By the Committee on Budget

576-03598-11 20112102__

1 A bill to be entitled
2 An act relating to health insurance benefits for state
3 employees; amending s. 110.123, F.S.; deleting
4 references to TRICARE supplemental insurance plans;
5 deleting the definition of the term “state-contracted
6 HMO”; deleting the Department of Management Services’
7 authorization to contract with health maintenance
8 organizations for participation in the state group
9 insurance program; authorizing the Department of
10 Management Services to establish health maintenance
11 incentive programs; providing for state contributions
12 to health insurance coverage for employees and their
13 families for the 2011-2012 fiscal year; repealing s.
14 110.12302, F.S., relating to the costing options for
15 plan designs required for contract solicitations for
16 health maintenance contracts and the requirement of
17 the department to make recommendations to the
18 Legislature regarding a procurement of services;
19 creating s. 110.12303, F.S.; requiring the Department
20 of Management Services to establish a health insurance
21 risk pool for certain employees and retirees; amending
22 s. 110.12315, F.S.; revising the conditions under
23 which pharmacies are provided reimbursement for
24 prescription medicines that are dispensed to members
25 of the state group health insurance plan under the
26 state employees’ prescription drug program; amending
27 s. 112.0801, F.S.; deleting the authority of state
28 agencies to allow certain former personnel and their
29 eligible dependents the option of continuing to

30 participate in certain group insurance plans or self-
31 insurance plans; specifying the parameters for the
32 health insurance plans and their funding for the state
33 group insurance program administered by the Department
34 of Management Services; providing the premiums to be
35 charged under the state group insurance program to
36 employees and retirees for specified periods;
37 providing an effective date.
38
39 Be It Enacted by the Legislature of the State of Florida:
40
41 Section 1. Subsections (1), (2), and (3), paragraph (e) of
42 subsection (5), and subsection (12) of section 110.123, Florida
43 Statutes, are amended to read:
44 110.123 State group insurance program.—
45 (1) TITLE.—Sections 110.123—110.12315 ~~This section~~ may be
46 cited as the "State Group Insurance Program Law."
47 (2) DEFINITIONS.—As used in ss. 110.123—110.12315 ~~this~~
48 ~~section~~, the term:
49 (a) "Department" means the Department of Management
50 Services.
51 (b) "Enrollee" means all state officers and employees,
52 retired state officers and employees, surviving spouses of
53 deceased state officers and employees, and terminated employees
54 or individuals with continuation coverage who are enrolled in an
55 insurance plan offered by the state group insurance program.
56 "Enrollee" includes all state university officers and employees,
57 retired state university officers and employees, surviving
58 spouses of deceased state university officers and employees, and

59 terminated state university employees or individuals with
60 continuation coverage who are enrolled in an insurance plan
61 offered by the state group insurance program.
62 (c) “Full-time state employees” includes all full-time
63 employees of all branches or agencies of state government
64 holding salaried positions and paid by state warrant or from
65 agency funds, and employees paid from regular salary
66 appropriations for 8 months’ employment, including university
67 personnel on academic contracts, but in no case shall “state
68 employee” or “salaried position” include persons paid from
69 other-personal-services (OPS) funds. “Full-time employees”
70 includes all full-time employees of the state universities.
71 (d) “Health maintenance organization” or “HMO” means an
72 entity certified under part I of chapter 641.
73 (e) “Health plan member” means any person participating in
74 a state group health insurance plan~~, a TRICARE supplemental~~
75 ~~insurance plan,~~ or a health maintenance organization plan under
76 the state group insurance program, including enrollees and
77 covered dependents thereof.
78 (f) “Part-time state employee” means any employee of any
79 branch or agency of state government paid by state warrant from
80 salary appropriations or from agency funds, and who is employed
81 for less than the normal full-time workweek established by the
82 department or, if on academic contract or seasonal or other type
83 of employment which is less than year-round, is employed for
84 less than 8 months during any 12-month period, but in no case
85 shall “part-time” employee include a person paid from other-
86 personal-services (OPS) funds. “Part-time state employee”
87 includes any part-time employee of the state universities.

