

FOR CONSIDERATION By the Committee on Appropriations

576-02536-13

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1 A bill to be entitled

2 An act relating to health care; amending s.  
3 409.811, F.S.; revising and providing definitions;  
4 amending s. 409.813, F.S.; revising the components of  
5 the Florida Kidcare program; prohibiting a cause of  
6 action from arising against the Florida Healthy Kids  
7 Corporation for failure to make health services  
8 available; amending s. 409.8132, F.S.; revising the  
9 eligibility of the Medikids program component;  
10 revising the enrollment requirements of the Medikids  
11 program component; amending s. 409.8134, F.S.;  
12 conforming provisions to changes made by the act;  
13 amending s. 409.814, F.S.; revising eligibility  
14 requirements for the Florida Kidcare program; amending  
15 s. 409.815, F.S.; revising the minimum health benefits  
16 coverage under the Florida Kidcare Act; deleting  
17 obsolete provisions; amending ss. 409.816 and  
18 409.8177, F.S.; conforming provisions to changes made  
19 by the act; repealing s. 409.817, F.S., relating to  
20 the approval of health benefits coverage and financial  
21 assistance; repealing s. 409.8175, F.S., relating to  
22 delivery of services in rural counties; amending s.  
23 409.818, F.S.; revising the duties of the Department  
24 of Children and Families and the Agency for Health  
25 Care Administration with regard to the Florida Kidcare  
26 Act; deleting the duties of the Department of Health  
27 and the Office of Insurance Regulation with regard to  
28 the Florida Kidcare Act; amending s. 409.820, F.S.;  
29 requiring the Department of Health, in consultation

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30 with the agency and the Florida Healthy Kids  
31 Corporation, to develop a minimum set of pediatric and  
32 adolescent quality assurance and access standards for  
33 all program components; amending s. 624.91, F.S.;  
34 revising the legislative intent of the Florida Healthy  
35 Kids Corporation Act to include the Healthy Florida  
36 program; revising the medical loss ratio requirements  
37 for the contracts for the Florida Healthy Kids  
38 Corporation; modifying the membership of the Florida  
39 Healthy Kids Corporation's board of directors;  
40 creating an executive steering committee; requiring  
41 additional corporate compliance requirements for the  
42 Florida Healthy Kids Corporation; revising  
43 participation guidelines for non-subsidized enrollees  
44 in the Healthy Kids program; repealing s. 624.915,  
45 F.S., relating to the operating fund of the Florida  
46 Healthy Kids Corporation; creating s. 624.917, F.S.;  
47 creating the Healthy Florida program; providing  
48 definitions; providing eligibility and enrollment  
49 requirements; authorizing the Florida Healthy Kids  
50 Corporation to contract with certain insurers;  
51 requiring the corporation to establish a benefits  
52 package and a process for payment of services;  
53 authorizing the corporation to collect premiums and  
54 copayments; requiring the corporation to oversee the  
55 Healthy Florida program and to establish a grievance  
56 process and integrity process; providing applicability  
57 of certain state laws for administration of the  
58 Healthy Florida program; requiring the corporation to

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59 collect certain data and to submit enrollment reports  
60 and interim independent evaluations to the  
61 Legislature; providing for expiration of the program;  
62 providing an implementation and interpretation clause;  
63 providing an effective date.

64

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

66

67 Section 1. Section 409.811, Florida Statutes, is amended to  
68 read:

69 409.811 Definitions relating to Florida Kidcare Act.—As  
70 used in ss. 409.810-409.821, the term:

71 (1) "Actuarially equivalent" means that:

72 (a) The aggregate value of the benefits included in health  
73 benefits coverage is equal to the value of the benefits in the  
74 benchmark benefit plan; and

75 (b) The benefits included in health benefits coverage are  
76 substantially similar to the benefits included in the benchmark  
77 benefit plan, except that preventive health services must be the  
78 same as in the benchmark benefit plan.

79 (2) "Agency" means the Agency for Health Care  
80 Administration.

81 (3) "Applicant" means a parent or guardian of a child or a  
82 child whose disability of nonage has been removed under chapter  
83 743, who applies for determination of eligibility for health  
84 benefits coverage under ss. 409.810-409.821.

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

87 (5) "Child" means any person under 19 years of age.

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

97 (7) "Children's Medical Services Network" or "network"  
98 means a statewide managed care service system as defined in s.  
99 391.021(1).

100 (8) "CHIP" means the children's health insurance program as  
101 authorized under Title XXI of the Social Security Act, and its  
102 regulations, ss. 409.810-820, and as administered in this state  
103 by the agency, the department and the Florida Healthy Kids  
104 Corporation, as appropriate to their responsibilities.

105 (9) "Combined eligibility notice" means an eligibility  
106 notice that informs an applicant or enrollee or multiple family  
107 members of a household, when feasible, of eligibility for each  
108 of the insurance affordability programs and enrollment into a  
109 program or exchange plan. A combined eligibility form must be  
110 issued by the last agency or department to make an eligibility,  
111 renewal or denial determination. The form must meet all of the  
112 federal and state law and regulatory requirements no later than  
113 January 1, 2014.

114 ~~(8) "Community rate" means a method used to develop~~  
115 ~~premiums for a health insurance plan that spreads financial risk~~  
116 ~~across a large population and allows adjustments only for age,~~

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117 ~~gender, family composition, and geographic area.~~

118 (10)~~(9)~~ "Department" means the Department of Health.

119 (11)~~(10)~~ "Enrollee" means a child who has been determined  
120 eligible for and is receiving coverage under ss. 409.810-  
121 409.821.

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

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

137 (12)~~(13)~~ "Florida Kidcare program," "Kidcare program," or  
138 "program" means the health benefits program administered through  
139 ss. 409.810-409.821.

140 (13)~~(14)~~ "Guarantee issue" means that health benefits  
141 coverage must be offered to an individual regardless of the  
142 individual's health status, preexisting condition, or claims  
143 history.

144 (14)~~(15)~~ "Health benefits coverage" means protection that  
145 provides payment of benefits for covered health care services or

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146 that otherwise provides, either directly or through arrangements  
147 with other persons, covered health care services on a prepaid  
148 per capita basis or on a prepaid aggregate fixed-sum basis.

149 ~~(15)-(16)~~ "Health insurance plan" means health benefits  
150 coverage under the following:

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

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

163 (16) "Household income" means the group or the individual  
164 whose income is considered in determining eligibility for the  
165 Florida Kidcare program. The term "household" has the same  
166 meaning as provided in section 36B(d)(2) of the Internal Revenue  
167 Code of 1986.

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

172 (18) "Medically necessary" means the use of any medical  
173 treatment, service, equipment, or supply necessary to palliate  
174 the effects of a terminal condition, or to prevent, diagnose,

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175 correct, cure, alleviate, or preclude deterioration of a  
176 condition that threatens life, causes pain or suffering, or  
177 results in illness or infirmity and which is:

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

180 (b) Provided in accordance with generally accepted  
181 standards of medical practice;

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

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

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

189 (19) "Medikids" means a component of the Florida Kidcare  
190 program of medical assistance authorized by Title XXI of the  
191 Social Security Act, and regulations thereunder, and s.  
192 409.8132, as administered in the state by the agency.

193 (20) "Modified Adjusted Gross Income (MAGI)" means the  
194 individual or household's annual adjusted gross income as  
195 defined in 26 U.S.C. s. 36 of the Internal Revenue Code of 1986  
196 which is used to determine eligibility under the Florida Kidcare  
197 program.

198 (21) "Patient Protection and Affordable Care Act" or "Act"  
199 means the federal law enacted as Public Law 111-148, as further  
200 amended by the federal Health Care and Education Reconciliation  
201 Act of 2010, Public Law 111-152, and any amendments,  
202 regulations, or guidance thereunder, issued under those acts.

