

By the Committee on Appropriations

576-03486-17

20172508__

1 A bill to be entitled
2 An act relating to the Division of State Group
3 Insurance; amending s. 110.12301, F.S.; removing a
4 requirement that a contract for dependent eligibility
5 verification services for the state group insurance
6 program be contingency-based; requiring the division
7 to notify subscribers of dependent eligibility rules
8 by a certain date; requiring the division to hold a
9 subscriber harmless for past claims of ineligible
10 dependents for a specified timeframe; providing for
11 applicability; removing a requirement that the
12 Department of Management Services submit budget
13 amendments pursuant to ch. 216, F.S., regarding vendor
14 payments for dependent eligibility verification
15 services; authorizing the contractor providing
16 dependent eligibility verification services to request
17 certain information from subscribers; requiring the
18 division and the contractor to disclose to subscribers
19 that dependent eligibility verification information
20 may be subject to disclosure and inspection under
21 public records requirements under certain
22 circumstances; specifying requirements for marriage
23 licenses or certificates or birth certificates
24 submitted for dependent eligibility verification;
25 requiring the contractor to retain documentation
26 obtained for dependent eligibility verification
27 services for a specified timeframe; requiring the
28 department and the contractor to destroy such
29 documentation after a specified date; amending s.

576-03486-17

20172508__

30 110.12315, F.S.; providing that retail, mail order,
31 and specialty pharmacies participating in the state
32 employees' prescription drug program shall be
33 reimbursed as established by contract; revising supply
34 limitations under the program; providing that the
35 pharmacy dispensing fee be negotiated by the
36 department; revising provisions governing the
37 reimbursement schedule for prescription drugs and
38 supplies dispensed under the program; requiring the
39 department to maintain certain lists; establishing
40 supply limitations for maintenance drugs and supplies;
41 specifying pricing of certain copayments by health
42 plan members; deleting a provision requiring the
43 department to implement additional cost-saving
44 measures and adjustments; revising copayment and
45 coinsurance amounts for the State Group Health
46 Insurance Standard Plan and the State Group Health
47 Insurance High Deductible Plan; requiring the
48 department to implement formulary management for
49 prescription drugs and supplies by a specified date;
50 requiring that certain prescription drugs and supplies
51 remain available unless specifically excluded from the
52 list of approved prescription drugs and supplies;
53 providing that prescription drugs and supplies first
54 made available after a specified date may not be
55 covered by the prescription drug program unless
56 otherwise approved; requiring the department to submit
57 the list of excluded prescription drugs and supplies
58 to the Executive Office of the Governor by a specified

576-03486-17

20172508__

59 date; requiring the list of excluded prescription
60 drugs and supplies approved by the Executive Office of
61 the Governor to be submitted to the Legislature by a
62 specified date; authorizing the department to
63 implement the exclusions if no objection is submitted
64 by the Legislature by a certain date; authorizing the
65 department to propose additional exclusions from
66 coverage, make modifications to the formulary, and
67 move drugs and supplies between copayment tiers;
68 prescribing procedures and requirements with respect
69 to the proposal of additional exclusions or
70 modifications; requiring the department to submit
71 certain information regarding the initial formulary
72 and any subsequent modifications to the Executive
73 Office of the Governor and the Legislature; repealing
74 s. 8 of chapter 99-255, Laws of Florida; repealing a
75 provision prohibiting the department from implementing
76 a prior authorization program or a restricted
77 formulary program that meets certain criteria;
78 providing an effective date.

79

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

81

82 Section 1. Section 110.12301, Florida Statutes, is amended
83 to read:

84 110.12301 Competitive procurement of postpayment claims
85 review services.—The Division of State Group Insurance is
86 directed to competitively procure:

87 (1) Postpayment claims review services for the state group

576-03486-17

20172508__

88 health insurance plans established pursuant to s. 110.123.
89 Compensation under the contract shall be paid from amounts
90 identified as claim overpayments that are made by or on behalf
91 of the health plans and that are recovered by the vendor. The
92 vendor may retain that portion of the amount recovered as
93 provided in the contract. The contract must require the vendor
94 to maintain all necessary documentation supporting the amounts
95 recovered, retained, and remitted to the division; and

96 (2) A ~~contingency-based~~ contract for dependent eligibility
97 verification services for the state group insurance program;
98 however, compensation under the contract may not exceed
99 historical claim costs for the prior 12 months for the dependent
100 populations disenrolled as a result of the contractor's ~~vendor's~~
101 services.

