

By Senator Gruters

23-01636-19

20191422\_\_

1                                   A bill to be entitled  
 2           An act relating to health plans; amending s. 624.438,  
 3           F.S.; revising eligibility requirements for multiple-  
 4           employer welfare arrangements; amending s. 627.6045,  
 5           F.S.; revising applicability of requirements relating  
 6           to preexisting conditions; revising the font size for  
 7           a certain disclosure; amending s. 627.6425, F.S.;  
 8           revising the definition of the term "individual health  
 9           insurance" relating to renewability of individual  
 10          coverage; creating ss. 627.6426 and 627.6525, F.S.;  
 11          defining the term "short-term health insurance";  
 12          providing disclosure requirements for short-term  
 13          individual, group, blanket, and franchise health  
 14          insurance policies; amending s. 627.654, F.S.;  
 15          revising requirements for, and applicability relating  
 16          to, association and small employer policies; providing  
 17          an effective date.

18  
 19 Be It Enacted by the Legislature of the State of Florida:

20  
 21           Section 1. Paragraph (b) of subsection (1) of section  
 22           624.438, Florida Statutes, is amended to read:

23           624.438 General eligibility.—

24           (1) To meet the requirements for issuance of a certificate  
 25           of authority and to maintain a multiple-employer welfare  
 26           arrangement, an arrangement:

27           (b) ~~1.~~ Must be established by a bona fide group ~~trade~~  
 28           ~~association, industry association, or professional~~ association  
 29           of employers as defined in 29 C.F.R. s. 2510.3-5 ~~or~~

23-01636-19

20191422\_\_

30 ~~professionals~~ which has a constitution or bylaws specifically  
31 stating its purpose and which has been organized and maintained  
32 in good faith for a continuous period of 1 year for purposes in  
33 addition to ~~other than that of~~ obtaining or providing insurance.

34 ~~2. Must not combine member employers from disparate trades,~~  
35 ~~industries, or professions as defined by the appropriate~~  
36 ~~licensing agencies, and must not combine member employers from~~  
37 ~~more than one of the employer categories defined in sub-~~  
38 ~~subparagraphs a. c.~~

39 ~~a. A trade association consists of member employers who are~~  
40 ~~in the same trade as recognized by the appropriate licensing~~  
41 ~~agency.~~

42 ~~b. An industry association consists of member employers who~~  
43 ~~are in the same major group code, as defined by the Standard~~  
44 ~~Industrial Classification Manual issued by the federal Office of~~  
45 ~~Management and Budget, unless restricted by sub-subparagraph a.~~  
46 ~~or sub-subparagraph c.~~

47 ~~e. A professional association consists of member employers~~  
48 ~~who are of the same profession as recognized by the appropriate~~  
49 ~~licensing agency.~~

50  
51 The requirements of this paragraph ~~subparagraph~~ do not apply to  
52 an arrangement licensed before ~~prior to~~ April 1, 1995,  
53 regardless of the nature of its business. However, an  
54 arrangement exempt from the requirements of this paragraph  
55 ~~subparagraph~~ may not expand the nature of its business beyond  
56 that set forth in the articles of incorporation of its  
57 sponsoring association as of April 1, 1995, except as authorized  
58 in this paragraph ~~subparagraph~~.

23-01636-19

20191422\_\_

59 Section 2. Subsection (3) of section 627.6045, Florida  
60 Statutes, is amended to read:

61 627.6045 Preexisting condition.—A health insurance policy  
62 must comply with the following:

63 (3) This section does not apply to short-term, ~~nonrenewable~~  
64 health insurance ~~policies of no more than a 6-month policy term,~~  
65 provided that it is clearly disclosed to the applicant in the  
66 advertising and application, in 14-point ~~10-point~~ contrasting  
67 type, that "This policy does not meet the definition of  
68 qualifying previous coverage or qualifying existing coverage as  
69 defined in s. 627.6699. As a result, if purchased in lieu of a  
70 conversion policy or other group coverage, you may have to meet  
71 a preexisting condition requirement when renewing or purchasing  
72 other coverage."

73 Section 3. Subsection (1) of section 627.6425, Florida  
74 Statutes, is amended to read:

75 627.6425 Renewability of individual coverage.—

76 (1) Except as otherwise provided in this section, an  
77 insurer that provides individual health insurance coverage to an  
78 individual shall renew or continue in force such coverage at the  
79 option of the individual. For the purpose of this section, the  
80 term "individual health insurance" means health insurance  
81 coverage, as described in s. 624.603, offered to an individual  
82 in this state, including certificates of coverage offered to  
83 individuals in this state as part of a group policy issued to an  
84 association outside this state, but the term does not include  
85 ~~short-term limited duration insurance or~~ excepted benefits  
86 specified in s. 627.6513(1)-(14).

