

HB 7255

2011

1 A bill to be entitled
2 An act relating to the state group insurance program;
3 amending s. 110.123, F.S.; providing application of
4 definitions; revising definitions; deleting legislative
5 intent; enumerating the group insurance plans that may be
6 included in the state group insurance program; revising
7 duties of the Department of Management Services relating
8 to the group insurance program; providing the state
9 contribution toward cost of health insurance plans in the
10 state group insurance program for specified plan years;
11 revising authorized benefits; directing the department to
12 contract with a certain number of health maintenance
13 organizations under certain circumstances; requiring
14 certain data to be reported to the department by health
15 maintenance organizations under specified circumstances;
16 providing for specified benefit levels for specified plan
17 years; repealing certain duties of the department on a
18 specified future date; repealing the Florida State
19 Employee Wellness Council; amending s. 110.12302, F.S.;
20 requiring the department to contract with health
21 maintenance organizations with a self-insured plan design
22 beginning with a specified plan year; creating s.
23 110.12303, F.S.; directing the department to contract with
24 an independent benefits manager; providing vendor
25 qualifications for the independent benefits manager;
26 providing duties of the independent benefits manager;
27 providing contract management duties for the department;
28 providing duties of the department relating to the state

29 | group insurance program; creating s. 110.12304, F.S.;

30 | providing requirements for state and employee

31 | contributions toward health plan premium costs for a

32 | specified plan year; providing for adjustments to employee

33 | salary under certain circumstances; creating s. 110.12305,

34 | F.S.; requiring the department to establish a single

35 | health insurance risk pool beginning with a specified plan

36 | year; requiring the department to contract with multiple

37 | health maintenance organizations under specified

38 | circumstances beginning with a specified plan year;

39 | providing an effective date.

40 |

41 | Be It Enacted by the Legislature of the State of Florida:

42 |

43 | Section 1. Subsections (1), (2), and (3), paragraph (b) of

44 | subsection (4), and subsections (5) and (13) of section 110.123,

45 | Florida Statutes, are amended to read:

46 | 110.123 State group insurance program.—

47 | (1) TITLE.—Sections 110.123-110.1239 ~~This section~~ may be

48 | cited as the "State Group Insurance Program Law."

49 | (2) DEFINITIONS.—As used in ss. 110.123-110.1239 ~~this~~

50 | ~~section~~, the term:

51 | (a) "Department" means the Department of Management

52 | Services.

53 | (b) "Enrollee" means all state officers and employees,

54 | retired state officers and employees, surviving spouses of

55 | deceased state officers and employees, and terminated employees

56 | or individuals with continuation coverage who are enrolled in an

HB 7255

2011

57 | insurance plan offered by the state group insurance program.
58 | "Enrollee" includes all state university officers and employees,
59 | retired state university officers and employees, surviving
60 | spouses of deceased state university officers and employees, and
61 | terminated state university employees or individuals with
62 | continuation coverage who are enrolled in an insurance plan
63 | offered by the state group insurance program.

64 | (c) "Full-time state employees" includes all full-time
65 | employees of all branches or agencies of state government
66 | holding salaried positions and paid by state warrant or from
67 | agency funds, and employees paid from regular salary
68 | appropriations for 8 months' employment, including university
69 | personnel on academic contracts, but in no case shall "state
70 | employee" or "salaried position" include persons paid from
71 | other-personal-services (OPS) funds. "Full-time employees"
72 | includes all full-time employees of the state universities.

73 | (d) "Health maintenance organization" or "HMO" means an
74 | entity certified under part I of chapter 641.

75 | (e) "Health plan member" means any person participating in
76 | a state group health insurance plan, ~~a TRICARE supplemental~~
77 | ~~insurance plan,~~ or a health maintenance organization plan under
78 | the state group insurance program, including enrollees and
79 | covered dependents thereof.

80 | (f) "Part-time state employee" means any employee of any
81 | branch or agency of state government paid by state warrant from
82 | salary appropriations or from agency funds, and who is employed
83 | for less than the normal full-time workweek established by the
84 | department or, if on academic contract or seasonal or other type

85 of employment which is less than year-round, is employed for
 86 less than 8 months during any 12-month period, but in no case
 87 shall "part-time" employee include a person paid from other-
 88 personal-services (OPS) funds. "Part-time state employee"
 89 includes any part-time employee of the state universities.

90 (g) "Plan year" means a calendar year.

91 (h)~~(g)~~ "Retired state officer or employee" or "retiree"
 92 means any state or state university officer or employee who
 93 retires under a state retirement system or a state optional
 94 annuity or retirement program or is placed on disability
 95 retirement, and who was insured under the state group insurance
 96 program at the time of retirement, and who begins receiving
 97 retirement benefits immediately after retirement from state or
 98 state university office or employment. In addition to these
 99 requirements, any state officer or state employee who retires
 100 under the Public Employee Optional Retirement Program
 101 established under part II of chapter 121 shall be considered a
 102 "retired state officer or employee" or "retiree" as used in this
 103 section if he or she:

104 1. Meets the age and service requirements to qualify for
 105 normal retirement as set forth in s. 121.021(29); or

106 2. Has attained the age specified by s. 72(t)(2)(A)(i) of
 107 the Internal Revenue Code and has 6 years of creditable service.