102 (a)1. By September 1, 2017, the division shall notify all
103 subscribers regarding the eligibility rules for dependents.
104 Through November 30, 2017, the division must ~~may establish a 3-~~
105 ~~month grace period and~~ hold subscribers harmless for past claims
106 of ineligible dependents if such dependents are removed from
107 plan membership before December 1, 2017.

108 2. Subparagraph 1. does not apply to any dependent
109 identified as ineligible before July 1, 2017, for which the
110 department has notified the state agency employing the
111 associated subscriber ~~The Department of Management Services~~
112 ~~shall submit budget amendments pursuant to chapter 216 in order~~
113 ~~to obtain budget authority necessary to expend funds from the~~
114 ~~State Employees' Group Health Self-Insurance Trust Fund for~~
115 ~~payments to the vendor as provided in the contract.~~

116 (b) The contractor providing dependent eligibility

576-03486-17

20172508__

117 verification services may request the following information from
118 subscribers:

119 1. To prove a spouse's eligibility:

120 a. If married less than 12 months and the subscriber and
121 his or her spouse have not filed a joint federal income tax
122 return, a government-issued marriage certificate; or

123 b. If married for 12 or more months, a transcript of the
124 most recently filed federal income tax return.

125 2. To prove a biological child's or a newborn grandchild's
126 eligibility, a government-issued birth certificate.

127 3. To prove an adopted child's eligibility:

128 a. An adoption certificate; or

129 b. An adoption placement agreement and a petition for
130 adoption.

131 4. To prove a stepchild's eligibility:

132 a. A government-issued birth certificate for the stepchild;
133 and

134 b. The transcript of the subscriber's most recently filed
135 federal income tax return.

136 5. Any other information necessary to verify the
137 dependent's eligibility for enrollment in the state group
138 insurance program.

139 (c) If a document requested from a subscriber is not
140 confidential or exempt from public records requirements, the
141 division and the contractor shall disclose to all subscribers
142 that such information submitted to verify the eligibility of
143 dependents may be subject to disclosure and inspection under
144 chapter 119.

145 (d) A government-issued marriage license or marriage

576-03486-17

20172508__

146 certificate submitted for dependent eligibility verification
147 must include the date of the marriage between the subscriber and
148 the spouse.

149 (e) A government-issued birth certificate submitted for
150 dependent eligibility verification must list the parents' names.

151 (f) All documentation obtained by the contractor to conduct
152 the dependent eligibility verification services must be retained
153 until June 30, 2019. The department or the contractor are not
154 required to retain such documentation after June 30, 2019, and
155 shall destroy such documentation as soon as practicable after
156 such date.

157 Section 2. Upon the expiration and reversion of the
158 amendments made to section 110.12315, Florida Statutes, pursuant
159 to section 123 of chapter 2016-62, Laws of Florida, section
160 110.12315, Florida Statutes, is amended to read:

161 110.12315 Prescription drug program.—The state employees'
162 prescription drug program is established. This program shall be
163 administered by the Department of Management Services, according
164 to the terms and conditions of the plan as established by the
165 relevant provisions of the annual General Appropriations Act and
166 implementing legislation, subject to the following conditions:

167 (1) The department shall allow prescriptions written by
168 health care providers under the plan to be filled by any
169 licensed pharmacy and reimbursed pursuant to subsection (2)
170 ~~contractual claims-processing provisions.~~ Nothing in This
171 section may not be construed as prohibiting a mail order
172 prescription drug program distinct from the service provided by
173 retail pharmacies.

174 (2) In providing for reimbursement of pharmacies for

576-03486-17

20172508__

175 prescription drugs and supplies ~~medicines~~ dispensed to members
176 of the state group health insurance plan and their dependents
177 under the state employees' prescription drug program:

178 (a) Retail, mail order, and specialty pharmacies
179 participating in the program must be reimbursed as established
180 by contract and at a uniform rate and subject to uniform
181 ~~conditions,~~ according to the terms and conditions of the plan.

182 (b) There is ~~shall be~~ a 30-day supply limit for retail
183 pharmacy fills, a 90-day supply limit for mail order fills, and
184 a 90-day supply limit for fills by retail pharmacies
185 participating in a 90-day supply network ~~prescription card~~
186 ~~purchases and 90-day supply limit for mail order or mail order~~
187 ~~prescription drug purchases.~~ This paragraph may not be construed
188 to prohibit fills at any amount less than the applicable supply
189 limit.

