

By Senator Lee

20-00358A-17

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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.; revising applicability of  
4           certain definitions; defining the term "plan year";  
5           authorizing the program to include additional  
6           benefits; authorizing an employee to use a specified  
7           portion of the state's contribution to purchase  
8           additional program benefits and supplemental benefits  
9           under certain circumstances; providing for the program  
10          to offer health plans in specified benefit levels;  
11          requiring the Department of Management Services to  
12          develop a plan for implementation of the benefit  
13          levels; providing reporting requirements; providing  
14          for expiration of the implementation plan; creating s.  
15          110.12303, F.S.; authorizing additional benefits to be  
16          included in the program; requiring the department to  
17          contract with at least one entity that provides  
18          comprehensive pricing and inclusive services for  
19          surgery and other medical procedures; providing  
20          contract and reporting requirements; requiring the  
21          department to contract with an entity to provide  
22          enrollees with online information on health care  
23          services and providers; providing contract and  
24          reporting requirements; creating s. 110.12304, F.S.;  
25          directing the department to contract with an  
26          independent benefits consultant; providing  
27          qualifications and duties of the independent benefits  
28          consultant; providing reporting requirements;  
29          providing that the department shall determine and

20-00358A-17

2017900\_\_

30 recommend premiums for enrollees for the 2018 plan  
31 year; providing requirements for the determination of  
32 premiums; requiring the department to submit premium  
33 rates to the Legislative Budget Commission by a  
34 specified date for review and approval; requiring  
35 premium rates to be consistent with the total budgeted  
36 amount for the program in the General Appropriations  
37 Act for the 2017-2018 fiscal year; providing an  
38 appropriation and authorizing positions; providing an  
39 effective date.

40  
41 Be It Enacted by the Legislature of the State of Florida:

42  
43 Section 1. Subsection (2) and paragraphs (b), (f), (h), and  
44 (j) of subsection (3) of section 110.123, Florida Statutes, are  
45 amended, and paragraph (k) is added to subsection (3) of that  
46 section, to read:

47 110.123 State group insurance program.—

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

50 (a) "Department" means the Department of Management  
51 Services.

52 (b) "Enrollee" means all state officers and employees,  
53 retired state officers and employees, surviving spouses of  
54 deceased state officers and employees, and terminated employees  
55 or individuals with continuation coverage who are enrolled in an  
56 insurance plan offered by the state group insurance program.  
57 "Enrollee" includes all state university officers and employees,  
58 retired state university officers and employees, surviving

20-00358A-17

2017900\_\_

59 spouses of deceased state university officers and employees, and  
60 terminated state university employees or individuals with  
61 continuation coverage who are enrolled in an insurance plan  
62 offered by the state group insurance program.

63 (c) "Full-time state employees" means employees of all  
64 branches or agencies of state government holding salaried  
65 positions who are paid by state warrant or from agency funds and  
66 who work or are expected to work an average of at least 30 or  
67 more hours per week; employees paid from regular salary  
68 appropriations for 8 months' employment, including university  
69 personnel on academic contracts; and employees paid from other-  
70 personal-services (OPS) funds as described in subparagraphs 1.  
71 and 2. The term includes all full-time employees of the state  
72 universities. The term does not include seasonal workers who are  
73 paid from OPS funds.

74 1. For persons hired before April 1, 2013, the term  
75 includes any person paid from OPS funds who:

76 a. Has worked an average of at least 30 hours or more per  
77 week during the initial measurement period from April 1, 2013,  
78 through September 30, 2013; or

79 b. Has worked an average of at least 30 hours or more per  
80 week during a subsequent measurement period.

81 2. For persons hired after April 1, 2013, the term includes  
82 any person paid from OPS funds who:

83 a. Is reasonably expected to work an average of at least 30  
84 hours or more per week; or

85 b. Has worked an average of at least 30 hours or more per  
86 week during the person's measurement period.

87 (d) "Health maintenance organization" or "HMO" means an

20-00358A-17

2017900\_\_

88 entity certified under part I of chapter 641.

89 (e) "Health plan member" means any person participating in  
90 a state group health insurance plan, a TRICARE supplemental  
91 insurance plan, or a health maintenance organization plan under  
92 the state group insurance program, including enrollees and  
93 covered dependents thereof.

