

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.

34-01108A-11

20111600\_\_

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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

34-01108A-11

20111600

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.

34-01108A-11

20111600\_\_

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

34-01108A-11

20111600\_\_

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.