  
3 carrier's request for reimbursement must be submitted no later  
4 than April 1 following the end of the calendar year in which  
5 the claim was paid, and, except as provided in  
6 sub-subparagraph 5.a., may be paid only from moneys in the  
7 fund for the calendar year in which the claim was paid.

8           4. The office may require the carrier to submit such  
9 plan and claims data as it considers necessary to ensure  
10 accountability, to ensure that moneys are distributed  
11 equitably and in accordance with this subsection, and to  
12 permit evaluation of the program. The office may require that  
13 such data be submitted on a per-member, aggregate, or  
14 categorical basis. Data shall also be reported separately for  
15 each qualifying small employer plan issued under this program.

16           5. The office shall calculate the total amount of  
17 claims reimbursement for all small employer carriers for the  
18 calendar year for which claims are reported.

19           a. If the total amount requested for reimbursement for  
20 a calendar year exceeds the moneys available, the Insurance  
21 Commissioner shall provide for a pro rata distribution of the  
22 available funds. Each small employer carrier shall be eligible  
23 to receive only such proportionate amount of the available  
24 funds as the small employer carrier's total eligible claims  
25 bears to the total eligible claims paid by all small employer  
26 carriers. Any claims for reimbursement which cannot be made  
27 due to a deficit for a particular calendar year may be carried  
28 over to the next calendar year.

29           b. If moneys available for distribution during a  
30 calendar year exceed the total amount requested for  
31 reimbursement by all small employer carriers for that year,

1 any excess moneys shall be carried forward and made available  
2 for distribution in the next calendar year. Such excess funds  
3 shall be in addition to the moneys appropriated to the trust  
4 fund in the next calendar year.

5 6. The office shall periodically determine the total  
6 number of eligible small employers that may be enrolled under  
7 small employer carrier contracts under this program by  
8 dividing the total moneys available for distribution from the  
9 fund by the total of all estimated claims-reimbursement costs  
10 to be paid from the fund based on the average annual cost of  
11 claims from all currently enrolled eligible small employers.

12 a. The office shall suspend the enrollment of new  
13 small employers if it determines that the total enrollment  
14 reported by all small employer carriers exceeds the total  
15 enrollment that can be supported by the fund. The office shall  
16 provide the small employer carriers with notification of any  
17 enrollment suspension.

18 b. If, at any point during a suspension of enrollment  
19 of new qualifying employers, the office determines that funds  
20 are available to provide for the addition of new enrollments,  
21 the office shall reactivate new enrollments and notify all  
22 small employer carriers that enrollment of eligible new  
23 employers may commence.

24 c. The suspension of enrolling new qualifying small  
25 employers does not preclude providing coverage to new  
26 employees or their dependents of a small employer that is  
27 already enrolled in the program.

28 7. The office may contract for the administration of  
29 the fund in accordance with chapter 287. The contractor shall  
30 maintain complete records, submit reports to the office which  
31 enable the office to evaluate and ensure the orderly operation

1 of the fund, and be subject to inspection by the office. If  
2 deemed necessary, the office shall direct the contractor to  
3 purchase stop-loss insurance or reinsurance from an insurer  
4 licensed to write such insurance in this state from the assets  
5 of the fund.

6 (f) The office may use up to 10 percent of the annual  
7 funds appropriated to the program to market the program to  
8 small employers, which shall include, but need not be limited  
9 to, public education, outreach activities, and enrollment  
10 strategies. The office may contract for such services.

11 (g) By September 2008, and annually thereafter, the  
12 office shall submit to the Governor, the President of the  
13 Senate, and the Speaker of the House of Representatives a  
14 report summarizing the activities of the program, including,  
15 but not limited to, the number of small employers enrolled,  
16 the number and amount of claims paid, and an estimate of the  
17 required funding for the next program year.

18 (h) The office shall adopt rules to administer this  
19 subsection, including, but not limited to, rules providing  
20 procedures and forms for requesting and receiving  
21 reimbursement from the fund, methodologies for calculating the  
22 reimbursement of small employer carriers, and forms for  
23 reporting employer and claims data.

24 (i) The office may apply for available matching funds  
25 from the Medicaid Low-Income Pool established under s.  
26 409.911, and shall receive priority over other requests for  
27 such funds.

28 Section 2. For the 2007-2008 fiscal year, the sum of  
29 \$10 million is appropriated from the General Revenue Fund and  
30 shall be deposited into the Healthy Florida Small Employer  
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1 Stop-Loss Trust Fund and used for the purposes specified in  
2 this act.

3 Section 3. This act shall take effect July 1, 2007.

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6 SENATE SUMMARY

7 Creates the Healthy Florida Small Employer Program to  
8 make affordable health insurance available to qualifying  
9 small employers. Requires the employer to pay a certain  
10 portion of the employee premiums. Provides for the  
11 reimbursement of claims paid by small employee carriers  
12 from the Healthy Florida Small Employer Stop-Loss Trust  
13 Fund, and for the management and disbursement of moneys  
14 from the trust fund. Requires small employee carriers to  
15 submit plans and claims data to the Office of Insurance  
16 Regulation. Authorizes the office to contract for the  
17 management and marketing of the program. Requires an  
18 annual report. Provides for rules.  
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