

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Empower Families - The bill expands the financial eligibility requirements to qualify for health flex plans, thereby providing greater access for working individuals and their families to health insurance.

B. EFFECT OF PROPOSED CHANGES:

Current Situation

In 2002 the Legislature established the Health Flex Plan Program recognizing that a significant portion of Florida residents are unable to afford health insurance coverage.¹ The Health Flex Plan Program was established as a pilot program in an effort to offer basic affordable health care services to low-income uninsured state residents, "by encouraging health insurers, health maintenance organizations, healthcare-provider-sponsored organizations to develop alternative approaches to traditional health insurance, which emphasize coverage for basic and preventative care services."² The Agency for Health Care Administration (AHCA) is directed by law to administer the Health Flex Plan Program.³ In 2004, the Legislature expanded Health Flex plans to all 67 counties.⁴ The program is scheduled to sunset July 1, 2008.⁵

Health Flex Plans can be offered by licensed insurers, HMOs, health care providers, local governments, health care districts, or other public or private organizations, and through small employers' business purchasing arrangements sponsored by local government. Currently eligibility to enroll in the Health Flex Plan is limited to individuals who:

- Are residents of this state;
- Are 64 years of age or younger;
- Have family income equal to or less than 200 percent of the federal poverty level (currently \$42,400 for a family of four)⁶;
- Have been uninsured for at least 6 months prior to enrollment;
- Are not covered by a private insurance policy and are not eligible for coverage by a public health care program; and
- Have applied for health coverage through an approved health flex plan and have agreed to make payments pursuant to the plan

s. 408.909(5), F.S.

Health Flex Plans are also available to individuals eligible under a federally approved Medicaid demonstration waiver and who reside in Palm Beach County or Miami-Dade County.⁷ According to AHCA, although s. 408.909, F.S. was amended to allow Palm Beach County to develop a Health Flex Plan using

¹ ch. 2002-389, Laws of Florida; s. 408.909(1), F.S.

² s. 408.909(1), F.S.

³ s. 408.909, F.S.

⁴ ch. 2004-297, Laws of Florida; s. 408.909(3), F.S.

⁵ s. 408.909(10), F.S.

⁶ 73 Fed. Reg. 15, 1371-72 (Jan. 23, 2008)

⁷ s. 408.909(5)(c)

Medicaid funds, the County opted instead to implement a Health Flex Plan without the use of such funds.⁸ Additionally, Miami-Dade County opted to not implement a Health Flex Program.⁹

According to AHCA, as of December 2007, five health flex plans were operational in Florida, covering 2,232 employees.¹⁰ One of the five plans, JaxCare, anticipated ending its pilot with the county on December 13, 2007 and, therefore, ceased accepting new enrollment applications after July 1, 2007.¹¹ JaxCare has decided to continue its plan until June 30, 2008, when it will then implement a new "Medical Home" program in its place.¹² The Annual Report noted that "JaxCare and business owners consider the 200 percent Federal Poverty Level [under current law] as too restrictive."¹³

For another of the four plans, the Report noted the plan's observation that "[l]ack of state funding to support expansion of benefits, the low income threshold, and the six months waiting period [are] significant barriers to expansion of the program."¹⁴

Effect of Proposed Changes

The bill expands the population eligible to purchase health flex plans by raising the income limit to 300 percent of the federal poverty level, which is \$63,600 for a family of four.¹⁵ AHCA anticipates that this change will increase enrollment in existing Health Flex Plans and incentivize other providers to implement a Health Flex program.¹⁶

The bill removes obsolete eligibility provisions.

The bill extends the program, which expires July 1, 2008, through July 1, 2013.

C. SECTION DIRECTORY:

Section 1. Amends s. 408.909, F.S.; relating to health flex plans.

Section 2. Provides an effective date of July 1, 2008.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

⁸ Health Flex Plan Program Annual Report, January 2008, Agency for Healthcare Administration, available at http://www.fdhc.state.fl.us/MCHQ/Managed_Health_Care/index.shtml; Agency for Health Care Administration 2008 Bill Analysis & Economic Impact Statement.

⁹ Agency for Health Care Administration 2008 Bill Analysis & Economic Impact Statement.

¹⁰ *Id.*

¹¹ Health Flex Plan Program Annual Report, January 2008, Agency for Healthcare Administration, available at http://www.fdhc.state.fl.us/MCHQ/Managed_Health_Care/index.shtml

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *See supra*, Note 6.

¹⁶ *See supra*, Note 9.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

In July 2002, the State of Florida created the Health Flex Program (s. 408.909, F.S.) to expand the availability of health options for low-income uninsured state residents emphasizing coverage for basic and preventive health care services. Health Flex Plans provide coverage to Florida residents who otherwise would be without health care coverage. The Health Flex Program is scheduled to end July 1,

2008 unless reauthorized. HB 461 will extend and improve the Health Flex Program allowing low-income uninsured Florida residents continued access to an affordable health coverage option.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES