1 A bill to be entitled
2 An act relating to the State Group Insurance Program;
3 amending s. 110.123, F.S.; requiring the Department of
4 Management Services to include certain insurance providers
5 in the supplemental insurance benefit plan established by
6 the department; authorizing the department to establish
7 performance standards relating to levels of service to
8 state employees; providing a notice requirement; providing
9 an effective date.
10
11 Be It Enacted by the Legislature of the State of Florida:
12
13 Section 1. Paragraph (h) of subsection (3) of section
14 110.123, Florida Statutes, is amended to read:
15 110.123 State group insurance program.--
16 (3) STATE GROUP INSURANCE PROGRAM.--
17 (h)1. A person eligible to participate in the state group
18 insurance program may be authorized by rules adopted by the
19 department, in lieu of participating in the state group health
20 insurance plan, to exercise an option to elect membership in a
21 health maintenance organization plan which is under contract
22 with the state in accordance with criteria established by this
23 section and by said rules. The offer of optional membership in a
24 health maintenance organization plan permitted by this paragraph
25 may be limited or conditioned by rule as may be necessary to
26 meet the requirements of state and federal laws.
27 2. The department shall contract with health maintenance
28 organizations seeking to participate in the state group

29 insurance program through a request for proposal or other
30 procurement process, as developed by the Department of
31 Management Services and determined to be appropriate.
32 a. The department shall establish a schedule of minimum
33 benefits for health maintenance organization coverage, and that
34 schedule shall include: physician services; inpatient and
35 outpatient hospital services; emergency medical services,
36 including out-of-area emergency coverage; diagnostic laboratory
37 and diagnostic and therapeutic radiologic services; mental
38 health, alcohol, and chemical dependency treatment services
39 meeting the minimum requirements of state and federal law;
40 skilled nursing facilities and services; prescription drugs;
41 age-based and gender-based wellness benefits; and other benefits
42 as may be required by the department. Additional services may be
43 provided subject to the contract between the department and the
44 HMO. As used in this paragraph, the term "age-based and gender-
45 based wellness benefits" includes aerobic exercise, education in
46 alcohol and substance abuse prevention, blood cholesterol
47 screening, health risk appraisals, blood pressure screening and
48 education, nutrition education, program planning, safety belt
49 education, smoking cessation, stress management, weight
50 management, and women's health education.
51 b. The department may establish uniform deductibles,
52 copayments, coverage tiers, or coinsurance schedules for all
53 participating HMO plans.
54 c. The department may require detailed information from
55 each health maintenance organization participating in the
56 procurement process, including information pertaining to

57 organizational status, experience in providing prepaid health
58 benefits, accessibility of services, financial stability of the
59 plan, quality of management services, accreditation status,
60 quality of medical services, network access and adequacy,
61 performance measurement, ability to meet the department's
62 reporting requirements, and the actuarial basis of the proposed
63 rates and other data determined by the director to be necessary
64 for the evaluation and selection of health maintenance
65 organization plans and negotiation of appropriate rates for
66 these plans. Upon receipt of proposals by health maintenance
67 organization plans and the evaluation of those proposals, the
68 department may enter into negotiations with all of the plans or
69 a subset of the plans, as the department determines appropriate.
70 Nothing shall preclude the department from negotiating regional
71 or statewide contracts with health maintenance organization
72 plans when this is cost-effective and when the department
73 determines that the plan offers high value to enrollees.
74 d. The department may limit the number of HMOs that it
75 contracts with in each service area based on the nature of the
76 bids the department receives, the number of state employees in
77 the service area, or any unique geographical characteristics of
78 the service area. The department shall establish by rule service
79 areas throughout the state.
80 e. All persons participating in the state group insurance
81 program may be required to contribute towards a total state
82 group health premium that may vary depending upon the plan and
83 coverage tier selected by the enrollee and the level of state
84 contribution authorized by the Legislature.

85 3. The department is authorized to negotiate and to
86 contract with specialty psychiatric hospitals for mental health
87 benefits, on a regional basis, for alcohol, drug abuse, and
88 mental and nervous disorders. The department may establish,
89 subject to the approval of the Legislature pursuant to
90 subsection (5), any such regional plan upon completion of an
91 actuarial study to determine any impact on plan benefits and
92 premiums.
93 4. In addition to contracting pursuant to subparagraph 2.,
94 the department may enter into contract with any HMO to
95 participate in the state group insurance program which:
96 a. Serves greater than 5,000 recipients on a prepaid basis
97 under the Medicaid program;
98 b. Does not currently meet the 25-percent non-
99 Medicare/non-Medicaid enrollment composition requirement
100 established by the Department of Health excluding participants
101 enrolled in the state group insurance program;
102 c. Meets the minimum benefit package and copayments and
103 deductibles contained in sub-subparagraphs 2.a. and b.;
104 d. Is willing to participate in the state group insurance
105 program at a cost of premiums that is not greater than 95
106 percent of the cost of HMO premiums accepted by the department
107 in each service area; and
108 e. Meets the minimum surplus requirements of s. 641.225.
109
110 The department is authorized to contract with HMOs that meet the
111 requirements of sub-subparagraphs a.-d. prior to the open
112 enrollment period for state employees. The department is not

