

By Senator Bean

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1 A bill to be entitled
2 An act relating to discount plan organizations;
3 revising the titles of ch. 636, F.S., and part II of
4 ch. 636, F.S.; amending s. 636.202, F.S.; revising
5 definitions; amending s. 636.204, F.S.; conforming
6 provisions to changes made by the act; requiring a
7 provider to be licensed as a discount plan
8 organization if the provider charges patients fees,
9 dues, charges, or other consideration to receive
10 discounted medical services; amending s. 636.208,
11 F.S.; conforming provisions to changes made by the
12 act; revising a specified condition for a member to
13 receive a reimbursement of certain charges after
14 cancelling a membership in a discount plan
15 organization; amending s. 636.212, F.S.; conforming
16 provisions to changes made by the act; specifying what
17 a first page is for the purpose of a disclosure
18 requirement on certain materials relating to a
19 discount plan; providing for construction; deleting
20 certain requirements that apply if the initial
21 contract is made by telephone; amending s. 636.214,
22 F.S.; making a technical change; conforming provisions
23 to changes made by the act; amending s. 636.216, F.S.;
24 deleting a provision that requires filing charges to
25 members with the Office of Insurance Regulation, that
26 requires approval of the office for specified charges,
27 and that provides for the burden of proving the
28 reasonable relation of charges to benefits received by
29 the members; conforming provisions to changes made by
30 the act; specifying certain forms that must be filed
31 and approved by the office; providing an exception
32 from approval by the office; specifying what is not

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33 included in a material change; amending s. 636.228,
34 F.S.; conforming provisions to changes made by the
35 act; authorizing a discount plan organization to
36 delegate functions to its marketers; providing that
37 the discount plan organization is bound to acts of its
38 marketers within the scope of delegation; amending s.
39 636.230, F.S.; conforming provisions to changes made
40 by the act; authorizing a marketer or discount plan
41 organization to commingle certain products on a single
42 page of certain documents; providing for
43 applicability; deleting a requirement for discount
44 medical plan fees to be provided in writing under
45 certain circumstances; amending ss. 408.9091, 408.910,
46 627.64731, 636.003, 636.205, 636.206, 636.207,
47 636.210, 636.218, 636.220, 636.222, 636.223, 636.224,
48 636.226, 636.232, 636.234, 636.236, 636.238, 636.240,
49 and 636.244, F.S.; conforming provisions to changes
50 made by the act; providing an effective date.

51
52 Be It Enacted by the Legislature of the State of Florida:

53
54 Section 1. Chapter 636, Florida Statutes, entitled "Prepaid
55 Limited Health Service Organizations and Discount Medical Plan
56 Organizations," is retitled "Prepaid Limited Health Service
57 Organizations and Discount Plan Organizations."

58 Section 2. Part II of chapter 636, Florida Statutes,
59 entitled "Discount Medical Plan Organizations," is retitled
60 "Discount Plan Organizations."

61 Section 3. Section 636.202, Florida Statutes, is amended to

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62 read:

63 636.202 Definitions.—As used in this part, the term:

64 (1) "Discount ~~medical~~ plan" means a business arrangement or
65 contract in which a person, in exchange for fees, dues, charges,
66 or other consideration, provides access for plan members to
67 providers of medical services and the right to receive medical
68 services from those providers at a discount. The term "~~discount~~
69 ~~medical plan~~" does not include any product regulated under
70 chapter 627, chapter 641, or part I of this chapter; or any
71 medical services provided through a telecommunications medium
72 that does not offer a discount to the plan member for those
73 medical services; or any plan that does not charge a fee to plan
74 members. Until June 30, 2018, a discount plan may also be
75 referred to as a discount medical plan.

76 (2) "Discount ~~medical~~ plan organization" means an entity
77 that ~~which~~, in exchange for fees, dues, charges, or other
78 consideration, provides access for plan members to providers of
79 medical services and the right to receive medical services from
80 those providers at a discount. Until June 30, 2018, a discount
81 plan organization may also be referred to as a discount medical
82 plan organization.

83 (3) "Marketer" means a person or entity that ~~which~~ markets,
84 promotes, sells, or distributes a discount ~~medical~~ plan,
85 including a private label entity that ~~which~~ places its name on
86 and markets or distributes a discount ~~medical~~ plan but does not
87 operate a discount ~~medical~~ plan.