94 (f) "Part-time state employee" means an employee of any  
95 branch or agency of state government paid by state warrant from  
96 salary appropriations or from agency funds, and who is employed  
97 for less than an average of 30 hours per week or, if on academic  
98 contract or seasonal or other type of employment which is less  
99 than year-round, is employed for less than 8 months during any  
100 12-month period, but does not include a person paid from other-  
101 personal-services (OPS) funds. The term includes all part-time  
102 employees of the state universities.

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

104 (h)~~(g)~~ "Retired state officer or employee" or "retiree"  
105 means any state or state university officer or employee who  
106 retires under a state retirement system or a state optional  
107 annuity or retirement program or is placed on disability  
108 retirement, and who was insured under the state group insurance  
109 program at the time of retirement, and who begins receiving  
110 retirement benefits immediately after retirement from state or  
111 state university office or employment. The term also includes  
112 any state officer or state employee who retires under the  
113 Florida Retirement System Investment Plan established under part  
114 II of chapter 121 if he or she:

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

20-00358A-17

2017900\_\_

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

119 (i)~~(h)~~ "State agency" or "agency" means any branch,  
120 department, or agency of state government. "State agency" or  
121 "agency" includes any state university for purposes of this  
122 section only.

123 (j)~~(i)~~ "Seasonal workers" has the same meaning as provided  
124 under 29 C.F.R. s. 500.20(s)(1).

125 (k)~~(j)~~ "State group health insurance plan or plans" or  
126 "state plan or plans" mean the state self-insured health  
127 insurance plan or plans offered to state officers and employees,  
128 retired state officers and employees, and surviving spouses of  
129 deceased state officers and employees pursuant to this section.

130 (l)~~(k)~~ "State-contracted HMO" means any health maintenance  
131 organization under contract with the department to participate  
132 in the state group insurance program.

133 (m)~~(l)~~ "State group insurance program" or "programs" means  
134 the package of insurance plans offered to state officers and  
135 employees, retired state officers and employees, and surviving  
136 spouses of deceased state officers and employees pursuant to  
137 this section, including the state group health insurance plan or  
138 plans, health maintenance organization plans, TRICARE  
139 supplemental insurance plans, and other plans required or  
140 authorized by law.

141 (n)~~(m)~~ "State officer" means any constitutional state  
142 officer, any elected state officer paid by state warrant, or any  
143 appointed state officer who is commissioned by the Governor and  
144 who is paid by state warrant.

145 (o)~~(n)~~ "Surviving spouse" means the widow or widower of a

20-00358A-17

2017900\_\_

146 deceased state officer, full-time state employee, part-time  
147 state employee, or retiree if such widow or widower was covered  
148 as a dependent under the state group health insurance plan,~~a~~  
149 TRICARE supplemental insurance plan, or a health maintenance  
150 organization plan established pursuant to this section at the  
151 time of the death of the deceased officer, employee, or retiree.  
152 "Surviving spouse" also means any widow or widower who is  
153 receiving or eligible to receive a monthly state warrant from a  
154 state retirement system as the beneficiary of a state officer,  
155 full-time state employee, or retiree who died prior to July 1,  
156 1979. For the purposes of this section, any such widow or  
157 widower shall cease to be a surviving spouse upon his or her  
158 remarriage.

159 (p)~~(e)~~ "TRICARE supplemental insurance plan" means the  
160 Department of Defense Health Insurance Program for eligible  
161 members of the uniformed services authorized by 10 U.S.C. s.  
162 1097.

163 (3) STATE GROUP INSURANCE PROGRAM.—

164 (b) It is the intent of the Legislature to offer a  
165 comprehensive package of health insurance and retirement  
166 benefits and a personnel system for state employees which are  
167 provided in a cost-efficient and prudent manner, and to allow  
168 state employees the option to choose benefit plans which best  
169 suit their individual needs. ~~Therefore,~~ The state group  
170 insurance program ~~is established which~~ may include the state  
171 group health insurance plan or plans, health maintenance  
172 organization plans, group life insurance plans, TRICARE  
173 supplemental insurance plans, group accidental death and  
174 dismemberment plans, ~~and~~ group disability insurance plans,—