190 (c) The ~~current~~ pharmacy dispensing fee shall be negotiated
191 by the department ~~remains in effect.~~

192 (d) ~~(3)~~ The department ~~of Management Services~~ shall
193 establish the reimbursement schedule for prescription drugs and
194 supplies ~~pharmaceuticals~~ dispensed under the program.
195 Reimbursement rates for a prescription drug or supply
196 ~~pharmaceutical~~ must be based on the cost of the generic
197 equivalent drug or supply if a generic equivalent exists, unless
198 the physician, advanced registered nurse practitioner, or
199 physician assistant prescribing the drug or supply
200 ~~pharmaceutical~~ clearly states on the prescription that the brand
201 name drug or supply is medically necessary or that the drug or
202 supply product is included on the formulary of drugs and
203 supplies ~~drug products~~ that may not be interchanged as provided

576-03486-17

20172508__

204 in chapter 465, in which case reimbursement must be based on the
205 cost of the brand name drug or supply as specified in the
206 reimbursement schedule adopted by the department ~~of Management~~
207 ~~Services~~.

208 (3) The department shall maintain the generic, preferred
209 brand name, and the nonpreferred brand name lists of drugs and
210 supplies to be used in the administration of the state
211 employees' prescription drug program.

212 (4) The department shall maintain a list of maintenance
213 drugs and supplies.

214 (a) Preferred provider organization health plan members may
215 have prescriptions for maintenance drugs and supplies filled up
216 to 3 times as a supply for up to 30 days through a retail
217 pharmacy; thereafter, prescriptions for the same maintenance
218 drug or supply must be filled for up to 90 days either through
219 the department's contracted mail order pharmacy or through a
220 retail pharmacy participating in a 90-day supply network.

221 (b) Health maintenance organization health plan members may
222 have prescriptions for maintenance drugs and supplies filled for
223 up to 90 days either through a mail order pharmacy or through a
224 retail pharmacy participating in a 90-day supply network.

225 (5) Copayments made by health plan members for a supply for
226 up to 90 days through a retail pharmacy participating in a 90-
227 day supply network shall be the same as copayments made for a
228 similar supply through the department's contracted mail order
229 pharmacy.

230 (6)~~(4)~~ ~~The department of Management Services shall conduct~~
231 a prescription utilization review program. In order to
232 participate in the state employees' prescription drug program,

576-03486-17

20172508__

233 retail pharmacies dispensing prescription drugs and supplies
 234 ~~medicines~~ to members of the state group health insurance plan or
 235 their covered dependents, or to subscribers or covered
 236 dependents of a health maintenance organization plan under the
 237 state group insurance program, shall make their records
 238 available for this review.

239 ~~(5) The Department of Management Services shall implement~~
 240 ~~such additional cost-saving measures and adjustments as may be~~
 241 ~~required to balance program funding within appropriations~~
 242 ~~provided, including a trial or starter dose program and~~
 243 ~~dispensing of long-term maintenance medication in lieu of acute~~
 244 ~~therapy medication.~~

245 (7)~~(6)~~ Participating pharmacies must use a point-of-sale
 246 device or an online computer system to verify a participant's
 247 eligibility for coverage. The state is not liable for
 248 reimbursement of a participating pharmacy for dispensing
 249 prescription drugs and supplies to any person whose current
 250 eligibility for coverage has not been verified by the state's
 251 contracted administrator or by the department ~~of Management~~
 252 ~~Services.~~

253 ~~(7) Under the state employees' prescription drug program~~
 254 ~~copayments must be made as follows:~~

255 (8) (a) Effective July 1, 2017 ~~January 1, 2006~~, for the
 256 State Group Health Insurance Standard Plan, copayments must be
 257 made as follows:

- 258 1. For a supply for up to 30 days from a retail pharmacy:
- 259 a. For generic drug ~~with card~~.....\$7 ~~\$10~~.
- 260 b.~~2.~~ For preferred brand name drug ~~with card~~.....\$30 ~~\$25~~.
- 261 c.~~3.~~ For nonpreferred brand name drug ~~with card~~.....\$50 ~~\$40~~.