108 (i)~~(h)~~ "State agency" or "agency" means any branch,
 109 department, or agency of state government. "State agency" or
 110 "agency" includes any state university for purposes of this
 111 section only.

112 (j)~~(i)~~ "State group health insurance plan or plans" or

HB 7255

2011

113 "state plan or plans" mean the state self-insured health
114 insurance plan or plans, including self-insured health
115 maintenance organization plans, offered to state officers and
116 employees, retired state officers and employees, and surviving
117 spouses of deceased state officers and employees pursuant to
118 this section.

119 ~~(j) "State contracted HMO" means any health maintenance~~
120 ~~organization under contract with the department to participate~~
121 ~~in the state group insurance program.~~

122 (k) "State group insurance program" or "programs" means
123 the package of insurance plans offered to state officers and
124 employees, retired state officers and employees, and surviving
125 spouses of deceased state officers and employees pursuant to
126 this section, including the state group health insurance plan or
127 plans, health maintenance organization plans, ~~TRICARE~~
128 ~~supplemental insurance plans~~, and other plans required or
129 authorized by law.

130 (l) "State officer" means any constitutional state
131 officer, any elected state officer paid by state warrant, or any
132 appointed state officer who is commissioned by the Governor and
133 who is paid by state warrant.

134 (m) "Surviving spouse" means the widow or widower of a
135 deceased state officer, full-time state employee, part-time
136 state employee, or retiree if such widow or widower was covered
137 as a dependent under the state group health insurance plan, ~~a~~
138 ~~TRICARE supplemental insurance plan~~, or a health maintenance
139 organization plan established pursuant to this section at the
140 time of the death of the deceased officer, employee, or retiree.

HB 7255

2011

141 "Surviving spouse" also means any widow or widower who is
142 receiving or eligible to receive a monthly state warrant from a
143 state retirement system as the beneficiary of a state officer,
144 full-time state employee, or retiree who died prior to July 1,
145 1979. For the purposes of this section, any such widow or
146 widower shall cease to be a surviving spouse upon his or her
147 remarriage.

148 ~~(n) "TRICARE supplemental insurance plan" means the~~
149 ~~Department of Defense Health Insurance Program for eligible~~
150 ~~members of the uniformed services authorized by 10 U.S.C. s.~~
151 ~~1097.~~

152 (3) STATE GROUP INSURANCE PROGRAM.—

153 ~~(a) The Division of State Group Insurance is created~~
154 ~~within the Department of Management Services.~~

155 ~~(b) It is the intent of the Legislature to offer a~~
156 ~~comprehensive package of health insurance and retirement~~
157 ~~benefits and a personnel system for state employees which are~~
158 ~~provided in a cost-efficient and prudent manner, and to allow~~
159 ~~state employees the option to choose benefit plans which best~~
160 ~~suit their individual needs. Therefore,~~

161 (a) The state group insurance program is established,
162 which may include the state group health insurance plan or
163 plans, health maintenance organization plans, group life
164 insurance plans, ~~TRICARE supplemental insurance plans,~~ group
165 accidental death and dismemberment plans, ~~and~~ group disability
166 insurance plans, and. ~~Furthermore, the department is~~
167 ~~additionally authorized to establish and provide as part of the~~
168 ~~state group insurance program any other group insurance plans or~~

HB 7255

2011

169 coverage choices ~~that are consistent with the provisions of this~~
170 ~~section.~~

171 (b)(c) ~~Notwithstanding any provision in this section to~~
172 ~~the contrary, it is the intent of the Legislature that The~~
173 ~~department shall be responsible for~~ specific duties related to
174 the state group insurance program, including the competitive
175 procurement of such contracts as may be necessary to implement
176 the state group insurance program ~~all aspects of the purchase of~~
177 ~~health care for state employees under the state group health~~
178 ~~insurance plan or plans, TRICARE supplemental insurance plans,~~
179 ~~and the health maintenance organization plans. Responsibilities~~
180 ~~shall include, but not be limited to, the development of~~
181 ~~requests for proposals or invitations to negotiate for state~~
182 ~~employee health services, the determination of health care~~
183 ~~benefits to be provided, and the negotiation of contracts for~~
184 ~~health care and health care administrative services. Prior to~~
185 ~~the negotiation of contracts for health care services, the~~
186 ~~Legislature intends that the department shall develop, with~~
187 ~~respect to state collective bargaining issues, the health~~
188 ~~benefits and terms to be included in the state group health~~
189 ~~insurance program. The department shall adopt rules necessary to~~
190 ~~perform its responsibilities pursuant to this section. It is the~~
191 ~~intent of the Legislature that The department shall be~~
192 ~~responsible for the contract management and day-to-day~~
193 ~~management of the state employee health insurance program,~~
194 ~~including, but not limited to, employee enrollment, premium~~
195 ~~collection, payment to health care providers, and other~~
196 ~~administrative functions~~ described in s. 110.12303(6) ~~related to~~