88 (4) "Medical services" means any care, service, or
89 treatment of illness or dysfunction of, or injury to, the human
90 body, including, but not limited to, physician care, inpatient

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91 care, hospital surgical services, emergency services, ambulance
92 services, dental care services, vision care services, mental
93 health services, substance abuse services, chiropractic
94 services, podiatric care services, laboratory services, and
95 medical equipment and supplies. The term does not include
96 pharmaceutical supplies or prescriptions.

97 (5) "Member" means any person who pays fees, dues, charges,
98 or other consideration for the right to receive the purported
99 benefits of a discount ~~medical~~ plan.

100 (6) "Provider" means any person or institution that ~~which~~
101 is contracted, directly or indirectly, with a discount ~~medical~~
102 plan organization to provide medical services to members.

103 (7) "Provider network" means an entity that ~~which~~
104 negotiates on behalf of more than one provider with a discount
105 ~~medical~~ plan organization to provide medical services to
106 members.

107 Section 4. Subsections (1), (2), (4), and (6) of section
108 636.204, Florida Statutes, are amended to read:

109 636.204 License required.—

110 (1) Before doing business in this state as a discount
111 ~~medical~~ plan organization, an entity must be a corporation, a
112 limited liability company, or a limited partnership,
113 incorporated, organized, formed, or registered under the laws of
114 this state or authorized to transact business in this state in
115 accordance with chapter 605, part I of chapter 607, chapter 617,
116 chapter 620, or chapter 865, and must be licensed by the office
117 as a discount ~~medical~~ plan organization or be licensed by the
118 office pursuant to chapter 624, part I of this chapter, or
119 chapter 641.

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120 (2) An application for a license to operate as a discount
121 ~~medical~~ plan organization must be filed with the office on a
122 form prescribed by the commission. Such application must be
123 sworn to by an officer or authorized representative of the
124 applicant and be accompanied by the following, if applicable:

125 (a) A copy of the applicant's articles of incorporation or
126 other organizing documents, including all amendments.

127 (b) A copy of the applicant's bylaws.

128 (c) A list of the names, addresses, official positions, and
129 biographical information of the individuals who are responsible
130 for conducting the applicant's affairs, including, but not
131 limited to, all members of the board of directors, board of
132 trustees, executive committee, or other governing board or
133 committee, the officers, contracted management company
134 personnel, and any person or entity owning or having the right
135 to acquire 10 percent or more of the voting securities of the
136 applicant. Such listing must fully disclose the extent and
137 nature of any contracts or arrangements between any individual
138 who is responsible for conducting the applicant's affairs and
139 the discount ~~medical~~ plan organization, including any possible
140 conflicts of interest.

141 (d) A complete biographical statement, ~~r~~ on forms prescribed
142 by the commission, an independent investigation report, and a
143 set of fingerprints, as provided in chapter 624, with respect to
144 each individual identified under paragraph (c).

145 (e) A statement generally describing the applicant, its
146 facilities and personnel, and the medical services to be
147 offered.

148 (f) A copy of the form of all contracts made or to be made

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149 between the applicant and any providers or provider networks
150 regarding the provision of medical services to members.

151 (g) A copy of the form of any contract made or arrangement
152 to be made between the applicant and any person listed in
153 paragraph (c).

154 (h) A copy of the form of any contract made or to be made
155 between the applicant and any person, corporation, partnership,
156 or other entity for the performance on the applicant's behalf of
157 any function, including, but not limited to, marketing,
158 administration, enrollment, investment management, and
159 subcontracting for the provision of health services to members.

160 (i) A copy of the applicant's most recent financial
161 statements audited by an independent certified public
162 accountant. An applicant that is a subsidiary of a parent entity
163 that is publicly traded and that prepares audited financial
164 statements reflecting the consolidated operations of the parent
165 entity and the subsidiary may petition the office to accept, in
166 lieu of the audited financial statement of the applicant, the
167 audited financial statement of the parent entity and a written
168 guaranty by the parent entity that the minimum capital
169 requirements of the applicant required by this part will be met
170 by the parent entity.

171 (j) A description of the proposed method of marketing.

172 (k) A description of the subscriber complaint procedures to
173 be established and maintained.

174 (l) The fee for issuance of a license.

