

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; revising font size for  
6           disclosure; creating ss. 627.6426 and 627.6525, F.S.;  
7           defining the term "short-term health insurance";  
8           providing disclosure requirements for short-term  
9           health insurance policies; amending s. 627.654, F.S.;  
10          revising requirements for association and small  
11          employer policies; creating s. 627.6054, F.S.;  
12          defining the term "PPACA"; specifying conditions under  
13          which health insurers and health maintenance  
14          organizations may comply with requirements under the  
15          federal Patient Protection and Affordable Care Act to  
16          provide essential health benefits; providing  
17          construction; providing an effective date.

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

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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 trade association, industry  
28 association, ~~or~~ professional association of employers or  
29 professionals, or a bona fide group as defined in 29 C.F.R. part  
30 2510.3-5 which has a constitution or bylaws specifically stating  
31 its purpose and which has been organized ~~and maintained in good~~  
32 ~~faith for a continuous period of 1 year~~ for purposes in addition  
33 to other than that of obtaining or providing insurance.

34 ~~2. Must not combine member employers from disparate~~  
35 ~~trades, 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. e.~~

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

42 2.b. An industry association consists of member employers  
43 who 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 subparagraph 1. ~~sub-~~  
46 ~~subparagraph a.~~ or subparagraph 3 ~~sub-subparagraph e.~~

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

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~~7~~  
 64 ~~nonrenewable~~ health insurance ~~policies of no more than a 6-month~~  
 65 ~~policy term~~, provided that it is clearly disclosed to the  
 66 applicant in the advertising and application, in 14-point ~~10-~~  
 67 ~~point~~ contrasting type, that "This policy does not meet the  
 68 definition of qualifying previous coverage or qualifying  
 69 existing coverage as defined in s. 627.6699. As a result, if  
 70 purchased in lieu of a conversion policy or other group  
 71 coverage, you may have to meet a preexisting condition  
 72 requirement when renewing or purchasing other coverage."

73 Section 3. Section 627.6426, Florida Statutes, is created  
 74 to read:

75 627.6426 Short-term health insurance.—

76        (1) For purposes of this part, the term "short-term health  
77 insurance" means health insurance coverage provided by an issuer  
78 with an expiration date specified in the contract that is less  
79 than 12 months after the original effective date of the contract  
80 and, taking into account renewals or extensions, has a duration  
81 not to exceed 36 months in total.

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

85  
86 "This coverage is not required to comply with certain federal  
87 market requirements for health insurance, principally those  
88 contained in the Patient Protection and Affordable Care Act. Be  
89 sure to check your policy carefully to make sure you are aware  
90 of any exclusions or limitations regarding coverage of  
91 preexisting conditions or health benefits (such as  
92 hospitalization, emergency services, maternity care, preventive  
93 care, prescription drugs, and mental health and substance use  
94 disorder services). Your policy might also have lifetime and/or  
95 annual dollar limits on health benefits. If this coverage  
96 expires or you lose eligibility for this coverage, you might  
97 have to wait until an open enrollment period to get other health  
98 insurance coverage."

99        Section 4. Section 627.6525, Florida Statutes, is created  
100 to read:

101 627.6525 Short-term health insurance.-

102 (1) For purposes of this part, the term "short-term health  
103 insurance" means a group, blanket, or franchise policy of health  
104 insurance coverage provided by an issuer with an expiration date  
105 specified in the contract that is less than 12 months after the  
106 original effective date of the contract and, taking into account  
107 renewals or extensions, has a duration not to exceed 36 months  
108 in total.

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

112  
113 "This coverage is not required to comply with certain federal  
114 market requirements for health insurance, principally those  
115 contained in the Patient Protection and Affordable Care Act. Be  
116 sure to check your policy carefully to make sure you are aware  
117 of any exclusions or limitations regarding coverage of  
118 preexisting conditions or health benefits (such as  
119 hospitalization, emergency services, maternity care, preventive  
120 care, prescription drugs, and mental health and substance use  
121 disorder services). Your policy might also have lifetime and/or  
122 annual dollar limits on health benefits. If this coverage  
123 expires or you lose eligibility for this coverage, you might  
124 have to wait until an open enrollment period to get other health  
125 insurance coverage."

126 Section 5. Subsection (1) of section 627.654, Florida  
 127 Statutes, is amended to read:

128 627.654 Labor union, association, and small employer  
 129 health alliance groups.—

130 (1) (a) A bona fide group or association of employers, as  
 131 defined in 29 C.F.R. part 2510.3-5, or a group of individuals  
 132 may be insured under a policy issued to an association,  
 133 including a labor union, which association has a constitution  
 134 and bylaws ~~and not less than 25 individual members~~ and which has  
 135 been organized ~~and has been maintained in good faith for a~~  
 136 ~~period of 1 year~~ for purposes in addition to ~~other than~~ that of  
 137 obtaining insurance, or to the trustees of a fund established by  
 138 such an association, which association or trustees shall be  
 139 deemed the policyholder, insuring at least 15 individual members  
 140 of the association for the benefit of persons other than the  
 141 officers of the association, the association, or trustees.

142 (b) A small employer, as defined in s. 627.6699 and  
 143 including the employer's eligible employees and the spouses and  
 144 dependents of such employees, may be insured under a policy  
 145 issued to a small employer health alliance by a carrier as  
 146 defined in s. 627.6699. ~~A small employer health alliance must be~~  
 147 ~~organized as a not-for-profit corporation under chapter 617.~~  
 148 ~~Notwithstanding any other law, if a small employer member of an~~  
 149 ~~alliance loses eligibility to purchase health care through the~~  
 150 ~~alliance solely because the business of the small employer~~

151 ~~member expands to more than 50 and fewer than 75 eligible~~  
152 ~~employees, the small employer member may, at its next renewal~~  
153 ~~date, purchase coverage through the alliance for not more than 1~~  
154 ~~additional year. A small employer health alliance shall~~  
155 ~~establish conditions of participation in the alliance by a small~~  
156 ~~employer, including, but not limited to:~~

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

159 ~~2. Assurance that the employees of a small employer have~~  
160 ~~not been added for the purpose of securing health benefit~~  
161 ~~coverage.~~

162 Section 6. Section 627.6054, Florida Statutes, is created  
163 to read:

164 627.6054 Essential health benefits.-

165 (1) As used in this section, the term "PPACA" has the same  
166 meaning as in s. 627.402.

167 (2) A health insurer or health maintenance organization  
168 issuing or delivering an individual or a group health insurance  
169 policy or contract in this state:

170 (a) Must include at least one service or coverage under  
171 each of the 10 essential health benefits categories under 42  
172 U.S.C. s. 18022(b) which are required under PPACA;

173 (b) May fulfill the requirement in paragraph (a) by  
174 selecting one or more services or coverages for each of the  
175 required categories from the list of essential health benefits

176 required by any single state or multiple states; and

177 (c) May comply with paragraphs (a) and (b) by selecting  
178 one or more services or coverages from any one or more of the  
179 required categories of essential health benefits from one state  
180 or multiple states.

181 (3) This section specifically authorizes an insurer or  
182 health maintenance organization to comply with this section by  
183 including any combination of services or coverages required by  
184 any one or a combination of states to provide the 10 categories  
185 of essential health benefits required under PPACA in a policy or  
186 contract issued in this state.

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