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576-04564-13

Proposed Committee Substitute by the Committee on Appropriations
(Appropriations Subcommittee on Health and Human Services)

A bill to be entitled

An act relating to health care; amending s. 409.811, F.S.; revising and providing definitions; amending s. 409.813, F.S.; revising the components of the Florida Kidcare program; prohibiting a cause of action from arising against the Florida Healthy Kids Corporation for failure to make health services available; amending s. 409.8132, F.S.; revising the eligibility of the Medikids program component; revising the enrollment requirements of the Medikids program component; amending s. 409.8134, F.S.; conforming provisions to changes made by the act; amending s. 409.814, F.S.; revising eligibility requirements for the Florida Kidcare program; amending s. 409.815, F.S.; revising the minimum health benefits coverage under the Florida Kidcare Act; deleting obsolete provisions; amending ss. 409.816 and 409.8177, F.S.; conforming provisions to changes made by the act; repealing s. 409.817, F.S., relating to the approval of health benefits coverage and financial assistance; repealing s. 409.8175, F.S., relating to delivery of services in rural counties; amending s. 409.818, F.S.; revising the duties of the Department of Children and Families and the Agency for Health Care Administration with regard to the Florida Kidcare Act; deleting the duties of the Department of Health and the Office of Insurance Regulation with regard to the Florida



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28 Kidcare Act; amending s. 409.820, F.S.; requiring the
29 Department of Health, in consultation with the agency
30 and the Florida Healthy Kids Corporation, to develop a
31 minimum set of pediatric and adolescent quality
32 assurance and access standards for all program
33 components; amending s. 624.91, F.S.; revising the
34 legislative intent of the Florida Healthy Kids
35 Corporation Act to include the Healthy Florida
36 program; revising participation guidelines for
37 nonsubsidized enrollees in the Healthy Kids program;
38 revising the medical loss ratio requirements for the
39 contracts for the Florida Healthy Kids Corporation;
40 modifying the membership of the Florida Healthy Kids
41 Corporation's board of directors; creating an
42 executive steering committee; requiring additional
43 corporate compliance requirements for the Florida
44 Healthy Kids Corporation; repealing s. 624.915, F.S.,
45 relating to the operating fund of the Florida Healthy
46 Kids Corporation; creating s. 624.917, F.S.; creating
47 the Healthy Florida program; providing definitions;
48 providing eligibility and enrollment requirements;
49 authorizing the Florida Healthy Kids Corporation to
50 contract with certain insurers, managed care
51 organizations, and provider service networks;
52 encouraging the corporation to contract with insurers
53 and managed care organizations that participate in
54 more than one insurance affordability program under
55 certain circumstances; requiring the corporation to
56 establish a benefits package and a process for payment



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57 of services; authorizing the corporation to collect
58 premiums and copayments; requiring the corporation to
59 oversee the Healthy Florida program and to establish a
60 grievance process and integrity process; providing
61 applicability of certain state laws for administration
62 of the Healthy Florida program; requiring the
63 corporation to collect certain data and to submit
64 enrollment reports and interim independent evaluations
65 to the Legislature; providing for expiration of the
66 program; providing an implementation and
67 interpretation clause; providing appropriations;
68 providing an effective date.

69

70 Be It Enacted by the Legislature of the State of Florida:

71

72 Section 1. Section 409.811, Florida Statutes, is amended to
73 read:

74 409.811 Definitions relating to Florida Kidcare Act.—As
75 used in ss. 409.810-409.821, the term:

76 (1) "Actuarially equivalent" means that:

77 (a) The aggregate value of the benefits included in health
78 benefits coverage is equal to the value of the benefits in the
79 benchmark benefit plan; and

80 (b) The benefits included in health benefits coverage are
81 substantially similar to the benefits included in the benchmark
82 benefit plan, except that preventive health services must be the
83 same as in the benchmark benefit plan.

84 (2) "Agency" means the Agency for Health Care
85 Administration.



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86 (3) "Applicant" means a parent or guardian of a child or a
87 child whose disability of nonage has been removed under chapter
88 743, who applies for determination of eligibility for health
89 benefits coverage under ss. 409.810-409.821.

90 (4) "Child benchmark benefit plan" means the form and level
91 of health benefits coverage established in s. 409.815.

92 (5) "Child" means any person younger than ~~under~~ 19 years of
93 age.

94 (6) "Child with special health care needs" means a child
95 whose serious or chronic physical or developmental condition
96 requires extensive preventive and maintenance care beyond that
97 required by typically healthy children. Health care utilization
98 by such a child exceeds the statistically expected usage of the
99 normal child adjusted for chronological age, and such a child
100 often needs complex care requiring multiple providers,
101 rehabilitation services, and specialized equipment in a number
102 of different settings.

103 (7) "Children's Medical Services Network" or "network"
104 means a statewide managed care service system as defined in s.
105 391.021(1).

106 (8) "CHIP" means the Children's Health Insurance Program as
107 authorized under Title XXI of the Social Security Act, and its
108 regulations, ss. 409.810-409.820, and as administered in this
109 state by the agency, the department, and the Florida Healthy
110 Kids Corporation, as appropriate to their respective
111 responsibilities.

112 (9) "Combined eligibility notice" means an eligibility
113 notice that informs an applicant, an enrollee, or multiple
114 family members of a household, when feasible, of eligibility for



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115 each of the insurance affordability programs and enrollment into
116 a program or exchange plan. A combined eligibility form must be
117 issued by the last agency or department to make an eligibility,
118 renewal or denial determination. The form must meet all of the
119 federal and state law and regulatory requirements no later than
120 January 1, 2014.

121 ~~(8) "Community rate" means a method used to develop~~
122 ~~premiums for a health insurance plan that spreads financial risk~~
123 ~~across a large population and allows adjustments only for age,~~
124 ~~gender, family composition, and geographic area.~~

125 ~~(10)(9) "Department" means the Department of Health.~~

126 ~~(11)(10) "Enrollee" means a child who has been determined~~
127 ~~eligible for and is receiving coverage under ss. 409.810-~~
128 ~~409.821.~~

129 ~~(11) "Family" means the group or the individuals whose~~
130 ~~income is considered in determining eligibility for the Florida~~
131 ~~Kidcare program. The family includes a child with a parent or~~
132 ~~caretaker relative who resides in the same house or living unit~~
133 ~~or, in the case of a child whose disability of nonage has been~~
134 ~~removed under chapter 743, the child. The family may also~~
135 ~~include other individuals whose income and resources are~~
136 ~~considered in whole or in part in determining eligibility of the~~
137 ~~child.~~

138 ~~(12) "Family income" means cash received at periodic~~
139 ~~intervals from any source, such as wages, benefits,~~
140 ~~contributions, or rental property. Income also may include any~~
141 ~~money that would have been counted as income under the Aid to~~
142 ~~Families with Dependent Children (AFDC) state plan in effect~~
143 ~~prior to August 22, 1996.~~



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144 ~~(12)-(13)~~ "Florida Kidcare program," "Kidcare program," or
145 "program" means the health benefits program administered through
146 ss. 409.810-409.821.

147 ~~(13)-(14)~~ "Guarantee issue" means that health benefits
148 coverage must be offered to an individual regardless of the
149 individual's health status, preexisting condition, or claims
150 history.

151 ~~(14)-(15)~~ "Health benefits coverage" means protection that
152 provides payment of benefits for covered health care services or
153 that otherwise provides, either directly or through arrangements
154 with other persons, covered health care services on a prepaid
155 per capita basis or on a prepaid aggregate fixed-sum basis.

156 ~~(15)-(16)~~ "Health insurance plan" means health benefits
157 coverage under the following:

158 (a) A health plan offered by any certified health
159 maintenance organization or authorized health insurer, except a
160 plan that is limited to the following: a limited benefit,
161 specified disease, or specified accident; hospital indemnity;
162 accident only; limited benefit convalescent care; Medicare
163 supplement; credit disability; dental; vision; long-term care;
164 disability income; coverage issued as a supplement to another
165 health plan; workers' compensation liability or other insurance;
166 or motor vehicle medical payment only; or

167 (b) An employee welfare benefit plan that includes health
168 benefits established under the Employee Retirement Income
169 Security Act of 1974, as amended.

170 (16) "Household income" means the group or the individual
171 whose income is considered in determining eligibility for the
172 Florida Kidcare program. The term "household" has the same



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173 meaning as provided in s. 36B(d)(2) of the Internal Revenue Code
174 of 1986.

175 (17) "Medicaid" means the medical assistance program
176 authorized by Title XIX of the Social Security Act, and
177 regulations thereunder, and ss. 409.901-409.920, as administered
178 in this state by the agency.

179 (18) "Medically necessary" means the use of any medical
180 treatment, service, equipment, or supply necessary to palliate
181 the effects of a terminal condition, or to prevent, diagnose,
182 correct, cure, alleviate, or preclude deterioration of a
183 condition that threatens life, causes pain or suffering, or
184 results in illness or infirmity and which is:

185 (a) Consistent with the symptom, diagnosis, and treatment
186 of the enrollee's condition;

187 (b) Provided in accordance with generally accepted
188 standards of medical practice;

189 (c) Not primarily intended for the convenience of the
190 enrollee, the enrollee's family, or the health care provider;

191 (d) The most appropriate level of supply or service for the
192 diagnosis and treatment of the enrollee's condition; and

193 (e) Approved by the appropriate medical body or health care
194 specialty involved as effective, appropriate, and essential for
195 the care and treatment of the enrollee's condition.