197 ~~the program.~~

198 ~~(d)1. Notwithstanding the provisions of chapter 287 and~~
 199 ~~the authority of the department, for the purpose of protecting~~
 200 ~~the health of, and providing medical services to, state~~
 201 ~~employees participating in the state group insurance program,~~
 202 ~~the department may contract to retain the services of~~
 203 ~~professional administrators for the state group insurance~~
 204 ~~program. The agency shall follow good purchasing practices of~~
 205 ~~state procurement to the extent practicable under the~~
 206 ~~circumstances.~~

207 (c)1.2. Each vendor in a major procurement, and any other
 208 vendor if the department deems it necessary to protect the
 209 state's financial interests, shall, at the time of executing any
 210 contract with the department, post an appropriate bond with the
 211 department in an amount determined by the department to be
 212 adequate to protect the state's interests but not higher than
 213 the full amount estimated to be paid annually to the vendor
 214 under the contract.

215 2.3. Each major contract entered into by the department
 216 pursuant to this section shall contain a provision for payment
 217 of liquidated damages to the department for material
 218 noncompliance by a vendor with a contract provision. The
 219 department may require a liquidated damages provision in any
 220 contract if the department deems it necessary to protect the
 221 state's financial interests.

222 3.4. The provisions of s. 120.57(3) apply to the
 223 department's contracting process, except:

224 a. A formal written protest of any decision, intended

225 decision, or other action subject to protest shall be filed
 226 within 72 hours after receipt of notice of the decision,
 227 intended decision, or other action.

228 b. As an alternative to any provision of s. 120.57(3), the
 229 department may proceed with the bid selection or contract award
 230 process if the director of the department sets forth, in
 231 writing, particular facts and circumstances which demonstrate
 232 the necessity of continuing the procurement process or the
 233 contract award process in order to avoid a substantial
 234 disruption to the provision of any scheduled insurance services.

235 (d) ~~(e)~~ The Department of Management Services and the
 236 Division of State Group Insurance may not prohibit or limit any
 237 properly licensed insurer, health maintenance organization,
 238 prepaid limited health services organization, or insurance agent
 239 from competing for any insurance product or plan purchased,
 240 provided, or endorsed by the department or the division on the
 241 basis of the compensation arrangement used by the insurer or
 242 organization for its agents.

243 (e)1. ~~(f)~~ For plan years that begin before January 1, 2013
 244 ~~Except as provided for in subparagraph (h)2.,~~ the state
 245 contribution toward the cost of any plan in the state group
 246 insurance program shall be uniform with respect to all state
 247 employees in a state collective bargaining unit participating in
 248 the same coverage tier in the same plan. This section does not
 249 prohibit the development of separate benefit plans for officers
 250 and employees exempt from the career service or the development
 251 of separate benefit plans for each collective bargaining unit.

252 2. For the plan year that begins on January 1, 2013, the

253 state contribution toward the cost of any health insurance plan
 254 in the state group insurance program shall be as provided in s.
 255 110.12304. This section does not prohibit the development of
 256 separate benefit plans for officers and employees exempt from
 257 the career service or the development of separate benefit plans
 258 for each collective bargaining unit.

259 (f)~~(g)~~ Participation by individuals in the program is
 260 available to all state officers, full-time state employees, and
 261 part-time state employees; and such participation in the program
 262 or any plan is voluntary. Participation in the program is also
 263 available to retired state officers and employees, as defined in
 264 paragraph (2) (h)~~(g)~~, who elect at the time of retirement to
 265 continue coverage under the program, but they may elect to
 266 continue all or only part of the coverage they had at the time
 267 of retirement. A surviving spouse may elect to continue coverage
 268 only under a state group health insurance plan, ~~a TRICARE~~
 269 ~~supplemental insurance plan,~~ or a health maintenance
 270 organization plan.

271 (g)~~(h)~~1. A person eligible to participate in the state
 272 group insurance program may be authorized by rules adopted by
 273 the department to select any benefits and coverage that may be
 274 offered to qualified persons as authorized by the Legislature
 275 and approved in accordance with applicable federal regulations,
 276 ~~in lieu of participating in the state group health insurance~~
 277 ~~plan, to exercise an option to elect membership in a health~~
 278 ~~maintenance organization plan which is under contract with the~~
 279 ~~state in accordance with criteria established by this section~~
 280 ~~and by said rules. The offer of optional membership in a health~~

281 ~~maintenance organization plan permitted by this paragraph may be~~
 282 ~~limited or conditioned by rule as may be necessary to meet the~~
 283 ~~requirements of state and federal laws.~~

284 2. For the plan years beginning in January 2012 and
 285 January 2013, the department shall contract with health
 286 maintenance organizations seeking to participate in the state
 287 group insurance program through a competitive request for
 288 ~~proposal or other~~ procurement process consistent with s.
 289 110.12302, ~~as developed by the Department of Management Services~~
 290 ~~and determined to be appropriate.~~

