

By Representatives Flanagan, Wise, Murman, Burroughs,  
Barreiro, Feeney, Futch, Bronson and Fasano

1                                   A bill to be entitled  
2           An act relating to health insurance; amending  
3           s. 627.6699, F.S.; providing a definition;  
4           limiting certain coverage for induced abortions  
5           and related procedures; providing an effective  
6           date.

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8   Be It Enacted by the Legislature of the State of Florida:

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10           Section 1. Subsection (3) and paragraph (b) of  
11           subsection (12) of section 627.6699, Florida Statutes, 1996  
12           Supplement, are amended to read:

13           627.6699 Employee Health Care Access Act.--

14           (3) DEFINITIONS.--As used in this section, the term:

15           (a) "Actuarial certification" means a written  
16           statement, by a member of the American Academy of Actuaries or  
17           another person acceptable to the department, that a small  
18           employer carrier is in compliance with subsection (6), based  
19           upon the person's examination, including a review of the  
20           appropriate records and of the actuarial assumptions and  
21           methods used by the carrier in establishing premium rates for  
22           applicable health benefit plans.

23           (b) "Basic health benefit plan" and "standard health  
24           benefit plan" mean low-cost health care plans developed  
25           pursuant to subsection (12).

26           (c) "Board" means the board of directors of the  
27           program.

28           (d) "Carrier" means a person who provides health  
29           benefit plans in this state, including an authorized insurer,  
30           a health maintenance organization, a multiple-employer welfare  
31           arrangement, or any other person providing a health benefit

1 plan that is subject to insurance regulation in this state.  
2 However, the term does not include a multiple-employer welfare  
3 arrangement, which multiple-employer welfare arrangement  
4 operates solely for the benefit of the members or the members  
5 and the employees of such members, and was in existence on  
6 January 1, 1992.

7 (e) "Case management program" means the specific  
8 supervision and management of the medical care provided or  
9 prescribed for a specific individual, which may include the  
10 use of health care providers designated by the carrier.

11 (f) "Dependent" means the spouse or child of an  
12 eligible employee, subject to the applicable terms of the  
13 health benefit plan covering that employee.

14 (g) "Eligible employee" means an employee who works  
15 full time, having a normal workweek of 25 or more hours, and  
16 who has met any applicable waiting-period requirements or  
17 other requirements of this act. The term includes a  
18 self-employed individual, a sole proprietor, a partner of a  
19 partnership, or an independent contractor, if the sole  
20 proprietor, partner, or independent contractor is included as  
21 an employee under a health benefit plan of a small employer,  
22 but does not include a part-time, temporary, or substitute  
23 employee.

24 (h) "Established geographic area" means the county or  
25 counties, or any portion of a county or counties, within which  
26 the carrier provides or arranges for health care services to  
27 be available to its insureds, members, or subscribers.

28 (i) "Guaranteed-issue basis" means an insurance policy  
29 that must be offered to an employer, employee, or dependent of  
30 the employee, regardless of health status, preexisting  
31 conditions, or claims history.

1           (j) "Health benefit plan" means any hospital or  
2 medical policy or certificate, hospital or medical service  
3 plan contract, or health maintenance organization subscriber  
4 contract. The term does not include accident-only, specified  
5 disease, individual hospital indemnity, credit, dental-only,  
6 vision-only, Medicare supplement, long-term care, or  
7 disability income insurance; coverage issued as a supplement  
8 to liability insurance; workers' compensation or similar  
9 insurance; or automobile medical-payment insurance.

10           (k) "Late enrollee" means an eligible employee or  
11 dependent who requests enrollment in a health benefit plan of  
12 a small employer after the initial enrollment period provided  
13 under the terms of the plan has ended. However, an eligible  
14 employee or dependent is not considered a late enrollee if the  
15 enrollee:

16           1. Was covered under another employer health benefit  
17 plan at the time the individual was eligible to enroll; lost  
18 coverage under that plan as a result of termination of  
19 employment, the termination of the other plan's coverage, the  
20 death of a spouse, or divorce; and requests enrollment within  
21 30 days after coverage under that plan was terminated;

22           2. The individual is employed by an employer that  
23 offers multiple health benefit plans and the individual elects  
24 a different plan during an open enrollment period; or

25           3. A court has ordered that coverage be provided for a  
26 spouse or minor child under a covered employee's health  
27 benefit plan and a request for enrollment is made within 30  
28 days after issuance of the court order.

29           (l) "Limited benefit policy or contract" means a  
30 policy or contract that provides coverage for each person  
31 insured under the policy for a specifically named disease or

1 diseases, a specifically named accident, or a specifically  
2 named limited market that fulfills an experimental or  
3 reasonable need, such as the small group market.

4 (m) "Medically necessary" means, for purposes of  
5 covering procedures related to termination of pregnancy, those  
6 procedures and accompanying services necessary to save the  
7 life of the mother.