175 (m) Such other information as the commission or office may
176 reasonably require to make the determinations required by this
177 part.

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178 (4) Before ~~Prior to~~ licensure by the office, each discount
179 ~~medical~~ plan organization must establish an Internet website so
180 as to conform to the requirements of s. 636.226.

181 (6) This part does not require ~~Nothing in this part~~
182 ~~requires~~ a provider who provides discounts to his or her own
183 patients to obtain and maintain a license as a discount ~~medical~~
184 plan organization unless the provider charges patients fees,
185 dues, charges, or other consideration to receive medical
186 services from the provider at a discount.

187 Section 5. Section 636.208, Florida Statutes, is amended to
188 read:

189 636.208 Fees; charges; reimbursement.—

190 (1) A discount ~~medical~~ plan organization may charge a
191 periodic charge as well as a reasonable one-time processing fee
192 for a discount ~~medical~~ plan.

193 (2) If the member cancels his or her membership in the
194 discount ~~medical~~ plan organization within the first 30 days
195 after the effective date of enrollment in the plan or cancels
196 his or her membership consistent with the open enrollment rules
197 established by an employer or association for a plan having an
198 open enrollment period, the member shall receive a reimbursement
199 of all periodic charges upon return of the discount card to the
200 discount ~~medical~~ plan organization.

201 (3) If the discount ~~medical~~ plan organization cancels a
202 membership for any reason other than nonpayment of fees by the
203 member, the discount ~~medical~~ plan organization must ~~shall~~ make a
204 pro rata reimbursement of all periodic charges to the member.

205 (4) In addition to the reimbursement of periodic charges
206 for the reasons stated in subsections (2) and (3), a discount

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207 ~~medical~~ plan organization shall also reimburse the member for
208 any portion of a one-time processing fee that exceeds \$30 per
209 year.

210 Section 6. Section 636.212, Florida Statutes, is amended to
211 read:

212 636.212 Disclosures.—The following disclosures must be made
213 in writing to any prospective member and must be on the first
214 page of any advertisements, marketing materials, or brochures
215 relating to a discount ~~medical~~ plan. The first page is the page
216 that first includes the information describing benefits. The
217 disclosures must be printed in not less than 12-point type:

218 (1) That the plan is not insurance.

219 (2) That the plan provides discounts at certain health care
220 providers for medical services.

221 (3) That the plan does not make payments directly to the
222 providers of medical services.

223 (4) That the plan member is obligated to pay for all health
224 care services but will receive a discount from those health care
225 providers who have contracted with the discount plan
226 organization.

227 (5) The name and address of the licensed discount ~~medical~~
228 plan organization.

229
230 The requirements of this section are met if the prospective
231 member cannot enroll without being presented with the required
232 disclosures and if the prospective member must acknowledge
233 acceptance of the plan terms and conditions before enrollment.

234 This section does not prohibit the discount plan organization
235 from making additional disclosures to a prospective member ~~if~~

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236 ~~the initial contract is made by telephone, the disclosures~~
237 ~~required by this section shall be made orally and provided in~~
238 ~~the initial written materials that describe the benefits under~~
239 ~~the discount medical plan provided to the prospective or new~~
240 ~~member.~~

241 Section 7. Section 636.214, Florida Statutes, is amended to
242 read:

243 636.214 Provider agreements.—

244 (1) All providers offering medical services to members
245 under a discount ~~medical~~ plan must provide such services
246 pursuant to a written agreement. The agreement may be entered
247 into directly by the provider or by a provider network to which
248 the provider belongs.

249 (2) A provider agreement between a discount ~~medical~~ plan
250 organization and a provider must provide the following:

251 (a) A list of the services and products to be provided at a
252 discount.

253 (b) The amount or amounts of the discounts or,
254 alternatively, a fee schedule which reflects the provider's
255 discounted rates.

256 (c) A statement that the provider will not charge members
257 more than the discounted rates.

258 (3) A provider agreement between a discount ~~medical~~ plan
259 organization and a provider network must ~~shall~~ require that the
260 provider network have written agreements with its providers
261 which:

262 (a) Contain the terms described in subsection (2).

263 (b) Authorize the provider network to contract with the
264 discount ~~medical~~ plan organization on behalf of the provider.

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265 (c) Require the network to maintain an up-to-date list of
266 its contracted providers and to provide that list on a monthly
267 basis to the discount ~~medical~~ plan organization.