203 (22)~~(20)~~ "Preexisting condition exclusion" means, with

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204 respect to coverage, a limitation or exclusion of benefits  
205 relating to a condition based on the fact that the condition was  
206 present before the date of enrollment for such coverage, whether  
207 or not any medical advice, diagnosis, care, or treatment was  
208 recommended or received before such date.

209 (23)~~(21)~~ "Premium" means the entire cost of a health  
210 insurance plan, including the administration fee or the risk  
211 assumption charge.

212 (24)~~(22)~~ "Premium assistance payment" means the monthly  
213 consideration paid by the agency per enrollee in the Florida  
214 Kidcare program towards health insurance premiums.

215 (25)~~(23)~~ "Qualified alien" means an alien as defined in 8  
216 U.S.C. s. 1641 (b) and (c) ~~s. 431 of the Personal Responsibility~~  
217 ~~and Work Opportunity Reconciliation Act of 1996, as amended,~~  
218 ~~Pub. L. No. 104-193.~~

219 (26)~~(24)~~ "Resident" means a United States citizen, or  
220 qualified alien, who is domiciled in this state.

221 (27)~~(25)~~ "Rural county" means a county having a population  
222 density of less than 100 persons per square mile, or a county  
223 defined by the most recent United States Census as rural, in  
224 which there is no prepaid health plan participating in the  
225 Medicaid program as of July 1, 1998.

226 ~~(26) "Substantially similar" means that, with respect to~~  
227 ~~additional services as defined in s. 2103(c)(2) of Title XXI of~~  
228 ~~the Social Security Act, these services must have an actuarial~~  
229 ~~value equal to at least 75 percent of the actuarial value of the~~  
230 ~~coverage for that service in the benchmark benefit plan and,~~  
231 ~~with respect to the basic services as defined in s. 2103(c)(1)~~  
232 ~~of Title XXI of the Social Security Act, these services must be~~



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233 ~~the same as the services in the benchmark benefit plan.~~

234 Section 2. Section 409.813, Florida Statutes, is amended to  
235 read:

236 409.813 Health benefits coverage; program components;  
237 entitlement and nonentitlement.—

238 (1) The Florida Kidcare program includes health benefits  
239 coverage provided to children through the following program  
240 components, which shall be marketed as the Florida Kidcare  
241 program:

242 (a) Medicaid;

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

244 (c) The Florida Healthy Kids Corporation as created in s.  
245 624.91; and

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

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

250 (2) Except for Title XIX-funded Florida Kidcare program  
251 coverage under the Medicaid program, coverage under the Florida  
252 Kidcare program is not an entitlement. No cause of action shall  
253 arise against the state, the department, the Department of  
254 Children and Family Services, ~~or~~ the agency, or the Florida  
255 Healthy Kids Corporation for failure to make health services  
256 available to any person under ss. 409.810-409.821.

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

259 409.8132 Medikids program component.—

260 (6) ELIGIBILITY.—

261 (a) A child who has attained the age of 1 year but who is

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

275 (b) The provisions of s. 409.814 apply to the Medikids  
276 program.

277 (7) ENROLLMENT.—Enrollment in the Medikids program  
278 component may occur at any time throughout the year. A child may  
279 not receive services under the Medikids program until the child  
280 is enrolled in a managed care plan or MediPass. Once determined  
281 eligible, an applicant may receive choice counseling and select  
282 a managed care plan or MediPass. The agency may initiate  
283 mandatory assignment for a Medikids applicant who has not chosen  
284 a managed care plan or MediPass provider after the applicant's  
285 voluntary choice period ends. An applicant may select MediPass  
286 under the Medikids program component only in counties that have  
287 fewer than two managed care plans available to serve Medicaid  
288 recipients ~~and only if the federal Health Care Financing  
289 Administration determines that MediPass constitutes "health  
290 insurance coverage" as defined in Title XXI of the Social~~

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291 ~~Security Act.~~

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

294 409.8134 Program expenditure ceiling; enrollment.—

295 (2) The Florida Kidcare program may conduct enrollment  
296 continuously throughout the year.—

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

305 (b) The application for the Florida Kidcare program is  
306 valid for a period of 120 days after the date it was received.  
307 At the end of the 120-day period, if the applicant has not been  
308 enrolled in the program, the application is invalid and the  
309 applicant shall be notified of the action. The applicant may  
310 reactivate the application after notification of the action  
311 taken by the program.

312 (c) Except for the Medicaid program, whenever the Social  
313 Services Estimating Conference determines that there are  
314 presently, or will be by the end of the current fiscal year,  
315 insufficient funds to finance the current or projected  
316 enrollment in the Florida Kidcare program, all additional  
317 enrollment must cease and additional enrollment may not resume  
318 until sufficient funds are available to finance such enrollment.

319 Section 5. Section 409.814, Florida Statutes, is amended to

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320 read:

321 409.814 Eligibility.—A child who has not reached 19 years  
322 of age whose household ~~family~~ income is equal to or below 200  
323 percent of the federal poverty level is eligible for the Florida  
324 Kidcare program as provided in this section. If an enrolled  
325 individual is determined to be ineligible for coverage, he or  
326 she must be immediately disenrolled from the respective Florida  
327 Kidcare program component and referred to another insurance  
328 affordability program, if appropriate, through a combined  
329 eligibility notice.

330 (1) A child who is eligible for Medicaid coverage under s.  
331 409.903 or s. 409.904 must be offered the opportunity to enroll  
332 enrolled in Medicaid and is not eligible to receive health  
333 benefits under any other health benefits coverage authorized  
334 under the Florida Kidcare program. A child who is eligible for  
335 Medicaid and opts to enroll in CHIP may disenroll from CHIP at  
336 any time and transition to Medicaid. This transition must occur  
337 without any break in coverage.

338 (2) A child who is not eligible for Medicaid, but who is  
339 eligible for the Florida Kidcare program, may obtain health  
340 benefits coverage under any of the other components listed in s.  
341 409.813 if such coverage is approved and available in the county  
342 in which the child resides.

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

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

354 (a) A child who is covered under a family member's group  
355 health benefit plan or under other private or employer health  
356 insurance coverage, if the cost of the child's participation is  
357 not greater than 5 percent of the household's ~~family's~~ income.  
358 If a child is otherwise eligible for a subsidy under the Florida  
359 Kidcare program and the cost of the child's participation in the  
360 family member's health insurance benefit plan is greater than 5  
361 percent of the household's ~~family's~~ income, the child may enroll  
362 in the appropriate subsidized Kidcare program.

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

368 (b) ~~(e)~~ A child who is an alien, but who does not meet the  
369 definition of qualified alien, in the United States.

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

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

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

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

383 3. The parent who had health benefits coverage for the  
384 child is deceased;

385 4. The child has a medical condition that, without medical  
386 care, would cause serious disability, loss of function, or  
387 death;

388 5. The employer of the parent canceled health benefits  
389 coverage for children;

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

392 7. The child has exhausted coverage under a COBRA  
393 continuation provision;

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

396 9. Domestic violence led to loss of coverage.

