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1                   A bill to be entitled  
2           An act relating to the state group insurance program;  
3           amending s. 110.123, F.S.; providing application of  
4           definitions; revising definitions; deleting  
5           legislative intent; revising duties of the Department  
6           of Management Services relating to the state group  
7           insurance program; requiring certain data to be  
8           reported to the department by health maintenance  
9           organizations under specified circumstances; providing  
10          the state contribution toward cost of health insurance  
11          plans in the state group insurance program for  
12          specified plan years; revising authorized benefits;  
13          deleting provisions authorizing the creation of the  
14          Florida State Employee Wellness Council and all  
15          duties, responsibilities, and requirements with  
16          respect thereto; creating s. 110.12303, F.S.;  
17          directing the department to contract with an  
18          independent benefits consultant; providing vendor  
19          qualifications for the independent benefits  
20          consultant; providing duties of the independent  
21          benefits consultant; providing contract management  
22          duties for the department; providing duties of the  
23          department relating to the state group insurance  
24          program; providing an effective date.

25  
26   Be It Enacted by the Legislature of the State of Florida:  
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28 Section 1. Subsections (1), (2), (3), (4), and (5),  
 29 paragraph (a) of subsection (8), and subsection (13) of section  
 30 110.123, Florida Statutes, are amended to read:

31 110.123 State group insurance program.—

32 (1) TITLE.—Sections 110.123-110.1239 ~~This section~~ may be  
 33 cited as the "State Group Insurance Program Law."

34 (2) DEFINITIONS.—As used in ss. 110.123-110.1239 ~~this~~  
 35 ~~section~~, the term:

36 (a) "Department" means the Department of Management  
 37 Services.

38 (b) "Enrollee" means all state officers and employees,  
 39 retired state officers and employees, surviving spouses of  
 40 deceased state officers and employees, and terminated employees  
 41 or individuals with continuation coverage who are enrolled in an  
 42 insurance plan offered by the state group insurance program.  
 43 "Enrollee" includes all state university officers and employees,  
 44 retired state university officers and employees, surviving  
 45 spouses of deceased state university officers and employees, and  
 46 terminated state university employees or individuals with  
 47 continuation coverage who are enrolled in an insurance plan  
 48 offered by the state group insurance program.

49 (c) "Full-time state employees" includes all full-time  
 50 employees of all branches or agencies of state government  
 51 holding salaried positions and paid by state warrant or from  
 52 agency funds, and employees paid from regular salary  
 53 appropriations for 8 months' employment, including university  
 54 personnel on academic contracts, but in no case shall "state  
 55 employee" or "salaried position" include persons paid from

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56 other-personal-services (OPS) funds. "Full-time employees"  
57 includes all full-time employees of the state universities.

58 (d) "Health maintenance organization" or "HMO" means an  
59 entity certified under part I of chapter 641.

60 (e) "Health plan member" means any person participating in  
61 a state group health insurance plan, ~~a TRICARE supplemental~~  
62 ~~insurance plan,~~ or a health maintenance organization plan under  
63 the state group insurance program, including enrollees and  
64 covered dependents thereof.

65 (f) "Part-time state employee" means any employee of any  
66 branch or agency of state government paid by state warrant from  
67 salary appropriations or from agency funds, and who is employed  
68 for less than the normal full-time workweek established by the  
69 department or, if on academic contract or seasonal or other type  
70 of employment which is less than year-round, is employed for  
71 less than 8 months during any 12-month period, but in no case  
72 shall "part-time" employee include a person paid from other-  
73 personal-services (OPS) funds. "Part-time state employee"  
74 includes any part-time employee of the state universities.

75 (g) "Plan year" means a calendar year.

76 (h) ~~(g)~~ "Retired state officer or employee" or "retiree"  
77 means any state or state university officer or employee who  
78 retires under a state retirement system or a state optional  
79 annuity or retirement program or is placed on disability  
80 retirement, and who was insured under the state group insurance  
81 program at the time of retirement, and who begins receiving  
82 retirement benefits immediately after retirement from state or  
83 state university office or employment. The term also includes

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84 any state officer or state employee who retires under the  
 85 Florida Retirement System Investment Plan established under part  
 86 II of chapter 121 if he or she:

87 1. Meets the age and service requirements to qualify for  
 88 normal retirement as set forth in s. 121.021(29); or

89 2. Has attained the age specified by s. 72(t)(2)(A)(i) of  
 90 the Internal Revenue Code and has 6 years of creditable service.

91 (i)~~(h)~~ "State agency" or "agency" means any branch,  
 92 department, or agency of state government. "State agency" or  
 93 "agency" includes any state university for purposes of this  
 94 section only.

95 ~~(i) "State group health insurance plan or plans" or "state  
 96 plan or plans" mean the state self-insured health insurance plan  
 97 or plans offered to state officers and employees, retired state  
 98 officers and employees, and surviving spouses of deceased state  
 99 officers and employees pursuant to this section.~~

100 ~~(j) "State contracted HMO" means any health maintenance  
 101 organization under contract with the department to participate  
 102 in the state group insurance program.~~

103 ~~(k) "State group insurance program" or "programs" means  
 104 the package of insurance plans offered to state officers and  
 105 employees, retired state officers and employees, and surviving  
 106 spouses of deceased state officers and employees pursuant to  
 107 this section, including the state group health insurance plan or  
 108 plans, health maintenance organization plans, TRICARE  
 109 supplemental insurance plans, and other plans required or  
 110 authorized by law.~~

111 (j)~~(l)~~ "State officer" means any constitutional state

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112 officer, any elected state officer paid by state warrant, or any  
 113 appointed state officer who is commissioned by the Governor and  
 114 who is paid by state warrant.

