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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 a contingency-based contract; requiring the
7 division to notify subscribers of dependent
8 eligibility rules by a certain date; requiring the
9 division to hold a subscriber harmless for past claims
10 of ineligible dependents for a specified timeframe;
11 providing for applicability; removing a requirement
12 that the Department of Management Services submit
13 budget amendments pursuant to ch. 216, F.S., regarding
14 vendor 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 authorizing foreign-born subscribers to submit an
26 affidavit in lieu of documentation under certain
27 circumstances; specifying that original or photocopied
28 documentation may be submitted; authorizing a
29 subscriber to redact unnecessary information before

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30 submitting documentation; requiring the contractor to
31 retain documentation obtained for dependent
32 eligibility verification services for a specified
33 timeframe; requiring the department and the contractor
34 to destroy such documentation after a specified date;
35 amending s. 110.12315, F.S.; providing that retail,
36 mail order, and specialty pharmacies participating in
37 the state employees' prescription drug program shall
38 be reimbursed as established by contract; revising
39 supply limitations under the program; requiring that
40 the pharmacy dispensing fee be negotiated by the
41 department; revising provisions governing the
42 reimbursement schedule for prescription drugs and
43 supplies dispensed under the program; requiring the
44 department to maintain certain lists; establishing
45 supply limitations for maintenance drugs and supplies;
46 specifying pricing of certain copayments by health
47 plan members; deleting a provision requiring the
48 department to implement additional cost-saving
49 measures and adjustments; revising copayment and
50 coinsurance amounts for the State Group Health
51 Insurance Standard Plan and the State Group Health
52 Insurance High Deductible Plan; providing an effective
53 date.

54
55 Be It Enacted by the Legislature of the State of Florida:

56
57 Section 1. Section 110.12301, Florida Statutes, is amended
58 to read:

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59 110.12301 Competitive procurement of postpayment claims
60 review services and dependent eligibility verification
61 services.—The Division of State Group Insurance is directed to
62 competitively procure:

63 (1) Postpayment claims review services for the state group
64 health insurance plans established pursuant to s. 110.123.
65 Compensation under the contract shall be paid from amounts
66 identified as claim overpayments that are made by or on behalf
67 of the health plans and that are recovered by the vendor. The
68 vendor may retain that portion of the amount recovered as
69 provided in the contract. The contract must require the vendor
70 to maintain all necessary documentation supporting the amounts
71 recovered, retained, and remitted to the division; and

72 (2) A ~~contingency-based~~ contract for dependent eligibility
73 verification services for the state group insurance program;
74 however, compensation under the contract may not exceed
75 historical claim costs for the prior 12 months for the dependent
76 populations disenrolled as a result of the contractor's ~~vendor's~~
77 services.

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

84 2. Subparagraph 1. does not apply to any dependent
85 identified as ineligible before July 1, 2017, for which the
86 department has notified the state agency employing the
87 associated subscriber ~~The Department of Management Services~~

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88 ~~shall submit budget amendments pursuant to chapter 216 in order~~
89 ~~to obtain budget authority necessary to expend funds from the~~
90 ~~State Employees' Group Health Self-Insurance Trust Fund for~~
91 ~~payments to the vendor as provided in the contract.~~

92 (b) The contractor providing dependent eligibility
93 verification services may request the following information from
94 subscribers:

95 1. To prove a spouse's eligibility:

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

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

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

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

104 a. An adoption certificate; or

105 b. An adoption placement agreement and a petition for
106 adoption.

107 4. To prove a stepchild's eligibility:

108 a. A government-issued birth certificate for the stepchild;
109 and

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

112 5. Any other information necessary to verify the
113 dependent's eligibility for enrollment in the state group
114 insurance program.

115 (c) If a document requested from a subscriber is not
116 confidential or exempt from public records requirements, the

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117 division and the contractor shall disclose to all subscribers
118 that such information submitted to verify the eligibility of
119 dependents may be subject to disclosure and inspection under
120 chapter 119.

121 (d) A government-issued marriage license or marriage
122 certificate submitted for dependent eligibility verification
123 must include the date of the marriage between the subscriber and
124 the spouse.

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

127 (f) Foreign-born subscribers unable to obtain the necessary
128 documentation within the specified time period of producing
129 verification documentation may execute a signed affidavit
130 attesting to eligibility requirements.

131 (g) Documentation submitted to verify eligibility may be an
132 original or a photocopy of an original document. Before
133 submitting a document, the subscriber may redact any information
134 on a document which is not necessary to verify the eligibility
135 of the dependent.

136 (h) All documentation obtained by the contractor to conduct
137 the dependent eligibility verification services must be retained
138 until June 30, 2019. The department or the contractor is not
139 required to retain such documentation after June 30, 2019, and
140 shall destroy such documentation as soon as practicable after
141 such date.