397 ~~(5) A child who is otherwise eligible for the Florida  
398 Kidcare program and who has a preexisting condition that  
399 prevents coverage under another insurance plan as described in  
400 paragraph (4) (a) which would have disqualified the child for the  
401 Florida Kidcare program if the child were able to enroll in the  
402 plan is eligible for Florida Kidcare coverage when enrollment is  
403 possible.~~

404 (5) (6) A child whose household's modified adjusted gross  
405 family income is above 200 percent of the federal poverty level  
406 or a child who is excluded under the provisions of subsection

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407 (4) may participate in the Florida Kidcare program as provided  
408 in s. 409.8132 or, if the child is ineligible for Medikids by  
409 reason of age, in the Florida Healthy Kids program, subject to  
410 the following:

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

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

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

422 (6) ~~(7)~~ Once a child is enrolled in the Florida Kidcare  
423 program, the child is eligible for coverage for 12 months  
424 without a redetermination or reverification of eligibility, if  
425 the family continues to pay the applicable premium. Eligibility  
426 for program components funded through Title XXI of the Social  
427 Security Act terminates when a child attains the age of 19. A  
428 child who has not attained the age of 5 and who has been  
429 determined eligible for the Medicaid program is eligible for  
430 coverage for 12 months without a redetermination or  
431 reverification of eligibility.

432 (7) ~~(8)~~ When determining or reviewing a child's eligibility  
433 under the Florida Kidcare program, the applicant shall be  
434 provided with reasonable notice of changes in eligibility which  
435 may affect enrollment in one or more of the program components.

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436 If a transition from one program component to another is  
437 authorized, there shall be cooperation between the program  
438 components and the affected family which promotes continuity of  
439 health care coverage. Any authorized transfers must be managed  
440 within the program's overall appropriated or authorized levels  
441 of funding. Each component of the program shall establish a  
442 reserve to ensure that transfers between components will be  
443 accomplished within current year appropriations. These reserves  
444 shall be reviewed by each convening of the Social Services  
445 Estimating Conference to determine the adequacy of such reserves  
446 to meet actual experience.

447 ~~(8)(9)~~ In determining the eligibility of a child, an assets  
448 test is not required. Each applicant shall provide documentation  
449 during the application process and the redetermination process,  
450 including, but not limited to, the following:

451 (a) Proof of household ~~family~~ income, which must be  
452 verified electronically to determine financial eligibility for  
453 the Florida Kidcare program. Written documentation, which may  
454 include wages and earnings statements or pay stubs, W-2 forms,  
455 or a copy of the applicant's most recent federal income tax  
456 return, is required only if the electronic verification is not  
457 available or does not substantiate the applicant's income. This  
458 paragraph expires December 31, 2013.

459 (b) A statement from all applicable, employed household  
460 ~~family~~ members that:

461 1. Their employers do not sponsor health benefit plans for  
462 employees;

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



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465 3. The potential enrollee is covered by an employer-  
466 sponsored health benefit plan and the cost of the employer-  
467 sponsored health benefit plan is more than 5 percent of the  
468 household's modified adjusted gross ~~family's~~ income.

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

471 (d) Effective January 1, 2014, eligibility will be  
472 determined through electronic matching using the federal hub and  
473 other resources. Written documentation from the applicant may be  
474 accepted if the electronic verification does not substantiate  
475 the applicant's income or if there has been a change in  
476 circumstances.

477 (9)~~(10)~~ Subject to paragraph (4) (a), the Florida Kidcare  
478 program shall withhold benefits from an enrollee if the program  
479 obtains evidence that the enrollee is no longer eligible,  
480 submitted incorrect or fraudulent information in order to  
481 establish eligibility, or failed to provide verification of  
482 eligibility. The applicant or enrollee shall be notified that  
483 because of such evidence program benefits will be withheld  
484 unless the applicant or enrollee contacts a designated  
485 representative of the program by a specified date, which must be  
486 within 10 working days after the date of notice, to discuss and  
487 resolve the matter. The program shall make every effort to  
488 resolve the matter within a timeframe that will not cause  
489 benefits to be withheld from an eligible enrollee.

490 (10)~~(11)~~ The following individuals may be subject to  
491 prosecution in accordance with s. 414.39:

492 (a) An applicant obtaining or attempting to obtain benefits  
493 for a potential enrollee under the Florida Kidcare program when

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494 the applicant knows or should have known the potential enrollee  
495 does not qualify for the Florida Kidcare program.

496 (b) An individual who assists an applicant in obtaining or  
497 attempting to obtain benefits for a potential enrollee under the  
498 Florida Kidcare program when the individual knows or should have  
499 known the potential enrollee does not qualify for the Florida  
500 Kidcare program.

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

503 409.815 Health benefits coverage; limitations.—

504 (2) BENCHMARK BENEFITS.—In order for health benefits  
505 coverage to qualify for premium assistance payments for an  
506 eligible child under ss. 409.810-409.821, the health benefits  
507 coverage, except for coverage under Medicaid and Medikids, must  
508 include the following minimum benefits, as medically necessary.

509 (g) *Behavioral health services.*—

510 1. Mental health benefits include:

511 a. Inpatient services, ~~limited to 30 inpatient days per~~  
512 ~~contract year~~ for psychiatric admissions, or residential  
513 services in facilities licensed under s. 394.875(6) or s.  
514 395.003 in lieu of inpatient psychiatric admissions; ~~however, a~~  
515 ~~minimum of 10 of the 30 days shall be available only for~~  
516 ~~inpatient psychiatric services~~ if authorized by a physician; and

517 b. Outpatient services, including outpatient visits for  
518 psychological or psychiatric evaluation, diagnosis, and  
519 treatment by a licensed mental health professional, ~~limited to~~  
520 ~~40 outpatient visits each contract year.~~

521 2. Substance abuse services include:

522 a. Inpatient services, ~~limited to 7 inpatient days per~~

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523 ~~contract year~~ for medical detoxification only and ~~30 days of~~  
524 residential services; and

525 b. Outpatient services, including evaluation, diagnosis,  
526 and treatment by a licensed practitioner, ~~limited to 40~~  
527 ~~outpatient visits per contract year.~~

528

529 ~~Effective October 1, 2009,~~ Covered services include inpatient  
530 and outpatient services for mental and nervous disorders as  
531 defined in the most recent edition of the Diagnostic and  
532 Statistical Manual of Mental Disorders published by the American  
533 Psychiatric Association. Such benefits include psychological or  
534 psychiatric evaluation, diagnosis, and treatment by a licensed  
535 mental health professional and inpatient, outpatient, and  
536 residential treatment of substance abuse disorders. Any benefit  
537 limitations, including duration of services, number of visits,  
538 or number of days for hospitalization or residential services,  
539 shall not be any less favorable than those for physical  
540 illnesses generally. The program may also implement appropriate  
541 financial incentives, peer review, utilization requirements, and  
542 other methods used for the management of benefits provided for  
543 other medical conditions in order to reduce service costs and  
544 utilization without compromising quality of care.

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

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

551 2. ~~Services required for conditions totally unrelated to~~

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552 ~~the terminal condition are covered to the extent that the~~  
553 ~~services are included in this section.~~

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

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

569 Section 7. Section 409.816, Florida Statutes, is amended to  
570 read:

571 409.816 Limitations on premiums and cost-sharing.—The  
572 following limitations on premiums and cost-sharing are  
573 established for the program.

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

576 (a) Enrollment fees, premiums, or similar charges; or  
577 (b) Copayments, deductibles, coinsurance, or similar  
578 charges.

579 (2) Enrollees in households that have ~~families with~~ a  
580 modified adjusted gross family income equal to or below 150

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581 percent of the federal poverty level, who are not receiving  
582 coverage under the Medicaid program, may not be required to pay:

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

586 (b) Copayments, deductibles, coinsurance, or similar  
587 charges that exceed a nominal amount, as determined consistent  
588 with regulations referred to in s. 1916(a)(3) of the Social  
589 Security Act. However, such charges may not be imposed for  
590 preventive services, including well-baby and well-child care,  
591 age-appropriate immunizations, and routine hearing and vision  
592 screenings.

