

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Banking and Insurance Committee

BILL: SB 1022

INTRODUCER: Senator Peadar

SUBJECT: Health Flex Plans

DATE: March 2, 2008

REVISED: 03/11/08

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Deffenbaugh	BI	Favorable
2.			HA	
3.				
4.				
5.				
6.				

I. Summary:

The Health Flex Plan Program was established to offer basic affordable health care services to low-income, uninsured residents. The bill expands the population eligible to purchase health flex plans by raising the income limit from 200 to 300 percent of the federal poverty level. The bill also extends the expiration date of the program from July 1, 2008 to July 1, 2013.

This bill substantially amends the following section of the Florida Statutes: 408.909.

II. Present Situation:

In 2002 the Legislature established the Health Flex Plan Program as a mechanism to provide basic affordable health care services to low-income, uninsured residents. The Health Flex Plan Program was designed to encourage health insurers, health maintenance organizations, and health care providers to develop alternative approaches to traditional health insurance, which emphasize coverage for basic and preventative care services. The Agency for Health Care Administration (agency) administers the Health Flex Plan Program.

Health Flex Plans can be offered by licensed insurers, HMOs, health care providers, local governmental entities, health care districts, or other public or private organizations, and through small employers' business purchasing arrangements sponsored by local governmental entities. These entities must meet quality of care and financial guidelines jointly developed by the agency and the Office of Insurance Regulation.

Currently, eligibility to enroll in the Health Flex Plan is limited to individuals who meet the following requirements:

- residents of Florida;
- age 64 years of age or younger;
- family income equal to or less than 200 percent of the federal poverty level; uninsured status for at least 6 months prior to enrollment; and
- not covered by a private insurance policy and are not eligible for coverage by a public health program.

According to the agency, as of January 2008, there were five active Health Flex Plan providers that had enrolled a total of 2,232 beneficiaries. For the prior year, 2007, there were four health flex plans covering 1,776 members.¹

III. Effect of Proposed Changes:

Section 1 amends s. 408.909, F.S. to revise eligibility criteria for enrollment in the Health Flex Plan and participation as an entity eligible to offer the plan. The bill expands the population eligible to purchase health flex plans by raising the income limit from 200 to 300 percent of the federal poverty level. Based on the 2008 Poverty Guidelines of the U.S. Department of Health and Human Services, 200 percent of the federal poverty level is \$28,000 for a family of two and \$42,400 for a family of four, and 300 percent of the federal poverty level is \$42,000 for a family of two and \$63,600 for a family of four.²

The bill also extends the expiration date of the program from July 1, 2008 to July 1, 2013.

The bill eliminates obsolete provisions related to a federally approved Medicaid demonstration waiver. This provision was initially added to allow Palm Beach County and Miami Dade County to seek a waiver from the federal government to enroll Medicaid recipients in the health flex program. Palm Beach County implemented a health flex program without seeking a Medicaid waiver. Miami Dade County decided not to implement a health flex program.

Section 2 provides that the act will take July 1, 2008.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

¹ Health Flex Plan Program Annual Report, January 2007, by the Agency for Health Care Administration and the Office of Insurance Regulation.

² <http://aspe.hhs.gov/poverty/08poverty.shtml>

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

By broadening the income eligibility requirements for the Health Flex Plans for an individual from 200 to 300 percent of the federal poverty level, an indeterminate number of additional persons would be eligible to purchase this coverage. (See Effects of Proposed Changes for income levels.)

According to the agency, this change is also expected to provide an incentive to other health flex plan providers to implement a health flex program. The agency notes that existing health flex plan providers have contended that this change is needed to capture a larger number of individuals that are unable to afford health care premiums for commercial insurance products. Additionally, the expected increase in enrollment is needed to ensure the financial viability of the health flex programs.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.