291 a. For the 2012 plan year, the department shall establish
 292 a schedule of minimum benefits for health maintenance
 293 organization coverage, and that schedule shall include all
 294 services covered by participating health maintenance
 295 organizations in the 2011 plan year. For the 2013 plan year,
 296 subject to legislative approval, the department shall, in
 297 consultation with the independent benefits manager, establish a
 298 schedule of minimum benefits for health maintenance organization
 299 coverage, and that schedule shall be consistent with the benefit
 300 levels described in paragraph (j): ~~physician services; inpatient~~
 301 ~~and outpatient hospital services; emergency medical services,~~
 302 ~~including out-of-area emergency coverage; diagnostic laboratory~~
 303 ~~and diagnostic and therapeutic radiologic services; mental~~
 304 ~~health, alcohol, and chemical dependency treatment services~~
 305 ~~meeting the minimum requirements of state and federal law;~~
 306 ~~skilled nursing facilities and services; prescription drugs;~~
 307 ~~age-based and gender-based wellness benefits; and other benefits~~
 308 ~~as may be required by the department. Additional services may be~~

HB 7255

2011

309 ~~provided subject to the contract between the department and the~~
310 ~~HMO. As used in this paragraph, the term "age-based and gender-~~
311 ~~based wellness benefits" includes aerobic exercise, education in~~
312 ~~alcohol and substance abuse prevention, blood cholesterol~~
313 ~~screening, health risk appraisals, blood pressure screening and~~
314 ~~education, nutrition education, program planning, safety belt~~
315 ~~education, smoking cessation, stress management, weight~~
316 ~~management, and women's health education.~~

317 b. For the plan year beginning January 2012, the
318 department may establish uniform deductibles, copayments,
319 coverage tiers, or coinsurance schedules for all participating
320 HMO plans.

321 c. The department may require detailed information from
322 each health maintenance organization participating in the
323 procurement process, including information pertaining to
324 organizational status, experience in providing prepaid health
325 benefits, accessibility of services, financial stability of the
326 plan, quality of management services, accreditation status,
327 quality of medical services, network access and adequacy,
328 performance measurement, ability to meet the department's
329 reporting requirements, and the actuarial basis of the proposed
330 rates and other data determined by the director to be necessary
331 for the evaluation and selection of health maintenance
332 organization plans and negotiation of appropriate rates for
333 these plans. Upon receipt of proposals by health maintenance
334 organization plans and the evaluation of those proposals, the
335 department may negotiate ~~enter into negotiations~~ with all of the
336 plans or a subset of the plans, as the department determines

HB 7255

2011

337 appropriate. ~~Nothing shall preclude~~ The department may negotiate
338 ~~from negotiating~~ regional or statewide contracts with health
339 maintenance organization plans ~~when this is cost-effective and~~
340 ~~when the department determines that the plan offers high value~~
341 ~~to enrollees.~~

342 d. The department may limit the number of HMOs that it
343 contracts with in each service area based on the nature of the
344 bids the department receives, the number of state employees in
345 the service area, or any unique geographical characteristics of
346 the service area. The department shall establish by rule service
347 areas throughout the state. For the 2012 and 2013 plan years,
348 the department shall contract in each defined service area with
349 no fewer than the same number of HMOs as it contracted with at
350 the beginning of the 2011 plan year.

351 e. All persons participating in the state group insurance
352 program may be required to contribute towards a total state
353 group health premium that may vary depending upon the plan and
354 coverage tier selected by the enrollee and the level of state
355 contribution authorized by the Legislature.

356 ~~3. The department is authorized to negotiate and to~~
357 ~~contract with specialty psychiatric hospitals for mental health~~
358 ~~benefits, on a regional basis, for alcohol, drug abuse, and~~
359 ~~mental and nervous disorders. The department may establish,~~
360 ~~subject to the approval of the Legislature pursuant to~~
361 ~~subsection (5), any such regional plan upon completion of an~~
362 ~~actuarial study to determine any impact on plan benefits and~~
363 ~~premiums.~~

364 ~~4. In addition to contracting pursuant to subparagraph 2.,~~

365 ~~the department may enter into contract with any HMO to~~
 366 ~~participate in the state group insurance program which:~~
 367 ~~a. Serves greater than 5,000 recipients on a prepaid basis~~
 368 ~~under the Medicaid program;~~
 369 ~~b. Does not currently meet the 25-percent non-~~
 370 ~~Medicare/non-Medicaid enrollment composition requirement~~
 371 ~~established by the Department of Health excluding participants~~
 372 ~~enrolled in the state group insurance program;~~
 373 ~~c. Meets the minimum benefit package and copayments and~~
 374 ~~deductibles contained in sub-subparagraphs 2.a. and b.;~~
 375 ~~d. Is willing to participate in the state group insurance~~
 376 ~~program at a cost of premiums that is not greater than 95~~
 377 ~~percent of the cost of HMO premiums accepted by the department~~
 378 ~~in each service area; and~~
 379 ~~e. Meets the minimum surplus requirements of s. 641.225.~~

380
 381 ~~The department is authorized to contract with HMOs that meet the~~
 382 ~~requirements of sub-subparagraphs a.-d. prior to the open~~
 383 ~~enrollment period for state employees. The department is not~~
 384 ~~required to renew the contract with the HMOs as set forth in~~
 385 ~~this paragraph more than twice. Thereafter, the HMOs shall be~~
 386 ~~eligible to participate in the state group insurance program~~
 387 ~~only through the request for proposal or invitation to negotiate~~
 388 ~~process described in subparagraph 2.~~

389 3.5. ~~All enrollees in a state group health insurance plan,~~
 390 ~~a TRICARE supplemental insurance plan, or any health maintenance~~
 391 ~~organization plan have the option of changing to any other~~
 392 ~~health plan that is offered by the state within any open~~

HB 7255

2011

393 enrollment period designated by the department. Open enrollment
394 shall be held at least once each calendar year.

