

THE FLORIDA SENATE
2019 SUMMARY OF LEGISLATION PASSED
Committee on Banking and Insurance

CS/HB 1113 — Health Insurance

by Health Market Reform Subcommittee and Rep. Renner and others (CS/CS/SB 524 by Appropriations Committee; Banking and Insurance Committee; and Senators Diaz, Farmer, and Bean)

The bill provides changes relating to health insurance coverage in the private sector, as well as the State Group Insurance program administered by the Department of Management Services (DMS) to provide access to high quality care and services in a more cost effective manner.

Shared Savings Incentive Program

The bill authorizes the creation of shared savings incentive programs, which are voluntary programs for insurers, health maintenance organizations, insureds, and subscribers, that are designed to provide financial incentives for insureds and subscribers to obtain high quality and cost effective delivery of health care services. The shoppable health care services are lower-cost, high-quality non-emergency services for which a shared savings incentive is available for insureds under the program. The insurers or HMOs who choose to participate must develop a website outlining the range of shoppable health care services within and outside of Florida.

State Group Insurance Program

The bill provides the following changes:

- Authorizes DMS to contract with entities that provide optional participation in a Medicare Advantage Prescription Drug Plan.
- Requires DMS to offer, as a voluntary supplemental benefit option, international prescription services that offer maintenance medications at a reduced cost.
- Requires the Division of State Group Insurance (DSGI) to implement formulary management for prescription drugs and supplies beginning with the 2020 plan year. However, the formulary may not restrict an enrollee's access to the most clinically appropriate, effective, and lowest net-cost drugs. An excluded drug must be available for inclusion if a prescribing provider indicates on the prescription that the drug is medically necessary. The bill also provides reporting requirements and repeals section 8 of chapter 99-255, L.O.F., relating to the management of prescription drugs.
- Requires the DSGI to provide annual coverage of \$20,000 per enrollee for medically necessary prescription and nonprescription enteral formula and amino-acid-based elemental formulas for home use, regardless of the method of delivery or intake, which have been ordered or prescribed by a physician.
- Requires DMS to establish by rule regions for purposes of procuring HMO health care services throughout the state, and submit the rule to the President of the Senate and the Speaker of the House of Representatives for ratification no later than 30 days before the 2020 Regular Session of the Legislature.
- Requires DMS to conduct a study of the procurement timelines and terms of contracts for state employee health benefits with HMOs, preferred provider organizations, and

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prescription drug programs in order to develop an implementation plan for simultaneous procurement of such contracts offered beginning plan year 2023. Currently, DMS procures these contracts at different times, which prevents DMS from having a coordinated procurement strategy. The implementation of a coordinated procurement strategy will allow DMS to take advantage of changes in the market, impose uniform policies, and incorporate revisions of law into its procurement process. The bill requires DMS to submit a report with recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives no later than December 1, 2019.

- The bill also requires DMS to enter into and maintain one or more contracts with benefits consulting companies, which will allow DMS and other state agencies to purchase consulting services without additional procurements.

If approved by the Governor, these provisions take effect July 1, 2019, except where otherwise provided.

Vote: Senate 37-1; House 105-2