268 (4) The discount ~~medical~~ plan organization shall maintain a
269 copy of each active provider agreement into which it has
270 entered.

271 Section 8. Section 636.216, Florida Statutes, is amended to
272 read:

273 636.216 ~~Charge or~~ Form filings.-

274 (1) ~~All charges to members must be filed with the office~~
275 ~~and any charge to members greater than \$30 per month or \$360 per~~
276 ~~year must be approved by the office before the charges can be~~
277 ~~used. The discount medical plan organization has the burden of~~
278 ~~proof that the charges bear a reasonable relation to the~~
279 ~~benefits received by the member.~~

280 ~~(2)~~ There must be a written agreement between the discount
281 ~~medical~~ plan organization and the member specifying the benefits
282 under the discount ~~medical~~ plan and complying with the
283 disclosure requirements of this part.

284 (2)(3) All forms used, including The written agreement
285 pursuant to subsection (1) (2), membership applications, and
286 fulfillment materials that describe medical services as defined
287 in this part must first be filed with and approved by the
288 office. Every form filed shall be identified by a unique form
289 number placed in the lower left corner of each form. A form
290 previously approved by the office is not required to be approved
291 unless the form is materially changed. For purposes of this
292 subsection, a material change does not include a change in
293 charges, a change to the name of the marketer or entity

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294 distributing the plan, the deletion of benefits, or the addition
295 of benefits that are not medical services as defined in this
296 part.

297 (3)~~(4)~~ A ~~charge or~~ form is considered approved on the 60th
298 day after its date of filing unless it has been previously
299 disapproved by the office. The office shall disapprove any form
300 that does not meet the requirements of this part or that is
301 unreasonable, discriminatory, misleading, or unfair. If such
302 filings are disapproved, the office must ~~shall~~ notify the
303 discount ~~medical~~ plan organization and must ~~shall~~ specify in the
304 notice the reasons for disapproval.

305 Section 9. Section 636.228, Florida Statutes, is amended to
306 read:

307 636.228 Marketing of discount ~~medical~~ plans.—

308 (1) All advertisements, marketing materials, brochures, and
309 discount cards used by marketers must be approved in writing for
310 such use by the discount ~~medical~~ plan organization.

311 (2) The discount ~~medical~~ plan organization must ~~shall~~ have
312 an executed written agreement with a marketer before ~~prior to~~
313 the marketer's marketing, promoting, selling, or distributing
314 the discount ~~medical~~ plan. Such agreement must ~~shall~~ prohibit
315 the marketer from using marketing materials, brochures, and
316 discount cards without the approval in writing by the discount
317 ~~medical~~ plan organization. The discount ~~medical~~ plan
318 organization may delegate functions to its marketers but shall
319 be bound by any acts of its marketers, within the scope of the
320 delegation, which marketers' agency, ~~that~~ do not comply with ~~the~~
321 ~~provisions of~~ this part.

322 Section 10. Section 636.230, Florida Statutes, is amended

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323 to read:

324 636.230 Bundling discount ~~medical~~ plans with other
325 products.—A marketer or discount plan organization selling a
326 discount plan with medical services and other services may
327 commingle those products on a single page of forms,
328 advertisements, marketing materials, or brochures. The office's
329 approval of forms only pertains to the medical services
330 regulated by this part ~~When a marketer or discount medical plan~~
331 ~~organization sells a discount medical plan together with any~~
332 ~~other product, the fees for the discount medical plan must be~~
333 ~~provided in writing to the member if the fees exceed \$30.~~

334 Section 11. Paragraph (b) of subsection (5) of section
335 408.9091, Florida Statutes, is amended to read:

336 408.9091 Cover Florida Health Care Access Program.—

337 (5) PLAN PROPOSALS.—The agency and the office shall
338 announce, no later than July 1, 2008, an invitation to negotiate
339 for Cover Florida plan entities to design a Cover Florida plan
340 proposal in which benefits and premiums are specified.

341 (b) The agency and the office may announce an invitation to
342 negotiate for the design of Cover Florida Plus products to
343 companies that offer supplemental insurance, discount ~~medical~~
344 plan organizations licensed under part II of chapter 636, or
345 prepaid health clinics licensed under part II of chapter 641.