20-00358A-17

2017900\_\_

175 ~~Furthermore, the department is additionally authorized to~~  
176 ~~establish and provide as part of the state group insurance~~  
177 ~~program any other group insurance plans or coverage choices, and~~  
178 ~~other benefits authorized by law that are consistent with the~~  
179 ~~provisions of this section.~~

180 (f) Except as provided for in subparagraph (h)2., the state  
181 contribution toward the cost of any plan in the state group  
182 insurance program shall be uniform with respect to all state  
183 employees in a state collective bargaining unit participating in  
184 the same coverage tier in the same plan. This section does not  
185 prohibit the development of separate benefit plans for officers  
186 and employees exempt from the career service or the development  
187 of separate benefit plans for each collective bargaining unit.  
188 For the 2020 plan year and thereafter, if the state's  
189 contribution is more than the premium cost of the health plan  
190 selected by the employee, subject to federal limitation, the  
191 employee may elect to have the balance:

- 192 1. Credited to the employee's flexible spending account;  
193 2. Credited to the employee's health savings account;  
194 3. Used to purchase additional benefits offered through the  
195 state group insurance program; or  
196 4. Used to increase the employee's salary.

197 (h)1. A person eligible to participate in the state group  
198 insurance program may be authorized by rules adopted by the  
199 department, in lieu of participating in the state group health  
200 insurance plan, to exercise an option to elect membership in a  
201 health maintenance organization plan which is under contract  
202 with the state in accordance with criteria established by this  
203 section and by said rules. The offer of optional membership in a

20-00358A-17

2017900\_\_

204 health maintenance organization plan permitted by this paragraph  
205 may be limited or conditioned by rule as may be necessary to  
206 meet the requirements of state and federal laws.

207 2. The department shall contract with health maintenance  
208 organizations seeking to participate in the state group  
209 insurance program through a request for proposal or other  
210 procurement process, as developed by the Department of  
211 Management Services and determined to be appropriate.

212 a. The department shall establish a schedule of minimum  
213 benefits for health maintenance organization coverage, and that  
214 schedule shall include: physician services; inpatient and  
215 outpatient hospital services; emergency medical services,  
216 including out-of-area emergency coverage; diagnostic laboratory  
217 and diagnostic and therapeutic radiologic services; mental  
218 health, alcohol, and chemical dependency treatment services  
219 meeting the minimum requirements of state and federal law;  
220 skilled nursing facilities and services; prescription drugs;  
221 age-based and gender-based wellness benefits; and other benefits  
222 as may be required by the department. Additional services may be  
223 provided subject to the contract between the department and the  
224 HMO. As used in this paragraph, the term "age-based and gender-  
225 based wellness benefits" includes aerobic exercise, education in  
226 alcohol and substance abuse prevention, blood cholesterol  
227 screening, health risk appraisals, blood pressure screening and  
228 education, nutrition education, program planning, safety belt  
229 education, smoking cessation, stress management, weight  
230 management, and women's health education.

231 b. The department may establish uniform deductibles,  
232 copayments, coverage tiers, or coinsurance schedules for all



20-00358A-17

2017900\_\_

233 participating HMO plans.

234 c. The department may require detailed information from  
235 each health maintenance organization participating in the  
236 procurement process, including information pertaining to  
237 organizational status, experience in providing prepaid health  
238 benefits, accessibility of services, financial stability of the  
239 plan, quality of management services, accreditation status,  
240 quality of medical services, network access and adequacy,  
241 performance measurement, ability to meet the department's  
242 reporting requirements, and the actuarial basis of the proposed  
243 rates and other data determined by the director to be necessary  
244 for the evaluation and selection of health maintenance  
245 organization plans and negotiation of appropriate rates for  
246 these plans. Upon receipt of proposals by health maintenance  
247 organization plans and the evaluation of those proposals, the  
248 department may enter into negotiations with all of the plans or  
249 a subset of the plans, as the department determines appropriate.  
250 Nothing shall preclude the department from negotiating regional  
251 or statewide contracts with health maintenance organization  
252 plans when this is cost-effective and when the department  
253 determines that the plan offers high value to enrollees.