593 (3) Enrollees in households that have ~~families with~~ a  
594 modified adjusted gross ~~family~~ income above 150 percent of the  
595 federal poverty level who are not receiving coverage under the  
596 Medicaid program or who are not eligible under s. 409.814(5) ~~s.~~  
597 ~~409.814(6)~~ may be required to pay enrollment fees, premiums,  
598 copayments, deductibles, coinsurance, or similar charges on a  
599 sliding scale related to income, except that the total annual  
600 aggregate cost-sharing with respect to all children in a  
601 household ~~family~~ may not exceed 5 percent of the household's  
602 modified adjusted ~~family's~~ income. However, copayments,  
603 deductibles, coinsurance, or similar charges may not be imposed  
604 for preventive services, including well-baby and well-child  
605 care, age-appropriate immunizations, and routine hearing and  
606 vision screenings.

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

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

609 Section 10. Paragraph (c) of subsection (1) of section

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610 409.8177, Florida Statutes, is amended to read:

611 409.8177 Program evaluation.—

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

622 (c) The characteristics of the children and families  
623 assisted under the program, including ages of the children,  
624 household family income, and access to or coverage by other  
625 health insurance prior to the program and after disenrollment  
626 from the program.

627 Section 11. Section 409.818, Florida Statutes, is amended  
628 to read:

629 409.818 Administration.—In order to implement ss. 409.810-  
630 409.821, the following agencies shall have the following duties:

631 (1) The Department of Children and Family Services shall:

632 (a) Maintain ~~Develop~~ a simplified eligibility determination  
633 and renewal process ~~application mail-in form to be used for~~  
634 ~~determining the eligibility of children for coverage under the~~  
635 Florida Kidcare program, in consultation with the agency, the  
636 Department of Health, and the Florida Healthy Kids Corporation.  
637 The simplified eligibility process ~~application form~~ must include  
638 ~~an item that provides~~ an opportunity for the applicant to

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639 indicate whether coverage is being sought for a child with  
640 special health care needs. Families applying for children's  
641 Medicaid coverage must also be able to use the simplified  
642 application process ~~form~~ without having to pay a premium.

643 (b) Establish and maintain the eligibility determination  
644 process under the program except as specified in subsection (3),  
645 which includes the following: ~~(5)~~.

646 1. The department shall directly, or through the services  
647 of a contracted third-party administrator, establish and  
648 maintain a process for determining eligibility of children for  
649 coverage under the program. The eligibility determination  
650 process must be used solely for determining eligibility of  
651 applicants for health benefits coverage under the program. The  
652 eligibility determination process must include an initial  
653 determination of eligibility for any coverage offered under the  
654 program, as well as a redetermination or reverification of  
655 eligibility each subsequent 6 months. ~~Effective January 1, 1999,~~  
656 A child who has not attained the age of 5 and who has been  
657 determined eligible for the Medicaid program is eligible for  
658 coverage for 12 months without a redetermination or  
659 reverification of eligibility. In conducting an eligibility  
660 determination, the department shall determine if the child has  
661 special health care needs.

662 2. The department, in consultation with the Agency for  
663 Health Care Administration and the Florida Healthy Kids  
664 Corporation, shall develop procedures for redetermining  
665 eligibility which enable applicants and enrollees ~~a family~~ to  
666 easily update any change in circumstances which could affect  
667 eligibility.

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668           3. The department may accept changes in a ~~family's~~ status  
669 as reported to the department by the Florida Healthy Kids  
670 Corporation or the exchange without requiring a new application  
671 ~~from the family~~. Redetermination of a child's eligibility for  
672 Medicaid may not be linked to a child's eligibility  
673 determination for other programs.

674           4. The department, in consultation with the agency and the  
675 Florida Healthy Kids Corporation, shall develop a combined  
676 eligibility notice to inform applicants and enrollees of their  
677 application or renewal status, as appropriate. The content must  
678 be coordinated to meet all federal and state requirements under  
679 the Act.

680           (c) Inform program applicants about eligibility  
681 determinations and provide information about eligibility of  
682 applicants to the Florida Kidcare program and to insurers and  
683 their agents, ~~through a centralized coordinating office.~~

684           (d) Adopt rules necessary for conducting program  
685 eligibility functions.

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

687           ~~(a) Design an eligibility intake process for the program,~~  
688 ~~in coordination with the Department of Children and Family~~  
689 ~~Services, the agency, and the Florida Healthy Kids Corporation.~~  
690 ~~The eligibility intake process may include local intake points~~  
691 ~~that are determined by the Department of Health in coordination~~  
692 ~~with the Department of Children and Family Services.~~

693           ~~(b) Chair a state-level Florida Kidcare coordinating~~  
694 ~~council to review and make recommendations concerning the~~  
695 ~~implementation and operation of the program. The coordinating~~  
696 ~~council shall include representatives from the department, the~~



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697 ~~Department of Children and Family Services, the agency, the~~  
698 ~~Florida Healthy Kids Corporation, the Office of Insurance~~  
699 ~~Regulation of the Financial Services Commission, local~~  
700 ~~government, health insurers, health maintenance organizations,~~  
701 ~~health care providers, families participating in the program,~~  
702 ~~and organizations representing low-income families.~~

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

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

708 ~~(2)(3)~~ (2) The Agency for Health Care Administration, under the  
709 authority granted in s. 409.914(1), shall:

710 (a) Calculate the premium assistance payment necessary to  
711 comply with the premium and cost-sharing limitations specified  
712 in s. 409.816 and the Act. The premium assistance payment for  
713 each enrollee in a health insurance plan participating in the  
714 Florida Healthy Kids Corporation shall equal the premium  
715 approved by the Florida Healthy Kids Corporation ~~and the Office~~  
716 ~~of Insurance Regulation of the Financial Services Commission~~  
717 ~~pursuant to ss. 627.410 and 641.31, less any enrollee's share of~~  
718 ~~the premium established within the limitations specified in s.~~  
719 ~~409.816. The premium assistance payment for each enrollee in an~~  
720 ~~employer-sponsored health insurance plan approved under ss.~~  
721 ~~409.810-409.821 shall equal the premium for the plan adjusted~~  
722 ~~for any benchmark benefit plan actuarial equivalent benefit~~  
723 ~~rider approved by the Office of Insurance Regulation pursuant to~~  
724 ~~ss. 627.410 and 641.31, less any enrollee's share of the premium~~  
725 ~~established within the limitations specified in s. 409.816. In~~

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726 ~~calculating the premium assistance payment levels for children~~  
727 ~~with family coverage, the agency shall set the premium~~  
728 ~~assistance payment levels for each child proportionately to the~~  
729 ~~total cost of family coverage.~~

730 (b) Make premium assistance payments to health insurance  
731 plans on a periodic basis. The agency may use its Medicaid  
732 fiscal agent or a contracted third-party administrator in making  
733 these payments. The agency may require health insurance plans  
734 that participate in the Medikids program ~~or employer-sponsored~~  
735 ~~group health insurance~~ to collect premium payments from an  
736 enrollee's family. Participating health insurance plans shall  
737 report premium payments collected on behalf of enrollees in the  
738 program to the agency in accordance with a schedule established  
739 by the agency.

740 (c) Monitor compliance with quality assurance and access  
741 standards developed under s. 409.820 and in accordance with s.  
742 2103(f) of the Social Security Act, 42 U.S.C. s. 1397cc(f).

743 (d) Establish a mechanism for investigating and resolving  
744 complaints and grievances from program applicants, enrollees,  
745 and health benefits coverage providers, and maintain a record of  
746 complaints and confirmed problems. In the case of a child who is  
747 enrolled in a managed care organization ~~health maintenance~~  
748 ~~organization~~, the agency must use the provisions of s. 641.511  
749 to address grievance reporting and resolution requirements.