196 (19) "Medikids" means a component of the Florida Kidcare
197 program of medical assistance authorized by Title XXI of the
198 Social Security Act, and regulations thereunder, and s.
199 409.8132, as administered in the state by the agency.

200 (20) "Modified adjusted gross income" means the
201 individual's or household's annual adjusted gross income as



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202 defined in s. 36B(d)(2) of the Internal Revenue Code of 1986
203 which is used to determine eligibility under the Florida Kidcare
204 program.

205 (21) "Patient Protection and Affordable Care Act" or "Act"
206 means the federal law enacted as Pub. L. No. 111-148, as further
207 amended by the federal Health Care and Education Reconciliation
208 Act of 2010, Pub. L. No. 111-152, and any amendments,
209 regulations, or guidance issued under those acts.

210 (22)-(20) "Preexisting condition exclusion" means, with
211 respect to coverage, a limitation or exclusion of benefits
212 relating to a condition based on the fact that the condition was
213 present before the date of enrollment for such coverage, whether
214 or not any medical advice, diagnosis, care, or treatment was
215 recommended or received before such date.

216 (23)-(21) "Premium" means the entire cost of a health
217 insurance plan, including the administration fee or the risk
218 assumption charge.

219 (24)-(22) "Premium assistance payment" means the monthly
220 consideration paid by the agency per enrollee in the Florida
221 Kidcare program towards health insurance premiums.

222 (25)-(23) "Qualified alien" means an alien as defined in 8
223 U.S.C. s. 1641 (b) and (c) ~~s. 431 of the Personal Responsibility~~
224 and ~~Work Opportunity Reconciliation Act of 1996, as amended,~~
225 Pub. L. No. 104-193.

226 (26)-(24) "Resident" means a United States citizen, or
227 qualified alien, who is domiciled in this state.

228 (27)-(25) "Rural county" means a county having a population
229 density of less than 100 persons per square mile, or a county
230 defined by the most recent United States Census as rural, in



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231 which there is no prepaid health plan participating in the
232 Medicaid program as of July 1, 1998.

233 ~~(26) "Substantially similar" means that, with respect to~~
234 ~~additional services as defined in s. 2103(c)(2) of Title XXI of~~
235 ~~the Social Security Act, these services must have an actuarial~~
236 ~~value equal to at least 75 percent of the actuarial value of the~~
237 ~~coverage for that service in the benchmark benefit plan and,~~
238 ~~with respect to the basic services as defined in s. 2103(c)(1)~~
239 ~~of Title XXI of the Social Security Act, these services must be~~
240 ~~the same as the services in the benchmark benefit plan.~~

241 Section 2. Section 409.813, Florida Statutes, is amended to
242 read:

243 409.813 Health benefits coverage; program components;
244 entitlement and nonentitlement.—

245 (1) The Florida Kidcare program includes health benefits
246 coverage provided to children through the following program
247 components, which shall be marketed as the Florida Kidcare
248 program:

249 (a) Medicaid;

250 (b) Medikids as created in s. 409.8132;

251 (c) The Florida Healthy Kids Corporation as created in s.
252 624.91; and

253 ~~(d) Employer-sponsored group health insurance plans~~
254 ~~approved under ss. 409.810-409.821; and~~

255 (d) ~~(e)~~ The Children's Medical Services network established
256 in chapter 391.

257 (2) Except for Title XIX-funded Florida Kidcare program
258 coverage under the Medicaid program, coverage under the Florida
259 Kidcare program is not an entitlement. No cause of action shall



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260 arise against the state, the department, the Department of
261 Children and Families ~~Family Services~~, ~~or~~ the agency, or the
262 Florida Healthy Kids Corporation for failure to make health
263 services available to any person under ss. 409.810-409.821.

264 Section 3. Subsections (6) and (7) of section 409.8132,
265 Florida Statutes, are amended to read:

266 409.8132 Medikids program component.—

267 (6) ELIGIBILITY.—

268 (a) A child who has attained the age of 1 year but who is
269 under the age of 5 years is eligible to enroll in the Medikids
270 program component of the Florida Kidcare program, if the child
271 is a member of a family that has a family income which exceeds
272 the Medicaid applicable income level as specified in s. 409.903,
273 but which is equal to or below 200 percent of the current
274 federal poverty level. In determining the eligibility of such a
275 child, an assets test is not required. ~~A child who is eligible~~
276 ~~for Medikids may elect to enroll in Florida Healthy Kids~~
277 ~~coverage or employer-sponsored group coverage. However, a child~~
278 ~~who is eligible for Medikids may participate in the Florida~~
279 ~~Healthy Kids program only if the child has a sibling~~
280 ~~participating in the Florida Healthy Kids program and the~~
281 ~~child's county of residence permits such enrollment.~~

282 (b) The provisions of s. 409.814 apply to the Medikids
283 program.

284 (7) ENROLLMENT.—Enrollment in the Medikids program
285 component may occur at any time throughout the year. A child may
286 not receive services under the Medikids program until the child
287 is enrolled in a managed care plan or MediPass. Once determined
288 eligible, an applicant may receive choice counseling and select



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289 a managed care plan or MediPass. The agency may initiate
290 mandatory assignment for a Medikids applicant who has not chosen
291 a managed care plan or MediPass provider after the applicant's
292 voluntary choice period ends. An applicant may select MediPass
293 under the Medikids program component only in counties that have
294 fewer than two managed care plans available to serve Medicaid
295 recipients ~~and only if the federal Health Care Financing~~
296 ~~Administration determines that MediPass constitutes "health~~
297 ~~insurance coverage" as defined in Title XXI of the Social~~
298 ~~Security Act.~~

299 Section 4. Subsection (2) of section 409.8134, Florida
300 Statutes, is amended to read:

301 409.8134 Program expenditure ceiling; enrollment.—

302 (2) The Florida Kidcare program may conduct enrollment
303 continuously throughout the year.

304 (a) Children eligible for coverage under the Title XXI-
305 funded Florida Kidcare program shall be enrolled on a first-
306 come, first-served basis using the date the enrollment
307 application is received. Enrollment shall immediately cease when
308 the expenditure ceiling is reached. Year-round enrollment shall
309 only be held if the Social Services Estimating Conference
310 determines that sufficient federal and state funds will be
311 available to finance the increased enrollment.

312 (b) The application for the Florida Kidcare program is
313 valid for a period of 120 days after the date it was received.
314 At the end of the 120-day period, if the applicant has not been
315 enrolled in the program, the application is invalid and the
316 applicant shall be notified of the action. The applicant may
317 reactivate the application after notification of the action



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318 taken by the program.

319 (c) Except for the Medicaid program, whenever the Social
320 Services Estimating Conference determines that there are
321 presently, or will be by the end of the current fiscal year,
322 insufficient funds to finance the current or projected
323 enrollment in the Florida Kidcare program, all additional
324 enrollment must cease and additional enrollment may not resume
325 until sufficient funds are available to finance such enrollment.

326 Section 5. Section 409.814, Florida Statutes, is amended to
327 read:

328 409.814 Eligibility.—A child who has not reached 19 years
329 of age whose household ~~family~~ income is equal to or below 200
330 percent of the federal poverty level is eligible for the Florida
331 Kidcare program as provided in this section. If an enrolled
332 individual is determined to be ineligible for coverage, he or
333 she must be immediately disenrolled from the respective Florida
334 Kidcare program component and referred to another insurance
335 affordability program, if appropriate, through a combined
336 eligibility notice.

337 (1) A child who is eligible for Medicaid coverage under s.
338 409.903 or s. 409.904 must be offered the opportunity to enroll
339 enrolled in Medicaid and is not eligible to receive health
340 benefits under any other health benefits coverage authorized
341 under the Florida Kidcare program. A child who is eligible for
342 Medicaid and opts to enroll in CHIP may disenroll from CHIP at
343 any time and transition to Medicaid. This transition must occur
344 without any break in coverage.

345 (2) A child who is not eligible for Medicaid, but who is
346 eligible for the Florida Kidcare program, may obtain health



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347 benefits coverage under any of the other components listed in s.
348 409.813 if such coverage is approved and available in the county
349 in which the child resides.

350 (3) A Title XXI-funded child who is eligible for the
351 Florida Kidcare program who is a child with special health care
352 needs, as determined through a medical or behavioral screening
353 instrument, is eligible for health benefits coverage from and
354 shall be assigned to and may opt out of the Children's Medical
355 Services Network.

