

By Senator Gaetz

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1 A bill to be entitled
2 An act relating to group insurance for public
3 employees; amending s. 112.08, F.S.; requiring that
4 school districts procure certain types of insurance
5 through interlocal agreements; providing an exception;
6 requiring that each school district in this state
7 enter into a specified type of interlocal agreement
8 and establish the School District Insurance
9 Consortium; providing purposes of the consortium;
10 requiring that the consortium be governed by a board
11 of directors consisting of a specified number of
12 members; providing requirements for membership on the
13 board; specifying terms of office for board members;
14 authorizing the board to employ staff or contract for
15 staffing services to be provided to the consortium;
16 requiring that the Department of Management Services
17 provide administrative services to the consortium as
18 requested by the board; authorizing the consortium to
19 advertise for competitive bids for health, accident,
20 or hospitalization insurance, as well as certain
21 insurance plans; requiring that the contracts for such
22 insurance be let upon the basis of such bids;
23 requiring that the consortium define by rule the
24 regions for which coverage shall be bid; requiring
25 that the consortium take certain actions and consider
26 certain factors when defining coverage regions;
27 authorizing the awarding of bids on a statewide or
28 regional basis and the selection of multiple insurance
29 providers; requiring that the consortium recommend

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30 rules for adoption by the Department of Management
31 Services; requiring that school districts engage in
32 collective bargaining with the certified bargaining
33 agent for any unit of employees for which health,
34 accident, or hospitalization insurance is provided;
35 providing an effective date.
36

37 Be It Enacted by the Legislature of the State of Florida:
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39 Section 1. Paragraph (a) of subsection (2) of section
40 112.08, Florida Statutes, is amended, and paragraph (d) is added
41 to that subsection, to read:

42 112.08 Group insurance for public officers, employees, and
43 certain volunteers; physical examinations.-

44 (2) (a) Notwithstanding any general law or special act to
45 the contrary, every local governmental unit is authorized to
46 provide and pay out of its available funds for all or part of
47 the premium for life, health, accident, hospitalization, legal
48 expense, or annuity insurance, or all or any kinds of such
49 insurance, for the officers and employees of the local
50 governmental unit and for health, accident, hospitalization, and
51 legal expense insurance for the dependents of such officers and
52 employees upon a group insurance plan and, to that end, to enter
53 into contracts with insurance companies or professional
54 administrators to provide such insurance. Before entering any
55 contract for insurance, the local governmental unit shall
56 advertise for competitive bids; and such contract shall be let
57 upon the basis of such bids. Beginning on July 1, 2011, or upon
58 the expiration or renewal date of any existing contract,

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59 whichever occurs later, school districts shall procure such
60 insurance through a purchasing interlocal agreement as provided
61 in paragraph (d) unless the school board, at a duly noticed
62 public meeting, determines that the purchase of insurance
63 outside the plan procured through the interlocal agreement is
64 financially advantageous to the school district. If a
65 contracting health insurance provider becomes financially
66 impaired as determined by the Office of Insurance Regulation of
67 the Financial Services Commission or otherwise fails or refuses
68 to provide the contracted-for coverage or coverages, the local
69 government may purchase insurance, enter into risk management
70 programs, or contract with third-party administrators and may
71 make such acquisitions by advertising for competitive bids or by
72 direct negotiations and contract. The local governmental unit
73 may undertake simultaneous negotiations with those companies
74 which have submitted reasonable and timely bids and are found by
75 the local governmental unit to be fully qualified and capable of
76 meeting all servicing requirements. Each local governmental unit
77 may self-insure any plan for health, accident, and
78 hospitalization coverage or enter into a risk management
79 consortium to provide such coverage, subject to approval based
80 on actuarial soundness by the Office of Insurance Regulation;
81 and each shall contract with an insurance company or
82 professional administrator qualified and approved by the office
83 to administer such a plan.

84 (d)1. Each school district in this state shall enter into
85 an interlocal agreement as provided in s. 163.01 to establish
86 the School District Insurance Consortium through which health,
87 accident, and hospitalization insurance shall be procured for

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88 officers and employees of the school district and their
89 dependents unless the school board opts out in the manner set
90 forth in paragraph (a).

91 2. The consortium shall be governed by a board of directors
92 comprised of nine members, three of whom shall be elected school
93 board members appointed by the Florida School Boards
94 Association, Inc., three of whom shall be elected or appointed
95 superintendents of schools appointed by the Florida Association
96 of District School Superintendents, Inc., and three of whom
97 shall be public school teachers or support personnel appointed
98 by the Florida Education Association. Consortium board members
99 shall serve for 2-year terms or until their successors have been
100 appointed by the respective appointing organizations. The board
101 may employ staff or contract for staffing services to be
102 provided to the consortium. The Department of Management
103 Services shall provide administrative services to the consortium
104 as requested by the board.

105 3. Notwithstanding any other provision of law, the
106 consortium may advertise for competitive bids for such insurance
107 and the contracts for such insurance shall be let upon the basis
108 of such bids. The consortium shall advertise for proposals for a
109 statewide insurance plan as well as plans providing coverage on
110 a regional basis, and shall define by rule the regions for which
111 coverage shall be bid. In determining appropriate regions, the
112 consortium shall group school districts geographically in a
113 manner that includes school districts of varying sizes for the
114 purpose of ensuring the availability of coverage for all
115 districts in the region. Contracts may be awarded on a statewide
116 or regional basis, and more than one provider may be selected to

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117 provide insurance. The consortium shall develop and recommend to
118 the Department of Management Services for adoption any rules
119 that are required to administer this subparagraph. School
120 districts shall engage in collective bargaining with the
121 certified bargaining agent for any unit of employees for which
122 health, accident, or hospitalization insurance is provided, as
123 required by part II of chapter 447, with regard to coverage
124 offered, cost for dependent coverage, deductibles, optional
125 coverage, and other matters that are subject to collective
126 bargaining as required by state law.

127 Section 2. This act shall take effect July 1, 2010.