115 (k) ~~(m)~~ "Surviving spouse" means the widow or widower of a  
 116 deceased state officer, full-time state employee, part-time  
 117 state employee, or retiree if such widow or widower was covered  
 118 as a dependent under the state group health insurance plan, ~~a~~  
 119 ~~TRICARE supplemental insurance plan,~~ or a health maintenance  
 120 organization plan established pursuant to this section at the  
 121 time of the death of the deceased officer, employee, or retiree.  
 122 "Surviving spouse" also means any widow or widower who is  
 123 receiving or eligible to receive a monthly state warrant from a  
 124 state retirement system as the beneficiary of a state officer,  
 125 full-time state employee, or retiree who died prior to July 1,  
 126 1979. For the purposes of this section, any such widow or  
 127 widower shall cease to be a surviving spouse upon his or her  
 128 remarriage.

129 ~~(n) "TRICARE supplemental insurance plan" means the~~  
 130 ~~Department of Defense Health Insurance Program for eligible~~  
 131 ~~members of the uniformed services authorized by 10 U.S.C. s.~~  
 132 ~~1097.~~

133 (3) STATE GROUP INSURANCE PROGRAM.—

134 ~~(a) The Division of State Group Insurance is created~~  
 135 ~~within the Department of Management Services.~~

136 ~~(b) It is the intent of the Legislature to offer a~~  
 137 ~~comprehensive package of health insurance and retirement~~  
 138 ~~benefits and a personnel system for state employees which are~~  
 139 ~~provided in a cost-efficient and prudent manner, and to allow~~

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140 ~~state employees the option to choose benefit plans which best~~  
141 ~~suit their individual needs. Therefore,~~

142 (a) ~~The state group insurance program is established which~~  
143 ~~may include the state group self-insured health insurance plan~~  
144 ~~or plans, health maintenance organization plans, group life~~  
145 ~~insurance plans, TRICARE supplemental insurance plans, group~~  
146 ~~accidental death and dismemberment plans, and group disability~~  
147 ~~insurance plans. Furthermore, the department is additionally~~  
148 ~~authorized to establish and provide as part of the state group~~  
149 ~~insurance program any other group insurance plans or coverage~~  
150 ~~choices, and other benefits authorized by law that are~~  
151 ~~consistent with the provisions of this section.~~

152 (b)-(c) ~~Notwithstanding any provision in this section to~~  
153 ~~the contrary, it is the intent of the Legislature that The~~  
154 ~~department shall be responsible for specific duties related to~~  
155 ~~the state group insurance program, including the competitive~~  
156 ~~procurement of such contracts as may be necessary to implement~~  
157 ~~the state group insurance program all aspects of the purchase of~~  
158 ~~health care for state employees under the state group health~~  
159 ~~insurance plan or plans, TRICARE supplemental insurance plans,~~  
160 ~~and the health maintenance organization plans. Responsibilities~~  
161 ~~shall include, but not be limited to, the development of~~  
162 ~~requests for proposals or invitations to negotiate for state~~  
163 ~~employee health services, the determination of health care~~  
164 ~~benefits to be provided, and the negotiation of contracts for~~  
165 ~~health care and health care administrative services. Prior to~~  
166 ~~the negotiation of contracts for health care services, the~~  
167 ~~Legislature intends that the department shall develop, with~~

168 ~~respect to state collective bargaining issues, the health~~  
 169 ~~benefits and terms to be included in the state group health~~  
 170 ~~insurance program. The department shall adopt rules necessary to~~  
 171 ~~perform its responsibilities pursuant to this section. It is the~~  
 172 ~~intent of the Legislature that~~ The department shall be  
 173 responsible for ~~the~~ contract management, including the contract  
 174 with the independent benefits consultant described in s.  
 175 110.12303; ~~and day-to-day management of the state employee~~  
 176 ~~health insurance program, including, but not limited to,~~  
 177 ~~employee enrollment and enrollee support services;~~ premium  
 178 collection and administration; ~~payment to health care~~  
 179 ~~providers,~~ and other administrative functions ~~related to the~~  
 180 ~~program.~~ The department shall provide financial management of  
 181 the program, including financial and budget oversight of program  
 182 operations, management of vendor payments, analysis and  
 183 forecasting of program revenues and expenditures, monitoring of  
 184 financial compliance of contractors, and auditing.