142 Section 2. Upon the expiration and reversion of the
143 amendments made to section 110.12315, Florida Statutes, pursuant
144 to section 123 of chapter 2016-62, Laws of Florida, section
145 110.12315, Florida Statutes, is amended to read:

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146 110.12315 Prescription drug program.—The state employees'
147 prescription drug program is established. This program shall be
148 administered by the Department of Management Services, according
149 to the terms and conditions of the plan as established by the
150 relevant provisions of the annual General Appropriations Act and
151 implementing legislation, subject to the following conditions:

152 (1) The department shall allow prescriptions written by
153 health care providers under the plan to be filled by any
154 licensed pharmacy and reimbursed pursuant to subsection (2)
155 ~~contractual claims-processing provisions~~. ~~Nothing in This~~
156 section may not be construed as prohibiting a mail order
157 prescription drug program distinct from the service provided by
158 retail pharmacies.

159 (2) In providing for reimbursement of pharmacies for
160 prescription drugs and supplies ~~medicines~~ dispensed to members
161 of the state group health insurance plan and their dependents
162 under the state employees' prescription drug program:

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

167 (b) There ~~is shall be~~ a 30-day supply limit for retail
168 pharmacy fills, a 90-day supply limit for mail order fills, and
169 a 90-day supply limit for maintenance drug fills by retail
170 pharmacies prescription card purchases and 90-day supply limit
171 for mail order or mail order prescription drug purchases. This
172 paragraph may not be construed to prohibit fills at any amount
173 less than the applicable supply limit.

174 (c) The ~~current~~ pharmacy dispensing fee shall be negotiated

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175 by the department ~~remains in effect.~~

176 (d) ~~(3)~~ The department ~~of Management Services~~ shall
177 establish the reimbursement schedule for prescription drugs and
178 supplies ~~pharmaceuticals~~ dispensed under the program.
179 Reimbursement rates for a prescription drug or supply
180 ~~pharmaceutical~~ must be based on the cost of the generic
181 equivalent drug or supply if a generic equivalent exists, unless
182 the physician, advanced registered nurse practitioner, or
183 physician assistant prescribing the drug or supply
184 ~~pharmaceutical~~ clearly states on the prescription that the brand
185 name drug or supply is medically necessary or that the drug or
186 supply ~~product~~ is included on the formulary of drugs and
187 supplies ~~drug products~~ that may not be interchanged as provided
188 in chapter 465, in which case reimbursement must be based on the
189 cost of the brand name drug or supply as specified in the
190 reimbursement schedule adopted by the department ~~of Management~~
191 ~~Services~~.

192 (3) The department shall maintain the generic, preferred
193 brand name, and the nonpreferred brand name lists of drugs and
194 supplies to be used in the administration of the state
195 employees' prescription drug program.

196 (4) The department shall maintain a list of maintenance
197 drugs and supplies.

198 (a) Preferred provider organization health plan members may
199 have prescriptions for maintenance drugs and supplies filled up
200 to three times as a supply for up to 30 days through a retail
201 pharmacy; thereafter, prescriptions for the same maintenance
202 drug or supply must be filled for up to 90 days either through
203 the department's contracted mail order pharmacy or through a

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204 retail pharmacy.

205 (b) Health maintenance organization health plan members may
206 have prescriptions for maintenance drugs and supplies filled for
207 up to 90 days either through a mail order pharmacy or through a
208 retail pharmacy.

209 (5) Copayments made by health plan members for a supply for
210 up to 90 days through a retail pharmacy shall be the same as
211 copayments made for a similar supply through the department's
212 contracted mail order pharmacy.

213 (6)-(4) The department of Management Services shall conduct
214 a prescription utilization review program. In order to
215 participate in the state employees' prescription drug program,
216 retail pharmacies dispensing prescription drugs and supplies
217 medicines to members of the state group health insurance plan or
218 their covered dependents, or to subscribers or covered
219 dependents of a health maintenance organization plan under the
220 state group insurance program, shall make their records
221 available for this review.

222 ~~(5) The Department of Management Services shall implement~~
223 ~~such additional cost saving measures and adjustments as may be~~
224 ~~required to balance program funding within appropriations~~
225 ~~provided, including a trial or starter dose program and~~
226 ~~dispensing of long term maintenance medication in lieu of acute~~
227 ~~therapy medication.~~

228 (7)-(6) Participating pharmacies must use a point-of-sale
229 device or an online computer system to verify a participant's
230 eligibility for coverage. The state is not liable for
231 reimbursement of a participating pharmacy for dispensing
232 prescription drugs and supplies to any person whose current

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233 eligibility for coverage has not been verified by the state's
234 contracted administrator or by the department of Management
235 Services.

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

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

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

242 a. For generic drug with card.....\$7 \$10.

243 ~~b.2.~~ For preferred brand name drug with card.....\$30 \$25.

244 ~~c.3.~~ For nonpreferred brand name drug with card.....\$50 \$40.

245 2. For a supply for up to 90 days from a mail order
246 pharmacy or a retail pharmacy:

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

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

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

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

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

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

255 ~~b.2. Retail coinsurance~~ For preferred brand name drug with
256 card.....30%.

257 ~~c.3. Retail coinsurance~~ For nonpreferred brand name drug
258 with card.....50%.

259 2. For a supply for up to 90 days from a mail order
260 pharmacy or a retail pharmacy:

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

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262 b.5. ~~Mail order coinsurance~~ For preferred brand name
263 drug.....30%.

264 c.6. ~~Mail order coinsurance~~ For nonpreferred brand name
265 drug.....50%.

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

269 Section 3. This act shall take effect July 1, 2017.