356 (4) The following children are not eligible to receive
357 Title XXI-funded premium assistance for health benefits coverage
358 under the Florida Kidcare program, except under Medicaid if the
359 child would have been eligible for Medicaid under s. 409.903 or
360 s. 409.904 as of June 1, 1997:

361 (a) A child who is covered under a family member's group
362 health benefit plan or under other private or employer health
363 insurance coverage, if the cost of the child's participation is
364 not greater than 5 percent of the household's ~~family's~~ income.
365 If a child is otherwise eligible for a subsidy under the Florida
366 Kidcare program and the cost of the child's participation in the
367 family member's health insurance benefit plan is greater than 5
368 percent of the household's ~~family's~~ income, the child may enroll
369 in the appropriate subsidized Kidcare program.

370 ~~(b) A child who is seeking premium assistance for the~~
371 ~~Florida Kidcare program through employer-sponsored group~~
372 ~~coverage, if the child has been covered by the same employer's~~
373 ~~group coverage during the 60 days before the family submitted an~~
374 ~~application for determination of eligibility under the program.~~

375 (b)(e) A child who is an alien, but who does not meet the



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376 definition of qualified alien, in the United States.

377 ~~(c)-(d)~~ A child who is an inmate of a public institution or
378 a patient in an institution for mental diseases.

379 ~~(d)-(e)~~ A child who is otherwise eligible for premium
380 assistance for the Florida Kidcare program and has had his or
381 her coverage in an employer-sponsored or private health benefit
382 plan voluntarily canceled in the last 60 days, except those
383 children whose coverage was voluntarily canceled for good cause,
384 including, but not limited to, the following circumstances:

385 1. The cost of participation in an employer-sponsored
386 health benefit plan is greater than 5 percent of the household's
387 modified adjusted gross ~~family's~~ income;

388 2. The parent lost a job that provided an employer-
389 sponsored health benefit plan for children;

390 3. The parent who had health benefits coverage for the
391 child is deceased;

392 4. The child has a medical condition that, without medical
393 care, would cause serious disability, loss of function, or
394 death;

395 5. The employer of the parent canceled health benefits
396 coverage for children;

397 6. The child's health benefits coverage ended because the
398 child reached the maximum lifetime coverage amount;

399 7. The child has exhausted coverage under a COBRA
400 continuation provision;

401 8. The health benefits coverage does not cover the child's
402 health care needs; or

403 9. Domestic violence led to loss of coverage.

404 ~~(5) A child who is otherwise eligible for the Florida~~



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405 ~~Kidcare program and who has a preexisting condition that~~
406 ~~prevents coverage under another insurance plan as described in~~
407 ~~paragraph (4)(a) which would have disqualified the child for the~~
408 ~~Florida Kidcare program if the child were able to enroll in the~~
409 ~~plan is eligible for Florida Kidcare coverage when enrollment is~~
410 ~~possible.~~

411 (5)~~(6)~~ A child whose household's modified adjusted gross
412 ~~family~~ income is above 200 percent of the federal poverty level
413 or a child who is excluded under the provisions of subsection
414 (4) may participate in the Florida Kidcare program as provided
415 in s. 409.8132 or, if the child is ineligible for Medikids by
416 reason of age, in the Florida Healthy Kids program, subject to
417 the following:

418 (a) The family is not eligible for premium assistance
419 payments and must pay the full cost of the premium, including
420 any administrative costs.

421 (b) The board of directors of the Florida Healthy Kids
422 Corporation may offer a reduced benefit package to these
423 children in order to limit program costs for such families.

424 (c) By August 15, 2013, the Florida Healthy Kids
425 Corporation shall notify all current full-pay enrollees of the
426 availability of the exchange and how to access other insurance
427 affordability options. New applications for full-pay coverage
428 may not be accepted after September 30, 2013.

429 (6)~~(7)~~ Once a child is enrolled in the Florida Kidcare
430 program, the child is eligible for coverage for 12 months
431 without a redetermination or reverification of eligibility, if
432 the family continues to pay the applicable premium. Eligibility
433 for program components funded through Title XXI of the Social



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434 Security Act terminates when a child attains the age of 19. A
435 child who has not attained the age of 5 and who has been
436 determined eligible for the Medicaid program is eligible for
437 coverage for 12 months without a redetermination or
438 reverification of eligibility.

439 ~~(7)~~ ~~(8)~~ When determining or reviewing a child's eligibility
440 under the Florida Kidcare program, the applicant shall be
441 provided with reasonable notice of changes in eligibility which
442 may affect enrollment in one or more of the program components.
443 If a transition from one program component to another is
444 authorized, there shall be cooperation between the program
445 components and the affected family which promotes continuity of
446 health care coverage. Any authorized transfers must be managed
447 within the program's overall appropriated or authorized levels
448 of funding. Each component of the program shall establish a
449 reserve to ensure that transfers between components will be
450 accomplished within current year appropriations. These reserves
451 shall be reviewed by each convening of the Social Services
452 Estimating Conference to determine the adequacy of such reserves
453 to meet actual experience.

454 ~~(8)~~ ~~(9)~~ In determining the eligibility of a child, an assets
455 test is not required. Each applicant shall provide documentation
456 during the application process and the redetermination process,
457 including, but not limited to, the following:

458 (a) Proof of household ~~family~~ income, which must be
459 verified electronically to determine financial eligibility for
460 the Florida Kidcare program. Written documentation, which may
461 include wages and earnings statements or pay stubs, W-2 forms,
462 or a copy of the applicant's most recent federal income tax



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463 return, is required only if the electronic verification is not
464 available or does not substantiate the applicant's income. This
465 paragraph expires December 31, 2013.

466 (b) A statement from all applicable, employed household
467 family members that:

468 1. Their employers do not sponsor health benefit plans for
469 employees;

470 2. The potential enrollee is not covered by an employer-
471 sponsored health benefit plan; or

472 3. The potential enrollee is covered by an employer-
473 sponsored health benefit plan and the cost of the employer-
474 sponsored health benefit plan is more than 5 percent of the
475 household's modified adjusted gross family's income.

476 (c) To enroll in the Children's Medical Services Network, a
477 completed application, including a clinical screening.

478 (d) Effective January 1, 2014, eligibility shall be
479 determined through electronic matching using the federally
480 managed data services hub and other resources. Written
481 documentation from the applicant may be accepted if the
482 electronic verification does not substantiate the applicant's
483 income or if there has been a change in circumstances.

484 (9)(10) Subject to paragraph (4)(a), the Florida Kidcare
485 program shall withhold benefits from an enrollee if the program
486 obtains evidence that the enrollee is no longer eligible,
487 submitted incorrect or fraudulent information in order to
488 establish eligibility, or failed to provide verification of
489 eligibility. The applicant or enrollee shall be notified that
490 because of such evidence program benefits will be withheld
491 unless the applicant or enrollee contacts a designated



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492 representative of the program by a specified date, which must be
493 within 10 working days after the date of notice, to discuss and
494 resolve the matter. The program shall make every effort to
495 resolve the matter within a timeframe that will not cause
496 benefits to be withheld from an eligible enrollee.

497 (10)~~(11)~~ The following individuals may be subject to
498 prosecution in accordance with s. 414.39:

499 (a) An applicant obtaining or attempting to obtain benefits
500 for a potential enrollee under the Florida Kidcare program when
501 the applicant knows or should have known the potential enrollee
502 does not qualify for the Florida Kidcare program.

503 (b) An individual who assists an applicant in obtaining or
504 attempting to obtain benefits for a potential enrollee under the
505 Florida Kidcare program when the individual knows or should have
506 known the potential enrollee does not qualify for the Florida
507 Kidcare program.

508 Section 6. Paragraphs (g), (k), (q), and (w) of subsection
509 (2) of section 409.815, Florida Statutes, are amended to read:

510 409.815 Health benefits coverage; limitations.—

511 (2) BENCHMARK BENEFITS.—In order for health benefits
512 coverage to qualify for premium assistance payments for an
513 eligible child under ss. 409.810-409.821, the health benefits
514 coverage, except for coverage under Medicaid and Medikids, must
515 include the following minimum benefits, as medically necessary.

516 (g) *Behavioral health services.*—

517 1. Mental health benefits include:

518 a. Inpatient services, ~~limited to 30 inpatient days per~~
519 ~~contract year~~ for psychiatric admissions, or residential
520 services in facilities licensed under s. 394.875(6) or s.



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521 395.003 in lieu of inpatient psychiatric admissions; ~~however, a~~
522 ~~minimum of 10 of the 30 days shall be available only for~~
523 ~~inpatient psychiatric services~~ if authorized by a physician; and

524 b. Outpatient services, including outpatient visits for
525 psychological or psychiatric evaluation, diagnosis, and
526 treatment by a licensed mental health professional, ~~limited to~~
527 ~~40 outpatient visits each contract year.~~

528 2. Substance abuse services include:

529 a. Inpatient services, ~~limited to 7 inpatient days per~~
530 ~~contract year~~ for medical detoxification only and ~~30 days of~~
531 residential services; and

532 b. Outpatient services, including evaluation, diagnosis,
533 and treatment by a licensed practitioner, ~~limited to 40~~
534 ~~outpatient visits per contract year.~~

535
536 ~~Effective October 1, 2009,~~ Covered services include inpatient
537 and outpatient services for mental and nervous disorders as
538 defined in the most recent edition of the Diagnostic and
539 Statistical Manual of Mental Disorders published by the American
540 Psychiatric Association. Such benefits include psychological or
541 psychiatric evaluation, diagnosis, and treatment by a licensed
542 mental health professional and inpatient, outpatient, and
543 residential treatment of substance abuse disorders. Any benefit
544 limitations, including duration of services, number of visits,
545 or number of days for hospitalization or residential services,
546 shall not be any less favorable than those for physical
547 illnesses generally. The program may also implement appropriate
548 financial incentives, peer review, utilization requirements, and
549 other methods used for the management of benefits provided for



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550 other medical conditions in order to reduce service costs and
551 utilization without compromising quality of care.