395 ~~4.6.~~ When a contract between a treating provider and the
396 state-contracted health maintenance organization is terminated
397 for any reason other than for cause, each party shall allow any
398 enrollee for whom treatment was active to continue coverage and
399 care when medically necessary, through completion of treatment
400 of a condition for which the enrollee was receiving care at the
401 time of the termination, until the enrollee selects another
402 treating provider, or until the next open enrollment period
403 offered, whichever is longer, but no longer than 6 months after
404 termination of the contract. Each party to the terminated
405 contract shall allow an enrollee who has initiated a course of
406 prenatal care, regardless of the trimester in which care was
407 initiated, to continue care and coverage until completion of
408 postpartum care. This does not prevent a provider from refusing
409 to continue to provide care to an enrollee who is abusive,
410 noncompliant, or in arrears in payments for services provided.
411 For care continued under this subparagraph, the program and the
412 provider shall continue to be bound by the terms of the
413 terminated contract. Changes made within 30 days before
414 termination of a contract are effective only if agreed to by
415 both parties.

416 ~~5.7.~~ Any HMO participating in the state group insurance
417 program shall submit health care utilization and cost data to
418 the department, in such form and in such manner as the
419 department shall require, as a condition of participating in the
420 program. For any HMO that participated in the program prior to

HB 7255

2011

421 January 2012 and is selected to participate in the 2012 or 2013
422 plan year, health care utilization and cost data for at least
423 the last contract period shall be submitted to the department
424 before a contract is entered into for the 2012 or 2013 plan
425 year. ~~The department shall enter into negotiations with its~~
426 ~~contracting HMOs to determine the nature and scope of the data~~
427 ~~submission and the final requirements, format, penalties~~
428 ~~associated with noncompliance, and timetables for submission.~~
429 ~~These determinations shall be adopted by rule.~~

430 ~~6.8.~~ The department may establish and direct, with respect
431 to collective bargaining issues, a comprehensive package of
432 insurance benefits that may include supplemental health and life
433 coverage, dental care, long-term care, vision care, and other
434 benefits it determines necessary to enable state employees to
435 select from among benefit options that best suit their
436 individual and family needs.

437 a. Based upon a desired benefit package, the department
438 shall issue a request for proposal or invitation to negotiate
439 for health insurance providers interested in participating in
440 the state group insurance program, and the department shall
441 issue a request for proposal or invitation to negotiate for
442 insurance providers interested in participating in the non-
443 health-related components of the state group insurance program.
444 Upon receipt of all proposals, the department may enter into
445 contract negotiations with insurance providers submitting bids
446 or negotiate a specially designed benefit package. Insurance
447 providers offering or providing supplemental coverage as of May
448 30, 1991, which qualify for pretax benefit treatment pursuant to

449 s. 125 of the Internal Revenue Code of 1986, with 5,500 or more
 450 state employees currently enrolled may be included by the
 451 department in the supplemental insurance benefit plan
 452 established by the department without participating in a request
 453 for proposal, submitting bids, negotiating contracts, or
 454 negotiating a specially designed benefit package. These
 455 contracts shall provide state employees with the most cost-
 456 effective and comprehensive coverage available; however, ~~no~~
 457 state or agency funds may not ~~shall~~ be contributed toward the
 458 cost of any part of the premium of such supplemental benefit
 459 plans. With respect to dental coverage, the division shall
 460 include in any solicitation or contract for any state group
 461 dental program made after July 1, 2001, a comprehensive
 462 indemnity dental plan option which offers enrollees a completely
 463 unrestricted choice of dentists. If a dental plan is endorsed,
 464 or in some manner recognized as the preferred product, such plan
 465 shall include a comprehensive indemnity dental plan option which
 466 provides enrollees with a completely unrestricted choice of
 467 dentists.

468 b. Pursuant to the applicable provisions of s. 110.161,
 469 and s. 125 of the Internal Revenue Code of 1986, the department
 470 shall enroll in the pretax benefit program those state employees
 471 who voluntarily elect coverage in any of the supplemental
 472 insurance benefit plans as provided by sub-subparagraph a.

473 c. This section may not ~~Nothing herein contained shall~~ be
 474 construed to prohibit insurance providers from continuing to
 475 provide or offer supplemental benefit coverage to state
 476 employees as provided under existing agency plans.

