

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

28 health, accident, or hospitalization insurance is
 29 provided; 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. Paragraph (a) of subsection (2) of section
 34 112.08, Florida Statutes, is amended, and paragraph (d) is added
 35 to that subsection, to read:

36 112.08 Group insurance for public officers, employees, and
 37 certain volunteers; physical examinations.—

38 (2) (a) Notwithstanding any general law or special act to
 39 the contrary, every local governmental unit is authorized to
 40 provide and pay out of its available funds for all or part of
 41 the premium for life, health, accident, hospitalization, legal
 42 expense, or annuity insurance, or all or any kinds of such
 43 insurance, for the officers and employees of the local
 44 governmental unit and for health, accident, hospitalization, and
 45 legal expense insurance for the dependents of such officers and
 46 employees upon a group insurance plan and, to that end, to enter
 47 into contracts with insurance companies or professional
 48 administrators to provide such insurance. Before entering any
 49 contract for insurance, the local governmental unit shall
 50 advertise for competitive bids; and such contract shall be let
 51 upon the basis of such bids. Beginning on July 1, 2012, or upon
 52 the expiration or renewal date of any existing contract,
 53 whichever occurs later, school districts shall procure such
 54 insurance through a purchasing interlocal agreement as provided
 55 in paragraph (d) unless the school board, at a duly noticed

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

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

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84 forth in paragraph (a).

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

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

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112 shall engage in collective bargaining with the certified
113 bargaining agent for any unit of employees for which health,
114 accident, or hospitalization insurance is provided, as required
115 by part II of chapter 447, with regard to coverage offered, cost
116 for dependent coverage, deductibles, optional coverage, and
117 other matters that are subject to collective bargaining as
118 required by state law.

119 Section 2. This act shall take effect July 1, 2011.