552 (k) *Hospice services.*—Covered services include reasonable
553 and necessary services for palliation or management of an
554 enrollee's terminal illness, ~~with the following exceptions:~~

555 ~~1. Once a family elects to receive hospice care for an~~
556 ~~enrollee, other services that treat the terminal condition will~~
557 ~~not be covered; and~~

558 ~~2. Services required for conditions totally unrelated to~~
559 ~~the terminal condition are covered to the extent that the~~
560 ~~services are included in this section.~~

561 (q) *Dental services.*—~~Effective October 1, 2009,~~ Dental
562 services shall be covered as required under federal law and may
563 also include those dental benefits provided to children by the
564 Florida Medicaid program under s. 409.906(6).

565 (w) *Reimbursement of federally qualified health centers and*
566 *rural health clinics.*—~~Effective October 1, 2009,~~ Payments for
567 services provided to enrollees by federally qualified health
568 centers and rural health clinics under this section shall be
569 reimbursed using the Medicaid Prospective Payment System as
570 provided for under s. 2107(e)(1)(D) of the Social Security Act.
571 If such services are paid for by health insurers or health care
572 providers under contract with the Florida Healthy Kids
573 Corporation, such entities are responsible for this payment. The
574 agency may seek any available federal grants to assist with this
575 transition.

576 Section 7. Section 409.816, Florida Statutes, is amended to
577 read:

578 409.816 Limitations on premiums and cost-sharing.—The



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579 following limitations on premiums and cost-sharing are
580 established for the program.

581 (1) Enrollees who receive coverage under the Medicaid
582 program may not be required to pay:

583 (a) Enrollment fees, premiums, or similar charges; or

584 (b) Copayments, deductibles, coinsurance, or similar
585 charges.

586 (2) Enrollees in households that have ~~families with~~ a
587 modified adjusted gross family income equal to or below 150
588 percent of the federal poverty level, who are not receiving
589 coverage under the Medicaid program, may not be required to pay:

590 (a) Enrollment fees, premiums, or similar charges that
591 exceed the maximum monthly charge permitted under s. 1916(b)(1)
592 of the Social Security Act; or

593 (b) Copayments, deductibles, coinsurance, or similar
594 charges that exceed a nominal amount, as determined consistent
595 with regulations referred to in s. 1916(a)(3) of the Social
596 Security Act. However, such charges may not be imposed for
597 preventive services, including well-baby and well-child care,
598 age-appropriate immunizations, and routine hearing and vision
599 screenings.

600 (3) Enrollees in households that have ~~families with~~ a
601 modified adjusted gross family income above 150 percent of the
602 federal poverty level who are not receiving coverage under the
603 Medicaid program or who are not eligible under s. 409.814(5) ~~s.~~
604 ~~409.814(6)~~ may be required to pay enrollment fees, premiums,
605 copayments, deductibles, coinsurance, or similar charges on a
606 sliding scale related to income, except that the total annual
607 aggregate cost-sharing with respect to all children in a



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608 household family may not exceed 5 percent of the household's
609 modified adjusted family's income. However, copayments,
610 deductibles, coinsurance, or similar charges may not be imposed
611 for preventive services, including well-baby and well-child
612 care, age-appropriate immunizations, and routine hearing and
613 vision screenings.

614 Section 8. Section 409.817, Florida Statutes, is repealed.

615 Section 9. Section 409.8175, Florida Statutes, is repealed.

616 Section 10. Paragraph (c) of subsection (1) of section
617 409.8177, Florida Statutes, is amended to read:

618 409.8177 Program evaluation.—

619 (1) The agency, in consultation with the Department of
620 Health, the Department of Children and Families ~~Family Services~~,
621 and the Florida Healthy Kids Corporation, shall contract for an
622 evaluation of the Florida Kidcare program and shall by January 1
623 of each year submit to the Governor, the President of the
624 Senate, and the Speaker of the House of Representatives a report
625 of the program. In addition to the items specified under s. 2108
626 of Title XXI of the Social Security Act, the report shall
627 include an assessment of crowd-out and access to health care, as
628 well as the following:

629 (c) The characteristics of the children and families
630 assisted under the program, including ages of the children,
631 household family income, and access to or coverage by other
632 health insurance prior to the program and after disenrollment
633 from the program.

634 Section 11. Section 409.818, Florida Statutes, is amended
635 to read:

636 409.818 Administration.—In order to implement ss. 409.810-



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637 409.821, the following agencies shall have the following duties:

638 (1) The Department of Children and Families ~~Family Services~~
639 shall:

640 (a) Maintain ~~Develop~~ a simplified eligibility determination
641 and renewal process ~~application mail-in form to be used for~~
642 ~~determining the eligibility of children for coverage~~ under the
643 Florida Kidcare program, in consultation with the agency, the
644 Department of Health, and the Florida Healthy Kids Corporation.
645 The simplified eligibility process ~~application form~~ must include
646 ~~an item that provides~~ an opportunity for the applicant to
647 indicate whether coverage is being sought for a child with
648 special health care needs. Families applying for children's
649 Medicaid coverage must also be able to use the simplified
650 application process ~~form~~ without having to pay a premium.

651 (b) Establish and maintain the eligibility determination
652 process under the program except as specified in subsection (3),
653 which includes the following: (5).

654 1. The department shall directly, or through the services
655 of a contracted third-party administrator, establish and
656 maintain a process for determining eligibility of children for
657 coverage under the program. The eligibility determination
658 process must be used solely for determining eligibility of
659 applicants for health benefits coverage under the program. The
660 eligibility determination process must include an initial
661 determination of eligibility for any coverage offered under the
662 program, as well as a redetermination or reverification of
663 eligibility each subsequent 6 months. ~~Effective January 1, 1999,~~
664 A child who has not attained the age of 5 and who has been
665 determined eligible for the Medicaid program is eligible for



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666 coverage for 12 months without a redetermination or
667 reverification of eligibility. In conducting an eligibility
668 determination, the department shall determine if the child has
669 special health care needs.

670 2. The department, in consultation with the Agency for
671 Health Care Administration and the Florida Healthy Kids
672 Corporation, shall develop procedures for redetermining
673 eligibility which enable applicants and enrollees ~~a family~~ to
674 easily update any change in circumstances which could affect
675 eligibility.

676 3. The department may accept changes in ~~a family's~~ status
677 as reported to the department by the Florida Healthy Kids
678 Corporation or the exchange without requiring a new application
679 ~~from the family~~. Redetermination of a child's eligibility for
680 Medicaid may not be linked to a child's eligibility
681 determination for other programs.

682 4. The department, in consultation with the agency and the
683 Florida Healthy Kids Corporation, shall develop a combined
684 eligibility notice to inform applicants and enrollees of their
685 application or renewal status, as appropriate. The content must
686 be coordinated to meet all federal and state requirements under
687 the federal Patient Protection and Affordable Care Act.

688 (c) Inform program applicants about eligibility
689 determinations and provide information about eligibility of
690 applicants to the Florida Kidcare program and to insurers and
691 their agents, ~~through a centralized coordinating office.~~

692 (d) Adopt rules necessary for conducting program
693 eligibility functions.