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88 (g) “Retired state officer or employee” or “retiree” means
89 any state or state university officer or employee who retires
90 under a state retirement system or a state optional annuity or
91 retirement program or is placed on disability retirement, and
92 who was insured under the state group insurance program at the
93 time of retirement, and who begins receiving retirement benefits
94 immediately after retirement from state or state university
95 office or employment. In addition to these requirements, any
96 state officer or state employee who retires under the Public
97 Employee Optional Retirement Program established under part II
98 of chapter 121 shall be considered a “retired state officer or
99 employee” or “retiree” as used in this section if he or she:
100 1. Meets the age and service requirements to qualify for
101 normal retirement as set forth in s. 121.021(29); or
102 2. Has attained the age specified by s. 72(t)(2)(A)(i) of
103 the Internal Revenue Code and has 6 years of creditable service.
104 (h) “State agency” or “agency” means any branch,
105 department, or agency of state government. “State agency” or
106 “agency” includes any state university for purposes of this
107 section only.
108 (i) “State group health insurance plan or plans” or “state
109 plan or plans” mean the state self-insured health insurance plan
110 or plans offered to state officers and employees, retired state
111 officers and employees, and surviving spouses of deceased state
112 officers and employees pursuant to this section.
113 ~~(j) “State-contracted HMO” means any health maintenance~~
114 ~~organization under contract with the department to participate~~
115 ~~in the state group insurance program.~~
116 (j)~~(k)~~ “State group insurance program” or “programs” means

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117 the package of insurance plans offered to state officers and
118 employees, retired state officers and employees, and surviving
119 spouses of deceased state officers and employees pursuant to
120 this section, including the state group health insurance plan or
121 plans, health maintenance organization plans, ~~TRICARE~~
122 ~~supplemental insurance plans,~~ and other plans required or
123 authorized by law.
124 (k) ~~(l)~~ "State officer" means any constitutional state
125 officer, any elected state officer paid by state warrant, or any
126 appointed state officer who is commissioned by the Governor and
127 who is paid by state warrant.
128 (l) ~~(m)~~ "Surviving spouse" means the widow or widower of a
129 deceased state officer, full-time state employee, part-time
130 state employee, or retiree if such widow or widower was covered
131 as a dependent under the state group health insurance plan~~, a~~
132 ~~TRICARE supplemental insurance plan,~~ or a health maintenance
133 organization plan established pursuant to this section at the
134 time of the death of the deceased officer, employee, or retiree.
135 "Surviving spouse" also means any widow or widower who is
136 receiving or eligible to receive a monthly state warrant from a
137 state retirement system as the beneficiary of a state officer,
138 full-time state employee, or retiree who died prior to July 1,
139 1979. For the purposes of this section, any such widow or
140 widower shall cease to be a surviving spouse upon his or her
141 remarriage.
142 ~~(n) "TRICARE supplemental insurance plan" means the~~
143 ~~Department of Defense Health Insurance Program for eligible~~
144 ~~members of the uniformed services authorized by 10 U.S.C. s.~~
145 ~~1097.~~

146 (3) STATE GROUP INSURANCE PROGRAM.—
147 (a) The Division of State Group Insurance is created within
148 the Department of Management Services.
149 (b) It is the intent of the Legislature to offer a
150 comprehensive package of health insurance and retirement
151 benefits and a personnel system for state employees which are
152 provided in a cost-efficient and prudent manner, and to allow
153 state employees the option to choose benefit plans which best
154 suit their individual needs. Therefore, the state group
155 insurance program is established which may include the state
156 group health insurance plan or plans, health maintenance
157 organization plans, group life insurance plans, ~~TRICARE~~
158 ~~supplemental insurance plans,~~ group accidental death and
159 dismemberment plans, and group disability insurance plans.
160 Furthermore, the department is additionally authorized to
161 establish and provide as part of the state group insurance
162 program any other group insurance plans or coverage choices that
163 are consistent with the provisions of this section.
164 (c) Notwithstanding any provision in this section to the
165 contrary, it is the intent of the Legislature that the
166 department shall be responsible for all aspects of the purchase
167 of health care for state employees under the state group health
168 insurance plan or plans~~, TRICARE supplemental insurance plans,~~
169 and the health maintenance organization plans. Responsibilities
170 shall include, but not be limited to, the development of
171 requests for proposals or invitations to negotiate for state
172 employee health services, the determination of health care
173 benefits to be provided, and the negotiation of contracts for
174 health care and health care administrative services. Prior to