87 Section 4. Section 627.6426, Florida Statutes, is created

23-01636-19

20191422\_\_

88 to read:

89 627.6426 Short-term health insurance.-

90 (1) For purposes of this part, the term "short-term health  
91 insurance" means health insurance coverage provided by an issuer  
92 with an expiration date specified in the contract which is less  
93 than 12 months after the original effective date of the contract  
94 and, taking into account renewals or extensions, has a duration  
95 not to exceed 36 months in total.

96 (2) All contracts for short-term health insurance entered  
97 into by an issuer and an individual seeking coverage shall  
98 include the following disclosure:

99  
100 "This coverage is not required to comply with certain federal  
101 market requirements for health insurance, principally those  
102 contained in the Patient Protection and Affordable Care Act. Be  
103 sure to check your policy carefully to make sure you are aware  
104 of any exclusions or limitations regarding coverage of  
105 preexisting conditions or health benefits (such as  
106 hospitalization, emergency services, maternity care, preventive  
107 care, prescription drugs, and mental health and substance use  
108 disorder services). Your policy might also have lifetime and/or  
109 annual dollar limits on health benefits. If this coverage  
110 expires or you lose eligibility for this coverage, you might  
111 have to wait until an open enrollment period to get other health  
112 insurance coverage."

113 Section 5. Section 627.6525, Florida Statutes, is created  
114 to read:

115 627.6525 Short-term health insurance.-116 (1) For purposes of this part, the term "short-term health

23-01636-19

20191422\_\_

117 insurance" means a group, blanket, or franchise policy of health  
118 insurance coverage provided by an issuer with an expiration date  
119 specified in the contract which is less than 12 months after the  
120 original effective date of the contract and, taking into account  
121 renewals or extensions, has a duration not to exceed 36 months  
122 in total.

123 (2) All contracts for short-term health insurance entered  
124 into by an issuer and a party seeking coverage shall include the  
125 following disclosure:

126  
127 "This coverage is not required to comply with certain federal  
128 market requirements for health insurance, principally those  
129 contained in the Patient Protection and Affordable Care Act. Be  
130 sure to check your policy carefully to make sure you are aware  
131 of any exclusions or limitations regarding coverage of  
132 preexisting conditions or health benefits (such as  
133 hospitalization, emergency services, maternity care, preventive  
134 care, prescription drugs, and mental health and substance use  
135 disorder services). Your policy might also have lifetime and/or  
136 annual dollar limits on health benefits. If this coverage  
137 expires or you lose eligibility for this coverage, you might  
138 have to wait until an open enrollment period to get other health  
139 insurance coverage."

140 Section 6. Subsection (1) of section 627.654, Florida  
141 Statutes, is amended to read:

142 627.654 Labor union, association, and small employer health  
143 alliance groups.—

144 (1) (a) A bona fide group or association of employers, as  
145 defined in 29 C.F.R. s. 2510.3-5, or a group of individuals may

23-01636-19

20191422\_\_

146 be insured under a policy issued to an association, including a  
147 labor union, which association has a constitution and bylaws ~~and~~  
148 ~~not less than 25 individual members~~ and which has been organized  
149 ~~and has been maintained in good faith for a period of 1 year~~ for  
150 purposes in addition to ~~other than that of~~ obtaining insurance,  
151 or to the trustees of a fund established by such an association,  
152 which association or trustees shall be deemed the policyholder,  
153 insuring at least 15 individual members of the association for  
154 the benefit of persons other than the officers of the  
155 association, the association, or trustees.

156 (b) A small employer, as defined in s. 627.6699 and  
157 including the employer's eligible employees and the spouses and  
158 dependents of such employees, may be insured under a policy  
159 issued to a small employer health alliance by a carrier as  
160 defined in s. 627.6699. ~~A small employer health alliance must be~~  
161 ~~organized as a not-for-profit corporation under chapter 617.~~  
162 ~~Notwithstanding any other law, if a small employer member of an~~  
163 ~~alliance loses eligibility to purchase health care through the~~  
164 ~~alliance solely because the business of the small employer~~  
165 ~~member expands to more than 50 and fewer than 75 eligible~~  
166 ~~employees, the small employer member may, at its next renewal~~  
167 ~~date, purchase coverage through the alliance for not more than 1~~  
168 ~~additional year. A small employer health alliance shall~~  
169 ~~establish conditions of participation in the alliance by a small~~  
170 ~~employer, including, but not limited to:~~

171 ~~1. Assurance that the small employer is not formed for the~~  
172 ~~purpose of securing health benefit coverage.~~

173 ~~2. Assurance that the employees of a small employer have~~  
174 ~~not been added for the purpose of securing health benefit~~

23-01636-19

20191422\_\_

175 ~~coverage.~~

176 Section 7. This act shall take effect July 1, 2019.