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

753 (e) ~~(f)~~ Adopt rules necessary for ~~calculating premium~~  
754 ~~assistance payment levels, making premium assistance payments,~~

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755 monitoring access and quality assurance standards ~~and~~  
756 investigating and resolving complaints and grievances,  
757 ~~administering the Medikids program, and approving health~~  
758 ~~benefits coverage.~~

759 (f) Contract with the Florida Healthy Kids Corporation for  
760 the administration of the Florida Kidcare Program and the  
761 Healthy Florida Program and to facilitate the release of any  
762 federal and state funds.

763  
764 The agency is designated the lead state agency for Title XXI of  
765 the Social Security Act for purposes of receipt of federal  
766 funds, for reporting purposes, and for ensuring compliance with  
767 federal and state regulations and rules.

768 ~~(4) The Office of Insurance Regulation shall certify that~~  
769 ~~health benefits coverage plans that seek to provide services~~  
770 ~~under the Florida Kidcare program, except those offered through~~  
771 ~~the Florida Healthy Kids Corporation or the Children's Medical~~  
772 ~~Services Network, meet, exceed, or are actuarially equivalent to~~  
773 ~~the benchmark benefit plan and that health insurance plans will~~  
774 ~~be offered at an approved rate. In determining actuarial~~  
775 ~~equivalence of benefits coverage, the Office of Insurance~~  
776 ~~Regulation and health insurance plans must comply with the~~  
777 ~~requirements of s. 2103 of Title XXI of the Social Security Act.~~  
778 ~~The department shall adopt rules necessary for certifying health~~  
779 ~~benefits coverage plans.~~

780 (3)~~(5)~~ The Florida Healthy Kids Corporation shall retain  
781 its functions as authorized in s. 624.91, including eligibility  
782 determination for participation in the Healthy Kids program.

783 (4)~~(6)~~ The agency, the Department of Health, the Department

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784 of Children and Family Services, and the Florida Healthy Kids  
785 Corporation, ~~and the Office of Insurance Regulation,~~ after  
786 consultation with and approval of the Speaker of the House of  
787 Representatives and the President of the Senate, are authorized  
788 to make program modifications that are necessary to overcome any  
789 objections of the United States Department of Health and Human  
790 Services to obtain approval of the state's child health  
791 insurance plan under Title XXI of the Social Security Act.

792 Section 12. Section 409.820, Florida Statutes, is amended  
793 to read:

794 409.820 Quality assurance and access standards.—Except for  
795 Medicaid, the Department of Health, in consultation with the  
796 agency and the Florida Healthy Kids Corporation, shall develop a  
797 minimum set of pediatric and adolescent quality assurance and  
798 access standards for all program components. The standards must  
799 include a process for granting exceptions to specific  
800 requirements for quality assurance and access. Compliance with  
801 the standards shall be a condition of program participation by  
802 health benefits coverage providers. These standards shall comply  
803 with the provisions of this chapter and chapter 641 and Title  
804 XXI of the Social Security Act.

805 Section 13. Section 624.91, Florida Statutes, is amended to  
806 read:

807 624.91 The Florida Healthy Kids Corporation Act.—

808 (1) SHORT TITLE.—This section may be cited as the "William  
809 G. 'Doc' Myers Healthy Kids Corporation Act."

810 (2) LEGISLATIVE INTENT.—

811 (a) The Legislature finds that increased access to health  
812 care services could improve children's health and reduce the

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813 incidence and costs of childhood illness and disabilities among  
814 children in this state. Many children do not have comprehensive,  
815 affordable health care services available. It is the intent of  
816 the Legislature that the Florida Healthy Kids Corporation  
817 provide comprehensive health insurance coverage to such  
818 children. The corporation is encouraged to cooperate with any  
819 existing health service programs funded by the public or the  
820 private sector.

821 (b) It is the intent of the Legislature that the Florida  
822 Healthy Kids Corporation serve as one of several providers of  
823 services to children eligible for medical assistance under Title  
824 XXI of the Social Security Act. Although the corporation may  
825 serve other children, the Legislature intends the primary  
826 recipients of services provided through the corporation be  
827 school-age children with a family income below 200 percent of  
828 the federal poverty level, who do not qualify for Medicaid. It  
829 is also the intent of the Legislature that state and local  
830 government Florida Healthy Kids funds be used to continue  
831 coverage, subject to specific appropriations in the General  
832 Appropriations Act, to children not eligible for federal  
833 matching funds under Title XXI.

834 (c) It is further the intent of the Legislature that the  
835 Florida Healthy Kids Corporation administer and manage services  
836 for Healthy Florida, a health care program for uninsured adults  
837 using a unique network of providers and contracts. Enrollees in  
838 Healthy Florida will receive comprehensive health care services  
839 from private, licensed health insurers who meet standards  
840 established by the corporation. It is further the intent of the  
841 Legislature that these enrollees participate in their own health

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842 care decisionmaking and contribute financially toward their  
843 medical costs. The Legislature intends to provide an alternative  
844 benefit package that includes a full range of services which  
845 meet the needs of residents of this state. As a new program, the  
846 Legislature will also ensure that a comprehensive evaluation is  
847 conducted to measure the overall impact of the program and  
848 identify whether to renew the program after an initial 3-year  
849 term.

850 (3) ELIGIBILITY FOR STATE-FUNDED ASSISTANCE.—Only the  
851 following individuals are eligible for state-funded assistance  
852 in paying premiums for Healthy Florida or Florida Healthy Kids  
853 premiums:

854 (a) Residents of this state who are eligible for the  
855 Florida Kidcare program pursuant to s. 409.814 or the Healthy  
856 Florida pursuant to s. 624.917.

857 (b) Notwithstanding s. 409.814, legal aliens who are  
858 enrolled in the Florida Healthy Kids program as of January 31,  
859 2004, who do not qualify for Title XXI federal funds because  
860 they are not qualified aliens as defined in s. 409.811.

861 (4) NONENTITLEMENT.—Nothing in this section shall be  
862 construed as providing an individual with an entitlement to  
863 health care services. No cause of action shall arise against the  
864 state, the Florida Healthy Kids Corporation, or a unit of local  
865 government for failure to make health services available under  
866 this section.

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

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

870 (b) The Florida Healthy Kids Corporation shall:

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871           1. Arrange for the collection of any family, individual, or  
872 local contributions, ~~or employer payment or premium~~, in an  
873 amount to be determined by the board of directors, to provide  
874 for payment of premiums for comprehensive insurance coverage and  
875 for the actual or estimated administrative expenses.

876           2. Arrange for the collection of any voluntary  
877 contributions to provide for payment of Florida Kidcare or  
878 Healthy Florida program premiums for enrollees ~~children who are~~  
879 ~~not eligible for medical assistance under Title XIX or Title XXI~~  
880 ~~of the Social Security Act.~~

881           3. Subject to the provisions of s. 409.8134, accept  
882 voluntary supplemental local match contributions that comply  
883 with the requirements of Title XXI of the Social Security Act  
884 for the purpose of providing additional Florida Kidcare coverage  
885 in contributing counties under Title XXI.

886           4. Establish the administrative and accounting procedures  
887 for the operation of the corporation.

888           5. Establish, with consultation from appropriate  
889 professional organizations, standards for preventive health  
890 services and providers and comprehensive insurance benefits  
891 appropriate to children, provided that such standards for rural  
892 areas shall not limit primary care providers to board-certified  
893 pediatricians.

894           6. Determine eligibility for children seeking to  
895 participate in the Title XXI-funded components of the Florida  
896 Kidcare program consistent with the requirements specified in s.  
897 409.814, as well as the non-Title-XXI-eligible children as  
898 provided in subsection (3).