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175 the negotiation of contracts for health care services, the
176 Legislature intends that the department shall develop, with
177 respect to state collective bargaining issues, the health
178 benefits and terms to be included in the state group health
179 insurance program. The department shall adopt rules necessary to
180 perform its responsibilities pursuant to this section. It is the
181 intent of the Legislature that the department shall be
182 responsible for the contract management and day-to-day
183 management of the state employee health insurance program,
184 including, but not limited to, employee enrollment, premium
185 collection, payment to health care providers, and other
186 administrative functions related to the program.
187 (d)1. Notwithstanding the provisions of chapter 287 and the
188 authority of the department, for the purpose of protecting the
189 health of, and providing medical services to, state employees
190 participating in the state group insurance program, the
191 department may contract to retain the services of professional
192 administrators for the state group insurance program. The agency
193 shall follow good purchasing practices of state procurement to
194 the extent practicable under the circumstances.
195 2. Each vendor in a major procurement, and any other vendor
196 if the department deems it necessary to protect the state's
197 financial interests, shall, at the time of executing any
198 contract with the department, post an appropriate bond with the
199 department in an amount determined by the department to be
200 adequate to protect the state's interests but not higher than
201 the full amount estimated to be paid annually to the vendor
202 under the contract.
203 3. Each major contract entered into by the department

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204 pursuant to this section shall contain a provision for payment
205 of liquidated damages to the department for material
206 noncompliance by a vendor with a contract provision. The
207 department may require a liquidated damages provision in any
208 contract if the department deems it necessary to protect the
209 state's financial interests.
210 4. The provisions of s. 120.57(3) apply to the department's
211 contracting process, except:
212 a. A formal written protest of any decision, intended
213 decision, or other action subject to protest shall be filed
214 within 72 hours after receipt of notice of the decision,
215 intended decision, or other action.
216 b. As an alternative to any provision of s. 120.57(3), the
217 department may proceed with the bid selection or contract award
218 process if the director of the department sets forth, in
219 writing, particular facts and circumstances which demonstrate
220 the necessity of continuing the procurement process or the
221 contract award process in order to avoid a substantial
222 disruption to the provision of any scheduled insurance services.
223 (e) The Department of Management Services and the Division
224 of State Group Insurance may not prohibit or limit any properly
225 licensed insurer, health maintenance organization, prepaid
226 limited health services organization, or insurance agent from
227 competing for any insurance product or plan purchased, provided,
228 or endorsed by the department or the division on the basis of
229 the compensation arrangement used by the insurer or organization
230 for its agents.
231 (f) Except as provided for in subparagraph (h)2., the state
232 contribution toward the cost of any plan in the state group

233 insurance program shall be uniform with respect to all state
234 employees in a state collective bargaining unit participating in
235 the same coverage tier in the same plan. This section does not
236 prohibit the development of separate benefit plans for officers
237 and employees exempt from the career service or the development
238 of separate benefit plans for each collective bargaining unit.
239 (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)(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 (h)1. A person eligible to participate in the state group
252 insurance program may be authorized by rules adopted by the
253 department, in lieu of participating in the state group health
254 insurance plan, to exercise an option to elect membership in a
255 health maintenance organization plan which is under contract
256 with the state in accordance with criteria established by this
257 section and by said rules. The offer of optional membership in a
258 health maintenance organization plan permitted by this paragraph
259 may be limited or conditioned by rule as may be necessary to
260 meet the requirements of state and federal laws.
261 2. The department shall contract with health maintenance