694 ~~(2) The Department of Health shall:~~



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695 ~~(a) Design an eligibility intake process for the program,~~
696 ~~in coordination with the Department of Children and Family~~
697 ~~Services, the agency, and the Florida Healthy Kids Corporation.~~
698 ~~The eligibility intake process may include local intake points~~
699 ~~that are determined by the Department of Health in coordination~~
700 ~~with the Department of Children and Family Services.~~

701 ~~(b) Chair a state-level Florida Kidcare coordinating~~
702 ~~council to review and make recommendations concerning the~~
703 ~~implementation and operation of the program. The coordinating~~
704 ~~council shall include representatives from the department, the~~
705 ~~Department of Children and Family Services, the agency, the~~
706 ~~Florida Healthy Kids Corporation, the Office of Insurance~~
707 ~~Regulation of the Financial Services Commission, local~~
708 ~~government, health insurers, health maintenance organizations,~~
709 ~~health care providers, families participating in the program,~~
710 ~~and organizations representing low-income families.~~

711 ~~(c) In consultation with the Florida Healthy Kids~~
712 ~~Corporation and the Department of Children and Family Services,~~
713 ~~establish a toll-free telephone line to assist families with~~
714 ~~questions about the program.~~

715 ~~(d) Adopt rules necessary to implement outreach activities.~~

716 ~~(2)(3)~~ The Agency for Health Care Administration, under the
717 authority granted in s. 409.914(1), shall:

718 (a) Calculate the premium assistance payment necessary to
719 comply with the premium and cost-sharing limitations specified
720 in s. 409.816 and the federal Patient Protection and Affordable
721 Care Act. The premium assistance payment for each enrollee in a
722 health insurance plan participating in the Florida Healthy Kids
723 Corporation shall equal the premium approved by the Florida



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724 ~~Healthy Kids Corporation and the Office of Insurance Regulation~~
725 ~~of the Financial Services Commission pursuant to ss. 627.410 and~~
726 ~~641.31, less any enrollee's share of the premium established~~
727 ~~within the limitations specified in s. 409.816. The premium~~
728 ~~assistance payment for each enrollee in an employer-sponsored~~
729 ~~health insurance plan approved under ss. 409.810-409.821 shall~~
730 ~~equal the premium for the plan adjusted for any benchmark~~
731 ~~benefit plan actuarial equivalent benefit rider approved by the~~
732 ~~Office of Insurance Regulation pursuant to ss. 627.410 and~~
733 ~~641.31, less any enrollee's share of the premium established~~
734 ~~within the limitations specified in s. 409.816. In calculating~~
735 ~~the premium assistance payment levels for children with family~~
736 ~~coverage, the agency shall set the premium assistance payment~~
737 ~~levels for each child proportionately to the total cost of~~
738 ~~family coverage.~~

739 (b) Make premium assistance payments to health insurance
740 plans on a periodic basis. The agency may use its Medicaid
741 fiscal agent or a contracted third-party administrator in making
742 these payments. The agency may require health insurance plans
743 that participate in the Medikids program ~~or employer-sponsored~~
744 ~~group health insurance~~ to collect premium payments from an
745 enrollee's family. Participating health insurance plans shall
746 report premium payments collected on behalf of enrollees in the
747 program to the agency in accordance with a schedule established
748 by the agency.

749 (c) Monitor compliance with quality assurance and access
750 standards developed under s. 409.820 and in accordance with s.
751 2103(f) of the Social Security Act, 42 U.S.C. s. 1397cc(f).

752 (d) Establish a mechanism for investigating and resolving



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753 complaints and grievances from program applicants, enrollees,
754 and health benefits coverage providers, and maintain a record of
755 complaints and confirmed problems. In the case of a child who is
756 enrolled in a managed care ~~health maintenance~~ organization, the
757 agency must use the provisions of s. 641.511 to address
758 grievance reporting and resolution requirements.

759 ~~(e) Approve health benefits coverage for participation in~~
760 ~~the program, following certification by the Office of Insurance~~
761 ~~Regulation under subsection (4).~~

762 ~~(e)(f) Adopt rules necessary for calculating premium~~
763 ~~assistance payment levels, making premium assistance payments,~~
764 ~~monitoring access and quality assurance standards and,~~
765 ~~investigating and resolving complaints and grievances,~~
766 ~~administering the Medikids program, and approving health~~
767 ~~benefits coverage.~~

768 (f) Contract with the Florida Healthy Kids Corporation for
769 the administration of the Florida Kidcare program and the
770 Healthy Florida program and to facilitate the release of any
771 federal and state funds.

772
773 The agency is designated the lead state agency for Title XXI of
774 the Social Security Act for purposes of receipt of federal
775 funds, for reporting purposes, and for ensuring compliance with
776 federal and state regulations and rules.

777 ~~(4) The Office of Insurance Regulation shall certify that~~
778 ~~health benefits coverage plans that seek to provide services~~
779 ~~under the Florida Kidcare program, except those offered through~~
780 ~~the Florida Healthy Kids Corporation or the Children's Medical~~
781 ~~Services Network, meet, exceed, or are actuarially equivalent to~~



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782 ~~the benchmark benefit plan and that health insurance plans will~~
783 ~~be offered at an approved rate. In determining actuarial~~
784 ~~equivalence of benefits coverage, the Office of Insurance~~
785 ~~Regulation and health insurance plans must comply with the~~
786 ~~requirements of s. 2103 of Title XXI of the Social Security Act.~~
787 ~~The department shall adopt rules necessary for certifying health~~
788 ~~benefits coverage plans.~~

789 (3)~~(5)~~ The Florida Healthy Kids Corporation shall retain
790 its functions as authorized in s. 624.91, including eligibility
791 determination for participation in the Healthy Kids program.

792 (4)~~(6)~~ The agency, the Department of Health, the Department
793 of Children and Families ~~Family Services~~, and the Florida
794 Healthy Kids Corporation, ~~and the Office of Insurance~~
795 ~~Regulation~~, after consultation with and approval of the Speaker
796 of the House of Representatives and the President of the Senate,
797 ~~may be authorized to~~ make program modifications that are
798 necessary to overcome any objections of the United States
799 Department of Health and Human Services to obtain approval of
800 the state's child health insurance plan under Title XXI of the
801 Social Security Act.

802 Section 12. Section 409.820, Florida Statutes, is amended
803 to read:

804 409.820 Quality assurance and access standards.—Except for
805 Medicaid, the Department of Health, in consultation with the
806 agency and the Florida Healthy Kids Corporation, shall develop a
807 minimum set of pediatric and adolescent quality assurance and
808 access standards for all program components. The standards must
809 include a process for granting exceptions to specific
810 requirements for quality assurance and access. Compliance with



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811 the standards shall be a condition of program participation by
812 health benefits coverage providers. These standards shall comply
813 with the provisions of this chapter and chapter 641 and Title
814 XXI of the Social Security Act.

815 Section 13. Section 624.91, Florida Statutes, is amended to
816 read:

817 624.91 The Florida Healthy Kids Corporation Act.—

818 (1) SHORT TITLE.—This section may be cited as the “William
819 G. ‘Doc’ Myers Healthy Kids Corporation Act.”

820 (2) LEGISLATIVE INTENT.—

821 (a) The Legislature finds that increased access to health
822 care services could improve children’s health and reduce the
823 incidence and costs of childhood illness and disabilities among
824 children in this state. Many children do not have comprehensive,
825 affordable health care services available. It is the intent of
826 the Legislature that the Florida Healthy Kids Corporation
827 provide comprehensive health insurance coverage to such
828 children. The corporation is encouraged to cooperate with any
829 existing health service programs funded by the public or the
830 private sector.

831 (b) It is the intent of the Legislature that the Florida
832 Healthy Kids Corporation serve as one of several providers of
833 services to children eligible for medical assistance under Title
834 XXI of the Social Security Act. Although the corporation may
835 serve other children, the Legislature intends the primary
836 recipients of services provided through the corporation be
837 school-age children with a family income below 200 percent of
838 the federal poverty level, who do not qualify for Medicaid. It
839 is also the intent of the Legislature that state and local



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840 government Florida Healthy Kids funds be used to continue
841 coverage, subject to specific appropriations in the General
842 Appropriations Act, to children not eligible for federal
843 matching funds under Title XXI.

844 (c) It is further the intent of the Legislature that the
845 Florida Healthy Kids Corporation administer and manage services
846 for Healthy Florida, a health care program for uninsured adults
847 using a unique network of providers and contracts. Enrollees in
848 Healthy Florida will receive comprehensive health care services
849 from private, licensed health insurers who meet standards
850 established by the corporation. It is further the intent of the
851 Legislature that these enrollees participate in their own health
852 care decisionmaking and contribute financially toward their
853 medical costs. The Legislature intends to provide an alternative
854 benefit package that includes a full range of services which
855 meet the needs of residents of this state. As a new program, the
856 Legislature shall also ensure that a comprehensive evaluation is
857 conducted to measure the overall impact of the program and
858 identify whether to renew the program after an initial 3-year
859 term.

860 (3) ELIGIBILITY FOR STATE-FUNDED ASSISTANCE.—Only the
861 following individuals are eligible for state-funded assistance
862 in paying premiums for Healthy Florida or Florida Healthy Kids
863 premiums:

864 (a) Residents of this state who are eligible for the
865 Florida Kidcare program pursuant to s. 409.814 or the Healthy
866 Florida pursuant to s. 624.917.

867 (b) Notwithstanding s. 409.814, legal aliens who are
868 enrolled in the Florida Healthy Kids program as of January 31,



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869 2004, who do not qualify for Title XXI federal funds because
870 they are not qualified aliens as defined in s. 409.811.

871 (4) NONENTITLEMENT.—Nothing in this section shall be
872 construed as providing an individual with an entitlement to
873 health care services. No cause of action shall arise against the
874 state, the Florida Healthy Kids Corporation, or a unit of local
875 government for failure to make health services available under
876 this section.

877 (5) CORPORATION AUTHORIZATION, DUTIES, POWERS.—

878 (a) There is created the Florida Healthy Kids Corporation,
879 a not-for-profit corporation.

880 (b) The Florida Healthy Kids Corporation shall:

881 1. Arrange for the collection of any family, individual, or
882 local contributions, ~~or employer payment or premium,~~ in an
883 amount to be determined by the board of directors, to provide
884 for payment of premiums for comprehensive insurance coverage and
885 for the actual or estimated administrative expenses.