254 d. The department may limit the number of HMOs that it  
255 contracts with in each service area based on the nature of the  
256 bids the department receives, the number of state employees in  
257 the service area, or any unique geographical characteristics of  
258 the service area. The department shall establish by rule service  
259 areas throughout the state.

260 e. All persons participating in the state group insurance  
261 program may be required to contribute towards a total state

20-00358A-17

2017900\_\_

262 group health premium that may vary depending upon the plan,  
263 coverage level, and coverage tier selected by the enrollee and  
264 the level of state contribution authorized by the Legislature.

265 3. The department is authorized to negotiate and to  
266 contract with specialty psychiatric hospitals for mental health  
267 benefits, on a regional basis, for alcohol, drug abuse, and  
268 mental and nervous disorders. The department may establish,  
269 subject to the approval of the Legislature pursuant to  
270 subsection (5), any such regional plan upon completion of an  
271 actuarial study to determine any impact on plan benefits and  
272 premiums.

273 4. In addition to contracting pursuant to subparagraph 2.,  
274 the department may enter into contract with any HMO to  
275 participate in the state group insurance program which:

276 a. Serves greater than 5,000 recipients on a prepaid basis  
277 under the Medicaid program;

278 b. Does not currently meet the 25-percent non-Medicare/non-  
279 Medicaid enrollment composition requirement established by the  
280 Department of Health excluding participants enrolled in the  
281 state group insurance program;

282 c. Meets the minimum benefit package and copayments and  
283 deductibles contained in sub-subparagraphs 2.a. and b.;

284 d. Is willing to participate in the state group insurance  
285 program at a cost of premiums that is not greater than 95  
286 percent of the cost of HMO premiums accepted by the department  
287 in each service area; and

288 e. Meets the minimum surplus requirements of s. 641.225.

289

290 The department is authorized to contract with HMOs that meet the

20-00358A-17

2017900\_\_

291 requirements of sub-subparagraphs a.-d. prior to the open  
292 enrollment period for state employees. The department is not  
293 required to renew the contract with the HMOs as set forth in  
294 this paragraph more than twice. Thereafter, the HMOs shall be  
295 eligible to participate in the state group insurance program  
296 only through the request for proposal or invitation to negotiate  
297 process described in subparagraph 2.

298 5. All enrollees in a state group health insurance plan, a  
299 TRICARE supplemental insurance plan, or any health maintenance  
300 organization plan have the option of changing to any other  
301 health plan that is offered by the state within any open  
302 enrollment period designated by the department. Open enrollment  
303 shall be held at least once each calendar year.

304 6. When a contract between a treating provider and the  
305 state-contracted health maintenance organization is terminated  
306 for any reason other than for cause, each party shall allow any  
307 enrollee for whom treatment was active to continue coverage and  
308 care when medically necessary, through completion of treatment  
309 of a condition for which the enrollee was receiving care at the  
310 time of the termination, until the enrollee selects another  
311 treating provider, or until the next open enrollment period  
312 offered, whichever is longer, but no longer than 6 months after  
313 termination of the contract. Each party to the terminated  
314 contract shall allow an enrollee who has initiated a course of  
315 prenatal care, regardless of the trimester in which care was  
316 initiated, to continue care and coverage until completion of  
317 postpartum care. This does not prevent a provider from refusing  
318 to continue to provide care to an enrollee who is abusive,  
319 noncompliant, or in arrears in payments for services provided.

20-00358A-17

2017900\_\_

320 For care continued under this subparagraph, the program and the  
321 provider shall continue to be bound by the terms of the  
322 terminated contract. Changes made within 30 days before  
323 termination of a contract are effective only if agreed to by  
324 both parties.

325 7. Any HMO participating in the state group insurance  
326 program shall submit health care utilization and cost data to  
327 the department, in such form and in such manner as the  
328 department shall require, as a condition of participating in the  
329 program. The department shall enter into negotiations with its  
330 contracting HMOs to determine the nature and scope of the data  
331 submission and the final requirements, format, penalties  
332 associated with noncompliance, and timetables for submission.  
333 These determinations shall be adopted by rule.

334 8. The department may establish and direct, with respect to  
335 collective bargaining issues, a comprehensive package of  
336 insurance benefits that may include supplemental health and life  
337 coverage, dental care, long-term care, vision care, and other  
338 benefits it determines necessary to enable state employees to  
339 select from among benefit options that best suit their  
340 individual and family needs. Beginning with the 2018 plan year,  
341 the package of benefits may also include products and services  
342 described in s. 110.12303.