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262 organizations seeking to participate in the state group
263 insurance program through a request for proposal or other
264 procurement process, as developed by the Department of
265 Management Services and determined to be appropriate.
266 a. The department shall establish a schedule of minimum
267 benefits for health maintenance organization coverage, and that
268 schedule shall include: physician services; inpatient and
269 outpatient hospital services; emergency medical services,
270 including out-of-area emergency coverage; diagnostic laboratory
271 and diagnostic and therapeutic radiologic services; mental
272 health, alcohol, and chemical dependency treatment services
273 meeting the minimum requirements of state and federal law;
274 skilled nursing facilities and services; prescription drugs;
275 age-based and gender-based wellness benefits; and other benefits
276 as may be required by the department. Additional services may be
277 provided subject to the contract between the department and the
278 HMO. As used in this paragraph, the term “age-based and gender-
279 based wellness benefits” includes aerobic exercise, education in
280 alcohol and substance abuse prevention, blood cholesterol
281 screening, health risk appraisals, blood pressure screening and
282 education, nutrition education, program planning, safety belt
283 education, smoking cessation, stress management, weight
284 management, and women’s health education.
285 b. The department may establish uniform deductibles,
286 copayments, coverage tiers, or coinsurance schedules for all
287 participating HMO plans.
288 c. The department may require detailed information from
289 each health maintenance organization participating in the
290 procurement process, including information pertaining to

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291 organizational status, ~~experience in providing prepaid health~~
292 ~~benefits,~~ accessibility of services, financial stability of the
293 plan, quality of management services, accreditation status,
294 quality of medical services, network access and adequacy,
295 performance measurement, the ability to meet the department’s
296 reporting requirements, and ~~the actuarial basis of the proposed~~
297 ~~rates and~~ other data determined by the director to be necessary
298 for the evaluation and selection of health maintenance
299 organization plans and negotiation of appropriate administrative
300 fees or rates for these plans. Upon receipt of proposals by
301 health maintenance organization plans and the evaluation of
302 those proposals, the department may enter into negotiations with
303 all of the plans or a subset of the plans, as the department
304 determines appropriate. Nothing shall preclude the department
305 from negotiating regional or statewide contracts with health
306 maintenance organization plans when this is cost-effective and
307 when the department determines that the plan offers high value
308 to enrollees.
309 d. The department may limit the number of HMOs that it
310 contracts with in each service area based on the nature of the
311 bids the department receives, the number of state employees in
312 the service area, or any unique geographical characteristics of
313 the service area. ~~The department shall establish by rule service~~
314 ~~areas throughout the state.~~
315 3.~~e.~~ All persons participating in the state group insurance
316 program may be required to contribute toward ~~towards~~ a total
317 state group health premium that may vary depending upon the plan
318 and coverage tier selected by the enrollee and the level of
319 state contribution authorized by the Legislature.

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320 4.~~3.~~ The department may ~~is authorized to~~ negotiate and ~~to~~
321 contract with specialty psychiatric hospitals for mental health
322 benefits, on a regional basis, for alcohol, drug abuse, and
323 mental and nervous disorders. The department may establish,
324 subject to the approval of the Legislature pursuant to
325 subsection (5), any such regional plan upon completion of an
326 actuarial study to determine any impact on plan benefits and
327 premiums.
328 ~~4. In addition to contracting pursuant to subparagraph 2.,~~
329 ~~the department may enter into contract with any HMO to~~
330 ~~participate in the state group insurance program which:~~
331 ~~a. Serves greater than 5,000 recipients on a prepaid basis~~
332 ~~under the Medicaid program;~~
333 ~~b. Does not currently meet the 25-percent non-Medicare/non-~~
334 ~~Medicaid enrollment composition requirement established by the~~
335 ~~Department of Health excluding participants enrolled in the~~
336 ~~state group insurance program;~~
337 ~~c. Meets the minimum benefit package and copayments and~~
338 ~~deductibles contained in sub-subparagraphs 2.a. and b.;~~
339 ~~d. Is willing to participate in the state group insurance~~
340 ~~program at a cost of premiums that is not greater than 95~~
341 ~~percent of the cost of HMO premiums accepted by the department~~
342 ~~in each service area; and~~
343 ~~e. Meets the minimum surplus requirements of s. 641.225.~~
344
345 ~~The department is authorized to contract with HMOs that meet the~~
346 ~~requirements of sub-subparagraphs a.-d. prior to the open~~
347 ~~enrollment period for state employees. The department is not~~
348 ~~required to renew the contract with the HMOs as set forth in~~