886 2. Arrange for the collection of any voluntary
887 contributions to provide for payment of premiums for enrollees
888 in the Florida Kidcare program or Healthy Florida ~~premiums for~~
889 ~~children who are not eligible for medical assistance under Title~~
890 ~~XIX or Title XXI of the Social Security Act.~~

891 3. Subject to the provisions of s. 409.8134, accept
892 voluntary supplemental local match contributions that comply
893 with the requirements of Title XXI of the Social Security Act
894 for the purpose of providing additional Florida Kidcare coverage
895 in contributing counties under Title XXI.

896 4. Establish the administrative and accounting procedures
897 for the operation of the corporation.



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898 5. Establish, with consultation from appropriate
899 professional organizations, standards for preventive health
900 services and providers and comprehensive insurance benefits
901 appropriate to children, provided that such standards for rural
902 areas shall not limit primary care providers to board-certified
903 pediatricians.

904 6. Determine eligibility for children seeking to
905 participate in the Title XXI-funded components of the Florida
906 Kidcare program consistent with the requirements specified in s.
907 409.814, as well as the non-Title-XXI-eligible children as
908 provided in subsection (3).

909 7. Establish procedures under which providers of local
910 match to, applicants to and participants in the program may have
911 grievances reviewed by an impartial body and reported to the
912 board of directors of the corporation.

913 8. Establish participation criteria and, if appropriate,
914 contract with an authorized insurer, health maintenance
915 organization, or third-party administrator to provide
916 administrative services to the corporation.

917 9. Establish enrollment criteria that include penalties or
918 waiting periods of 30 days for reinstatement of coverage upon
919 voluntary cancellation for nonpayment of family and individual
920 premiums under the programs.

921 10. Contract with authorized insurers or any provider of
922 health care services, meeting standards established by the
923 corporation, for the provision of comprehensive insurance
924 coverage to participants. Such standards shall include criteria
925 under which the corporation may contract with more than one
926 provider of health care services in program sites.



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927 a. Health plans shall be selected through a competitive bid
928 process.

929 b. The Florida Healthy Kids Corporation shall purchase
930 goods and services in the most cost-effective manner consistent
931 with the delivery of quality medical care. The maximum
932 administrative cost for a Florida Healthy Kids Corporation
933 contract shall be 15 percent. For all health care contracts, the
934 minimum medical loss ratio is for a Florida Healthy Kids
935 Corporation contract shall be 85 percent. The calculations must
936 use uniform financial data collected from all plans in a format
937 established by the corporation and shall be computed for each
938 insurer on a statewide basis. Funds shall be classified in a
939 manner consistent with 45 C.F.R. part 158 ~~For dental contracts,~~
940 ~~the remaining compensation to be paid to the authorized insurer~~
941 ~~or provider under a Florida Healthy Kids Corporation contract~~
942 ~~shall be no less than an amount which is 85 percent of premium,~~
943 ~~to the extent any contract provision does not provide for this~~
944 ~~minimum compensation, this section shall prevail.~~

945 c. The health plan selection criteria and scoring system,
946 and the scoring results, shall be available upon request for
947 inspection after the bids have been awarded.

948 11. Establish disenrollment criteria in the event local
949 matching funds are insufficient to cover enrollments.

950 12. Develop and implement a plan to publicize the Florida
951 Kidcare program and Healthy Florida, the eligibility
952 requirements of the programs program, and the procedures for
953 enrollment in the program and to maintain public awareness of
954 the corporation and the programs program.

955 13. Secure staff necessary to properly administer the



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956 corporation. Staff costs shall be funded from state and local
957 matching funds and such other private or public funds as become
958 available. The board of directors shall determine the number of
959 staff members necessary to administer the corporation.

960 14. In consultation with the partner agencies, annually
961 provide a report on the Florida Kidcare program ~~annually~~ to the
962 Governor, the Chief Financial Officer, the Commissioner of
963 Education, the President of the Senate, the Speaker of the House
964 of Representatives, and the Minority Leaders of the Senate and
965 the House of Representatives.

966 15. Provide information on a quarterly basis to the
967 Legislature and the Governor which compares the costs and
968 utilization of the full-pay enrolled population and the Title
969 XXI-subsidized enrolled population in the Florida Kidcare
970 program. The information, at a minimum, must include:

971 a. The monthly enrollment and expenditure for full-pay
972 enrollees in the Medikids and Florida Healthy Kids programs
973 compared to the Title XXI-subsidized enrolled population; and

974 b. The costs and utilization by service of the full-pay
975 enrollees in the Medikids and Florida Healthy Kids programs and
976 the Title XXI-subsidized enrolled population. This subparagraph
977 is repealed effective December 31, 2013.

978
979 ~~By February 1, 2010, the Florida Healthy Kids Corporation shall~~
980 ~~provide a study to the Legislature and the Governor on premium~~
981 ~~impacts to the subsidized portion of the program from the~~
982 ~~inclusion of the full-pay program, which shall include~~
983 ~~recommendations on how to eliminate or mitigate possible impacts~~
984 ~~to the subsidized premiums.~~



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985 16. By August 15, 2013, the corporation shall notify all
986 current full-pay enrollees of the availability of the exchange,
987 as defined in the federal Patient Protection and Affordable Care
988 Act, and how to access other insurance affordability options.
989 New applications for full-pay coverage may not be accepted after
990 September 30, 2013.

991 ~~17.16.~~ Establish benefit packages that conform to the
992 provisions of the Florida Kidcare program, as created in ss.
993 409.810-409.821.

994 (c) Coverage under the corporation's program is secondary
995 to any other available private coverage held by, or applicable
996 to, the participant ~~child~~ or family member. Insurers under
997 contract with the corporation are the payors of last resort and
998 must coordinate benefits with any other third-party payor that
999 may be liable for the participant's medical care.

1000 (d) The Florida Healthy Kids Corporation shall be a private
1001 corporation not for profit, registered, incorporated, and
1002 organized pursuant to chapter 617, and shall have all powers
1003 necessary to carry out the purposes of this act, including, but
1004 not limited to, the power to receive and accept grants, loans,
1005 or advances of funds from any public or private agency and to
1006 receive and accept from any source contributions of money,
1007 property, labor, or any other thing of value, to be held, used,
1008 and applied for the purposes of this act. The corporation and
1009 any committees it forms shall act in compliance with part III of
1010 chapter 112, and chapters 119 and 286.

1011 (6) BOARD OF DIRECTORS AND MANAGEMENT SUPERVISION.—

1012 (a) The Florida Healthy Kids Corporation shall operate
1013 subject to the supervision and approval of a board of directors



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1014 chaired by an appointee designated by the Governor Chief
1015 ~~Financial Officer or her or his designee~~, and composed of 15 ~~12~~
1016 other members. The Senate shall confirm the designated chair and
1017 other board appointees selected for 3-year terms of office as
1018 follows:

1019 1. The Secretary of Health Care Administration, or his or
1020 her designee, as an ex-officio member.

1021 2. The State Surgeon General, or his or her designee, as an
1022 ex-officio member ~~One member appointed by the Commissioner of~~
1023 ~~Education from the Office of School Health Programs of the~~
1024 ~~Florida Department of Education.~~

1025 3. The Secretary of Children and Families, or his or her
1026 designee, as an ex-officio member ~~One member appointed by the~~
1027 ~~Chief Financial Officer from among three members nominated by~~
1028 ~~the Florida Pediatric Society.~~

1029 4. Four members ~~One member~~, appointed by the Governor, ~~who~~
1030 ~~represents the Children's Medical Services Program.~~

1031 5. Two members ~~One member~~ appointed by the President of the
1032 Senate Chief Financial Officer ~~from among three members~~
1033 ~~nominated by the Florida Hospital Association.~~

1034 6. Two members ~~One member~~, appointed by the Senate Minority
1035 Leader ~~Governor, who is an expert on child health policy.~~

1036 7. Two members ~~One member~~, appointed by the Speaker of the
1037 House of Representatives Chief Financial Officer, ~~from among~~
1038 ~~three members nominated by the Florida Academy of Family~~
1039 ~~Physicians.~~

1040 8. Two members ~~One member~~, appointed by the House Minority
1041 Leader ~~Governor, who represents the state Medicaid program.~~

1042 9. ~~One member, appointed by the Chief Financial Officer,~~



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1043 ~~from among three members nominated by the Florida Association of~~
1044 ~~Counties.~~

1045 ~~10. The State Health Officer or her or his designee.~~

1046 ~~11. The Secretary of Children and Family Services, or his~~
1047 ~~or her designee.~~

1048 ~~12. One member, appointed by the Governor, from among three~~
1049 ~~members nominated by the Florida Dental Association.~~

1050 (b) A member of the board of directors may be removed by
1051 the official who appointed that member. The board shall appoint
1052 an executive director, who is responsible for other staff
1053 authorized by the board.

1054 (c) Board members are entitled to receive, from funds of
1055 the corporation, reimbursement for per diem and travel expenses
1056 as provided by s. 112.061.