185 ~~(d)1. Notwithstanding the provisions of chapter 287 and~~  
 186 ~~the authority of the department, for the purpose of protecting~~  
 187 ~~the health of, and providing medical services to, state~~  
 188 ~~employees participating in the state group insurance program,~~  
 189 ~~the department may contract to retain the services of~~  
 190 ~~professional administrators for the state group insurance~~  
 191 ~~program. The agency shall follow good purchasing practices of~~  
 192 ~~state procurement to the extent practicable under the~~  
 193 ~~circumstances.~~

194 (c)1.2. Each vendor in a major procurement, and any other  
 195 vendor if the department deems it necessary to protect the

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196 state's financial interests, shall, at the time of executing any  
197 contract with the department, post an appropriate bond with the  
198 department in an amount determined by the department to be  
199 adequate to protect the state's interests but not higher than  
200 the full amount estimated to be paid annually to the vendor  
201 under the contract.

202 2.3 Each major contract entered into by the department  
203 pursuant to this section shall contain a provision for payment  
204 of liquidated damages to the department for material  
205 noncompliance by a vendor with a contract provision. The  
206 department may require a liquidated damages provision in any  
207 contract if the department deems it necessary to protect the  
208 state's financial interests.

209 3.4 The provisions of s. 120.57(3) apply to the  
210 department's contracting process, except:

211 a. A formal written protest of any decision, intended  
212 decision, or other action subject to protest shall be filed  
213 within 72 hours after receipt of notice of the decision,  
214 intended decision, or other action.

215 b. As an alternative to any provision of s. 120.57(3), the  
216 department may proceed with the bid selection or contract award  
217 process if the director of the department sets forth, in  
218 writing, particular facts and circumstances which demonstrate  
219 the necessity of continuing the procurement process or the  
220 contract award process in order to avoid a substantial  
221 disruption to the provision of any scheduled insurance services.

222 (d) ~~(e)~~ The department ~~of Management Services~~ and the  
223 Division of State Group Insurance may not prohibit or limit any



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224 properly licensed insurer, health maintenance organization,  
 225 prepaid limited health services organization, or insurance agent  
 226 from competing for any insurance product or plan purchased,  
 227 provided, or endorsed by the department or the division on the  
 228 basis of the compensation arrangement used by the insurer or  
 229 organization for its agents.

230 (e) ~~(f)~~ ~~Except as provided for in subparagraph (h)2.,~~ The  
 231 state contribution toward the cost of any plan in the state  
 232 group insurance program shall be uniform with respect to all  
 233 state employees in a state collective bargaining unit  
 234 participating in the same coverage tier in the same plan. This  
 235 section does not prohibit the development of separate benefit  
 236 plans for officers and employees exempt from the career service  
 237 or the development of separate benefit plans for each collective  
 238 bargaining unit.

239 (f) ~~(g)~~ Participation by individuals in the program is  
 240 available to all state officers, full-time state employees, and  
 241 part-time state employees; and such participation in the program  
 242 or any plan is voluntary. Participation in the program is also  
 243 available to retired state officers and employees, as defined in  
 244 paragraph (2) (h) ~~(2) (g)~~, who elect at the time of retirement to  
 245 continue coverage under the program, but they may elect to  
 246 continue all or only part of the coverage they had at the time  
 247 of retirement. A surviving spouse may elect to continue coverage  
 248 only under a state group health insurance plan, ~~a TRICARE~~  
 249 ~~supplemental insurance plan,~~ or a health maintenance  
 250 organization plan.

251 (g) ~~(h)~~1. A person eligible to participate in the state

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252 group insurance program may be authorized by rules adopted by  
253 the department to select any benefits and coverage that may be  
254 offered to qualified persons as authorized by the Legislature  
255 and that are in compliance with applicable federal requirements,  
256 ~~in lieu of participating in the state group health insurance~~  
257 ~~plan, to exercise an option to elect membership in a health~~  
258 ~~maintenance organization plan which is under contract with the~~  
259 ~~state in accordance with criteria established by this section~~  
260 ~~and by said rules. The offer of optional membership in a health~~  
261 ~~maintenance organization plan permitted by this paragraph may be~~  
262 ~~limited or conditioned by rule as may be necessary to meet the~~  
263 ~~requirements of state and federal laws.~~

264 2. The department shall contract with health maintenance  
265 organizations seeking to participate in the state group  
266 insurance program through a competitive request for proposal or  
267 ~~other~~ procurement process, ~~as developed by the Department of~~  
268 ~~Management Services and determined to be appropriate.~~

269 a. The department shall establish a schedule of minimum  
270 benefits for health maintenance organization coverage, and that  
271 schedule shall be as authorized by the Legislature and in  
272 compliance with applicable federal requirements. ~~include:~~  
273 ~~physician services; inpatient and outpatient hospital services;~~  
274 ~~emergency medical services, including out-of-area emergency~~  
275 ~~coverage; diagnostic laboratory and diagnostic and therapeutic~~  
276 ~~radiologic services; mental health, alcohol, and chemical~~  
277 ~~dependency treatment services meeting the minimum requirements~~  
278 ~~of state and federal law; skilled nursing facilities and~~  
279 ~~services; prescription drugs; age-based and gender-based~~

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280 ~~wellness benefits; and other benefits as may be required by the~~  
281 ~~department. Additional services may be provided subject to the~~  
282 ~~contract between the department and the HMO. As used in this~~  
283 ~~paragraph, the term "age-based and gender-based wellness~~  
284 ~~benefits" includes aerobic exercise, education in alcohol and~~  
285 ~~substance abuse prevention, blood cholesterol screening, health~~  
286 ~~risk appraisals, blood pressure screening and education,~~  
287 ~~nutrition education, program planning, safety belt education,~~  
288 ~~smoking cessation, stress management, weight management, and~~  
289 ~~women's health education.~~

290       b. The department may establish uniform deductibles,  
291 copayments, coverage tiers, or coinsurance schedules for all  
292 participating HMO plans.