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349 ~~this paragraph more than twice. Thereafter, the HMOs shall be~~
350 ~~eligible to participate in the state group insurance program~~
351 ~~only through the request for proposal or invitation to negotiate~~
352 ~~process described in subparagraph 2.~~
353 5. All enrollees in a state group health insurance plan~~, a~~
354 ~~TRICARE supplemental insurance plan,~~ or any health maintenance
355 organization plan have the option of changing to any other
356 health plan that is offered by the state within any open
357 enrollment period designated by the department. Open enrollment
358 shall be held at least once each calendar year.
359 6. When a contract between a treating provider and the
360 state-contracted health maintenance organization is terminated
361 for any reason other than for cause, each party shall allow any
362 enrollee for whom treatment was active to continue coverage and
363 care when medically necessary, through completion of treatment
364 of a condition for which the enrollee was receiving care at the
365 time of the termination, until the enrollee selects another
366 treating provider, or until the next open enrollment period
367 offered, whichever is longer, but no longer than 6 months after
368 termination of the contract. Each party to the terminated
369 contract shall allow an enrollee who has initiated a course of
370 prenatal care, regardless of the trimester in which care was
371 initiated, to continue care and coverage until completion of
372 postpartum care. This does not prevent a provider from refusing
373 to continue to provide care to an enrollee who is abusive,
374 noncompliant, or in arrears in payments for services provided.
375 For care continued under this subparagraph, the program and the
376 provider shall continue to be bound by the terms of the
377 terminated contract. Changes made within 30 days before

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378 termination of a contract are effective only if agreed to by
379 both parties.
380 7. Any HMO participating in the state group insurance
381 program shall submit health care utilization and cost data to
382 the department, in such form and in such manner as the
383 department shall require, as a condition of participating in the
384 program. ~~The department shall enter into negotiations with its~~
385 ~~contracting HMOs to determine the nature and scope of the data~~
386 ~~submission and the final requirements, format, penalties~~
387 ~~associated with noncompliance, and timetables for submission.~~
388 ~~These determinations shall be adopted by rule.~~
389 8. The department may establish and direct, with respect to
390 collective bargaining issues, a comprehensive package of
391 insurance benefits that may include supplemental health and life
392 coverage, dental care, long-term care, vision care, and other
393 benefits it determines necessary to enable state employees to
394 select from among benefit options that best suit their
395 individual and family needs.
396 a. Based upon a desired benefit package, the department
397 shall issue a request for proposal or invitation to negotiate
398 for health insurance providers interested in participating in
399 the state group insurance program, and the department shall
400 issue a request for proposal or invitation to negotiate for
401 insurance providers interested in participating in the non-
402 health-related components of the state group insurance program.
403 Upon receipt of all proposals, the department may enter into
404 contract negotiations with insurance providers submitting bids
405 or negotiate a specially designed benefit package. Insurance
406 providers offering or providing supplemental coverage as of May

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407 30, 1991, which qualify for pretax benefit treatment pursuant to
408 s. 125 of the Internal Revenue Code of 1986, with 5,500 or more
409 state employees currently enrolled may be included by the
410 department in the supplemental insurance benefit plan
411 established by the department without participating in a request
412 for proposal, submitting bids, negotiating contracts, or
413 negotiating a specially designed benefit package. These
414 contracts shall provide state employees with the most cost-
415 effective and comprehensive coverage available; however, no
416 state or agency funds shall be contributed toward the cost of
417 any part of the premium of such supplemental benefit plans. With
418 respect to dental coverage, the division shall include in any
419 solicitation or contract for any state group dental program made
420 after July 1, 2001, a comprehensive indemnity dental plan option
421 which offers enrollees a completely unrestricted choice of
422 dentists. If a dental plan is endorsed, or in some manner
423 recognized as the preferred product, such plan shall include a
424 comprehensive indemnity dental plan option which provides
425 enrollees with a completely unrestricted choice of dentists.
426 b. Pursuant to the applicable provisions of s. 110.161, and
427 s. 125 of the Internal Revenue Code of 1986, the department
428 shall enroll in the pretax benefit program those state employees
429 who voluntarily elect coverage in any of the supplemental
430 insurance benefit plans as provided by sub-subparagraph a.
431 c. Nothing herein contained shall be construed to prohibit
432 insurance providers from continuing to provide or offer
433 supplemental benefit coverage to state employees as provided
434 under existing agency plans.
435 (i) The benefits of the insurance authorized by this