343 a. Based upon a desired benefit package, the department  
344 shall issue a request for proposal or invitation to negotiate  
345 for ~~health insurance~~ providers interested in participating in  
346 the state group insurance program, and the department shall  
347 issue a request for proposal or invitation to negotiate for  
348 ~~insurance~~ providers interested in participating in the non-

20-00358A-17

2017900\_\_

349 health-related components of the state group insurance program.  
350 Upon receipt of all proposals, the department may enter into  
351 contract negotiations with ~~insurance~~ providers submitting bids  
352 or negotiate a specially designed benefit package. Insurance  
353 providers offering or providing supplemental coverage as of May  
354 30, 1991, which qualify for pretax benefit treatment pursuant to  
355 s. 125 of the Internal Revenue Code of 1986, with 5,500 or more  
356 state employees currently enrolled may be included by the  
357 department in the supplemental insurance benefit plan  
358 established by the department without participating in a request  
359 for proposal, submitting bids, negotiating contracts, or  
360 negotiating a specially designed benefit package. These  
361 contracts shall provide state employees with the most cost-  
362 effective and comprehensive coverage available; however, except  
363 as provided in subparagraph (f)3., no state or agency funds  
364 shall be contributed toward the cost of any part of the premium  
365 of such supplemental benefit plans. With respect to dental  
366 coverage, the division shall include in any solicitation or  
367 contract for any state group dental program made after July 1,  
368 2001, a comprehensive indemnity dental plan option which offers  
369 enrollees a completely unrestricted choice of dentists. If a  
370 dental plan is endorsed, or in some manner recognized as the  
371 preferred product, such plan shall include a comprehensive  
372 indemnity dental plan option which provides enrollees with a  
373 completely unrestricted choice of dentists.

374 b. Pursuant to the applicable provisions of s. 110.161, and  
375 s. 125 of the Internal Revenue Code of 1986, the department  
376 shall enroll in the pretax benefit program those state employees  
377 who voluntarily elect coverage in any of the supplemental

20-00358A-17

2017900\_\_

378 ~~insurance~~ benefit plans as provided by sub-subparagraph a.

379 c. Nothing herein contained shall be construed to prohibit  
380 insurance providers from continuing to provide or offer  
381 supplemental benefit coverage to state employees as provided  
382 under existing agency plans.

383 (j) For the 2020 plan year and thereafter, health plans  
384 shall be offered in the following benefit levels:

385 1. Platinum level, which shall have an actuarial value of  
386 at least 90 percent.

387 2. Gold level, which shall have an actuarial value of at  
388 least 80 percent.

389 3. Silver level, which shall have an actuarial value of at  
390 least 70 percent.

391 4. Bronze level, which shall have an actuarial value of at  
392 least 60 percent ~~Notwithstanding paragraph (f) requiring uniform~~  
393 ~~contributions, and for the 2011-2012 fiscal year only, the state~~  
394 ~~contribution toward the cost of any plan in the state group~~  
395 ~~insurance plan is the difference between the overall premium and~~  
396 ~~the employee contribution. This subsection expires June 30,~~  
397 ~~2012.~~

398 (k) In consultation with the independent benefits  
399 consultant described in s. 110.12304, the department shall  
400 develop a plan for implementation of the benefit levels  
401 described in paragraph (j). The plan shall be submitted to the  
402 Governor, the President of the Senate, and the Speaker of the  
403 House of Representatives by January 1, 2019, and include  
404 recommendations for:

405 1. Employer and employee contribution policies.

406 2. Steps necessary for maintaining or improving total

20-00358A-17

2017900\_\_

407 employee compensation levels when the transition is initiated.

408 3. An education strategy to inform employees of the  
409 additional choices available in the state group insurance  
410 program.

411  
412 This paragraph expires July 1, 2019.

