

FOR CONSIDERATION By the Committee on Appropriations

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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 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.

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

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

78
79 Be It Enacted by the Legislature of the State of Florida:

80
81 Section 1. Section 110.12301, Florida Statutes, is amended
82 to read:

83 110.12301 Competitive procurement of postpayment claims
84 review services.—The Division of State Group Insurance is
85 directed to competitively procure:

86 (1) Postpayment claims review services for the state group
87 health insurance plans established pursuant to s. 110.123.

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

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

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

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

115 (b) The contractor providing dependent eligibility
116 verification services may request the following information from

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117 subscribers:

118 1. To prove a spouse's eligibility:

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

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

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

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

127 a. An adoption certificate; or

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

130 4. To prove a stepchild's eligibility:

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

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

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

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

144 (d) A government-issued marriage license or marriage
145 certificate submitted for dependent eligibility verification

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146 must include the date of the marriage between the subscriber and
147 the spouse.

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

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

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

160 110.12315 Prescription drug program.—The state employees'
161 prescription drug program is established. This program shall be
162 administered by the Department of Management Services, according
163 to the terms and conditions of the plan as established by the
164 relevant provisions of the annual General Appropriations Act and
165 implementing legislation, subject to the following conditions:

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

173 (2) In providing for reimbursement of pharmacies for
174 prescription drugs and supplies ~~medicines~~ dispensed to members

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175 of the state group health insurance plan and their dependents
176 under the state employees' prescription drug program:

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

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

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

191 (d) ~~(3)~~ The department of ~~Management Services~~ shall
192 establish the reimbursement schedule for prescription drugs and
193 supplies ~~pharmaceuticals~~ dispensed under the program.
194 Reimbursement rates for a prescription drug or supply
195 ~~pharmaceutical~~ must be based on the cost of the generic
196 equivalent drug or supply if a generic equivalent exists, unless
197 the physician, advanced registered nurse practitioner, or
198 physician assistant prescribing the drug or supply
199 ~~pharmaceutical~~ clearly states on the prescription that the brand
200 name drug or supply is medically necessary or that the drug or
201 supply ~~product~~ is included on the formulary of drugs and
202 supplies ~~drug products~~ that may not be interchanged as provided
203 in chapter 465, in which case reimbursement must be based on the

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204 cost of the brand name drug or supply as specified in the
205 reimbursement schedule adopted by the department ~~of Management~~
206 ~~Services~~.

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

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

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

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

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

229 (6)~~(4)~~ ~~The department of Management Services shall conduct~~
230 ~~a prescription utilization review program. In order to~~
231 ~~participate in the state employees' prescription drug program,~~
232 ~~retail pharmacies dispensing prescription drugs and supplies~~

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

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

244 (7) ~~(6)~~ Participating pharmacies must use a point-of-sale
245 device or an online computer system to verify a participant's
246 eligibility for coverage. The state is not liable for
247 reimbursement of a participating pharmacy for dispensing
248 prescription drugs and supplies to any person whose current
249 eligibility for coverage has not been verified by the state's
250 contracted administrator or by the department ~~of Management~~
251 ~~Services.~~

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

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

- 257 1. For a supply for up to 30 days from a retail pharmacy:
- 258 a. For generic drug ~~with card~~.....\$7 ~~\$10.~~
- 259 b. ~~2.~~ For preferred brand name drug ~~with card~~.....\$30 ~~\$25.~~
- 260 c. ~~3.~~ For nonpreferred brand name drug ~~with card~~.....\$50 ~~\$40.~~
- 261 2. For a supply for up to 90 days from a mail order

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262 pharmacy or a retail pharmacy participating in a 90-day supply
263 network:

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

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

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

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

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

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

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

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

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

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

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

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

284 (9) (a) Beginning January 1, 2018, the department shall
285 implement formulary management for prescription drugs and
286 supplies but may not restrict access to the most clinically
287 appropriate, clinically effective, and lowest net cost
288 prescription drugs and supplies. Prescription drugs and supplies
289 available for coverage through the prescription drug program as
290 of July 1, 2017, must remain available unless specifically

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

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

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

318 (d) The department may propose modifications to the
319 formulary to include prescription drugs or supplies not covered

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320 under the program or to move the drugs or supplies between
321 copayment tiers. Such modifications may be implemented on
322 January 1, April 1, July 1, or October 1 of the plan year.

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

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

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

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

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

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

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

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

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