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436 section shall not be in lieu of any benefits payable under
437 chapter 440, the Workers' Compensation Law. The insurance
438 authorized by this law shall not be deemed to constitute
439 insurance to secure workers' compensation benefits as required
440 by chapter 440.
441 (j) Notwithstanding the provisions of paragraph (f)
442 requiring uniform contributions, and for the 2010-2011 fiscal
443 year only, the state contribution toward the cost of any plan in
444 the state group insurance plan shall be the difference between
445 the overall premium and the employee contribution. This
446 subsection expires June 30, 2011.
447 (5) DEPARTMENT POWERS AND DUTIES.—The department is
448 responsible for the administration of the state group insurance
449 program. The department shall initiate and supervise the program
450 as established by this section and shall adopt such rules as are
451 necessary to perform its responsibilities. To implement this
452 program, the department shall, with prior approval by the
453 Legislature:
454 (e) Have authority to establish incentive programs for ~~a~~
455 ~~voluntary program for~~ comprehensive health maintenance, which
456 may include lifestyle choices, individual health goals,
457 participation in health promotion and compliance programs,
458 ~~health educational components~~ and health appraisals.
459 Contributions established pursuant to paragraph (a) may differ
460 based on participation in such programs by the enrollee or
461 health plan member.
462
463 Final decisions concerning enrollment, the existence of
464 coverage, or covered benefits under the state group insurance

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465 program shall not be delegated or deemed to have been delegated
466 by the department.
467 (12) HEALTH SAVINGS ACCOUNTS.—The department may ~~is~~
468 ~~authorized to~~ establish health savings accounts for full-time
469 and part-time state employees in association with a health
470 insurance plan option authorized by the Legislature and
471 conforming to the requirements and limitations of federal
472 provisions relating to the Medicare Prescription Drug,
473 Improvement, and Modernization Act of 2003.
474 (a)1. A member participating in this health insurance plan
475 option shall be eligible to receive an employer contribution
476 into the employee's health savings account from the State
477 Employees Health Insurance Trust Fund in an amount to be
478 determined by the Legislature. A member is not eligible for an
479 employer contribution upon termination of employment. For the
480 2011-2012 ~~2010-2011~~ fiscal year, the state's monthly
481 contribution for employees having individual coverage shall be
482 $41.66 and the monthly contribution for employees having family
483 coverage shall be $83.33.
484 2. A member participating in this health insurance plan
485 option shall be eligible to deposit the member's own funds into
486 a health savings account.
487 (b) The monthly premiums paid by the employer for a member
488 participating in this health insurance plan option shall include
489 an amount equal to the monthly employer contribution authorized
490 by the Legislature for that fiscal year.
491 (c) The health savings accounts shall be administered in
492 accordance with the requirements and limitations of federal
493 provisions relating to the Medicare Prescription Drug,

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494 Improvement, and Modernization Act of 2003.
495 Section 2. Section 110.12302, Florida Statutes, is
496 repealed.
497 Section 3. Section 110.12303, Florida Statutes, is created
498 to read:
499 110.12303 Health insurance risk pool.—
500 (1) For the 2012 plan year, the department shall establish
501 a single health insurance risk pool for the state group
502 insurance plans. Contribution determinations made pursuant to s.
503 110.123(5)(a) shall consider relative plan values; however, such
504 determinations may encourage enrollment in consumer-directed
505 plans.
506 (2) For the 2012 plan year and for each plan year
507 thereafter, the department shall establish a single health
508 insurance risk pool for each of the following groups
509 participating in the state group insurance plans:
510 (a) Active employees;
511 (b) Retirees not eligible for Medicare; and
512 (c) Retirees eligible for Medicare.
513
514 Contribution determinations made pursuant to s. 110.123(5)(a)
515 shall consider relative plan values; however, such
516 determinations may encourage enrollment in consumer-directed
517 plans.
518 Section 4. Subsections (1), (2), and (3) of section
519 110.12315, Florida Statutes, are amended to read:
520 110.12315 Prescription drug program.—The state employees'
521 prescription drug program is established. This program shall be
522 administered by the Department of Management Services, according

