

By Senator Rich

34-01108A-11

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1 A bill to be entitled
2 An act relating to health insurance; providing a short
3 title; providing a definition; authorizing an employee
4 of a corporation that employs a specified number of
5 employees to participate in the state group health
6 insurance plan; providing conditions for eligibility
7 to participate in the state group health insurance
8 plan; authorizing a state resident to participate in
9 the state group health insurance plan under certain
10 conditions; requiring certain premium payments to be
11 made electronically; requiring a corporation to apply
12 for participation in the state group health insurance
13 plan; requiring a corporation to agree to specified
14 terms and conditions before participating in the plan;
15 providing for open enrollment in the state group
16 health insurance plan for eligible corporate employees
17 and state residents; providing a corporate income tax
18 credit to corporations participating in the plan for a
19 specified percentage of contributions made towards
20 employee premiums; limiting the total amount of tax
21 credits available to all eligible corporations to a
22 specified amount; authorizing the Department of
23 Management Services to adopt rules for the
24 implementation and administration of the act;
25 authorizing the Department of Revenue to adopt rules
26 for implementing the act and allocating tax credits;
27 creating s. 625.083, F.S.; requiring financial reports
28 of certain health insurers to be reported on a
29 combined corporate basis; providing an effective date.

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31 Be It Enacted by the Legislature of the State of Florida:

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33 Section 1. Short title.—Sections 2 through 7 of this act
34 may be cited as the “Middle Class and Small Business Free to
35 Choose Act.”

36 Section 2. Eligibility to participate in the state group
37 health insurance plan.—

38 (1) For purposes of this section, the term “total premium
39 cost of the plan” means the sum of the state’s contribution
40 towards the premium for a state employee’s participation in a
41 state group health insurance plan and the state employee’s
42 premium payment for participation in the plan.

43 (2) An employee of any business employing fewer than 25
44 employees that is duly incorporated under the laws of this state
45 is eligible to participate in the state group health insurance
46 plan as defined in s. 110.123, Florida Statutes, under the
47 following conditions:

48 (a) The corporation employing the employee must pay at
49 least the same contribution towards the premium for each
50 employee who enrolls in the plan as the state pays towards the
51 premium for a state employee who enrolls in the same plan.

52 (b) Each employee of the corporation who enrolls in the
53 plan must pay the difference between the corporation’s
54 contribution to the plan and the total premium cost of the plan.

55 (c) An employee of the corporation may enroll only in a
56 plan available to a state employee employed in the same
57 locality.

58 (3) Any state resident is eligible to participate in the

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59 state group health insurance plan as defined in s. 110.123,
60 Florida Statutes, and may enroll in any plan available to a
61 state employee residing in the same locality if such state
62 resident agrees to pay the total premium cost of the plan.

63 (4) All corporate contributions towards a premium and all
64 payments for the cost of a premium made by a corporate employee
65 or state resident enrolling in a state group health insurance
66 plan must be remitted electronically to the Department of
67 Management Services.

68 Section 3. Participation by a corporation in the state
69 group health insurance plan.—

70 (1) The board of directors of a corporation eligible for
71 participation in the state group health insurance plan under
72 section 2 may apply for participation in the plan by submitting
73 an application to the Department of Management Services.

74 (2) If the Department of Management Services determines
75 that the corporation is eligible to participate in the state
76 group health insurance plan, the corporation must agree to the
77 following terms and conditions:

78 (a) The minimum enrollment or contractual period is 3
79 years.

80 (b) Termination of participation in the plan by the
81 corporation requires written notice 1 year before the
82 termination date.

83 (c) If participation in the plan is terminated, the
84 corporation may not reapply for participation in the plan for a
85 period of at least 2 years.

86 (d) The corporation must reimburse the state for 100
87 percent of the state's costs, including administrative costs.

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88 (e) The corporation must furnish the Department of
89 Management Services with any information requested by the
90 department which the department considers necessary to
91 administer the state group health insurance plan for the
92 employees of the corporation.

93 Section 4. Open enrollment period for eligible corporate
94 employees and state residents.—On or before January 1, 2012, the
95 Department of Management Services must provide for an open
96 enrollment period of not less than 45 days for eligible
97 corporate employees or state residents who want to obtain the
98 health insurance coverage provided under this act. The options
99 offered during the open enrollment period must provide the same
100 health insurance coverage as the coverage provided for active
101 state employees under the premium payment conditions specified
102 in section 2.

103 Section 5. The Department of Management Services may adopt
104 rules for the implementation and administration of this act.

105 Section 6. Tax credit for corporate contributions towards
106 employee health insurance premiums.—

107 (1) A corporation whose employees are eligible to
108 participate in the state group health insurance plan under this
109 act is eligible for a credit against the corporate income tax
110 imposed under chapter 220, Florida Statutes, in an amount equal
111 to 50 percent of the total amount contributed in the calendar
112 year towards payment of premiums for its employees who are
113 enrolled in a state group health insurance plan.

114 (2) The combined total amount of tax credits that may be
115 granted and approved for all eligible corporations under this
116 section during any calendar year is \$250 million. Applications

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117 must be filed with the Department of Revenue for contributions
118 made in the preceding calendar year, and credits must be granted
119 in the order in which completed applications are received. If
120 the combined total amount of available credits is exceeded in
121 any calendar year, credits otherwise available under this
122 section may be taken by a corporation only if the corporation's
123 application has already been granted and approved.

124 Section 7. The Department of Revenue may adopt rules for
125 the purpose of implementing this act and allocating the tax
126 credits provided in this act to corporations contributing
127 towards the cost of their employees' health insurance premiums.

128 Section 8. Section 625.083, Florida Statutes, is created to
129 read:

130 625.083 Financial reports; health insurers.-A financial
131 report of any health insurer who is required to file such report
132 under the insurance code, including any financial report filed
133 for the purpose of determining the financial condition of the
134 health insurer, must report the health insurer's finances on a
135 combined corporate basis that includes any and all subsidiaries
136 of the health insurer.

137 Section 9. This act shall take effect July 1, 2011.