COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	__	(Y/N)
ADOPTED AS AMENDED	__	(Y/N)
ADOPTED W/O OBJECTION	__	(Y/N)
FAILED TO ADOPT	__	(Y/N)
WITHDRAWN	__	(Y/N)
OTHER	____	

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1 Committee/Subcommittee hearing bill: Regulatory Affairs
2 Committee
3 Representative Nelson offered the following:
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5 **Amendment (with title amendment)**
6 Between lines 768 and 769, insert:
7 Section 15. Subsections (6) and (7) of section 627.6675,
8 Florida Statutes, are amended to read:
9 627.6675 Conversion on termination of eligibility.—Subject
10 to all of the provisions of this section, a group policy
11 delivered or issued for delivery in this state by an insurer or
12 nonprofit health care services plan that provides, on an
13 expense-incurred basis, hospital, surgical, or major medical
14 expense insurance, or any combination of these coverages, shall
15 provide that an employee or member whose insurance under the
16 group policy has been terminated for any reason, including
17 discontinuance of the group policy in its entirety or with
18 respect to an insured class, and who has been continuously
19 insured under the group policy, and under any group policy
20 providing similar benefits that the terminated group policy

21 replaced, for at least 3 months immediately prior to
22 termination, shall be entitled to have issued to him or her by
23 the insurer a policy or certificate of health insurance,
24 referred to in this section as a "converted policy." A group
25 insurer may meet the requirements of this section by contracting
26 with another insurer, authorized in this state, to issue an
27 individual converted policy, which policy has been approved by
28 the office under s. 627.410. An employee or member shall not be
29 entitled to a converted policy if termination of his or her
30 insurance under the group policy occurred because he or she
31 failed to pay any required contribution, or because any
32 discontinued group coverage was replaced by similar group
33 coverage within 31 days after discontinuance.
34 (6) OPTIONAL COVERAGE.—The insurer shall not be required to
35 issue a converted policy covering any person who is or could be
36 covered by Medicare. The insurer shall not be required to issue
37 or renew a converted policy covering a person if paragraphs (a)
38 and (b) apply to the person:
39 (a) If any of the following apply to the person:
40 1. The person is covered for similar benefits by another
41 hospital, surgical, medical, or major medical expense insurance
42 policy or hospital or medical service subscriber contract or
43 medical practice or other prepayment plan, or by any other plan
44 or program.
45 2. The person is eligible for similar benefits, whether or
46 not actually provided coverage, under any arrangement of
47 coverage for individuals in a group, whether on an insured or
48 uninsured basis.

49 3. Similar benefits are provided for or are available to
50 the person under any state or federal law.
51 (b) If the benefits provided under the sources referred to
52 in subparagraph (a)1. or the benefits provided or available
53 under the sources referred to in subparagraphs (a)2. and 3.,
54 together with the benefits provided by the converted policy,
55 would result in overinsurance according to the insurer's
56 standards. The insurer's standards must bear some reasonable
57 relationship to actual health care costs in the area in which
58 the insured lives at the time of conversion and must be filed
59 with the office prior to their use in denying coverage.
60 (7) INFORMATION REQUESTED BY INSURER.—
61 (a) A converted policy may include a provision under which
62 the insurer may request information, in advance of any premium
63 due date, of any person covered thereunder as to whether:
64 1. The person is covered for similar benefits by another
65 hospital, surgical, medical, or major medical expense insurance
66 policy or hospital or medical service subscriber contract or
67 medical practice or other prepayment plan or by any other plan
68 or program.
69 2. The person is covered for similar benefits under any
70 arrangement of coverage for individuals in a group, whether on
71 an insured or uninsured basis.
72 3. Similar benefits are provided for or are available to
73 the person under any state or federal law.
74 (b) The converted policy may provide that the insurer may
75 refuse to renew the policy or the coverage of any person only
76 for one or more of the following reasons:

77 1. Either the benefits provided under the sources referred
78 to in subparagraphs (a)1. and 2. for the person or the benefits
79 provided or available under the sources referred to in
80 subparagraph (a)3. for the person, together with the benefits
81 provided by the converted policy, would result in overinsurance
82 according to the insurer’s standards on file with the office.
83 The reason for nonrenewal authorized by this subparagraph is not
84 required to be contained in the converted policy but must be
85 provided in writing to the policyholder at least 90 days before
86 the policy renewal date.
87 2. The converted policyholder fails to provide the
88 information requested pursuant to paragraph (a).
89 3. Fraud or intentional misrepresentation in applying for
90 any benefits under the converted policy.
91 4. Other reasons approved by the office.
92 Section 16. Subsection (6) of section 641.3922, Florida
93 Statutes, is amended, and paragraph (h) is added to subsection
94 (7) of that section, to read:
95 641.3922 Conversion contracts; conditions.—Issuance of a
96 converted contract shall be subject to the following conditions:
97 (6) OPTIONAL COVERAGE.—The health maintenance organization
98 shall not be required to issue a converted contract covering any
99 person if such person is or could be covered by Medicare, Title
100 XVIII of the Social Security Act, as added by the Social
101 Security Amendments of 1965, or as later amended or superseded.
102 Furthermore, the health maintenance organization shall not be
103 required to issue or renew a converted health maintenance
104 contract covering any person if:

105 (a)1. The person is covered for similar benefits by another
106 hospital, surgical, medical, or major medical expense insurance
107 policy or hospital or medical service subscriber contract or
108 medical practice or other prepayment plan or by any other plan
109 or program;
110 2. The person is eligible for similar benefits, whether or
111 not covered therefor, under any arrangement of coverage for
112 individuals in a group, whether on an insured or uninsured
113 basis; or
114 3. Similar benefits are provided for or are available to
115 the person pursuant to or in accordance with the requirements of
116 any state or federal law; and
117 (b) A converted health maintenance contract may include a
118 provision whereby the health maintenance organization may
119 request information, in advance of any premium due date of a
120 health maintenance contract, of any person covered thereunder as
121 to whether:
122 1. She or he is covered for similar benefits by another
123 hospital, surgical, medical, or major medical expense insurance
124 policy or hospital or medical service subscriber contract or
125 medical practice or other prepayment plan or by any other plan
126 or program;
127 2. She or he is covered for similar benefits under any
128 arrangement of coverage for individuals in a group, whether on
129 an insured or uninsured basis; or
130 3. Similar benefits are provided for or are available to
131 the person pursuant to or in accordance with the requirements of
132 any state or federal law.

133 (7) REASONS FOR CANCELLATION; TERMINATION.—The converted
134 health maintenance contract must contain a cancellation or
135 nonrenewability clause providing that the health maintenance
136 organization may refuse to renew the contract of any person
137 covered thereunder, but cancellation or nonrenewal must be
138 limited to one or more of the following reasons:
139 (h) The subscriber is covered for similar benefits,
140 eligible for similar benefits, or similar benefits are provided
141 for or are available to the subscriber as described in
142 subsection (6)(a). The reason for nonrenewal authorized by this
143 paragraph is not required to be contained in the converted
144 health maintenance contract but must be provided in writing to
145 the subscriber at least 90 days before the contract renewal
146 date.
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151 **T I T L E A M E N D M E N T**
152 Remove line 95 and insert:
153 providing for future repeal; amending s. 627.6675, F.S.;
154 specifying conditions for nonrenewal of a conversion policy;
155 amending s. 641.3922, F.S.; specifying conditions for nonrenewal
156 of a health maintenance organization conversion contact;
157 providing effective
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