576-03486-17

20172508__

262 2. For a supply for up to 90 days from a mail order
263 pharmacy or a retail pharmacy participating in a 90-day supply
264 network:

265 a.4. For generic ~~mail order~~ drug.....\$14 ~~\$20.~~

266 b.5. For preferred brand name ~~mail order~~ drug.....\$60 ~~\$50.~~

267 c.6. For nonpreferred brand name ~~mail order~~ drug...\$100 ~~\$80.~~

268 (b) Effective July 1, 2017 ~~January 1, 2006~~, for the State
269 Group Health Insurance High Deductible Plan, coinsurance must be
270 paid as follows:

271 1. For a supply for up to 30 days from a retail pharmacy:

272 a. ~~Retail coinsurance~~ For generic drug ~~with card~~.....30%.

273 b.2. ~~Retail coinsurance~~ For preferred brand name drug ~~with~~
274 ~~card~~.....30%.

275 c.3. ~~Retail coinsurance~~ For nonpreferred brand name drug
276 ~~with card~~.....50%.

277 2. For a supply for up to 90 days from a mail order
278 pharmacy or a retail pharmacy participating in a 90-day supply
279 network:

280 a.4. ~~Mail order coinsurance~~ For generic drug.....30%.

281 b.5. ~~Mail order coinsurance~~ For preferred brand name
282 drug.....30%.

283 c.6. ~~Mail order coinsurance~~ For nonpreferred brand name
284 drug.....50%.

285 (9) (a) Beginning January 1, 2018, the department shall
286 implement formulary management for prescription drugs and
287 supplies but may not restrict access to the most clinically
288 appropriate, clinically effective, and lowest net cost
289 prescription drugs and supplies. Prescription drugs and supplies
290 available for coverage through the prescription drug program as

576-03486-17

20172508__

291 of July 1, 2017, must remain available unless specifically
292 excluded from coverage in accordance with the list developed
293 pursuant to this subsection. Prescription drugs and supplies
294 first made available after July 1, 2017, may not be covered by
295 the prescription drug program unless specifically included in
296 the list of approved prescription drugs and supplies.

297 (b) The department must submit the list of excluded
298 prescription drugs and supplies to the Executive Office of the
299 Governor for review and approval by July 21, 2017. The approved
300 formulary must be submitted to the Legislature for review by
301 August 18, 2017. The implementation of the initial list of
302 excluded prescription drugs and supplies shall be treated as an
303 action subject to the notice, review, and objection procedures
304 under s. 216.177. If no objection is submitted in writing by
305 September 15, 2017, the department may implement the exclusions,
306 as approved by the Executive Office of the Governor, beginning
307 January 1, 2018.

308 (c) The department may propose additional exclusions from
309 coverage under the prescription drug program once each plan
310 year, for implementation on January 1 of the next plan year or
311 as otherwise directed by the Legislature. The department must
312 submit its proposed exclusions to the Executive Office of the
313 Governor for review and approval at least 30 days before the
314 date the Governor's recommended budget is required to be
315 submitted to the Legislature. Any recommendations by the
316 Governor to exclude drugs or supplies from coverage under the
317 prescription drug program must be submitted to the Legislature
318 with the Governor's recommended budget.

319 (d) The department may propose modifications to the

576-03486-17

20172508__

320 formulary to include prescription drugs or supplies not covered
321 under the program or to move the drugs or supplies between
322 copayment tiers. Such modifications may be implemented on
323 January 1, April 1, July 1, or October 1 of the plan year.

324 (e) With each proposed change to the status of prescription
325 drugs and supplies under the program, the department shall
326 submit the following information to the Executive Office of the
327 Governor and the Legislature:

328 1. The drugs and supplies excluded or proposed for a change
329 in copayment tier;

330 2. The drugs that remain available under the program as a
331 substitute for the excluded drug;

332 3. The number of prescriptions written for the affected
333 drug or supply during the prior plan year and the current plan
334 year and the number of plan members affected by the change;

335 4. The expected financial impact to the prescription drug
336 program, including the impact by drug on plan payments and
337 rebates to the plan; and

338 5. The expected financial impact to the plan members,
339 including the impact on member copayments and coinsurance, and
340 the cost of the drug to the plan members if the drug is
341 excluded.

342 ~~(c) The Department of Management Services shall create a~~
343 ~~preferred brand name drug list to be used in the administration~~
344 ~~of the state employees' prescription drug program.~~

345 Section 3. Section 8 of ch. 99-255, Laws of Florida, is
346 repealed.

347 Section 4. This act shall take effect July 1, 2017.