413 Section 2. Section 110.12303, Florida Statutes, is created  
414 to read:

415 110.12303 State group insurance program; additional  
416 benefits; price transparency program; reporting.—Beginning with  
417 the 2018 plan year:

418 (1) In addition to the comprehensive package of health  
419 insurance and other benefits required or authorized to be  
420 included in the state group insurance program, the package of  
421 benefits may also include products and services offered by:

422 (a) Prepaid limited health service organizations authorized  
423 pursuant to part I of chapter 636.

424 (b) Discount medical plan organizations authorized pursuant  
425 to part II of chapter 636.

426 (c) Prepaid health clinics licensed under part II of  
427 chapter 641.

428 (d) Licensed health care providers, including hospitals and  
429 other health facilities, health care clinics, and health  
430 professionals, who sell service contracts and arrangements for a  
431 specified amount and type of health services.

432 (e) Provider organizations, including service networks,  
433 group practices, professional associations, and other  
434 incorporated organizations of providers, who sell service  
435 contracts and arrangements for a specified amount and type of

20-00358A-17

2017900\_\_

436 health services.

437 (f) Entities that provide specific health services in  
438 accordance with applicable state law and sell service contracts  
439 and arrangements for a specified amount and type of health  
440 services.

441 (g) Entities that provide health services or treatments  
442 through a bidding process.

443 (h) Entities that provide health services or treatments  
444 through the bundling or aggregating of health services or  
445 treatments.

446 (i) Entities that provide other innovative and cost-  
447 effective health service delivery methods.

448 (2) (a) The department shall contract with at least one  
449 entity that provides comprehensive pricing and inclusive  
450 services for surgery and other medical procedures which may be  
451 accessed at the option of the enrollee. The contract shall  
452 require the entity to:

453 1. Have procedures and evidence-based standards to ensure  
454 the inclusion of only high-quality health care providers.

455 2. Provide assistance to the enrollee in accessing and  
456 coordinating care.

457 3. Provide cost savings to the state group insurance  
458 program to be shared with both the state and the enrollee. Cost  
459 savings payable to an enrollee may be:

460 a. Credited to the enrollee's flexible spending account;

461 b. Credited to the enrollee's health savings account;

462 c. Credited to the enrollee's health reimbursement account;

463 or

464 d. Paid as additional health plan reimbursements not



20-00358A-17

2017900\_\_

465 exceeding the amount of the enrollee's out-of-pocket medical  
466 expenses.

467 4. Provide an educational campaign for enrollees to learn  
468 about the services offered by the entity.

469 (b) On or before January 15 of each year, the department  
470 shall report to the Governor, the President of the Senate, and  
471 the Speaker of the House of Representatives on the participation  
472 level and cost-savings to both the enrollee and the state  
473 resulting from the contract or contracts described in this  
474 subsection.

475 (3) The department shall contract with an entity that  
476 provides enrollees with online information on the cost and  
477 quality of health care services and providers, allows an  
478 enrollee to shop for health care services and providers, and  
479 rewards the enrollee by sharing savings generated by the  
480 enrollee's choice of services or providers. The contract shall  
481 require the entity to:

482 (a) Establish an Internet-based, consumer-friendly platform  
483 that educates and informs enrollees about the price and quality  
484 of health care services and providers, including the average  
485 amount paid in each county for health care services and  
486 providers. The average amounts paid for such services and  
487 providers may be expressed for service bundles, which include  
488 all products and services associated with a particular treatment  
489 or episode of care, or for separate and distinct products and  
490 services.

491 (b) Allow enrollees to shop for health care services and  
492 providers using the price and quality information provided on  
493 the Internet-based platform.

20-00358A-17

2017900\_\_

494 (c) Permit a certified bargaining agent of state employees  
 495 to provide educational materials and counseling to enrollees  
 496 regarding the Internet-based platform.

497 (d) Identify the savings realized to the enrollee and state  
 498 if the enrollee chooses high-quality, lower-cost health care  
 499 services or providers, and facilitate a shared savings payment  
 500 to the enrollee. The amount of shared savings shall be  
 501 determined by a methodology approved by the department and shall  
 502 maximize value-based purchasing by enrollees. The amount payable  
 503 to the enrollee may be:

- 504 1. Credited to the enrollee's flexible spending account;  
 505 2. Credited to the enrollee's health savings account;  
 506 3. Credited to the enrollee's health reimbursement account;

507 or

- 508 4. Paid as additional health plan reimbursements not  
 509 exceeding the amount of the enrollee's out-of-pocket medical  
 510 expenses.

