

By Senator Rich

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1 A bill to be entitled
2 An act relating to the Florida Health Benefits
3 Exchange; providing legislative findings and intent to
4 establish a state-level health benefits exchange by a
5 certain date; providing minimum functions for such
6 exchange; establishing the Florida Health Benefits
7 Exchange Legislative Study Committee to consider and
8 make recommendations regarding the establishment of
9 the exchange; providing for membership; specifying the
10 minimum findings and recommendations of the committee;
11 requiring a report; providing for future termination
12 of the committee; providing that the act is null and
13 void if that part of federal law requiring an exchange
14 is repealed or replaced; providing an effective date.

15
16 Be It Enacted by the Legislature of the State of Florida:

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18 Section 1. Florida Health Benefits Exchange.-

19 (1) LEGISLATIVE INTENT.-

20 (a) The Legislature finds that:

21 1. More than 4 million state residents currently lack
22 health insurance coverage, and millions more are underinsured
23 because they lack sufficient coverage including a package of
24 comprehensive benefits.

25 2. Rising health insurance premiums are jeopardizing
26 employer-sponsored coverage for an increasing number of state
27 residents and consuming an increasing portion of their wages.

28 3. Ninety-seven percent of all employer firms in this
29 state, which represent 404,000 businesses, have fewer than 100

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30 workers. Of those small businesses, 97 percent employ fewer than
31 50 workers and are, therefore, not subject to fines or penalties
32 for not offering health insurance coverage to their employees.
33 In fact, only 31.2 percent of these small employers offer health
34 insurance while 97.6 percent of firms with more than 50
35 employees offer such insurance.

36 4. Under the federal Patient Protection and Affordable Care
37 Act, Pub. L. No. 111-148, as amended, all businesses that have
38 fewer than 100 employees will be eligible for benefits offered
39 through the health benefits exchanges authorized by the federal
40 act. The health benefits exchanges, therefore, represent one way
41 that a state can address coverage gaps and provide individual
42 consumers and small employers with access to greater coverage
43 options.

44 5. A state is in the best position to implement an exchange
45 that is sensitive to the coverage gaps and market landscape
46 unique to that state. Although the federal act imposes a number
47 of core requirements on state-level exchanges, a state has
48 significant flexibility in the design and operation of a state
49 exchange, making it prudent for the state to carefully analyze,
50 plan, and prepare for an exchange that addresses that state's
51 needs and profile.

52 6. In order for the state to craft a tenable exchange that
53 meets the fundamental goals outlined by the federal act of
54 expanding access to affordable coverage and improving the
55 quality of care, the implementation process should provide for
56 broad stakeholder representation; foster a robust and
57 competitive marketplace, both inside and outside the exchange;
58 and provide for a broad-based approach to ensuring the fiscal

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59 solvency of the exchange.

60 (b) It is, therefore, the intent of the Legislature that,
61 beginning January 1, 2014, and in accordance with ss. 1311,
62 1321, and 1323 of the federal act, this state establish a state-
63 level health benefits exchange, to be known as the Florida
64 Health Benefits Exchange, in order to help individuals and small
65 employers that have up to 100 employees shop for, select, and
66 enroll in qualified, affordable private health plans that fit
67 their needs at competitive prices.

68 (2) PURPOSE.—The purpose of this section is to ensure that
69 the state is making sufficient progress towards establishing a
70 state-level exchange within the guidelines outlined by the
71 federal law by establishing a legislative study committee to
72 consider and make recommendations regarding the implementation
73 and establishment of the Florida Health Benefits Exchange.

74 (3) EXCHANGE FUNCTIONS.—At a minimum, the Florida Health
75 Benefits Exchange must:

76 (a) Meet the core functions identified by the federal act
77 and subsequent federal guidance and regulations.

78 (b) Separate coverage pools for individuals and small
79 employers and supplement and not supplant any existing private
80 health insurance market for individuals and small employers.

81 (c) Protect state residents from undue federal regulation.

82 (4) STUDY COMMITTEE.—

83 (a) The Florida Health Benefits Exchange Legislative Study
84 Committee is created to conduct a study regarding the state
85 implementation and establishment of the exchange.

86 (b) Members of the committee shall be appointed as follows:

87 1. Three members of the Senate shall be appointed by the

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88 President of the Senate;

89 2. Three members of the Senate shall be appointed by the
90 Minority Leader of the Senate;

91 3. Three members of the House of Representatives shall be
92 appointed by the Speaker of the House of Representatives; and

93 4. Three members of the House of Representatives shall be
94 appointed by the Minority Leader of the House of
95 Representatives.

96 (c) Each legislative leader shall select one member to
97 serve as co-chair of the committee.

98 (d) Committee members shall be appointed within 30 days
99 after the effective date of this act. The co-chairs shall
100 convene the first meeting of the committee within 45 days after
101 the effective date of this act.

102 (e) At a minimum, the committee shall develop findings and
103 make recommendations for all of the following:

104 1. The entity or agency to be responsible for operation of
105 the exchange.

106 2. The governance structure for the exchange.

107 3. Infrastructure, technology, and staffing requirements
108 for the exchange.

109 4. Financing for and sustainability of the exchange.

110 5. Regulatory roles and responsibilities assigned to the
111 exchange.

112 6. Exchange requirements relating to transparency,
113 disclosure, fraud prevention and detection, accountability, and
114 quality.

115 7. The nature of the relationships between the exchange and
116 relevant state and federal entities, including oversight and

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117 interagency coordination.

118 8. Standards for plans to be sold by the exchange.

119 9. Coordination of eligibility determination and enrollment
120 among the exchange and other publicly supported health coverage
121 programs.

122 10. Mechanisms and strategies for limiting adverse
123 selection in the exchange.

124 11. Mechanisms and strategies for adding value, promoting
125 competition and choice, and cost containment within the
126 exchange.

127 12. Outreach to, education of, and support for employers,
128 consumers, and insurers by the exchange.

129 13. Changes to state laws and rules necessary for the
130 establishment and operation of the exchange.

131 (f) By January 31, 2013, the committee shall report its
132 findings and recommendations concerning the implementation and
133 establishment of the exchange to the executive and legislative
134 branches. The report must also include recommendations
135 concerning prospective action to be taken by the Legislature as
136 it relates to the establishment of the exchange in 2012, 2013,
137 and 2014.

138 (g) The committee shall terminate March 31, 2013.

139 Section 2. This act is null and void if Congress and the
140 President take action to repeal or replace s. 1311, s. 1321, or
141 s. 1323 of the Patient Protection and Affordable Care Act, Pub.
142 L. No. 111-148, as amended.

143 Section 3. This act shall take effect upon becoming a law.