HB 7255

2011

477 (h)~~(i)~~ The benefits of the insurance authorized by this
 478 section are ~~shall~~ not be in lieu of any benefits payable under
 479 chapter 440, the Workers' Compensation Law, and ~~the~~ insurance
 480 authorized by this section does ~~law shall~~ not be deemed to
 481 constitute insurance to secure workers' compensation benefits as
 482 required by chapter 440.

483 (i)~~(j)~~ Notwithstanding the provisions of paragraph (e) ~~(f)~~
 484 requiring uniform contributions, and for the 2011-2012 ~~2010-2011~~
 485 fiscal year only, the state contribution toward the cost of any
 486 plan in the state group insurance plan shall be the difference
 487 between the overall premium and the employee contribution. This
 488 subsection expires June 30, 2012 ~~2011~~.

489 (j) Beginning with the 2013 plan year, benefits offered in
 490 the state group health insurance program shall be the following:

491 1. Platinum Level benefits, which are actuarially
 492 equivalent to 90 percent of the benefits covered in the 2012
 493 plan year.

494 2. Gold Level benefits, which are actuarially equivalent
 495 to 80 percent of the benefits covered in the 2012 plan year.

496 3. Silver Level benefits, which are actuarially equivalent
 497 to 70 percent of the benefits covered in the 2012 plan year.

498 4. Bronze Level benefits, which are actuarially equivalent
 499 to 60 percent of the benefits covered in the 2012 plan year.

500 (4) PAYMENT OF PREMIUMS; CONTRIBUTION BY STATE; LIMITATION
 501 ON ACTIONS TO PAY AND COLLECT PREMIUMS.—

502 (b) If a state officer or full-time state employee selects
 503 membership in a health maintenance organization as authorized by
 504 paragraph (3) (g)~~(h)~~, the officer or employee is entitled to a

HB 7255

2011

505 state contribution toward individual and dependent membership as
 506 provided by the Legislature through the appropriations act.

507 (5) DEPARTMENT POWERS AND DUTIES.—The department is
 508 responsible for the administration of the state group insurance
 509 program. The department shall initiate and supervise the program
 510 as established by this section and shall adopt such rules as are
 511 necessary to perform its responsibilities. To implement this
 512 program, the department shall, with prior approval by the
 513 Legislature:

514 (a) Determine the benefits to be provided and the
 515 contributions to be required for the state group insurance
 516 program. Such determinations, ~~whether for a contracted plan or a~~
 517 ~~self-insurance plan pursuant to paragraph (c),~~ do not constitute
 518 rules within the meaning of s. 120.52 or final orders within the
 519 meaning of s. 120.52. Any physician's fee schedule used in the
 520 health and accident plan shall not be available for inspection
 521 or copying by medical providers or other persons not involved in
 522 the administration of the program. However, in the determination
 523 of the design of the program, the department shall consider
 524 existing and complementary benefits provided by the Florida
 525 Retirement System and the Social Security System.

526 (b) Prepare, in cooperation with the Office of Insurance
 527 Regulation of the Financial Services Commission, the
 528 specifications necessary to implement the program.

529 (c) Competitively procure a contract ~~on a competitive~~
 530 ~~proposal basis~~ with an insurance carrier or carriers, or
 531 professional administrator, determined by the Office of
 532 Insurance Regulation of the Financial Services Commission to be

HB 7255

2011

533 fully qualified, financially sound, and capable of meeting all
534 servicing requirements. ~~Alternatively, the department may self-~~
535 ~~insure any plan or plans contained in the state group insurance~~
536 ~~program subject to approval based on actuarial soundness by the~~
537 ~~Office of Insurance Regulation. The department may contract with~~
538 ~~an insurance company or professional administrator qualified and~~
539 ~~approved by the Office of Insurance Regulation to administer~~
540 ~~such plan. Before entering into any contract, the department~~
541 ~~shall advertise for competitive proposals, and such contract~~
542 ~~shall be let upon the consideration of the benefits provided in~~
543 ~~relationship to the cost of such benefits. In the selection of a~~
544 ~~third-party administrator determining which entity to contract~~
545 ~~with, the department shall, at a minimum, consider: the entity's~~
546 previous experience and expertise in administering group
547 insurance programs of the type it proposes to administer; the
548 entity's ability to specifically perform its contractual
549 obligations in this state and other governmental jurisdictions;
550 the entity's anticipated administrative costs and claims
551 experience; the entity's capability to adequately provide
552 service coverage and sufficient number of experienced and
553 qualified personnel in the areas of claims processing,
554 recordkeeping, and underwriting, as determined by the
555 department; the entity's accessibility to state employees and
556 providers; the financial solvency of the entity, using accepted
557 business sector measures of financial performance. ~~The~~
558 ~~department may contract for medical services which will improve~~
559 ~~the health or reduce medical costs for employees who participate~~
560 ~~in the state group insurance plan.~~

HB 7255

2011

561 (d) With respect to a state group health insurance plan,
562 be authorized to require copayments with respect to all
563 providers under the plan.

564 (e) Have authority to establish a voluntary program for
565 comprehensive health maintenance, which may include health
566 educational components and health appraisals.