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523 to the terms and conditions of the plan as established by the
524 relevant provisions of the annual General Appropriations Act and
525 implementing legislation, subject to the following conditions:
526 (1) ~~The Department of Management Services shall allow~~
527 ~~prescriptions written by health care providers under the plan to~~
528 ~~be filled by any licensed pharmacy pursuant to contractual~~
529 ~~claims-processing provisions. Nothing in~~ This section does not
530 prohibit ~~may be construed as prohibiting~~ a mail order
531 prescription drug program distinct from the service provided by
532 retail pharmacies.
533 (2) In providing for reimbursement of pharmacies for
534 prescription medicines dispensed to members of the state group
535 health insurance plan and their dependents under the state
536 employees' prescription drug program:
537 (a) Retail pharmacies participating in the program must be
538 reimbursed ~~at a uniform rate and subject to uniform conditions,~~
539 according to applicable network agreements and the terms and
540 conditions of the plan.
541 (b) There shall be a 30-day supply limit for prescription
542 card purchases and 90-day supply limit for mail order or mail
543 order prescription drug purchases. The Department of Management
544 Services may implement a 90-day supply limit program at select
545 retail pharmacies if the department finds that it is in the best
546 financial interest of the program.
547 (c) The ~~current~~ pharmacy dispensing fee shall be negotiated
548 in accordance with best industry practices ~~remains in effect~~.
549 (3) The Department of Management Services shall establish
550 the reimbursement schedule for prescription pharmaceuticals
551 dispensed under the program. Reimbursement rates for a

552 prescription pharmaceutical must be based on the cost of the
553 generic equivalent drug if a generic equivalent exists, unless
554 the physician prescribing the pharmaceutical clearly states on
555 the prescription that the brand name drug is medically necessary
556 or that the drug product is included on the formulary of drug
557 products that may not be interchanged as provided in chapter
558 465, in which case reimbursement must be based on the cost of
559 the brand name drug as specified in the reimbursement schedule
560 adopted by the Department of Management Services.
561 Notwithstanding any other provision of this subsection, the
562 department may require that a generic or formulary brand
563 prescription be filled before dispensing an alternative within
564 any therapeutic class.
565 Section 5. Subsection (1) of section 112.0801, Florida
566 Statutes, is amended to read:
567 112.0801 Group insurance; participation by retired
568 employees.—
569 (1) Any ~~state agency,~~ county, municipality, special
570 district, community college, or district school board which
571 provides life, health, accident, hospitalization, or annuity
572 insurance, or all of any kinds of such insurance, for its
573 officers and employees and their dependents upon a group
574 insurance plan or self-insurance plan shall allow all former
575 personnel who have retired prior to October 1, 1987, as well as
576 those who retire on or after such date, and their eligible
577 dependents, the option of continuing to participate in such
578 group insurance plan or self-insurance plan. Retirees and their
579 eligible dependents shall be offered the same health and
580 hospitalization insurance coverage as is offered to active

581 employees at a premium cost of no more than the premium cost
582 applicable to active employees. For the retired employees and
583 their eligible dependents, the cost of any such continued
584 participation in any type of plan or any of the cost thereof may
585 be paid by the employer or by the retired employees. To
586 determine health and hospitalization plan costs, the employer
587 shall commingle the claims experience of the retiree group with
588 the claims experience of the active employees; and, for other
589 types of coverage, the employer may commingle the claims
590 experience of the retiree group with the claims experience of
591 active employees. Retirees covered under Medicare may be
592 experience-rated separately from the retirees not covered by
593 Medicare and from active employees, provided that the total
594 premium does not exceed that of the active group and coverage is
595 basically the same as for the active group.
596 Section 6. (1) For the period July 1, 2011, through
597 December 31, 2012, the Department of Management Services shall
598 administer the plans and benefits provided under the state group
599 insurance program consistent with the following parameters:
600 (a) The state group insurance program shall include a
601 health insurance standard plan, a state group health insurance
602 high-deductible plan, a state-contracted health maintenance
603 organization standard plan, and a state-contracted health
604 maintenance organization high-deductible plan. Beginning January
605 1, 2012, the health insurance portion of the state group
606 insurance program shall be self-insured for active employees and
607 retirees not eligible for Medicare, and may be self-insured for
608 retirees eligible for Medicare.
609 (b) The benefits provided under each of the plans shall be