293       c. The department may require detailed information from  
294 each health maintenance organization participating in the  
295 procurement process, including information pertaining to  
296 organizational status, experience in providing prepaid health  
297 benefits, accessibility of services, financial stability of the  
298 plan, quality of management services, accreditation status,  
299 quality of medical services, network access and adequacy,  
300 performance measurement, ability to meet the department's  
301 reporting requirements, and the actuarial basis of the proposed  
302 rates and other data determined by the director to be necessary  
303 for the evaluation and selection of health maintenance  
304 organization plans and negotiation of appropriate rates for  
305 these plans. Upon receipt of proposals by health maintenance  
306 organization plans and the evaluation of those proposals, the  
307 department may negotiate ~~enter into negotiations~~ with all of the

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308 plans or a subset of the plans, as the department determines  
 309 appropriate. ~~Nothing shall preclude~~ The department may negotiate  
 310 ~~from negotiating~~ regional or statewide contracts with health  
 311 maintenance organization plans ~~when this is cost effective and~~  
 312 ~~when the department determines that the plan offers high value~~  
 313 ~~to enrollees.~~

314 d. The department may limit the number of HMOs that it  
 315 contracts with in each service area based on the nature of the  
 316 bids the department receives, the number of state employees in  
 317 the service area, or any unique geographical characteristics of  
 318 the service area. The department shall establish by rule service  
 319 areas throughout the state.

320 e. For plan years that begin before January 1, 2014, all  
 321 persons participating in the state group insurance program may  
 322 be required to contribute towards a total state group health  
 323 premium that may vary depending upon the plan and coverage tier  
 324 selected by the enrollee and the level of state contribution  
 325 authorized by the Legislature.

326 ~~3. The department is authorized to negotiate and to~~  
 327 ~~contract with specialty psychiatric hospitals for mental health~~  
 328 ~~benefits, on a regional basis, for alcohol, drug abuse, and~~  
 329 ~~mental and nervous disorders. The department may establish,~~  
 330 ~~subject to the approval of the Legislature pursuant to~~  
 331 ~~subsection (5), any such regional plan upon completion of an~~  
 332 ~~actuarial study to determine any impact on plan benefits and~~  
 333 ~~premiums.~~

334 ~~4. In addition to contracting pursuant to subparagraph 2.,~~  
 335 ~~the department may enter into contract with any HMO to~~

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336 ~~participate in the state group insurance program which:~~  
337 ~~a. Serves greater than 5,000 recipients on a prepaid basis~~  
338 ~~under the Medicaid program;~~  
339 ~~b. Does not currently meet the 25 percent non-~~  
340 ~~Medicare/non-Medicaid enrollment composition requirement~~  
341 ~~established by the Department of Health excluding participants~~  
342 ~~enrolled in the state group insurance program;~~  
343 ~~c. Meets the minimum benefit package and copayments and~~  
344 ~~deductibles contained in sub-subparagraphs 2.a. and b.;~~  
345 ~~d. Is willing to participate in the state group insurance~~  
346 ~~program at a cost of premiums that is not greater than 95~~  
347 ~~percent of the cost of HMO premiums accepted by the department~~  
348 ~~in each service area; and~~  
349 ~~e. Meets the minimum surplus requirements of s. 641.225.~~  
350  
351 ~~The department is authorized to contract with HMOs that meet the~~  
352 ~~requirements of sub-subparagraphs a. d. prior to the open~~  
353 ~~enrollment period for state employees. The department is not~~  
354 ~~required to renew the contract with the HMOs as set forth in~~  
355 ~~this paragraph more than twice. Thereafter, the HMOs shall be~~  
356 ~~eligible to participate in the state group insurance program~~  
357 ~~only through the request for proposal or invitation to negotiate~~  
358 ~~process described in subparagraph 2.~~  
359 ~~3.5.~~ All enrollees in a state group health insurance plan,  
360 a TRICARE supplemental insurance plan, or any health maintenance  
361 organization plan have the option of changing to any other  
362 health plan that is offered by the state within any open  
363 enrollment period designated by the department. Open enrollment

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364 shall be held at least once each calendar year.

365 ~~4.6.~~ When a contract between a treating provider and the  
366 state-contracted health maintenance organization is terminated  
367 for any reason other than for cause, each party shall allow any  
368 enrollee for whom treatment was active to continue coverage and  
369 care when medically necessary, through completion of treatment  
370 of a condition for which the enrollee was receiving care at the  
371 time of the termination, until the enrollee selects another  
372 treating provider, or until the next open enrollment period  
373 offered, whichever is longer, but no longer than 6 months after  
374 termination of the contract. Each party to the terminated  
375 contract shall allow an enrollee who has initiated a course of  
376 prenatal care, regardless of the trimester in which care was  
377 initiated, to continue care and coverage until completion of  
378 postpartum care. This does not prevent a provider from refusing  
379 to continue to provide care to an enrollee who is abusive,  
380 noncompliant, or in arrears in payments for services provided.  
381 For care continued under this subparagraph, the program and the  
382 provider shall continue to be bound by the terms of the  
383 terminated contract. Changes made within 30 days before  
384 termination of a contract are effective only if agreed to by  
385 both parties.

