

By the Committee on Education Pre-K - 12; and 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 technical services to the consortium as
18 requested by the board; requiring 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 take certain actions and
24 consider certain factors when defining coverage
25 regions; authorizing the awarding of bids on a
26 statewide or regional basis and the selection of
27 multiple insurance providers; requiring that school
28 districts engage in collective bargaining with the
29 certified bargaining agent for any unit of employees

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30 for which health, accident, or hospitalization
31 insurance is provided; providing an effective date.

32
33 Be It Enacted by the Legislature of the State of Florida:

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35 Section 1. Paragraph (a) of subsection (2) of section
36 112.08, Florida Statutes, is amended, and paragraph (d) is added
37 to that subsection, to read:

38 112.08 Group insurance for public officers, employees, and
39 certain volunteers; physical examinations.—

40 (2) (a) Notwithstanding any general law or special act to
41 the contrary, every local governmental unit is authorized to
42 provide and pay out of its available funds for all or part of
43 the premium for life, health, accident, hospitalization, legal
44 expense, or annuity insurance, or all or any kinds of such
45 insurance, for the officers and employees of the local
46 governmental unit and for health, accident, hospitalization, and
47 legal expense insurance for the dependents of such officers and
48 employees upon a group insurance plan and, to that end, to enter
49 into contracts with insurance companies or professional
50 administrators to provide such insurance. Before entering any
51 contract for insurance, the local governmental unit shall
52 advertise for competitive bids; and such contract shall be let
53 upon the basis of such bids. Beginning on July 1, 2011, or upon
54 the expiration or renewal date of any existing contract,
55 whichever occurs later, school districts shall procure such
56 insurance through a purchasing interlocal agreement as provided
57 in paragraph (d) unless the school board, at a duly noticed
58 public meeting, determines that the purchase of insurance

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

80 (d)1. Each school district in this state shall enter into
81 an interlocal agreement as provided in s. 163.01 to establish
82 the School District Insurance Consortium through which health,
83 accident, and hospitalization insurance shall be procured for
84 officers and employees of the school district and their
85 dependents unless the school board opts out in the manner set
86 forth in paragraph (a).

87 2. The consortium shall be governed by a board of directors

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88 comprised of nine members, three of whom shall be elected school
89 board members appointed by the Florida School Boards
90 Association, Inc., three of whom shall be elected or appointed
91 superintendents of schools appointed by the Florida Association
92 of District School Superintendents, Inc., two of whom shall be
93 public school teachers or support personnel appointed by the
94 Florida Education Association, and one of whom shall have
95 experience in running employee-benefit systems, to be appointed
96 by the other members of the consortium. Consortium board members
97 shall serve for 2-year terms. The board may employ staff or
98 contract for staffing services to be provided to the consortium.
99 The Department of Management Services shall provide technical
100 services to the consortium as requested by the board.

101 3. Notwithstanding any other provision of law, the
102 consortium shall advertise for competitive bids for such
103 insurance, and the contracts for such insurance shall be let
104 upon the basis of such bids. The consortium shall advertise for
105 proposals for a statewide insurance plan as well as plans
106 providing coverage on a regional basis. In determining
107 appropriate regions, the consortium shall group school districts
108 geographically in a manner that includes school districts of
109 varying sizes for the purpose of ensuring the availability of
110 coverage for all districts in the region. Contracts may be
111 awarded on a statewide or regional basis, and more than one
112 provider may be selected to provide insurance. School districts
113 shall engage in collective bargaining with the certified
114 bargaining agent for any unit of employees for which health,
115 accident, or hospitalization insurance is provided, as required
116 by part II of chapter 447, with regard to coverage offered, cost

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117 for dependent coverage, deductibles, optional coverage, and
118 other matters that are subject to collective bargaining as
119 required by state law.

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