1057 (d) There shall be no liability on the part of, and no
1058 cause of action shall arise against, any member of the board of
1059 directors, or its employees or agents, for any action they take
1060 in the performance of their powers and duties under this act.

1061 (e) Board members who are serving on or before the date of
1062 enactment of this act or similar legislation may remain until
1063 July 1, 2013.

1064 (f) An executive steering committee is created to provide
1065 management direction and support and to make recommendations to
1066 the board on the programs. The steering committee is composed of
1067 the Secretary of Health Care Administration, the Secretary of
1068 Children and Families, and the State Surgeon General. Committee
1069 members may not delegate their membership or attendance.

1070 (7) LICENSING NOT REQUIRED; FISCAL OPERATION.—

1071 (a) The corporation shall not be deemed an insurer. The



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1072 officers, directors, and employees of the corporation shall not
1073 be deemed to be agents of an insurer. Neither the corporation
1074 nor any officer, director, or employee of the corporation is
1075 subject to the licensing requirements of the insurance code or
1076 the rules of the Department of Financial Services or Office of
1077 Insurance Regulation. However, any marketing representative
1078 utilized and compensated by the corporation must be appointed as
1079 a representative of the insurers or health services providers
1080 with which the corporation contracts.

1081 (b) The board has complete fiscal control over the
1082 corporation and is responsible for all corporate operations.

1083 (c) The Department of Financial Services shall supervise
1084 any liquidation or dissolution of the corporation and shall
1085 have, with respect to such liquidation or dissolution, all power
1086 granted to it pursuant to the insurance code.

1087 Section 14. Section 624.915, Florida Statutes, is repealed.

1088 Section 15. Section 624.917, Florida Statutes, is created
1089 to read:

1090 624.917 Healthy Florida program.-

1091 (1) PROGRAM CREATION.-There is created Healthy Florida, a
1092 health care program for lower income, uninsured adults who meet
1093 the eligibility guidelines established under s. 624.91. The
1094 Florida Healthy Kids Corporation shall administer the program
1095 under its existing corporate governance and structure.

1096 (2) DEFINITIONS.-As used in this section, the term:

1097 (a) "Actuarially equivalent" means:

1098 1. The aggregate value of the benefits included in health
1099 benefits coverage is equal to the value of the benefits in the
1100 child benchmark benefit plan as defined in s. 409.811; and



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1101 2. The benefits included in health benefits coverage are
1102 substantially similar to the benefits included in the child
1103 benchmark benefit plan, except that preventive health services
1104 do not include dental services.

1105 (b) "Agency" means the Agency for Health Care
1106 Administration.

1107 (c) "Applicant" means the individual who applies for
1108 determination of eligibility for health benefits coverage under
1109 this section.

1110 (d) "Child benchmark benefit plan" means the form and level
1111 of health benefits coverage established in s. 409.815.

1112 (e) "Child" means any person younger than 19 years of age.

1113 (f) "Corporation" means the Florida Healthy Kids
1114 Corporation.

1115 (g) "Enrollee" means an individual who has been determined
1116 eligible for and is receiving coverage under this section.

1117 (h) "Florida Kidcare program" or "Kidcare program," means
1118 the health benefits program administered through ss. 409.810-
1119 409.821.

1120 (i) "Health benefits coverage" means protection that
1121 provides payment of benefits for covered health care services or
1122 that otherwise provides, either directly or through arrangements
1123 with other persons, covered health care services on a prepaid
1124 per capita basis or on a prepaid aggregate fixed-sum basis.

1125 (j) "Healthy Florida" means the program created by this
1126 section which is administered by the Florida Healthy Kids
1127 Corporation.

1128 (k) "Healthy Kids" means the Florida Kidcare program
1129 component created under s. 624.91 for children who are 5 through



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1130 18 years of age.

1131 (l) "Household income" means the group or the individual
1132 whose income is considered in determining eligibility for the
1133 Healthy Florida program. The term "household" has the same
1134 meaning as provided in s. 36B(d)(2) of the Internal Revenue Code
1135 of 1986.

1136 (m) "Medicaid" means the medical assistance program
1137 authorized by Title XIX of the Social Security Act, and
1138 regulations thereunder, and ss. 409.901-409.920, as administered
1139 in this state by the agency.

1140 (n) "Medically necessary" means the use of any medical
1141 treatment, service, equipment, or supply necessary to palliate
1142 the effects of a terminal condition, or to prevent, diagnose,
1143 correct, cure, alleviate, or preclude deterioration of a
1144 condition that threatens life, causes pain or suffering, or
1145 results in illness or infirmity and which is:

1146 1. Consistent with the symptom, diagnosis, and treatment of
1147 the enrollee's condition;

1148 2. Provided in accordance with generally accepted standards
1149 of medical practice;

1150 3. Not primarily intended for the convenience of the
1151 enrollee, the enrollee's family, or the health care provider;

1152 4. The most appropriate level of supply or service for the
1153 diagnosis and treatment of the enrollee's condition; and

1154 5. Approved by the appropriate medical body or health care
1155 specialty involved as effective, appropriate, and essential for
1156 the care and treatment of the enrollee's condition.

1157 (o) "Modified adjusted gross income" means the individual
1158 or household's annual adjusted gross income as defined in s.



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1159 36B(d) (2) of the Internal Revenue Code of 1986 which is used to
1160 determine eligibility under the Florida Kidcare program.

1161 (p) "Patient Protection and Affordable Care Act" or "Act"
1162 means the federal law enacted as Pub. L. No. 111-148, as further
1163 amended by the federal Health Care and Education Reconciliation
1164 Act of 2010, Pub. L. No. 111-152, and any amendments,
1165 regulations or guidance thereunder, issued under those acts.

1166 (q) "Premium" means the entire cost of a health insurance
1167 plan, including the administration fee or the risk assumption
1168 charge.

1169 (r) "Premium assistance payment" means the monthly
1170 consideration paid by the agency per enrollee in the Florida
1171 Kidcare program towards health insurance premiums.

1172 (s) "Qualified alien" means an alien as defined in 8 U.S.C.
1173 s. 1641(b) and (c).

1174 (t) "Resident" means a United States citizen or qualified
1175 alien who is domiciled in this state.

1176 (3) ELIGIBILITY.—To be eligible and remain eligible for the
1177 Healthy Florida program, an individual must be a resident of
1178 this state and meet the following additional criteria:

1179 (a) Be identified as newly eligible, as defined in s.
1180 1902(a) (10) (A) (i) (VIII) of the Social Security Act or s. 2001 of
1181 the federal Patient Protection and Affordable Care Act, and as
1182 may be further defined by federal regulation.

1183 (b) Maintain eligibility with the corporation and meet all
1184 renewal requirements as established by the corporation.

1185 (c) Renew eligibility on at least an annual basis.

1186 (4) ENROLLMENT.—The corporation may begin the enrollment of
1187 applicants in the Healthy Florida program on October 1, 2013.



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1188 Enrollment may occur directly, through the services of a third-
1189 party administrator, referrals from the Department of Children
1190 and Families, and the exchange as defined by the federal Patient
1191 Protection and Affordable Care Act. As an enrollee disenrolls,
1192 the corporation must also provide the enrollee with information
1193 about other insurance affordability programs and electronically
1194 refer the enrollee to the exchange or other programs, as
1195 appropriate. The earliest coverage effective date under the
1196 program shall be January 1, 2014.

1197 (5) DELIVERY OF SERVICES.—The corporation shall contract
1198 with authorized insurers licensed under chapter 627; managed
1199 care organizations authorized under chapter 641; and provider
1200 service networks authorized under ss. 409.912(4) (d) and
1201 409.962(13) which are prepaid plans. These insurers, managed
1202 care organizations, and provider service networks must meet
1203 standards established by the corporation to provide
1204 comprehensive health care services to enrollees who qualify for
1205 services under this section. The corporation may contract for
1206 such services on a statewide or regional basis. To encourage
1207 continuity of care among enrollees who may transition across
1208 multiple insurance affordability programs, the corporation is
1209 encouraged to contract with those insurers and managed care
1210 organizations that participate in more than one such program.

1211 (a) The corporation shall establish access and network
1212 standards for such contracts and ensure that contracted
1213 providers have sufficient providers to meet enrollee needs.
1214 Quality standards must be developed by the corporation, specific
1215 to the adult population, which take into consideration
1216 recommendations from the National Committee on Quality



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1217 Assurance, stakeholders, and other existing performance
1218 indicators from both public and commercial populations. The
1219 corporation and its contracted health plans shall develop
1220 policies that minimize the disruption of enrollee medical homes
1221 when enrollees transition between insurance affordability plans.

1222 (b) The corporation shall provide an enrollee a choice of
1223 plans. The corporation may select a plan if no selection has
1224 been received before the coverage start date. Once enrolled, an
1225 enrollee has an initial 90-day, free-look period before a lock-
1226 in period of not more than 12 months is applied. Exceptions to
1227 the lock-in period must be offered to an enrollee for reasons
1228 based upon good cause or qualifying events.

1229 (c) The corporation may consider contracts that provide
1230 family plans that would allow members from multiple state and
1231 federally funded programs to remain together under the same
1232 plan.