386 ~~5.7.~~ Any HMO participating in the state group insurance  
387 program shall submit health care utilization and cost data to  
388 the department, in such form and in such manner as the  
389 department shall require, as a condition of participating in the  
390 program. For any HMO that participated in the program before  
391 January 2014 and is selected to participate in the 2014 plan

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392 year, health care utilization and cost data for at least the  
393 last two contract periods shall be submitted to the department  
394 before a contract is entered into for the 2014 plan year. The  
395 ~~department shall enter into negotiations with its contracting~~  
396 ~~HMOs to determine the nature and scope of the data submission~~  
397 ~~and the final requirements, format, penalties associated with~~  
398 ~~noncompliance, and timetables for submission. These~~  
399 ~~determinations shall be adopted by rule.~~

400 6.8. The department may establish and direct, with respect  
401 to collective bargaining issues, a comprehensive package of  
402 insurance benefits that may include supplemental health and life  
403 coverage, dental care, long-term care, vision care, and other  
404 benefits it determines necessary to enable state employees to  
405 select from among benefit options that best suit their  
406 individual and family needs.

407 a. Based upon a desired benefit package, the department  
408 shall issue a request for proposal or invitation to negotiate  
409 for health insurance providers interested in participating in  
410 the state group insurance program, and the department shall  
411 issue a request for proposal or invitation to negotiate for  
412 insurance providers interested in participating in the non-  
413 health-related components of the state group insurance program.  
414 Upon receipt of all proposals, the department may enter into  
415 contract negotiations with insurance providers submitting bids  
416 or negotiate a specially designed benefit package. Insurance  
417 providers offering or providing supplemental coverage as of May  
418 30, 1991, which qualify for pretax benefit treatment pursuant to  
419 s. 125 of the Internal Revenue Code of 1986, with 5,500 or more

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420 state employees currently enrolled may be included by the  
 421 department in the supplemental insurance benefit plan  
 422 established by the department without participating in a request  
 423 for proposal, submitting bids, negotiating contracts, or  
 424 negotiating a specially designed benefit package. These  
 425 contracts shall provide state employees with the most cost-  
 426 effective and comprehensive coverage available; however, ~~no~~  
 427 state or agency funds may not ~~shall~~ be contributed toward the  
 428 cost of any part of the premium of such supplemental benefit  
 429 plans. With respect to dental coverage, the division shall  
 430 include in any solicitation or contract for any state group  
 431 dental program made after July 1, 2001, a comprehensive  
 432 indemnity dental plan option which offers enrollees a completely  
 433 unrestricted choice of dentists. If a dental plan is endorsed,  
 434 or in some manner recognized as the preferred product, such plan  
 435 shall include a comprehensive indemnity dental plan option which  
 436 provides enrollees with a completely unrestricted choice of  
 437 dentists.

438 b. Pursuant to the applicable provisions of s. 110.161,  
 439 and s. 125 of the Internal Revenue Code of 1986, the department  
 440 shall enroll in the pretax benefit program those state employees  
 441 who voluntarily elect coverage in any of the supplemental  
 442 insurance benefit plans as provided by sub-subparagraph a.

443 c. This section may not ~~Nothing herein contained shall~~ be  
 444 construed to prohibit insurance providers from continuing to  
 445 provide or offer supplemental benefit coverage to state  
 446 employees as provided under existing agency plans.

447 (h)-(i) The benefits of the insurance authorized by this



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448 section are ~~shall~~ not be in lieu of any benefits payable under  
 449 chapter 440, the Workers' Compensation Law, and, ~~the~~ insurance  
 450 authorized by this section does ~~law shall~~ not be deemed to  
 451 constitute insurance to secure workers' compensation benefits as  
 452 required by chapter 440.

453 (i) ~~(j)~~ Notwithstanding paragraph (e) ~~(f)~~ requiring uniform  
 454 contributions, and for the 2012-2013 ~~2011-2012~~ fiscal year only,  
 455 the state contribution toward the cost of any plan in the state  
 456 group insurance plan is the difference between the overall  
 457 premium and the employee contribution. This subsection expires  
 458 June 30, 2013 ~~2012~~.

459 (4) PAYMENT OF PREMIUMS; CONTRIBUTION BY STATE; LIMITATION  
 460 ON ACTIONS TO PAY AND COLLECT PREMIUMS.—

461 (a) Except as provided in paragraph (f) ~~(e)~~ with respect  
 462 to law enforcement officers, correctional and correctional  
 463 probation officers, and firefighters, legislative authorization  
 464 through the General Appropriations Act is required for payment  
 465 by a state agency of any part of the premium cost of  
 466 participation in any group insurance plan. However, the state  
 467 contribution for full-time employees or part-time permanent  
 468 employees shall continue in the respective proportions for up to  
 469 6 months for any such officer or employee who has been granted  
 470 an approved parental or medical leave of absence without pay.