346 Section 12. Paragraph (d) of subsection (2) and paragraph
347 (d) of subsection (4) of section 408.910, Florida Statutes, are
348 amended to read:

349 408.910 Florida Health Choices Program.—

350 (2) DEFINITIONS.—As used in this section, the term:

351 (d) "Insurer" means an entity licensed under chapter 624

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352 which offers an individual health insurance policy or a group
353 health insurance policy, a preferred provider organization as
354 defined in s. 627.6471, an exclusive provider organization as
355 defined in s. 627.6472, ~~or~~ a health maintenance organization
356 licensed under part I of chapter 641, or a prepaid limited
357 health service organization or discount ~~medical~~ plan
358 organization licensed under chapter 636.

359 (4) ELIGIBILITY AND PARTICIPATION.—Participation in the
360 program is voluntary and shall be available to employers,
361 individuals, vendors, and health insurance agents as specified
362 in this subsection.

363 (d) All eligible vendors who choose to participate and the
364 products and services that the vendors are permitted to sell are
365 as follows:

366 1. Insurers licensed under chapter 624 may sell health
367 insurance policies, limited benefit policies, other risk-bearing
368 coverage, and other products or services.

369 2. Health maintenance organizations licensed under part I
370 of chapter 641 may sell health maintenance contracts, limited
371 benefit policies, other risk-bearing products, and other
372 products or services.

373 3. Prepaid limited health service organizations may sell
374 products and services as authorized under part I of chapter 636,
375 and discount ~~medical~~ plan organizations may sell products and
376 services as authorized under part II of chapter 636.

377 4. Prepaid health clinic service providers licensed under
378 part II of chapter 641 may sell prepaid service contracts and
379 other arrangements for a specified amount and type of health
380 services or treatments.

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381 5. Health care providers, including hospitals and other
382 licensed health facilities, health care clinics, licensed health
383 professionals, pharmacies, and other licensed health care
384 providers, may sell service contracts and arrangements for a
385 specified amount and type of health services or treatments.

386 6. Provider organizations, including service networks,
387 group practices, professional associations, and other
388 incorporated organizations of providers, may sell service
389 contracts and arrangements for a specified amount and type of
390 health services or treatments.

391 7. Corporate entities providing specific health services in
392 accordance with applicable state law may sell service contracts
393 and arrangements for a specified amount and type of health
394 services or treatments.

395

396 A vendor described in subparagraphs 3.-7. may not sell products
397 that provide risk-bearing coverage unless that vendor is
398 authorized under a certificate of authority issued by the Office
399 of Insurance Regulation and is authorized to provide coverage in
400 the relevant geographic area. Otherwise eligible vendors may be
401 excluded from participating in the program for deceptive or
402 predatory practices, financial insolvency, or failure to comply
403 with the terms of the participation agreement or other standards
404 set by the corporation.

405 Section 13. Subsection (11) of section 627.64731, Florida
406 Statutes, is amended to read:

407 627.64731 Leasing, renting, or granting access to a
408 participating provider.—

409 (11) This section does not apply to a contract between a

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410 contracting entity and a discount ~~medical~~ plan organization
411 licensed or exempt under part II of chapter 636.

412 Section 14. Paragraph (c) of subsection (7) of section
413 636.003, Florida Statutes, is amended to read:

414 636.003 Definitions.—As used in this act, the term:

415 (7) "Prepaid limited health service organization" means any
416 person, corporation, partnership, or any other entity which, in
417 return for a prepayment, undertakes to provide or arrange for,
418 or provide access to, the provision of a limited health service
419 to enrollees through an exclusive panel of providers. Prepaid
420 limited health service organization does not include:

421 (c) Any person who is licensed pursuant to part II as a
422 discount ~~medical~~ plan organization.

423 Section 15. Paragraphs (c) and (d) of subsection (1) of
424 section 636.205, Florida Statutes, are amended to read:

425 636.205 Issuance of license; denial.—

426 (1) Following receipt of an application filed pursuant to
427 s. 636.204, the office shall review the application and notify
428 the applicant of any deficiencies contained therein. The office
429 shall issue a license to an applicant who has filed a completed
430 application pursuant to s. 636.204 upon payment of the fees
431 specified in s. 636.204 and upon the office being satisfied that
432 the following conditions are met:

433 (c) The ownership, control, and management of the entity
434 are competent and trustworthy and possess managerial experience
435 that would make the proposed operation beneficial to the
436 subscribers. The office may ~~shall~~ not grant or continue to grant
437 authority to transact the business of a discount ~~medical~~ plan
438 organization in this state at any time during which the office

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439 has good reason to believe that the ownership, control, or
440 management of the organization includes any person whose
441 business operations are or have been marked by business
442 practices or conduct that is detrimental to the public,
443 stockholders, investors, or creditors.