567 (f) With respect to any contract with an insurance carrier
568 or carriers or professional administrator entered into by the
569 department, require that the state and the enrollees be held
570 harmless and indemnified for any financial loss caused by the
571 failure of the insurance carrier or professional administrator
572 to comply with the terms of the contract.

573 (g) With respect to any contract with an insurance carrier
574 or carriers, or professional administrator entered into by the
575 department, require that the carrier or professional
576 administrator provide written notice to individual enrollees if
577 any payment due to any health care provider of the enrollee
578 remains unpaid beyond a period of time as specified in the
579 contract.

580 (h) Have authority to establish other voluntary programs
581 to be funded on a pretax contribution basis or on a posttax
582 contribution basis, as the department determines.

583 (i) Contract with a single custodian to provide services
584 necessary to implement and administer the health savings
585 accounts authorized in subsection (12).

586

587 Final decisions concerning enrollment, the existence of
588 coverage, or covered benefits under the state group insurance

HB 7255

2011

589 program may ~~shall~~ not be delegated or deemed to have been
590 delegated by the department. This subsection expires January 1,
591 2014.

592 ~~(13) FLORIDA STATE EMPLOYEE WELLNESS COUNCIL.~~

593 ~~(a) There is created within the department the Florida~~
594 ~~State Employee Wellness Council.~~

595 ~~(b) The council shall be an advisory body to the~~
596 ~~department to provide health education information to employees~~
597 ~~and to assist the department in developing minimum benefits for~~
598 ~~all health care providers when providing age-based and gender-~~
599 ~~based wellness benefits.~~

600 ~~(c) The council shall be composed of nine members~~
601 ~~appointed by the Governor. When making appointments to the~~
602 ~~council, the Governor shall appoint persons who are residents of~~
603 ~~the state and who are highly knowledgeable concerning, active~~
604 ~~in, and recognized leaders in the health and medical field, at~~
605 ~~least one of whom must be an employee of the state. Council~~
606 ~~members shall equitably represent the broadest spectrum of the~~
607 ~~health industry and the geographic areas of the state. Not more~~
608 ~~than one member of the council may be from any one company,~~
609 ~~organization, or association.~~

610 ~~(d)1. Council members shall be appointed to 4-year terms,~~
611 ~~except that the initial terms shall be staggered. The Governor~~
612 ~~shall appoint three members to 2-year terms, three members to 3-~~
613 ~~year terms, and three members to 4-year terms.~~

614 ~~2. A member's absence from three consecutive meetings~~
615 ~~shall result in his or her automatic removal from the council. A~~
616 ~~vacancy on the council shall be filled for the remainder of the~~

617 ~~unexpired term.~~

618 ~~(e) The council shall annually elect from its membership~~
 619 ~~one member to serve as chair of the council and one member to~~
 620 ~~serve as vice chair.~~

621 ~~(f) The first meeting of the council shall be called by~~
 622 ~~the chair not more than 60 days after the council members are~~
 623 ~~appointed by the Governor. The council shall thereafter meet at~~
 624 ~~least once quarterly and may meet more often as necessary. The~~
 625 ~~department shall provide staff assistance to the council which~~
 626 ~~shall include, but not be limited to, keeping records of the~~
 627 ~~proceedings of the council and serving as custodian of all~~
 628 ~~books, documents, and papers filed with the council.~~

629 ~~(g) A majority of the members of the council constitutes a~~
 630 ~~quorum.~~

631 ~~(h) Members of the council shall serve without~~
 632 ~~compensation, but are entitled to reimbursement for per diem and~~
 633 ~~travel expenses as provided in s. 112.061 while performing their~~
 634 ~~duties.~~

635 ~~(i) The council shall:~~

636 ~~1. Work to encourage participation in wellness programs by~~
 637 ~~state employees. The council may prepare informational programs~~
 638 ~~and brochures for state agencies and employees.~~

639 ~~2. In consultation with the department, develop standards~~
 640 ~~and criteria for age-based and gender-based wellness programs.~~

641 Section 2. Section 110.12302, Florida Statutes, is amended
 642 to read:

643 110.12302 Costing options for plan designs required for
 644 contract solicitation; best value recommendations; required plan

HB 7255

2011

645 design.—

646 (1) For the state group insurance program, the Department
647 of Management Services shall require costing options for both
648 fully insured and self-insured plan designs, or some combination
649 thereof, as part of the department's solicitation for health
650 maintenance organization contracts. Prior to contracting, the
651 department shall recommend to the Legislature, no later than
652 February 1, 2011, the best value to the State group insurance
653 program relating to health maintenance organizations.

654 (2) Beginning with the 2012 plan year, the department may
655 only contract with health maintenance organizations for a self-
656 insured plan design. In implementing this subsection, the
657 department shall ensure that no fewer health maintenance
658 organizations participate in the state group insurance program
659 than participated in each service area in the 2011 plan year.

660 Section 3. Section 110.12303, Florida Statutes, is created
661 to read:

662 110.12303 Independent benefits manager.—

663 (1) The department shall competitively procure an
664 independent benefits manager. The department shall initiate the
665 procurement no later than August 1, 2011.