471 (b) For the 2014 plan year and thereafter, the state shall  
 472 make a defined contribution toward the premium cost of  
 473 participation in the state group insurance program in the  
 474 amounts that are authorized in the General Appropriations Act.  
 475 Employees who are not tobacco users may receive an enhanced

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476 contribution. Subject to appropriation, the amount of the  
477 defined contribution shall be actuarially equivalent to no less  
478 than 90 percent of the benefits covered in the 2012 plan year  
479 for employees selecting individual coverage and no less than 85  
480 percent of benefits covered in the 2012 plan year for employees  
481 selecting family coverage. This section does not prohibit the  
482 use of different levels of state contributions for positions  
483 exempt from career service.

484 1. If the state's contribution is less than the premium  
485 cost of the health plan selected by the employee, the employee  
486 shall by salary reduction arrangement contribute the remainder  
487 of the premium cost.

488 2. If the state's contribution is more than the premium  
489 cost of the health plan selected by the employee, subject to any  
490 federal limitations, the employee may elect to have the balance:

491 a. Credited to the employee's flexible spending account;  
492 b. Credited to the employee's health savings account; or  
493 c. Used to increase the employee's salary by the  
494 difference between the premium cost for the employee's selected  
495 health plan and the contribution made by the state.

496 (c) ~~(b)~~ If a state officer or full-time state employee  
497 selects membership in a health maintenance organization as  
498 authorized by paragraph (3) (g) ~~(3) (h)~~, the officer or employee  
499 is entitled to a state contribution toward individual and  
500 dependent membership as provided by the Legislature through the  
501 General Appropriations Act.

502 (d) ~~(e)~~ During each policy or budget year, no state agency  
503 shall contribute a greater dollar amount of the premium cost for

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504 its officers or employees for any plan option under the state  
505 group insurance program than any other agency for similar  
506 officers and employees, nor shall any greater dollar amount of  
507 premium cost be made for employees in one state collective  
508 bargaining unit than for those in any other state collective  
509 bargaining unit. Nothing in this section prohibits the use of  
510 different levels of state contributions for positions exempt  
511 from career service.

512 (e)~~(d)~~ The state contribution for a part-time permanent  
513 state employee who elects to participate in the program shall be  
514 prorated so that the amount of the cost contributed for the  
515 part-time permanent employee bears that relation to the amount  
516 of cost contributed for a similar full-time employee that the  
517 part-time employee's normal workday bears to a full-time  
518 employee's normal workday.

519 (f)~~(e)~~ No state contribution for the cost of any part of  
520 the premium shall be made for retirees or surviving spouses for  
521 any type of coverage under the state group insurance program.  
522 However, any state agency that employs a full-time law  
523 enforcement officer, correctional officer, or correctional  
524 probation officer who is killed or suffers catastrophic injury  
525 in the line of duty as provided in s. 112.19, or a full-time  
526 firefighter who is killed or suffers catastrophic injury in the  
527 line of duty as provided in s. 112.191, shall pay the entire  
528 premium of the state group health insurance plan selected for  
529 the employee's surviving spouse until remarried, and for each  
530 dependent child of the employee, subject to the conditions and  
531 limitations set forth in s. 112.19 or s. 112.191, as applicable.

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532        (g) ~~(f)~~ Pursuant to the request of each state officer,  
533 full-time or part-time state employee, or retiree participating  
534 in the state group insurance program, and upon certification of  
535 the employing agency approved by the department, the Chief  
536 Financial Officer shall deduct from the salary or retirement  
537 warrant payable to each participant the amount so certified and  
538 shall handle such deductions in accordance with rules  
539 established by the department.

540        (h) ~~(g)~~ No administrative or civil proceeding shall be  
541 commenced to collect an underpayment or refund an overpayment of  
542 premiums collected pursuant to this subsection unless such claim  
543 is filed with the department within 2 years after the alleged  
544 underpayment or overpayment was made. For purposes of this  
545 paragraph, a payroll deduction, salary reduction, or  
546 contribution by an agency is deemed to be made on the date the  
547 salary warrant is issued.

548        (5) DEPARTMENT POWERS AND DUTIES.—The department is  
549 responsible for the administration of the state group insurance  
550 program. The department shall initiate and supervise the program  
551 as established by this section and shall adopt such rules as are  
552 necessary to perform its responsibilities. To implement this  
553 program, the department shall, with prior approval by the  
554 Legislature:

555        (a) Determine the benefits to be provided and the  
556 contributions to be required for the state group insurance  
557 program. Such determinations, ~~whether for a contracted plan or a~~  
558 ~~self-insurance plan pursuant to paragraph (c),~~ do not constitute  
559 rules within the meaning of s. 120.52 or final orders within the

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560 meaning of s. 120.52. Any physician's fee schedule used in the  
561 health and accident plan shall not be available for inspection  
562 or copying by medical providers or other persons not involved in  
563 the administration of the program. However, in the determination  
564 of the design of the program, the department shall consider  
565 existing and complementary benefits provided by the Florida  
566 Retirement System and the Social Security System.

567 (b) Prepare, in cooperation with the Office of Insurance  
568 Regulation of the Financial Services Commission, the  
569 specifications necessary to implement the program.