899           7. Establish procedures under which providers of local

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900 match to, applicants to and participants in the program may have  
901 grievances reviewed by an impartial body and reported to the  
902 board of directors of the corporation.

903 8. Establish participation criteria and, if appropriate,  
904 contract with an authorized insurer, health maintenance  
905 organization, or third-party administrator to provide  
906 administrative services to the corporation.

907 9. Establish enrollment criteria that include penalties or  
908 waiting periods of 30 days for reinstatement of coverage upon  
909 voluntary cancellation for nonpayment of family and individual  
910 premiums under the programs.

911 10.a. Contract with authorized insurers or any provider of  
912 health care services, meeting standards established by the  
913 corporation, for the provision of comprehensive insurance  
914 coverage to participants. Such standards shall include criteria  
915 under which the corporation may contract with more than one  
916 provider of health care services in program sites.

917 b. Health plans shall be selected through a competitive bid  
918 process.

919 c. The Florida Healthy Kids Corporation shall purchase  
920 goods and services in the most cost-effective manner consistent  
921 with the delivery of quality medical care. The maximum  
922 administrative cost for a Florida Healthy Kids Corporation  
923 contract shall be 15 percent. For all health care contracts, the  
924 minimum medical loss ratio is for a Florida Healthy Kids  
925 ~~Corporation contract shall be~~ 85 percent. The calculations must  
926 use uniform financial data collected from all plans in a format  
927 established by the corporation and shall be computed for each  
928 insurer on a statewide basis. Funds shall be classified in a



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929 manner consistent with 45 C.F.R. part 158 ~~For dental contracts,~~  
930 ~~the remaining compensation to be paid to the authorized insurer~~  
931 ~~or provider under a Florida Healthy Kids Corporation contract~~  
932 ~~shall be no less than an amount which is 85 percent of premium;~~  
933 ~~to the extent any contract provision does not provide for this~~  
934 ~~minimum compensation, this section shall prevail.~~

935 d. The health plan selection criteria and scoring system,  
936 and the scoring results, shall be available upon request for  
937 inspection after the bids have been awarded.

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

940 12. Develop and implement a plan to publicize the Florida  
941 Kidcare program and Healthy Florida, the eligibility  
942 requirements of the programs ~~program~~, and the procedures for  
943 enrollment in the program and to maintain public awareness of  
944 the corporation and the programs ~~program~~.

945 13. Secure staff necessary to properly administer the  
946 corporation. Staff costs shall be funded from state and local  
947 matching funds and such other private or public funds as become  
948 available. The board of directors shall determine the number of  
949 staff members necessary to administer the corporation.

950 14. In consultation with the partner agencies, provide a  
951 report on the Florida Kidcare program annually to the Governor,  
952 the Chief Financial Officer, the Commissioner of Education, the  
953 President of the Senate, the Speaker of the House of  
954 Representatives, and the Minority Leaders of the Senate and the  
955 House of Representatives.

956 15. Provide information on a quarterly basis to the  
957 Legislature and the Governor which compares the costs and

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958 utilization of the full-pay enrolled population and the Title  
959 XXI-subsidized enrolled population in the Florida Kidcare  
960 program. The information, at a minimum, must include:

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

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

968  
969 ~~By February 1, 2010, the Florida Healthy Kids Corporation shall~~  
970 ~~provide a study to the Legislature and the Governor on premium~~  
971 ~~impacts to the subsidized portion of the program from the~~  
972 ~~inclusion of the full-pay program, which shall include~~  
973 ~~recommendations on how to eliminate or mitigate possible impacts~~  
974 ~~to the subsidized premiums.~~

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

981 ~~17.16.~~ Establish benefit packages that conform to the  
982 provisions of the Florida Kidcare program, as created in ss.  
983 409.810-409.821.

984 (c) Coverage under the corporation's program is secondary  
985 to any other available private coverage held by, or applicable  
986 to, the participant ~~child~~ or family member. Insurers under

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987 contract with the corporation are the payors of last resort and  
988 must coordinate benefits with any other third-party payor that  
989 may be liable for the participant's medical care.

990 (d) The Florida Healthy Kids Corporation shall be a private  
991 corporation not for profit, registered, incorporated, and  
992 organized pursuant to chapter 617, and shall have all powers  
993 necessary to carry out the purposes of this act, including, but  
994 not limited to, the power to receive and accept grants, loans,  
995 or advances of funds from any public or private agency and to  
996 receive and accept from any source contributions of money,  
997 property, labor, or any other thing of value, to be held, used,  
998 and applied for the purposes of this act. The corporation and  
999 any committees it forms shall act in compliance with part III of  
1000 chapter 112, and chapters 119 and 286.

1001 (6) BOARD OF DIRECTORS AND MANAGEMENT SUPERVISION.-

1002 (a) The Florida Healthy Kids Corporation shall operate  
1003 subject to the supervision and approval of a board of directors  
1004 chaired by an appointee designated by the Governor ~~Chief~~  
1005 ~~Financial Officer or her or his designee,~~ and composed of 12  
1006 other members. The Senate shall confirm the designated chair and  
1007 other board appointees selected for 3-year terms of office as  
1008 follows:

1009 ~~1. The Secretary of Health Care Administration, or his or~~  
1010 ~~her designee.~~

1011 ~~2. One member appointed by the Commissioner of Education~~  
1012 ~~from the Office of School Health Programs of the Florida~~  
1013 ~~Department of Education.~~

1014 ~~3. One member appointed by the Chief Financial Officer from~~  
1015 ~~among three members nominated by the Florida Pediatric Society.~~

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1016 ~~4. One member, appointed by the Governor, who represents~~  
1017 ~~the Children's Medical Services Program.~~

1018 ~~5. One member appointed by the Chief Financial Officer from~~  
1019 ~~among three members nominated by the Florida Hospital~~  
1020 ~~Association.~~

1021 ~~6. One member, appointed by the Governor, who is an expert~~  
1022 ~~on child health policy.~~

1023 ~~7. One member, appointed by the Chief Financial Officer,~~  
1024 ~~from among three members nominated by the Florida Academy of~~  
1025 ~~Family Physicians.~~

1026 ~~8. One member, appointed by the Governor, who represents~~  
1027 ~~the state Medicaid program.~~

1028 ~~9. One member, appointed by the Chief Financial Officer,~~  
1029 ~~from among three members nominated by the Florida Association of~~  
1030 ~~Counties.~~

1031 ~~10. The State Health Officer or her or his designee.~~

1032 ~~11. The Secretary of Children and Family Services, or his~~  
1033 ~~or her designee.~~

1034 ~~12. One member, appointed by the Governor, from among three~~  
1035 ~~members nominated by the Florida Dental Association.~~

1036 (b) A member of the board of directors serves at the  
1037 pleasure of the Governor ~~may be removed by the official who~~  
1038 ~~appointed that member.~~ The board shall appoint an executive  
1039 director, who is responsible for other staff authorized by the  
1040 board.

1041 (c) Board members are entitled to receive, from funds of  
1042 the corporation, reimbursement for per diem and travel expenses  
1043 as provided by s. 112.061.

1044 (d) There shall be no liability on the part of, and no

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1045 cause of action shall arise against, any member of the board of  
1046 directors, or its employees or agents, for any action they take  
1047 in the performance of their powers and duties under this act.

1048 (e) Board members who are serving on or before the date of  
1049 enactment of this act or similar legislation may remain until  
1050 July 1, 2013.

1051 (f) An executive steering committee is created to provide  
1052 management direction and support and to make recommendations to  
1053 the board on the programs. The steering committee is composed of  
1054 the Secretary of Health Care Administration, the Secretary of  
1055 Children and Families, and the State Surgeon General. Committee  
1056 members may not delegate their membership or attendance.