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610 those benefits as provided in the current State Employees' PPO
611 Plan Group Health Insurance Plan Booklet and Benefit Document,
612 current health maintenance organization contracts, and other
613 health insurance benefits that are approved by the Legislature.
614 (c) The high-deductible plans shall continue to include an
615 integrated health savings account. Such plans and accounts shall
616 be administered in accordance with the requirements and
617 limitations of federal provisions relating to the Medicare
618 Prescription Drug, Improvement, and Modernization Act of 2003.
619 The state shall make a monthly contribution to an employee's
620 health savings account to the extent authorized in s.
621 110.123(12), Florida Statutes.
622 (2) For the 2012 plan year and each plan year thereafter,
623 the Department of Management Services shall develop a program of
624 health insurance options and enrollee contribution requirements
625 consistent with s. 110.123(5), Florida Statutes. Options shall
626 encourage and promote enrollee health plan choices and positive
627 behavior to promote the health and well-being of health plan
628 members and to encourage appropriate plan utilization. The
629 division shall determine the level of premiums necessary to
630 fully fund the state group health insurance program for the next
631 fiscal year. The Legislature shall provide in the General
632 Appropriations Act a premium schedule.
633 Section 7. The premiums charged under the state group
634 insurance program for health insurance authorized in s. 110.123,
635 Florida Statutes, shall be as follows:
636 (1) STATE CONTRIBUTION.—
637 (a) Effective July 1, 2011, for the coverage period
638 beginning August 1, 2011, the state contribution toward the cost

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639 of any plan in the state group health insurance program which is
640 paid by the executive, legislative, and judicial branches on
641 behalf of participating employees, shall be, for individual
642 coverage, the total actuarial cost for the lowest cost plan
643 offered by the department for individual coverage and shall be,
644 for family coverage, the total actuarial cost for the lowest
645 cost plan offered by the department for family coverage, less
646 the employee contribution in paragraphs (2)(a) and (b).
647 (b) Effective July 1, 2011, for the coverage period
648 beginning August 1, 2011, the state contribution toward the cost
649 of any plan in the state group health insurance program which is
650 paid by the executive, legislative, and judicial branches on
651 behalf of each employee enrolled in the spouse program shall be
652 one-half the total actuarial cost for the lowest cost plan
653 offered by the department for family coverage, less the employee
654 contribution in paragraphs (2)(a) and (b).
655 (2) EMPLOYEE CONTRIBUTION.—
656 (a) For employees not participating in the spouse program,
657 effective July 1, 2011, for the coverage period beginning August
658 1, 2011, the employee contribution toward the cost of a standard
659 plan in the state group health insurance program shall be $50
660 per month for individual coverage, and $200 per month for family
661 coverage, plus the difference between the cost of the lowest
662 cost plan and the cost of the plan selected.
663 (b) For employees participating in the spouse program in
664 accordance with section 60P-2.0036, Florida Administrative Code,
665 effective July 1, 2011, for the coverage period beginning August
666 1, 2011, the employee contribution toward the cost of a standard
667 plan in the state group health insurance program shall be $100

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668 per month for family coverage, plus the difference between the
669 cost of the lowest cost plan and the cost of the plan selected.
670 (3) STATE RETIREE ELIGIBLE FOR MEDICARE.—Effective July 1,
671 2011, for the coverage period beginning August 1, 2011, a
672 Medicare participant who participates in the state group
673 insurance program shall pay a monthly premium set in the General
674 Appropriations Act.
675 (4) STATE RETIREE NOT ELIGIBLE FOR MEDICARE.—Effective July
676 1, 2011, for the coverage period beginning August 1, 2011, the
677 monthly premium for a retiree who is not eligible for Medicare
678 but who participates in any plan offered through the state group
679 insurance program shall be set in the General Appropriations
680 Act.
681 (5) COBRA PARTICIPANTS.—An individual who is covered under
682 a continuation plan as a result of the purchase of insurance
683 coverage as provided under the Consolidation Omnibus Budget
684 Reconciliation Act of 1987 (COBRA) shall continue to pay a
685 monthly premium equal to 102 percent of the total premium
686 charged, including state and employee contributions, for an
687 active employee who participates in the standard plan.
688 Section 8. This act shall take effect July 1, 2011.

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