666 (2) The independent benefits manager may not:

667 (a) Be owned or controlled by any HMO or insurer.

668 (b) Have an ownership interest in any HMO or insurer.

669 (c) Have any direct or indirect financial interest in any
670 HMO or insurer.

671 (3) The independent benefits manager must have substantial
672 experience in the design and administration of employee benefit

HB 7255

2011

673 programs for large employers and public employers, including
674 experience administering plans that qualify as cafeteria plans
675 pursuant to s. 125 of the Internal Revenue Code.

676 (4) The independent benefits manager shall:

677 (a) Provide an ongoing assessment of trends in benefits
678 and employer-sponsored insurance that affect the state group
679 insurance program.

680 (b) Conduct comprehensive analysis of the state group
681 insurance program, including available benefits, coverage
682 options, and claims experience.

683 (c) Evaluate designs for the state group insurance
684 program, including a full cafeteria plan, an employer-sponsored
685 multicarrier exchange plan, and alternatives to and variations
686 of these designs.

687 (d) Identify and establish appropriate adjustment
688 procedures necessary to respond to any risk segmentation that
689 may occur when increased choices are offered to employees.

690 (e) Submit recommendations for any modifications to the
691 state group insurance program no later than January 1 of each
692 year.

693 (f) Establish a transition plan for assuming the
694 responsibilities described in subsection (5).

695 (g) Develop a plan to convert the state group insurance
696 program to a defined contribution plan. The plan shall be
697 submitted to the Legislature by January 1, 2013, and include
698 recommendations for:

699 1. An implementation timeline for conversion as of the
700 2014 plan year or an explanation of the factors that prevent

701 implementation by 2014 and a timeline for conversion in the 2015
 702 plan year.

703 2. Employer and employee contribution policies, including
 704 provisions that reward and incentivize nonsmoking and other
 705 healthy lifestyle choices.

706 3. Steps necessary for maintaining or improving total
 707 employee compensation levels when a transition to a defined
 708 contribution plan is initiated.

709 4. Establishing an employment-based benefits exchange or
 710 implementing a full cafeteria plan to provide a variety of plan
 711 and benefit options.

712 5. Securing the appropriate federal approval for plan
 713 revisions.

714 (h) Subject to approval by the Legislature, direct and
 715 implement the plan described in paragraph (g).

716 (5) Notwithstanding s. 110.123 and beginning no later than
 717 the 2013 plan year, the independent benefits manager shall:

718 (a) Manage the state group insurance program, including
 719 negotiation and supervision of contracts and other
 720 administrative functions as may be necessary.

721 (b) If the Legislature authorizes the creation of a state
 722 employee benefits exchange, certify health insurance plans,
 723 health maintenance organizations, and other providers eligible
 724 to participate.

725 (c) If the Legislature authorizes the implementation of a
 726 full cafeteria plan, supervise the procurement process and
 727 conduct the contract negotiations with providers that are
 728 necessary for their participation in defined service areas.

HB 7255

2011

729 (d) Develop and implement wellness initiatives for
730 enrollees.

731 (e) Provide enrollee education and decision support tools,
732 including an online interface, to assist enrollees in choosing
733 benefit plans that best suit their individual needs.

734 (f) Ensure compliance with applicable federal and state
735 regulations.

736 (6) The department shall manage the contract with the
737 independent benefits manager and shall provide financial
738 management of the program, including financial and budget
739 oversight of program operations, management of vendor payments
740 and premium administration, analyzing and forecasting of program
741 revenues and expenditures, monitoring of financial compliance of
742 contractors, and auditing.

743 Section 4. Section 110.12304, Florida Statutes, is created
744 to read:

745 110.12304 State and employee contributions toward health
746 plan premium cost.—

747 (1) For the 2013 plan year, the state's share of
748 contribution toward the cost of the health plan shall be:

749 (a) Platinum Level: 90 percent for an individual plan and
750 86 percent for a family plan.

751 (b) Gold Level: 85 percent for an individual or a family
752 plan.

753 (c) Silver Level: 80 percent for an individual or a family
754 plan.

755 (d) Bronze Level: 75 percent for an individual or a family
756 plan.

HB 7255

2011

757 (2) The employee shall pay the remaining cost of the plan
758 premium; however, if the employee chooses a Gold, Silver, or
759 Bronze Level plan, the employee's salary shall be increased by
760 60 percent of the difference between the premium for the
761 employee's selected plan and the premium for a Platinum Level
762 plan.

763 Section 5. Section 110.12305, Florida Statutes, is created
764 to read:

765 110.12305 Health insurance risk pool.—

766 (1) For the 2012 plan year and for each plan year
767 thereafter, the department shall establish a single health
768 insurance risk pool for the state group insurance plans.

769 (2) For the 2012 plan year and for each plan year
770 thereafter, the department shall continue to contract with
771 multiple health maintenance organizations in each service area
772 based on the nature of the bids the department receives, the
773 number of state employees in the service area, or any unique
774 geographical characteristics of the service area.

775 Section 6. This act shall take effect July 1, 2011.