1057 (7) LICENSING NOT REQUIRED; FISCAL OPERATION.—

1058 (a) The corporation shall not be deemed an insurer. The  
1059 officers, directors, and employees of the corporation shall not  
1060 be deemed to be agents of an insurer. Neither the corporation  
1061 nor any officer, director, or employee of the corporation is  
1062 subject to the licensing requirements of the insurance code or  
1063 the rules of the Department of Financial Services or Office of  
1064 Insurance Regulation. However, any marketing representative  
1065 utilized and compensated by the corporation must be appointed as  
1066 a representative of the insurers or health services providers  
1067 with which the corporation contracts.

1068 (b) The board has complete fiscal control over the  
1069 corporation and is responsible for all corporate operations.

1070 (c) The Department of Financial Services shall supervise  
1071 any liquidation or dissolution of the corporation and shall  
1072 have, with respect to such liquidation or dissolution, all power  
1073 granted to it pursuant to the insurance code.

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1074 Section 14. Section 624.915, Florida Statutes, is repealed.

1075 Section 15. Section 624.917, Florida Statutes, is created  
1076 to read:

1077 624.917 Healthy Florida program.-

1078 (1) PROGRAM CREATION.-There is created Healthy Florida, a  
1079 health care program for lower income, uninsured adults who meet  
1080 the eligibility guidelines established under s. 624.91. The  
1081 Florida Healthy Kids Corporation shall administer the program  
1082 under its existing corporate governance and structure.

1083 (2) DEFINITIONS.-As used in this section, the term:

1084 (a) "Actuarially equivalent" means:

1085 1. The aggregate value of the benefits included in health  
1086 benefits coverage is equal to the value of the benefits in the  
1087 child benchmark benefit plan as defined in s. 409.811; and

1088 2. The benefits included in health benefits coverage are  
1089 substantially similar to the benefits included in the child  
1090 benchmark benefit plan, except that preventive health services  
1091 do not include dental services.

1092 (b) "Agency" means the Agency for Health Care  
1093 Administration.

1094 (c) "Applicant" means the individual who applies for  
1095 determination of eligibility for health benefits coverage under  
1096 s. 624.91(8).

1097 (d) "Child benchmark benefit plan" means the form and level  
1098 of health benefits coverage established in s. 409.815.

1099 (e) "Child" means any person under 19 years of age.

1100 (f) "Corporation" means Florida Healthy Kids Corporation.

1101 (g) "Enrollee" means an individual who has been determined  
1102 eligible for and is receiving coverage under s. 624.91(8).

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1103 (h) "Florida Kidcare program" or "Kidcare program," means  
1104 the health benefits program administered through ss. 409.810-  
1105 409.821.

1106 (i) "Health benefits coverage" means protection that  
1107 provides payment of benefits for covered health care services or  
1108 that otherwise provides, either directly or through arrangements  
1109 with other persons, covered health care services on a prepaid  
1110 per capita basis or on a prepaid aggregate fixed-sum basis.

1111 (j) "Healthy Florida" means the program created by this  
1112 section which is administered by the Florida Healthy Kids  
1113 Corporation.

1114 (k) "Healthy Kids" means the Florida Kidcare program  
1115 component created under s. 624.91 for children ages 5 through  
1116 18.

1117 (l) "Household income" means the group or the individual  
1118 whose income is considered in determining eligibility for the  
1119 Healthy Florida program. The household has the same meaning as  
1120 it is defined under section 36B(d)(2) of the Internal Revenue  
1121 Code of 1986.

1122 (m) "Medicaid" means the medical assistance program  
1123 authorized by Title XIX of the Social Security Act, and  
1124 regulations thereunder, and ss. 409.901-409.920, as administered  
1125 in this state by the agency.

1126 (n) "Medically necessary" means the use of any medical  
1127 treatment, service, equipment, or supply necessary to palliate  
1128 the effects of a terminal condition, or to prevent, diagnose,  
1129 correct, cure, alleviate, or preclude deterioration of a  
1130 condition that threatens life, causes pain or suffering, or  
1131 results in illness or infirmity and which is:

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1132 1. Consistent with the symptom, diagnosis, and treatment of  
1133 the enrollee's condition;

1134 2. Provided in accordance with generally accepted standards  
1135 of medical practice;

1136 3. Not primarily intended for the convenience of the  
1137 enrollee, the enrollee's family, or the health care provider;

1138 4. The most appropriate level of supply or service for the  
1139 diagnosis and treatment of the enrollee's condition; and

1140 5. Approved by the appropriate medical body or health care  
1141 specialty involved as effective, appropriate, and essential for  
1142 the care and treatment of the enrollee's condition.

1143 (o) "Modified Adjusted Gross Income (MAGI)" means the  
1144 individual or household's annual adjusted gross income as  
1145 defined in 26 U.S.C. s. 36 of the Internal Revenue Code of 1986  
1146 which is used to determine eligibility under the Florida Kidcare  
1147 program.

1148 (p) "Patient Protection and Affordable Care Act" or "Act"  
1149 means the federal law enacted as Pub. L. No. 111-148, as further  
1150 amended by the federal Health Care and Education Reconciliation  
1151 Act of 2010, Public Law 111-152, and any amendments, regulations  
1152 or guidance thereunder, issued under those acts.

1153 (q) "Premium" means the entire cost of a health insurance  
1154 plan, including the administration fee or the risk assumption  
1155 charge.

1156 (r) "Premium assistance payment" means the monthly  
1157 consideration paid by the agency per enrollee in the Florida  
1158 Kidcare program towards health insurance premiums.

1159 (s) "Qualified alien" means an alien as defined in 8 U.S.C.  
1160 s. 1641(b) and (c).



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1161 (t) "Resident" means a United States citizen or qualified  
1162 alien who is domiciled in this state.

1163 (3) ELIGIBILITY.—To be eligible and remain eligible for the  
1164 Healthy Florida program, an individual must be a resident of  
1165 this state and meet the following additional criteria:

1166 (a) Be identified as "newly eligible" as defined in  
1167 subclause (VIII) of section 1902(a)(10)(A)(i) of the Social  
1168 Security Act (section 2001 of the Patient Protection and  
1169 Affordable Care Act) and as may be further defined by federal  
1170 regulation.

1171 (b) Maintain eligibility with the corporation and meet all  
1172 renewal requirements as established by the corporation.

1173 (c) Renew eligibility on at least an annual basis.

1174 (4) ENROLLMENT.—The corporation may begin the enrollment of  
1175 applicants in the Healthy Florida program on October 1, 2013.  
1176 Enrollment may occur directly, through the services of a third-  
1177 party administrator, referrals from the Department of Children  
1178 and Families and the exchange as defined by the federal Patient  
1179 Protection and Affordable Care Act. As an enrollee disenrolls,  
1180 the corporation must also provide the enrollee with information  
1181 about other insurance affordability programs and electronically  
1182 refer the enrollee to the exchange or other programs, as  
1183 appropriate. The earliest coverage effective date under the  
1184 program shall be January 1, 2014.

1185 (5) DELIVERY OF SERVICES.—The corporation shall contract  
1186 with authorized insurers licensed under chapter 627 and managed  
1187 care organizations under chapter 624 which meet standards  
1188 established by the corporation to provide comprehensive health  
1189 care services to enrollees who qualify for services under this

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1190 section. The corporation may contract for such services on a  
1191 statewide or regional basis.

1192 (a) The corporation must establish access and network  
1193 standards for such contracts and ensure that contracted  
1194 providers have sufficient providers to meet enrollee needs.  
1195 Quality standards must be developed by the corporation, specific  
1196 to the adult population, which take into consideration  
1197 recommendations from the National Committee on Quality  
1198 Assurance, stakeholders, and other existing performance  
1199 indicators from both public and commercial populations.