570 (c) Competitively procure a contract ~~on a competitive~~  
571 ~~proposal basis~~ with an insurance carrier or carriers, or  
572 professional administrator, determined by the Office of  
573 Insurance Regulation of the Financial Services Commission to be  
574 fully qualified, financially sound, and capable of meeting all  
575 servicing requirements. ~~Alternatively, the department may self-~~  
576 ~~insure any plan or plans contained in the state group insurance~~  
577 ~~program subject to approval based on actuarial soundness by the~~  
578 ~~Office of Insurance Regulation. The department may contract with~~  
579 ~~an insurance company or professional administrator qualified and~~  
580 ~~approved by the Office of Insurance Regulation to administer~~  
581 ~~such plan. Before entering into any contract, the department~~  
582 ~~shall advertise for competitive proposals, and such contract~~  
583 ~~shall be let upon the consideration of the benefits provided in~~  
584 ~~relationship to the cost of such benefits. In the selection of a~~  
585 third-party administrator ~~determining which entity to contract~~  
586 ~~with,~~ the department shall, at a minimum, consider: the entity's  
587 previous experience and expertise in administering group

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588 insurance programs of the type it proposes to administer; the  
589 entity's ability to specifically perform its contractual  
590 obligations in this state and other governmental jurisdictions;  
591 the entity's anticipated administrative costs and claims  
592 experience; the entity's capability to adequately provide  
593 service coverage and sufficient number of experienced and  
594 qualified personnel in the areas of claims processing,  
595 recordkeeping, and underwriting, as determined by the  
596 department; the entity's accessibility to state employees and  
597 providers; the financial solvency of the entity, using accepted  
598 business sector measures of financial performance. ~~The~~  
599 ~~department may contract for medical services which will improve~~  
600 ~~the health or reduce medical costs for employees who participate~~  
601 ~~in the state group insurance plan.~~

602 (d) With respect to a state group health insurance plan,  
603 be authorized to require copayments with respect to all  
604 providers under the plan.

605 (e) Have authority to establish a voluntary program for  
606 comprehensive health maintenance, which may include health  
607 educational components and health appraisals.

608 (f) With respect to any contract with an insurance carrier  
609 or carriers or professional administrator entered into by the  
610 department, require that the state and the enrollees be held  
611 harmless and indemnified for any financial loss caused by the  
612 failure of the insurance carrier or professional administrator  
613 to comply with the terms of the contract.

614 (g) With respect to any contract with an insurance carrier  
615 or carriers, or professional administrator entered into by the

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616 department, require that the carrier or professional  
 617 administrator provide written notice to individual enrollees if  
 618 any payment due to any health care provider of the enrollee  
 619 remains unpaid beyond a period of time as specified in the  
 620 contract.

621 (h) Have authority to establish other voluntary programs  
 622 to be funded on a pretax contribution basis or on a posttax  
 623 contribution basis, as the department determines.

624 (i) Contract with a single custodian to provide services  
 625 necessary to implement and administer the health savings  
 626 accounts authorized in subsection (12).

627  
 628 Final decisions concerning enrollment, the existence of  
 629 coverage, or covered benefits under the state group insurance  
 630 program may ~~shall~~ not be delegated or deemed to have been  
 631 delegated by the department.

632 (8) COVERAGE FOR LEGISLATIVE MEMBERS AND EMPLOYEES.—

633 (a) The Legislature may provide coverage for its members  
 634 and employees under all or any part of the state group insurance  
 635 program; may provide coverage for its members and employees  
 636 under a legislative group insurance program in lieu of all or  
 637 any part of the state group insurance program; and,  
 638 notwithstanding the provisions of paragraph (4) (d) ~~(4) (e)~~, may  
 639 assume the cost of any group insurance coverage provided to its  
 640 members and employees.

641 ~~(13) FLORIDA STATE EMPLOYEE WELLNESS COUNCIL.—~~

642 ~~(a) There is created within the department the Florida~~  
 643 ~~State Employee Wellness Council.~~

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644 ~~(b) The council shall be an advisory body to the~~  
645 ~~department to provide health education information to employees~~  
646 ~~and to assist the department in developing minimum benefits for~~  
647 ~~all health care providers when providing age-based and gender-~~  
648 ~~based wellness benefits.~~

649 ~~(c) The council shall be composed of nine members~~  
650 ~~appointed by the Governor. When making appointments to the~~  
651 ~~council, the Governor shall appoint persons who are residents of~~  
652 ~~the state and who are highly knowledgeable concerning, active~~  
653 ~~in, and recognized leaders in the health and medical field, at~~  
654 ~~least one of whom must be an employee of the state. Council~~  
655 ~~members shall equitably represent the broadest spectrum of the~~  
656 ~~health industry and the geographic areas of the state. Not more~~  
657 ~~than one member of the council may be from any one company,~~  
658 ~~organization, or association.~~

659 ~~(d)1. Council members shall be appointed to 4-year terms,~~  
660 ~~except that the initial terms shall be staggered. The Governor~~  
661 ~~shall appoint three members to 2-year terms, three members to 3-~~  
662 ~~year terms, and three members to 4-year terms.~~

663 ~~2. A member's absence from three consecutive meetings~~  
664 ~~shall result in his or her automatic removal from the council. A~~  
665 ~~vacancy on the council shall be filled for the remainder of the~~  
666 ~~unexpired term.~~