1233 (d) All contracts must meet the medical loss ratio
1234 requirements under s. 624.91.

1235 (6) BENEFITS.—The corporation shall establish a benefits
1236 package that is actuarially equivalent to the benchmark benefit
1237 plan offered under s. 409.815(2), excluding dental, and meets
1238 the alternative benefits package requirements under s. 1937 of
1239 the Social Security Act. Benefits must be offered as an
1240 integrated, single package.

1241 (a) In addition to benchmark benefits, health reimbursement
1242 accounts or a comparable health savings account for each
1243 enrollee must be established through the corporation or the
1244 contracts managed by the corporation. Enrollees must be rewarded
1245 for healthy behaviors, wellness program adherence, and other



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1246 activities established by the corporation which demonstrate
1247 compliance with preventive care or disease management
1248 guidelines. Funds deposited into these accounts may be used to
1249 pay cost-sharing obligations or to purchase over-the-counter
1250 health-related items to the extent allowed under federal law or
1251 regulation.

1252 (b) Enhanced services may be offered if the cost of such
1253 additional services provides savings to the overall plan.

1254 (c) The corporation shall establish a process for the
1255 payment of wrap-around services not covered by the benchmark
1256 benefit plan through a separate subcapitation process to its
1257 contracted providers if it is determined that such services are
1258 required by federal law. Such services would be covered when
1259 deemed medically necessary on an individual basis. The
1260 subcapitation pool is subject to a separate reconciliation
1261 process under the medical loss ratio provisions in s. 624.91.

1262 (d) A prior authorization process and other utilization
1263 controls may be established by the plan for any benefit if
1264 approved by the corporation.

1265 (7) COST SHARING.—The corporation may collect premiums and
1266 copayments from enrollees in accordance with federal law.
1267 Amounts to be collected for the Healthy Florida program must be
1268 established annually in the General Appropriations Act.

1269 (a) Payment of a monthly premium may be required before the
1270 establishment of an enrollee's coverage start date and to retain
1271 monthly coverage.

1272 (b) An enrollee who has a family income above the federal
1273 poverty level may be required to make nominal copayments, in
1274 accordance with federal rule, as a condition of receiving a



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1275 health care service.

1276 (c) A provider is responsible for the collection of point-
1277 of-service cost-sharing obligations. The enrollee's cost-sharing
1278 contribution is considered part of the provider's total
1279 reimbursement. Failure to collect an enrollee's cost sharing
1280 reduces the provider's share of the reimbursement.

1281 (8) PROGRAM MANAGEMENT.—The corporation is responsible for
1282 the oversight of the Healthy Florida program. The agency shall
1283 seek a state plan amendment or other appropriate federal
1284 approval to implement the Healthy Florida program. The agency
1285 shall consult with the corporation in the amendment's
1286 development and submit by June 14, 2013, the state plan
1287 amendment to the federal Department of Health and Human
1288 Services. The agency shall contract with the corporation for the
1289 administration of the Healthy Florida program and for the timely
1290 release of federal and state funds. The agency retains its
1291 authorities as provided in ss. 409.902 and 409.963.

1292 (a) The corporation shall establish a process by which
1293 grievances can be resolved and Healthy Florida recipients can be
1294 informed of their rights under the Medicaid Fair Hearing
1295 Process, as appropriate, or any alternative resolution process
1296 adopted by the corporation.

1297 (b) The corporation shall establish a program integrity
1298 process to ensure compliance with program guidelines. At a
1299 minimum, the corporation shall withhold benefits from an
1300 applicant or enrollee if the corporation obtains evidence that
1301 the applicant or enrollee is no longer eligible, submitted
1302 incorrect or fraudulent information in order to establish
1303 eligibility, or failed to provide verification of eligibility.



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1304 The corporation shall notify the applicant or enrollee that,
1305 because of such evidence, program benefits must be withheld
1306 unless the applicant or enrollee contacts a designated
1307 representative of the corporation by a specified date, which
1308 must be within 10 working days after the date of notice, to
1309 discuss and resolve the matter. The corporation shall make every
1310 effort to resolve the matter within a timeframe that will not
1311 cause benefits to be withheld from an eligible enrollee. The
1312 following individuals may be subject to specific prosecution in
1313 accordance with s. 414.39:

1314 1. An applicant who obtains or attempts to obtain benefits
1315 for a potential enrollee under the Healthy Florida program when
1316 the applicant knows or should have known that the potential
1317 enrollee does not qualify for the Healthy Florida program.

1318 2. An individual who assists an applicant in obtaining or
1319 attempting to obtain benefits for a potential enrollee under the
1320 Healthy Florida program when the individual knows or should have
1321 known that the potential enrollee does not qualify for the
1322 Healthy Florida program.

1323 (9) APPLICABILITY OF LAWS RELATING TO MEDICAID.—The
1324 provisions of ss. 409.902, 409.9128, and 409.920 apply to the
1325 administration of the Healthy Florida program.

1326 (10) PROGRAM EVALUATION.—The corporation shall collect both
1327 eligibility and enrollment data from program applicants and
1328 enrollees as well as encounter and utilization data from all
1329 contracted entities during the program term. The corporation
1330 shall submit monthly enrollment reports to the President of the
1331 Senate, the Speaker of the House of Representative, and the
1332 Minority Leaders of the Senate and the House of Representatives.



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1333 The corporation shall submit an interim independent evaluation
1334 of the Healthy Florida program to the presiding officers no
1335 later than July 1, 2015, with annual evaluations due July 1 each
1336 year thereafter. The evaluations must address, at a minimum,
1337 application and enrollment trends and issues, utilization and
1338 cost data, and customer satisfaction.

1339 (11) PROGRAM EXPIRATION.—The Healthy Florida program shall
1340 expire at the end of the state fiscal year in which any of these
1341 conditions occur, whichever occurs first:

1342 (a) The federal match contribution falls below 90 percent.

1343 (b) The federal match contribution falls below the
1344 increased FMAP for medical assistance for newly eligible
1345 mandatory individuals as specified in the federal Patient
1346 Protection and Affordable Care Act, Pub. L. No. 111-148, as
1347 amended by the federal Health Care and Education Reconciliation
1348 Act of 2010, Pub. L. No. 111-152.

1349 (c) The federal match for the Healthy Florida program and
1350 the Medicaid program are blended under federal law or regulation
1351 in such a way that causes the overall federal contribution to
1352 diminish when compared to separate, nonblended federal
1353 contributions.

1354 Section 16. The Florida Healthy Kids Corporation may make
1355 changes to comply with the objections of the federal Department
1356 of Health and Human Services to gain approval of the Healthy
1357 Florida program in compliance with the federal Patient
1358 Protection and Affordable Care Act, upon giving notice to the
1359 Senate and the House of Representatives of the proposed changes.
1360 If there is a conflict between a provision in this section and
1361 the federal Patient Protection and Affordable Care Act, Pub. L.



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1362 No. 111-148, as amended by the federal Health Care and Education
1363 Reconciliation Act of 2010, Pub. L. No. 111-152, the provision
1364 must be interpreted and applied so as to comply with the
1365 requirement of the federal law.

1366 Section 17. (1) The sum of \$1,258,054,808 from the Medical
1367 Care Trust Fund is appropriated to the Agency for Health Care
1368 Administration beginning in the 2013-2014 fiscal year to provide
1369 coverage for individuals who enroll in the Healthy Florida
1370 Program.

1371 (2) The sum of \$254,151 from the General Revenue Fund and
1372 \$18,235,833 from the Medical Care Trust Fund is appropriated to
1373 the Agency for Health Care Administration beginning in the 2013-
1374 2014 fiscal year to comply with federal regulations to
1375 compensate insurers and managed care organizations that contract
1376 with the Healthy Florida Program for the imposition of the
1377 annual fee on health insurance providers under section 9010 of
1378 the federal Patient Protection and Affordable Care Act, Pub. L.
1379 No. 111-148, as amended by the federal Health Care and Education
1380 Reconciliation Act of 2010, Pub. L. No. 111-152.

1381 (3) The sum of \$10,676,377 from the General Revenue Fund
1382 and \$10,676,377 from the Medical Care Trust Fund is appropriated
1383 beginning in the 2013-2014 fiscal year to the Agency for Health
1384 Care Administration to contract with the Florida Healthy Kids
1385 Corporation under s. 409.818(2)(f), Florida Statutes, to fund
1386 administrative costs necessary for implementing and operating
1387 the Healthy Florida Program.

1388 (4) The Agency for Health Care Administration may submit
1389 budget amendments to the Legislative Budget Commission pursuant
1390 to chapter 216, Florida Statutes, to fund the Healthy Florida



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1391 Program for the coverage of children who transfer from the
1392 Florida Kidcare Program to the Healthy Florida Program, or to
1393 provide additional spending authority from the Medical Care
1394 Trust Fund under subsection (1) for the coverage of individuals
1395 who enroll in the Healthy Florida Program, during the 2013-2014
1396 fiscal year.

1397 Section 18. This act shall take effect upon becoming a law.