1200 (b) Enrollees must be provided a choice. The corporation  
1201 has the authority to select a plan if no selection has been  
1202 received before the coverage start date. Once enrolled,  
1203 enrollees have an initial 90-day free look period before a lock-  
1204 in period of not more than 12 months is applied. Exceptions to  
1205 the lock-in period must be offered to enrollees for good cause  
1206 reasons and qualifying events.

1207 (c) The corporation may consider contracts that provide  
1208 family plans that would allow members from multiple state and  
1209 federal funded programs to remain together under the same plan.

1210 (d) All contracts must meet the medical loss ratio  
1211 requirements under s. 624.91.

1212 (6) BENEFITS.—The corporation shall establish a benefits  
1213 package that is actuarially equivalent to the benchmark benefit  
1214 plan offered under s. 409.815(2), excluding dental, and meets  
1215 the alternative benefits package requirements under section 1937  
1216 of the Social Security Act. Benefits must be offered as an  
1217 integrated, single package.

1218 (a) In addition to benchmark benefits, health reimbursement

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1219 accounts (HRAs) or a comparable health savings account for each  
1220 enrollee must be established through the corporation or the  
1221 contracts managed by the corporation. Enrollees must be rewarded  
1222 for healthy behaviors, wellness program adherence, and other  
1223 activities established by the corporation which demonstrate  
1224 compliance with preventive care or disease management  
1225 guidelines. Funds deposited into these accounts may be used to  
1226 pay cost-sharing obligations or to purchase over the counter  
1227 health related items, to the extent allowed under federal law or  
1228 regulation.

1229 (b) Enhanced services may be offered if the cost of such  
1230 additional services provides savings to the overall plan.

1231 (c) The corporation shall establish a process for the  
1232 payment of wrap-around services not covered by the benchmark  
1233 plan through a separate subcapitation process to its contracted  
1234 providers if it is determined that such services are required by  
1235 federal law. Such services would be covered when deemed  
1236 medically necessary on an individual basis. The subcapitation  
1237 pool is subject to a separate reconciliation process under the  
1238 medical loss ratio provisions in s. 624.91.

1239 (d) A prior authorization process and other utilization  
1240 controls may be established by the plan for any benefit if  
1241 approved by the corporation.

1242 (7) COST SHARING.—The corporation may collect premiums and  
1243 copayments from enrollees in accordance with federal law.  
1244 Amounts to be collected for the Healthy Florida program must be  
1245 established annually in the General Appropriations Act.

1246 (a) Payment of a monthly premium may be required before the  
1247 establishment of an enrollee's coverage start date and to retain

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1248 monthly coverage.

1249 (b) Enrollees may be required to make copayments as a  
1250 condition of receiving a health care service.

1251 (c) Providers are responsible for the collection of point  
1252 of service cost sharing obligations. The enrollee's cost sharing  
1253 contribution will be considered part of the provider's total  
1254 reimbursement. Failure to collect any enrollee cost sharing will  
1255 reduce the provider's share of the reimbursement.

1256 (8) PROGRAM MANAGEMENT.—The corporation is responsible for  
1257 the oversight of the Healthy Florida program. The agency shall  
1258 seek a state plan amendment or other appropriate federal  
1259 approval to implement the Healthy Florida program. The agency  
1260 shall consult with the corporation in the amendment's  
1261 development with a submission deadline to the federal Department  
1262 of Health and Human Services of June 14, 2013. The Agency will  
1263 contract with the corporation for the administration of the  
1264 program and for the timely release of federal and state funds.  
1265 The Agency retains its authorities as provided under ss. 409.902  
1266 and 409.963.

1267 (a) The corporation shall establish a process by which  
1268 grievances can be resolved and Healthy Florida recipients can be  
1269 informed of their rights under the Medicaid Fair Hearing  
1270 Process, as appropriate, or any alternative resolution process  
1271 adopted by the corporation.

1272 (b) The corporation shall establish a program integrity  
1273 process to ensure compliance with program guidelines. At a  
1274 minimum, the corporation shall withhold benefits from an  
1275 applicant or enrollee if the corporation obtains evidence that  
1276 the applicant or enrollee is no longer eligible, submitted

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1277 incorrect or fraudulent information in order to establish  
1278 eligibility, or failed to provide verification of eligibility.  
1279 The applicant or enrollee shall be notified that because of such  
1280 evidence program benefits will be withheld unless the applicant  
1281 or enrollee contacts a designated representative of the  
1282 corporation by a specified date, which must be within 10 working  
1283 days after the date of notice, to discuss and resolve the  
1284 matter. The corporation shall make every effort to resolve the  
1285 matter within a timeframe that will not cause benefits to be  
1286 withheld from an eligible enrollee. The following individuals  
1287 may be subject to specific prosecution in accordance with s.  
1288 414.39:

1289 1. An applicant obtaining or attempting to obtain benefits  
1290 for a potential enrollee under the Healthy Florida program when  
1291 the applicant knows or should have known the potential enrollee  
1292 does not qualify for the Healthy Florida program.

1293 2. An individual who assists an applicant in obtaining or  
1294 attempting to obtain benefits for a potential enrollee under the  
1295 Healthy Florida program when the individual knows or should have  
1296 known the potential enrollee does not qualify for the Healthy  
1297 Florida program.

1298 (9) APPLICABILITY OF LAWS RELATING TO MEDICAID.—The  
1299 provisions of ss. 409.902, 409.9128, and 409.920 apply to the  
1300 administration of the program.

1301 (10) PROGRAM EVALUATION.—The corporation must collect both  
1302 eligibility and enrollment data from program applicants and  
1303 enrollees as well as encounter and utilization data from all  
1304 contracted entities during the program term. Monthly enrollment  
1305 reports must be submitted to the Senate President, the Speaker

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1306 of the House of Representative and the Minority Leaders of the  
1307 Florida Senate and House of Representatives. An interim  
1308 independent evaluation of the program shall be submitted to the  
1309 presiding officers no later than July 1, 2015, with annual  
1310 evaluations due thereafter every July 1. The evaluations should  
1311 address at a minimum application and enrollment trends and  
1312 issues, utilization and cost data, and customer satisfaction.

1313 (11) PROGRAM EXPIRATION.—The Healthy Florida program shall  
1314 expire at the end of the state fiscal year in which any of these  
1315 conditions occur, whichever occurs first:

1316 (a) The federal match contribution falls below 90 percent.

1317 (b) The federal match contribution falls below the  
1318 “Increased FMAP for Medical Assistance for Newly Eligible  
1319 Mandatory Individuals” as specified in the federal Patient  
1320 Protection and Affordable Care Act (Public Law 111-148), as  
1321 amended by the federal Health Care and Education Reconciliation  
1322 Act of 2010 (Public Law 111-152).

1323 (c) The federal match for the Healthy Florida program and  
1324 the Medicaid program are blended under federal law or regulation  
1325 in such a way that causes the overall federal contribution to  
1326 diminish when compared to separate, non-blended federal  
1327 contributions.

1328 Section 16. The corporation may make changes to comply with  
1329 the objections of the federal Department of Health and Human  
1330 Services to gain approval of the Healthy Florida program in  
1331 compliance with the federal Patient Protection and Affordable  
1332 Care Act upon giving notice to the Senate and the House of  
1333 Representatives of the proposed changes. If there is a conflict  
1334 between a provision in this section and the federal Patient

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1335 Protection and Affordable Care Act (Public Law 111-148), as  
1336 amended by the federal Health Care and Education Reconciliation  
1337 Act of 2010 (Public Law 111-152), the provision must be  
1338 interpreted and applied so as to comply with the requirement of  
1339 the federal law.

1340 Section 17. This act shall take effect upon becoming a law.