667 ~~(e) The council shall annually elect from its membership~~  
668 ~~one member to serve as chair of the council and one member to~~  
669 ~~serve as vice chair.~~

670 ~~(f) The first meeting of the council shall be called by~~  
671 ~~the chair not more than 60 days after the council members are~~



672 ~~appointed by the Governor. The council shall thereafter meet at~~  
 673 ~~least once quarterly and may meet more often as necessary. The~~  
 674 ~~department shall provide staff assistance to the council which~~  
 675 ~~shall include, but not be limited to, keeping records of the~~  
 676 ~~proceedings of the council and serving as custodian of all~~  
 677 ~~books, documents, and papers filed with the council.~~

678 ~~(g) A majority of the members of the council constitutes a~~  
 679 ~~quorum.~~

680 ~~(h) Members of the council shall serve without~~  
 681 ~~compensation, but are entitled to reimbursement for per diem and~~  
 682 ~~travel expenses as provided in s. 112.061 while performing their~~  
 683 ~~duties.~~

684 ~~(i) The council shall:~~

685 ~~1. Work to encourage participation in wellness programs by~~  
 686 ~~state employees. The council may prepare informational programs~~  
 687 ~~and brochures for state agencies and employees.~~

688 ~~2. In consultation with the department, develop standards~~  
 689 ~~and criteria for age-based and gender-based wellness programs.~~

690 Section 2. Section 110.12303, Florida Statutes, is created  
 691 to read:

692 110.12303 Independent benefits consultant.—

693 (1) The department shall competitively procure an  
 694 independent benefits consultant.

695 (2) The independent benefits consultant may not:

696 (a) Be owned or controlled by an HMO or insurer.

697 (b) Have an ownership interest in an HMO or insurer.

698 (c) Have a direct or indirect financial interest in an HMO  
 699 or insurer.

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700       (3) The independent benefits consultant must have  
701 substantial experience in the design and administration of  
702 employee benefit programs for large employers and public  
703 employers, including experience administering plans that qualify  
704 as cafeteria plans pursuant to s. 125 of the Internal Revenue  
705 Code.

706       (4) The independent benefits consultant shall:

707       (a) Provide an ongoing assessment of trends in benefits  
708 and employer-sponsored insurance that affect the state group  
709 insurance program.

710       (b) Conduct comprehensive analysis of the state group  
711 insurance program, including available benefits, coverage  
712 options, and claims experience.

713       (c) Evaluate designs for the state group insurance  
714 program, including a full flex cafeteria plan, an employer-  
715 sponsored multicarrier exchange plan, and alternatives to and  
716 variations of these designs.

717       (d) Identify and establish appropriate adjustment  
718 procedures necessary to respond to any risk segmentation that  
719 may occur when increased choices are offered to employees.

720       (e) Submit recommendations for any modifications to the  
721 state group insurance program no later than January 1 of each  
722 year.

723       (f) Assist the department in establishing a transition  
724 plan for assuming the responsibilities described in subsection

725 (5).

726       (g) Develop a plan to convert the state group insurance  
727 program to a defined contribution plan. The plan shall be

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728 submitted to the Legislature by January 1, 2013, and include  
729 recommendations for:

730 1. An implementation timeline for conversion as of the  
731 2014 plan year.

732 2. Employer and employee contribution policies, including  
733 provisions that reward and incentivize not using tobacco and  
734 other healthy lifestyle choices.

735 3. Steps necessary for maintaining or improving total  
736 employee compensation levels when a transition to a defined  
737 contribution plan is initiated.

738 4. Establishing an employment-based benefits exchange, or  
739 implementing a full flex cafeteria plan to provide a variety of  
740 diverse benefit options, including, but not limited to, multiple  
741 health plans offering a wide variety of benefit levels and  
742 benefit options within the state group insurance program.

743 5. Submission of any needed plan revisions for federal  
744 review.

745 (h) Subject to approval by the Legislature, direct and  
746 implement the plan described in paragraph (g).

747 (5) Notwithstanding s. 110.123 and beginning no later than  
748 the 2014 plan year, the independent benefits consultant shall:

749 (a) Assist the department in managing the state group  
750 insurance program, including negotiation and supervision of  
751 contracts and other administrative functions as may be  
752 necessary.

753 (b) If the Legislature authorizes the creation of a state  
754 employee benefits exchange, certify health insurance plans,

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755 health maintenance organizations, and other providers eligible  
756 to participate.

757 (c) If the Legislature authorizes the implementation of a  
758 full flex cafeteria plan, assist the department with the  
759 procurement process and conducting the contract negotiations  
760 with providers that are necessary for their participation in  
761 defined service areas.

762 (d) Subject to approval of the Legislature, develop and  
763 implement wellness initiatives for enrollees.

764 (e) Provide enrollee education and decision support tools,  
765 including an online interface, to assist enrollees in choosing  
766 benefit plans that best suit their individual needs.

767 (f) Assist the department in ensuring compliance with  
768 applicable federal and state regulations.

769 (g) Before the transition to a defined contribution plan,  
770 assist the department in monitoring the adequacy of funding and  
771 reserves for the state self-insured plan.

772 Section 3. This act shall take effect upon becoming a law.