444 (d) The discount ~~medical~~ plan organization has a complaint
445 procedure that will facilitate the resolution of subscriber
446 grievances and that includes both formal and informal steps
447 available within the organization.

448 Section 16. Section 636.206, Florida Statutes, is amended
449 to read:

450 636.206 Examinations and investigations.—

451 (1) The office may examine or investigate the business and
452 affairs of any discount ~~medical~~ plan organization. The office
453 may order any discount ~~medical~~ plan organization or applicant to
454 produce any records, books, files, advertising and solicitation
455 materials, or other information and may take statements under
456 oath to determine whether the discount ~~medical~~ plan organization
457 or applicant is in violation of the law or is acting contrary to
458 the public interest. The expenses incurred in conducting any
459 examination or investigation must be paid by the discount
460 ~~medical~~ plan organization or applicant. Examinations and
461 investigations must be conducted as provided in chapter 624.

462 (2) Failure by the discount ~~medical~~ plan organization to
463 pay the expenses incurred under subsection (1) is grounds for
464 denial or revocation.

465 Section 17. Section 636.207, Florida Statutes, is amended
466 to read:

467 636.207 Applicability of part.—Except as otherwise provided

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468 in this part, discount ~~medical~~ plan organizations are governed
469 by ~~the provisions of~~ this part and are exempt from the Florida
470 Insurance Code unless specifically referenced.

471 Section 18. Section 636.210, Florida Statutes, is amended
472 to read:

473 636.210 Prohibited activities of a discount ~~medical~~ plan
474 organization.—

475 (1) A discount ~~medical~~ plan organization may not:

476 (a) Use in its advertisements, marketing material,
477 brochures, and discount cards the term "insurance" except as
478 otherwise provided in this part or as a disclaimer of any
479 relationship between discount ~~medical~~ plan organization benefits
480 and insurance;

481 (b) Use in its advertisements, marketing material,
482 brochures, and discount cards the terms "health plan,"
483 "coverage," "copay," "copayments," "preexisting conditions,"
484 "guaranteed issue," "premium," "PPO," "preferred provider
485 organization," or other terms in a manner that could reasonably
486 mislead a person into believing the discount ~~medical~~ plan was
487 health insurance;

488 (c) Have restrictions on free access to plan providers,
489 including, but not limited to, waiting periods and notification
490 periods; or

491 (d) Pay providers any fees for medical services.

492 (2) A discount ~~medical~~ plan organization may not collect or
493 accept money from a member for payment to a provider for
494 specific medical services furnished or to be furnished to the
495 member unless the organization has an active certificate of
496 authority from the office to act as an administrator.

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497 Section 19. Subsection (1), paragraphs (b), (c), and (d) of
498 subsection (2), and subsection (3) of section 636.218, Florida
499 Statutes, are amended to read:

500 636.218 Annual reports.—

501 (1) Each discount ~~medical~~ plan organization shall ~~must~~ file
502 with the office, within 3 months after the end of each fiscal
503 year, an annual report.

504 (2) Such reports must be on forms prescribed by the
505 commission and must include:

506 (b) If different from the initial application or the last
507 annual report, a list of the names and residence addresses of
508 all persons responsible for the conduct of the organization's
509 affairs, together with a disclosure of the extent and nature of
510 any contracts or arrangements between such persons and the
511 discount ~~medical~~ plan organization, including any possible
512 conflicts of interest.

513 (c) The number of discount ~~medical~~ plan members in the
514 state.

515 (d) Such other information relating to the performance of
516 the discount ~~medical~~ plan organization as is reasonably required
517 by the commission or office.

