

THE FLORIDA LEGISLATURE



May 5, 2011

The Honorable Mike Haridopolos
President of the Senate

The Honorable Dean Cannon
Speaker, House of Representatives

Dear Mr. President and Mr. Speaker:

Your Conference Committee on the disagreeing votes of the two houses on SB 2126, same being:

An act relating to the Department of Management Services.

having met, and after full and free conference, do recommend to their respective houses as follows:

1. That the House of Representatives recede from its Amendment 1.
2. That the Senate and House of Representatives adopt the Conference Committee Amendment attached hereto, and by reference made a part of this report.

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The Conference Committee Amendment for SB 2126, relating to the Department of Management Services, provides for the following:

- Eliminates the Executive Aircraft Program.
- Implements recommended changes from the Chief Financial Officer relating to the purchase of internal furnishings in state buildings.
- Removes the one-percent reimbursement limit for administration of the Florida State Employee Charitable Campaign.
- Provides for the transfer of funds from the DMS to the Department of Financial Services to support statewide purchasing operations.
- Revises the contracting requirements to the DMS's post-payment claims audit services contract to specify that all recovered overpayments must be deposited into a state account before the vendor can be paid from the receipts.
- Reforms the state employees' health insurance program over a multi-year period as follows:
 - Provides for transition to a defined contribution program.
 - Increases coverage options beginning in 2013.
 - For the 2012 calendar year, requires the Department of Management Services to:
 - Retain the state PPO plan and continue to offer multiple HMOs on either a self-insured or fully insured basis, whichever renders best value to the state.
 - Continue current benefit levels and contributions for both plans.
 - Procure an independent benefits manager (IBM) to analyze the program and assist the DMS in developing a plan to convert the state group insurance program to a defined contribution program and to provide other plan administration services.
 - Require the plan, including an implementation timeline, to be submitted to the Governor and the Legislature by January 1, 2013.
 - For the 2013 calendar year:
 - Requires the Department of Management Services to offer four levels of benefits to employees - Platinum, Gold, Silver, and Bronze - with each plan level having different benefits and costs.
 - Provides that employees who choose a lower cost plan will share the savings with the state through a proportional pay increase.
 - Authorizes the University of Florida Board of Trustees to independently develop and implement a plan for self-insurance benefits for its employees and students, subject to approval by the Legislative Budget Commission.
 - During the 2013 Legislative Session, the Legislature will review the plan submitted by the DMS to convert the state group insurance program to a defined contribution program. The Legislature may approve or modify the plan.
 - For the 2014 plan year and thereafter, requires the DMS to implement the defined contribution plan, if approved by the Legislature.