511 (e) On or before January 1 of 2019, 2020, and 2021, the  
 512 department shall report to the Governor, the President of the  
 513 Senate, and the Speaker of the House of Representatives on the  
 514 participation level, amount paid to enrollees, and cost-savings  
 515 to both the enrollees and the state resulting from the  
 516 implementation of this subsection.

517 Section 3. Section 110.12304, Florida Statutes, is created  
 518 to read:

519 110.12304 Independent benefits consultant.-

520 (1) The department shall competitively procure an  
 521 independent benefits consultant.

522 (2) The independent benefits consultant may not:

20-00358A-17

2017900\_\_

- 523       (a) Be owned or controlled by a health maintenance  
524 organization or insurer.
- 525       (b) Have an ownership interest in a health maintenance  
526 organization or insurer.
- 527       (c) Have a direct or indirect financial interest in a  
528 health maintenance organization or insurer.
- 529       (3) The independent benefits consultant must have  
530 substantial experience in consultation and design of employee  
531 benefit programs for large employers and public employers,  
532 including experience with plans that qualify as cafeteria plans  
533 under s. 125 of the Internal Revenue Code of 1986.
- 534       (4) The independent benefits consultant shall:
- 535       (a) Provide an ongoing assessment of trends in benefits and  
536 employer-sponsored insurance that affect the state group  
537 insurance program.
- 538       (b) Conduct a comprehensive analysis of the state group  
539 insurance program, including available benefits, coverage  
540 options, and claims experience.
- 541       (c) Identify and establish appropriate adjustment  
542 procedures necessary to respond to any risk segmentation that  
543 may occur when increased choices are offered to employees.
- 544       (d) Assist the department with the submission of any  
545 necessary plan revisions for federal review.
- 546       (e) Assist the department in ensuring compliance with  
547 applicable federal and state regulations.
- 548       (f) Assist the department in monitoring the adequacy of  
549 funding and reserves for the state self-insured plan.
- 550       (g) Assist the department in preparing recommendations for  
551 any modifications to the state group insurance program which

20-00358A-17

2017900\_\_

552 shall be submitted to the Governor, the President of the Senate,  
553 and the Speaker of the House of Representatives by January 1 of  
554 each year.

555 Section 4. For the 2018 plan year, the Department of  
556 Management Services shall determine and recommend premiums for  
557 enrollees that reflect the actual differences in costs to the  
558 program for each of the health maintenance organization and the  
559 preferred provider organization plan options offered in the  
560 state group insurance program for both self-insured and fully  
561 insured plans. The premium alternatives for the plan options  
562 shall reflect the costs to the program for both medical and  
563 prescription drug benefits. By July 1, 2017, the department  
564 shall submit the proposed enrollee premium rates for the 2018  
565 plan year to the Legislative Budget Commission for review and  
566 approval. If the Legislative Budget Commission does not approve  
567 the proposed rates, the rates provided in the 2017-2018 General  
568 Appropriations Act shall apply. The premium rates for employers  
569 shall be the same as those established for the state group  
570 insurance program in the General Appropriations Act for the  
571 2017-2018 fiscal year.

572 Section 5. (1) For the 2017-2018 fiscal year, the sums of  
573 \$151,216 in recurring funds and \$507,546 in nonrecurring funds  
574 are appropriated from the State Employees Health Insurance Trust  
575 Fund to the Department of Management Services, and two full-time  
576 equivalent positions and associated salary rate of 120,000 are  
577 authorized, for the purpose of implementing this act.

578 (2) (a) The recurring funds appropriated in this section  
579 shall be allocated to the following specific appropriation  
580 categories within the Insurance Benefits Administration Program:

20-00358A-17

2017900\_\_

581 \$150,528 in Salaries and Benefits and \$688 in Special Categories  
582 Transfer to Department of Management Services—Human Resources  
583 Purchased per Statewide Contract.

584 (b) The nonrecurring funds appropriated in this section  
585 shall be allocated to the following specific appropriation  
586 categories: \$500,000 in Special Categories Contracted Services  
587 and \$7,546 in Expenses.

588 Section 6. This act shall take effect July 1, 2017.