518 (3) Every discount ~~medical~~ plan organization that ~~which~~
519 fails to file an annual report in the form and within the time
520 required by this section shall forfeit up to \$500 for each day
521 for the first 10 days during which the neglect continues and
522 shall forfeit up to \$1,000 for each day after the first 10 days
523 during which the neglect continues; and, upon notice by the
524 office to that effect, the organization's authority to enroll
525 new members or to do business in this state ceases while such

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526 default continues. The office shall deposit all sums collected
527 by the office under this section to the credit of the Insurance
528 Regulatory Trust Fund. The office may not collect more than
529 \$50,000 for each report.

530 Section 20. Section 636.220, Florida Statutes, is amended
531 to read:

532 636.220 Minimum capital requirements.-

533 (1) Each discount ~~medical~~ plan organization shall ~~must~~ at
534 all times maintain a net worth of at least \$150,000.

535 (2) The office may not issue a license unless the discount
536 ~~medical~~ plan organization has a net worth of at least \$150,000.

537 Section 21. Section 636.222, Florida Statutes, is amended
538 to read:

539 636.222 Suspension or revocation of license; suspension of
540 enrollment of new members; terms of suspension.-

541 (1) The office may suspend the authority of a discount
542 ~~medical~~ plan organization to enroll new members, revoke any
543 license issued to a discount ~~medical~~ plan organization, or order
544 compliance if the office finds that any of the following
545 conditions exist:

546 (a) The organization is not operating in compliance with
547 this part.

548 (b) The organization does not have the minimum net worth as
549 required by this part.

550 (c) The organization has advertised, merchandised, or
551 attempted to merchandise its services in such a manner as to
552 misrepresent its services or capacity for service or has engaged
553 in deceptive, misleading, or unfair practices with respect to
554 advertising or merchandising.

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555 (d) The organization is not fulfilling its obligations as a
556 ~~medical~~ discount ~~medical~~ plan organization.

557 (e) The continued operation of the organization would be
558 hazardous to its members.

559 (2) If the office has cause to believe that grounds for the
560 suspension or revocation of a license exist, the office must
561 ~~shall~~ notify the discount ~~medical~~ plan organization in writing
562 specifically stating the grounds for suspension or revocation
563 and shall pursue a hearing on the matter in accordance with ~~the~~
564 ~~provisions of~~ chapter 120.

565 (3) When the license of a discount ~~medical~~ plan
566 organization is surrendered or revoked, such organization must
567 proceed, immediately following the effective date of the order
568 of revocation, to wind up its affairs transacted under the
569 license. The organization may not engage in any further
570 advertising, solicitation, collecting of fees, or renewal of
571 contracts.

572 (4) The office shall, in its order suspending the authority
573 of a discount ~~medical~~ plan organization to enroll new members,
574 specify the period during which the suspension is to be in
575 effect and the conditions, if any, which must be met by the
576 discount ~~medical~~ plan organization before ~~prior to~~ reinstatement
577 of its license to enroll new members. The order of suspension is
578 subject to rescission or modification by further order of the
579 office before ~~prior to~~ the expiration of the suspension period.
580 Reinstatement may not be made unless requested by the discount
581 ~~medical~~ plan organization; however, the office may not grant
582 reinstatement if it finds that the circumstances for which the
583 suspension occurred still exist or are likely to recur.

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584 Section 22. Section 636.223, Florida Statutes, is amended
585 to read:

586 636.223 Administrative penalty.—In lieu of suspending or
587 revoking a certificate of authority whenever any discount
588 ~~medical~~ plan organization has been found to have violated any
589 provision of this part, the office may:

590 (1) Issue and cause to be served upon the organization
591 charged with the violation a copy of such findings and an order
592 requiring such organization to cease and desist from engaging in
593 the act or practice that constitutes the violation.

594 (2) Impose a monetary penalty of not less than \$100 for
595 each violation, but not to exceed an aggregate penalty of
596 \$75,000.

597 Section 23. Section 636.224, Florida Statutes, is amended
598 to read:

599 636.224 Notice of change of name or address of discount
600 ~~medical~~ plan organization.—Each discount ~~medical~~ plan
601 organization must provide the office at least 30 days' advance
602 notice of any change in the discount ~~medical~~ plan organization's
603 name, address, principal business address, or mailing address.