113 required to renew the contract with the HMOs as set forth in
114 this paragraph more than twice. Thereafter, the HMOs shall be
115 eligible to participate in the state group insurance program
116 only through the request for proposal or invitation to negotiate
117 process described in subparagraph 2.
118 5. All enrollees in a state group health insurance plan, a
119 TRICARE supplemental insurance plan, or any health maintenance
120 organization plan have the option of changing to any other
121 health plan that is offered by the state within any open
122 enrollment period designated by the department. Open enrollment
123 shall be held at least once each calendar year.
124 6. When a contract between a treating provider and the
125 state-contracted health maintenance organization is terminated
126 for any reason other than for cause, each party shall allow any
127 enrollee for whom treatment was active to continue coverage and
128 care when medically necessary, through completion of treatment
129 of a condition for which the enrollee was receiving care at the
130 time of the termination, until the enrollee selects another
131 treating provider, or until the next open enrollment period
132 offered, whichever is longer, but no longer than 6 months after
133 termination of the contract. Each party to the terminated
134 contract shall allow an enrollee who has initiated a course of
135 prenatal care, regardless of the trimester in which care was
136 initiated, to continue care and coverage until completion of
137 postpartum care. This does not prevent a provider from refusing
138 to continue to provide care to an enrollee who is abusive,
139 noncompliant, or in arrears in payments for services provided.
140 For care continued under this subparagraph, the program and the

141 provider shall continue to be bound by the terms of the
142 terminated contract. Changes made within 30 days before
143 termination of a contract are effective only if agreed to by
144 both parties.
145 7. Any HMO participating in the state group insurance
146 program shall submit health care utilization and cost data to
147 the department, in such form and in such manner as the
148 department shall require, as a condition of participating in the
149 program. The department shall enter into negotiations with its
150 contracting HMOs to determine the nature and scope of the data
151 submission and the final requirements, format, penalties
152 associated with noncompliance, and timetables for submission.
153 These determinations shall be adopted by rule.
154 8. The department may establish and direct, with respect
155 to collective bargaining issues, a comprehensive package of
156 insurance benefits that may include supplemental health and life
157 coverage, dental care, long-term care, vision care, and other
158 benefits it determines necessary to enable state employees to
159 select from among benefit options that best suit their
160 individual and family needs.
161 a. Based upon a desired benefit package, the department
162 shall issue a request for proposal or invitation to negotiate
163 for health insurance providers interested in participating in
164 the state group insurance program, and the department shall
165 issue a request for proposal or invitation to negotiate for
166 insurance providers interested in participating in the non-
167 health-related components of the state group insurance program.
168 Upon receipt of all proposals, the department may enter into

169 contract negotiations with insurance providers submitting bids
170 or negotiate a specially designed benefit package. Insurance
171 providers offering or providing supplemental coverage as of May
172 30, 1991, which qualify for pretax benefit treatment pursuant to
173 s. 125 of the Internal Revenue Code of 1986, with 5,500 or more
174 state employees currently enrolled shall ~~may~~ be included by the
175 department in the supplemental insurance benefit plan
176 established by the department without participating in a request
177 for proposal, submitting bids, negotiating contracts, or
178 negotiating a specially designed benefit package. These
179 contracts shall provide state employees with the most cost-
180 effective and comprehensive coverage available; however, no
181 state or agency funds shall be contributed toward the cost of
182 any part of the premium of such supplemental benefit plans. With
183 respect to dental coverage, the division shall include in any
184 solicitation or contract for any state group dental program made
185 after July 1, 2001, a comprehensive indemnity dental plan option
186 which offers enrollees a completely unrestricted choice of
187 dentists. If a dental plan is endorsed, or in some manner
188 recognized as the preferred product, such plan shall include a
189 comprehensive indemnity dental plan option which provides
190 enrollees with a completely unrestricted choice of dentists. The
191 department may establish by rule performance standards relating
192 to levels of service to state employees, which shall include
193 written notice allowing a provider a right to cure a deficiency
194 in its performance of such standards.
195 b. Pursuant to the applicable provisions of s. 110.161,
196 and s. 125 of the Internal Revenue Code of 1986, the department

197 shall enroll in the pretax benefit program those state employees
198 who voluntarily elect coverage in any of the supplemental
199 insurance benefit plans as provided by sub-subparagraph a.
200 c. Nothing herein contained shall be construed to prohibit
201 insurance providers from continuing to provide or offer
202 supplemental benefit coverage to state employees as provided
203 under existing agency plans.
204 Section 2. This act shall take effect July 1, 2007.