

The Florida Senate  
**HOUSE MESSAGE SUMMARY**

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Prepared By: The Professional Staff of the Committee on Banking and Insurance

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[2019h01113.hms]

BILL: CS/HB 1113

INTRODUCER: Representative Renner (Health Market Reform Subcommittee and Rep. Renner)

SUBJECT: Health Insurance

DATE: May 3, 2019

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**I. Amendments Contained in Message:**

**Amendment 1 - 205125 (body with title)**

**II. Summary of Amendments Contained in Message:**

**House Amendment 1** retains the following substance of amendment 151688 to CS/HB 1113:

- Authorizes the creation of shared savings incentive programs, which are voluntary programs for insurers, health maintenance organizations, insureds, and subscribers, that are designed to provide financial incentives for insureds and subscribers to obtain high quality and cost effective health care services;
- Authorizes the Department of Management Services (DMS), as the administrator of the Division of State Group Insurance, to contract with entities that provide optional participation in a Medicare Advantage Prescription Drug Plan;
- Requires DMS to offer, as a voluntary supplemental benefit option, international prescription services that offer maintenance medications at a reduced cost;
- Requires DSGI to implement formulary management for prescription drugs and supplies beginning with the 2020 plan year. However, the formulary may not restrict an enrollee's access to the most clinically appropriate, effective, and lowest cost net-cost drugs. An excluded drug must be available for inclusion if a prescribing provider indicates on the prescription that the drug is medically necessary. Provides reporting requirements.
- Requires the DSGI to provide coverage of medically necessary prescription and nonprescription enteral formula and amino-acid-based elemental formulas for home use, regardless of the method of delivery or intake, which is prescribed by a physician. The term, "medically necessary," is defined. The annual coverage limit is \$20,000 per insured or subscriber.
- Repeals section 8 of chapter 99-255, L.O.F., relating to DMS and management of prescription drugs.

The House Amendment adds the following provisions:

- Requires DMS to adopt a rule establishing health maintenance organization regions for purposes of procuring HMO health care services throughout the state, and submit the rule to the President of the Senate and the Speaker of the House of Representatives for

- ratification no later than 30 days before the 2020 Regular Session of the Legislature. The rule may not take effect until it is ratified by the Legislature.
- Requires DMS to enter into and maintain one or more contracts with benefits consulting companies.
  - Requires DMS to conduct a study of the procurement timelines and terms of contracts for state employee health benefits with HMOs, preferred provider organizations, prescription drug programs to develop an implementation plan for simultaneous procurement of such contracts for benefits offered beginning plan year 2023. DMS must submit a report with recommendations to the Governor, Speaker of the House of Representatives no later than December 1, 2019.

The House Amendment removes the following provisions:

- Removes required study by DMS on the efficiency and effectiveness of HMOs providing coverage to enrollees on a county, regional, and statewide basis.
- Eliminates provision that requires each contract for health care benefits or health care administrative services, which is executed, renewed, or extended after July 1, 2021, to require the contractor to accommodate changes to the law, which occur during the term of the contract.