604 Section 24. Section 636.226, Florida Statutes, is amended
605 to read:

606 636.226 Provider name listing.—Each discount ~~medical~~ plan
607 organization must maintain on an Internet website an up-to-date
608 list of the names and addresses of the providers with which it
609 has contracted, ~~on an Internet website page~~, the address of
610 which must ~~shall~~ be prominently displayed on all its
611 advertisements, marketing materials, brochures, and discount
612 cards. This section applies to those providers with whom the

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613 discount ~~medical~~ plan organization has contracted directly, as
614 well as those who are members of a provider network with which
615 the discount ~~medical~~ plan organization has contracted.

616 Section 25. Section 636.232, Florida Statutes, is amended
617 to read:

618 636.232 Rules.—The commission may adopt rules to administer
619 this part, including rules for the licensing of discount ~~medical~~
620 plan organizations; establishing standards for evaluating forms,
621 advertisements, marketing materials, brochures, and discount
622 cards; providing for the collection of data; relating to
623 disclosures to plan members; and defining terms used in this
624 part.

625 Section 26. Section 636.234, Florida Statutes, is amended
626 to read:

627 636.234 Service of process on a discount ~~medical~~ plan
628 organization.—Sections 624.422 and 624.423 apply to a discount
629 ~~medical~~ plan organization as if the discount ~~medical~~ plan
630 organization were an insurer.

631 Section 27. Section 636.236, Florida Statutes, is amended
632 to read:

633 636.236 Surety bond or security deposit.—

634 (1) Each discount ~~medical~~ plan organization licensed
635 pursuant to ~~the provisions of~~ this part shall ~~must~~ maintain in
636 force a surety bond in its own name in an amount not less than
637 \$35,000 to be used at the discretion of the office to protect
638 the financial interests of members who may be adversely affected
639 by the insolvency of a discount ~~medical~~ plan organization. The
640 bond must be issued by an insurance company that is licensed to
641 do business in this state.

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642 (2) In lieu of the bond specified in subsection (1), a
643 licensed discount ~~medical~~ plan organization may deposit and
644 maintain deposited in trust with the department securities
645 eligible for deposit under s. 625.52 having at all times a value
646 of not less than \$35,000. If a licensed discount ~~medical~~ plan
647 organization substitutes its deposited securities under this
648 subsection with a surety bond authorized in subsection (1), such
649 deposited securities must ~~shall~~ be returned to the discount
650 ~~medical~~ plan organization no later than 45 days following the
651 effective date of the surety bond.

652 (3) A ~~No~~ judgment creditor or other claimant of a discount
653 ~~medical~~ plan organization, other than the office or department,
654 does not ~~shall~~ have the right to levy upon any of the assets or
655 securities held in this state as a deposit under subsections (1)
656 and (2).

657 Section 28. Subsections (2) and (3) of section 636.238,
658 Florida Statutes, are amended to read:

659 636.238 Penalties for violation of this part.—

660 (2) A person who operates as or willfully aids and abets
661 another operating as a discount ~~medical~~ plan organization in
662 violation of s. 636.204(1) commits a felony punishable as
663 provided for in s. 624.401(4) (b), as if the unlicensed discount
664 ~~medical~~ plan organization were an unauthorized insurer, and the
665 fees, dues, charges, or other consideration collected from the
666 members by the unlicensed discount ~~medical~~ plan organization or
667 marketer were insurance premium.

668 (3) A person who collects fees for purported membership in
669 a discount ~~medical~~ plan but purposefully fails to provide the
670 promised benefits commits a theft, punishable as provided in s.

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671 812.014.

672 Section 29. Subsection (1) of section 636.240, Florida
673 Statutes, is amended to read:

674 636.240 Injunctions.—

675 (1) In addition to the penalties and other enforcement
676 provisions of this part, the office may seek both temporary and
677 permanent injunctive relief when:

678 (a) A discount ~~medical~~ plan is being operated by any person
679 or entity that is not licensed pursuant to this part.

680 (b) Any person, entity, or discount ~~medical~~ plan
681 organization has engaged in any activity prohibited by this part
682 or any rule adopted pursuant to this part.

683 Section 30. Section 636.244, Florida Statutes, is amended
684 to read:

685 636.244 Unlicensed discount ~~medical~~ plan organizations.—

686 Sections ~~The provisions of ss.~~ 626.901-626.912 apply to the
687 activities of an unlicensed discount ~~medical~~ plan organization
688 as if the unlicensed discount ~~medical~~ plan organization were an
689 unauthorized insurer.

690 Section 31. This act shall take effect upon becoming a law.