

By Senator Grimsley

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1                   A bill to be entitled  
2           An act relating to the regulation of pharmacy benefits  
3           managers; amending s. 465.1862, F.S.; deleting an  
4           obsolete cross-reference; defining the term "health  
5           insurance plan"; amending s. 626.88, F.S.; redefining  
6           the term "administrator" to include pharmacy benefits  
7           managers; making technical changes; providing an  
8           effective date.

9  
10   Be It Enacted by the Legislature of the State of Florida:

11  
12           Section 1. Paragraph (b) of subsection (1) of section  
13   465.1862, Florida Statutes, is amended to read:

14           465.1862 Pharmacy benefits manager contracts.—

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

16           (b) "Pharmacy benefits manager" means a person or entity  
17   doing business in this state which contracts to administer or  
18   manage prescription drug benefits on behalf of a health  
19   insurance plan, ~~as defined in former s. 627.6482,~~ to residents  
20   of this state. For purposes of this paragraph, the term "health  
21   insurance plan" means any hospital and medical expense incurred  
22   policy, minimum premium plan, stop-loss coverage, health  
23   maintenance organization contract, prepaid health clinic  
24   contract, multiple-employer welfare arrangement contract, or  
25   fraternal benefit society health benefits contract, whether sold  
26   as an individual or group policy or contract; but the term does  
27   not include any policy covering medical payments coverage or  
28   personal injury protection coverage in a motor vehicle policy,  
29   coverage issued as a supplement to liability insurance, or

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30 workers' compensation.

31 Section 2. Subsection (1) of section 626.88, Florida  
32 Statutes, is amended to read:

33 626.88 Definitions.—For the purposes of this part, the  
34 term:

35 (1) "Administrator" means ~~is~~ any person who directly or  
36 indirectly solicits or effects coverage of, collects charges or  
37 premiums from, or adjusts or settles claims on residents of this  
38 state in connection with authorized commercial self-insurance  
39 funds or with insured or self-insured programs which provide  
40 life or health insurance coverage or coverage of any other  
41 expenses described in s. 624.33(1); ~~or~~ any person who, through a  
42 health care risk contract as defined in s. 641.234 with an  
43 insurer or health maintenance organization, provides billing and  
44 collection services to health insurers and health maintenance  
45 organizations on behalf of health care providers; or a pharmacy  
46 benefits manager as defined in s. 465.1862(1). The term does not  
47 include, other than any of the following persons:

48 (a) An employer or wholly owned direct or indirect  
49 subsidiary of an employer, on behalf of such employer's  
50 employees or the employees of one or more subsidiary or  
51 affiliated corporations of such employer.

52 (b) A union on behalf of its members.

53 (c) An insurance company which is either authorized to  
54 transact insurance in this state or is acting as an insurer with  
55 respect to a policy lawfully issued and delivered by such  
56 company in and pursuant to the laws of a state in which the  
57 insurer was authorized to transact an insurance business.

58 (d) A health care services plan, health maintenance

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59 organization, professional service plan corporation, or person  
60 in the business of providing continuing care, possessing a valid  
61 certificate of authority issued by the office, and the sales  
62 representatives thereof, if the activities of such entity are  
63 limited to the activities permitted under the certificate of  
64 authority.

65 (e) An entity that is affiliated with an insurer and that  
66 only performs the contractual duties, between the administrator  
67 and the insurer, of an administrator for the direct and assumed  
68 insurance business of the affiliated insurer. The insurer is  
69 responsible for the acts of the administrator and is responsible  
70 for providing all of the administrator's books and records to  
71 the insurance commissioner, upon a request from the insurance  
72 commissioner. For purposes of this paragraph, the term "insurer"  
73 means a licensed insurance company, health maintenance  
74 organization, prepaid limited health service organization, or  
75 prepaid health clinic.

76 (f) A nonresident entity licensed in its state of domicile  
77 as an administrator if its duties in this state are limited to  
78 the administration of a group policy or plan of insurance and no  
79 more than a total of 100 lives for all plans reside in this  
80 state.

81 (g) An insurance agent licensed in this state whose  
82 activities are limited exclusively to the sale of insurance.

83 (h) A person licensed as a managing general agent in this  
84 state, whose activities are limited exclusively to the scope of  
85 activities conveyed under such license.

86 (i) An adjuster licensed in this state whose activities are  
87 limited to the adjustment of claims.

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88 (j) A creditor on behalf of such creditor's debtors with  
89 respect to insurance covering a debt between the creditor and  
90 its debtors.

91 (k) A trust and its trustees, agents, and employees acting  
92 pursuant to such trust established in conformity with 29 U.S.C.  
93 s. 186.

94 (l) A trust exempt from taxation under s. 501(a) of the  
95 Internal Revenue Code, a trust satisfying the requirements of  
96 ss. 624.438 and 624.439, or any governmental trust as defined in  
97 s. 624.33(3), and the trustees and employees acting pursuant to  
98 such trust, or a custodian and its agents and employees,  
99 including individuals representing the trustees in overseeing  
100 the activities of a service company or administrator, acting  
101 pursuant to a custodial account which meets the requirements of  
102 s. 401(f) of the Internal Revenue Code.

103 (m) A financial institution which is subject to supervision  
104 or examination by federal or state authorities or a mortgage  
105 lender licensed under chapter 494 who collects and remits  
106 premiums to licensed insurance agents or authorized insurers  
107 concurrently or in connection with mortgage loan payments.

108 (n) A credit card issuing company which advances for and  
109 collects premiums or charges from its credit card holders who  
110 have authorized such collection if such company does not adjust  
111 or settle claims.

112 (o) A person who adjusts or settles claims in the normal  
113 course of such person's practice or employment as an attorney at  
114 law and who does not collect charges or premiums in connection  
115 with life or health insurance coverage.

116 (p) A person approved by the department who administers

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117 only self-insured workers' compensation plans.

118 (q) A service company or service agent and its employees,  
119 authorized in accordance with ss. 626.895-626.899, serving only  
120 a single employer plan, multiple-employer welfare arrangements,  
121 or a combination thereof.

122 (r) Any provider or group practice, as defined in s.  
123 456.053, providing services under the scope of the license of  
124 the provider or the member of the group practice.

125 (s) Any hospital providing billing, claims, and collection  
126 services solely on its own and its physicians' behalf and  
127 providing services under the scope of its license.

128 (t) A corporation not for profit whose membership consists  
129 entirely of local governmental units authorized to enter into  
130 risk management consortiums under s. 112.08.

131  
132 A person who provides billing and collection services to health  
133 insurers and health maintenance organizations on behalf of  
134 health care providers shall comply with ~~the provisions of~~ ss.  
135 627.6131, 641.3155, and 641.51(4).

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