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576-01835-18

Proposed Committee Substitute by the Committee on Appropriations
(Appropriations Subcommittee on General Government)

A bill to be entitled

An act relating to the state group health insurance and prescription drug programs; amending s. 110.1228, F.S.; defining the term "water management district"; authorizing a water management district to participate in the state group health insurance program and the prescription drug coverage program upon the affirmative vote of a district's governing board; establishing conditions and restrictions regarding participation; providing that monthly premium amounts be based on an actuarial analysis conducted by the Department of Management Services; requiring small counties, small municipalities, district school boards, and water management districts participating in the programs to bear the costs of the actuarial analysis; conforming provisions to changes made by the act; amending s. 373.605, F.S.; conforming a provision; providing an effective date.

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

Section 1. Section 110.1228, Florida Statutes, is amended to read:

110.1228 Participation by small counties, small municipalities, ~~and~~ district school boards, and water management districts located in small counties.—

(1) As used in this section, the term:



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28 (a) "District school board" means a district school board
29 located in a small county or a district school board that
30 receives funding pursuant to s. 1011.62(7).

31 (b) "Small municipality" means an incorporated municipality
32 that has a population of 12,500 or fewer according to the most
33 recent decennial census.

34 (c) "Small county" means a county that has a population of
35 100,000 or fewer according to the most recent decennial census.

36 (d) "Water management district" has the same meaning as in
37 s. 373.019.

38 (2) The governing body of a small county, ~~or~~ small
39 municipality, or water management district or a district school
40 board may apply for participation in the state group health
41 insurance program authorized in s. 110.123 and the prescription
42 drug coverage program authorized by s. 110.12315 by submitting
43 an application along with a \$500 nonrefundable fee to the
44 department.

45 (3) Any costs or savings to the state group health
46 insurance program or the prescription drug coverage program
47 resulting from such participation shall be passed on to the
48 local government and water management district participants and
49 their employees. Such costs or savings shall be delineated based
50 on the impact to the state, state officers and employees, ~~and~~
51 local government employers and their employees, and water
52 management districts and their employees.

53 (4) As a prerequisite to the adoption of an ordinance or
54 resolution or the affirmative vote of a governing board, for
55 participation in the state group health insurance program and
56 prescription drug coverage program, a small county, small



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57 municipality, ~~or~~ district school board, or water management
58 district shall issue a request for proposals to provide health
59 insurance and prescription drug coverage. Such request for
60 proposals shall seek coverages equivalent to those offered
61 currently by the small county, small municipality, ~~or~~ district
62 school board, or water management district and coverages
63 equivalent to the state group health insurance program and
64 prescription drug coverage program. Such request for proposals
65 must provide an opportunity for the receipt of competitive
66 proposals from all interested parties without restriction. The
67 small county, small municipality, ~~and~~ district school board, and
68 water management district shall review and consider all
69 responsive proposals before ~~prior to~~ the adoption of any
70 ordinance or resolution or the affirmative vote of any governing
71 board for participation in the state group health insurance
72 program and prescription drug coverage program.

73 (5) If the department determines that a small county, small
74 municipality, ~~or~~ district school board, or water management
75 district is eligible to enroll, the small county, small
76 municipality, ~~or~~ district school board, or water management
77 district must agree to the following terms and conditions:

78 (a) The minimum enrollment or contractual period will be 3
79 years.

80 (b) The small county, small municipality, ~~or~~ district
81 school board, or water management district must pay to the
82 department an initial administrative fee of not less than \$2.61
83 per enrollee per month, or such other amount established
84 annually to fully reimburse the department for its costs.

85 (c) Termination of participation of a small county, small



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86 municipality, ~~or~~ district school board, or water management
87 district requires written notice 1 year before the termination
88 date.

89 (d) If participation is terminated, a small county, small
90 municipality, ~~or~~ district school board, or water management
91 district may not reapply for participation for a period of 2
92 years.

93 (e) Small counties, small municipalities, ~~and~~ district
94 school boards, and water management districts shall reimburse
95 the state for 100 percent of its costs, including administrative
96 costs.

97 (f) If a small county, small municipality, ~~or~~ district
98 school board employer, or water management district fails to
99 make the payments required by this section to fully reimburse
100 the state, the Department of Revenue or the Department of
101 Financial Services shall, upon the request of the Department of
102 Management Services, deduct the amount owed by the employer from
103 any funds not pledged to bond debt service satisfaction that are
104 to be distributed by it to the small county, small municipality,
105 ~~or~~ district school board, or water management district. The
106 amounts so deducted shall be transferred to the Department of
107 Management Services for further distribution to the trust funds
108 in accordance with this chapter.

109 (g) The small county, small municipality, ~~or~~ district
110 school board, or water management district shall furnish the
111 department any information requested by the department which the
112 department considers necessary to administer the state group
113 health insurance program and the prescription drug coverage
114 program.



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115 (h) The small county, small municipality, ~~or~~ district
116 school board, or water management district shall adopt the
117 state's eligibility rules.

118 (i) The small county, small municipality, ~~or~~ district
119 school board, or water management district may not participate
120 in the state's cafeteria plan that allows for pretax treatment
121 of premium contributions. If pretax treatment is desirable for
122 employees of these participating employers, each employee of a
123 participating employer shall execute a salary reduction
124 agreement with that employer, and each participating employer
125 shall establish its own cafeteria plan.

126 (j) The small county, small municipality, ~~or~~ district
127 school board, or water management district shall pay monthly
128 premiums in amounts sufficient to cover claims costs, department
129 administrative costs, and third-party administrative costs and
130 provide for adequate reserves and cash flow by contributing 3
131 months' premiums and costs in advance of the coverage effective
132 date. The premiums must be established by an actuarial analysis
133 conducted by the department in which the requesting party is
134 considered a distinct health insurance risk pool. The actuarial
135 analysis must be paid for by the participating small county,
136 small municipality, district school board, or water management
137 district.

138 (6) Sections ~~The provisions of ss.~~ 624.436-624.446 do not
139 apply to the State Group Insurance Program or to this section.

140 Section 2. Section 373.605, Florida Statutes, is amended to
141 read:

142 373.605 Group insurance for water management districts.—The
143 governing board of a water management district may provide group



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144 insurance for its employees, and the employees of another water
145 management district, in the same manner and with the same
146 provisions and limitations authorized for other public employees
147 under ss. 112.08, 112.09, 112.10, 112.11, and 112.14.

148 Alternatively, a water management district, after an affirmative
149 vote of its governing board, may participate in the state group
150 health insurance program and the prescription drug coverage
151 program under s. 110.1228.

152 Section 3. This act shall take effect July 1, 2018.