8 (n)~~(m)~~ "Modified community rating" means a method used  
9 to develop carrier premiums which spreads financial risk  
10 across a large population and allows adjustments for age,  
11 gender, family composition, tobacco usage, and geographic area  
12 as determined under paragraph (5)(k).

13 (o)~~(n)~~ "Participating carrier" means any carrier that  
14 issues health benefit plans in this state except a small  
15 employer carrier that elects to be a risk-assuming carrier.

16 (p)~~(o)~~ "Plan of operation" means the plan of operation  
17 of the program, including articles, bylaws, and operating  
18 rules, adopted by the board under subsection (11).

19 (q)~~(p)~~ "Preexisting condition provision" means a  
20 policy provision that excludes coverage for charges or  
21 expenses incurred during a specified period following the  
22 insured's effective date of coverage, as to:

23 1. A condition that, during a specified period  
24 immediately preceding the effective date of coverage, had  
25 manifested itself in such a manner as would cause an  
26 ordinarily prudent person to seek medical advice, diagnosis,  
27 care, or treatment or for which medical advice, diagnosis,  
28 care, or treatment was recommended or received as to that  
29 condition; or

30 2. Pregnancy existing on the effective date of  
31 coverage.

1           (r)~~(q)~~ "Program" means the Florida Small Employer  
2 Carrier Reinsurance Program created under subsection (11).  
3           (s)~~(r)~~ "Qualifying previous coverage" and "qualifying  
4 existing coverage" mean benefits or coverage provided under:  
5           1. An employer-based health insurance or health  
6 benefit arrangement that provides benefits similar to or  
7 exceeding benefits provided under the basic health plan; or  
8           2. An individual health insurance policy, including  
9 coverage issued by a health maintenance organization, a  
10 fraternal benefit society, or a multiple-employer welfare  
11 arrangement, that provides benefits similar to or exceeding  
12 the benefits provided under the basic health benefit plan,  
13 provided that such policy has been in effect for a period of  
14 at least 1 year.  
15           (t)~~(s)~~ "Rating period" means the calendar period for  
16 which premium rates established by a small employer carrier  
17 are assumed to be in effect.  
18           (u)~~(t)~~ "Reinsuring carrier" means a small employer  
19 carrier that elects to comply with the requirements set forth  
20 in subsection (11).  
21           (v)~~(u)~~ "Risk-assuming carrier" means a small employer  
22 carrier that elects to comply with the requirements set forth  
23 in subsection (10).  
24           (w)~~(v)~~ "Self-employed individual" means an individual  
25 or sole proprietor who derives his or her income from a trade  
26 or business carried on by the individual or sole proprietor  
27 which results in taxable income as indicated on IRS Form 1040,  
28 schedule C or F, and which generated taxable income in one of  
29 the 2 previous years.  
30           (x)~~(w)~~ "Small employer" means any person, sole  
31 proprietor, self-employed individual, independent contractor,

1 firm, corporation, partnership, or association that is  
2 actively engaged in business and that, on at least 50 percent  
3 of its working days during the preceding calendar quarter,  
4 employed not more than 50 eligible employees, the majority of  
5 whom were employed within this state. In determining the  
6 number of eligible employees, companies that are affiliated  
7 companies, or that are eligible to file a combined tax return  
8 for purposes of state taxation, may be considered a single  
9 employer. For purposes of this section, a sole proprietor, an  
10 independent contractor, or a self-employed individual is  
11 considered a small employer only if all of the conditions and  
12 criteria established in this section are met.

13 (y)~~(x)~~ "Small employer carrier" means a carrier that  
14 offers health benefit plans covering eligible employees of one  
15 or more small employers.

16 (12) STANDARD, BASIC, AND LIMITED HEALTH BENEFIT  
17 PLANS.--

18 (b)1. Each small employer carrier issuing new health  
19 benefit plans shall offer to any small employer, upon request,  
20 a standard health benefit plan and a basic health benefit plan  
21 that meets the criteria set forth in this section.

22 2. For purposes of this subsection, the terms  
23 "standard health benefit plan" and "basic health benefit plan"  
24 mean policies or contracts that a small employer carrier  
25 offers to eligible small employers that contain:

26 a. An exclusion for services that are not medically  
27 necessary or that are not covered preventive health services;  
28 and

29 b. A procedure for preauthorization by the small  
30 employer carrier, or its designees.

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1           3. A small employer carrier may include the following  
2 managed care provisions in the policy or contract to control  
3 costs:

4           a. A preferred provider arrangement or exclusive  
5 provider organization or any combination thereof, in which a  
6 small employer carrier enters into a written agreement with  
7 the provider to provide services at specified levels of  
8 reimbursement or to provide reimbursement to specified  
9 providers. Any such written agreement between a provider and a  
10 small employer carrier must contain a provision under which  
11 the parties agree that the insured individual or covered  
12 member has no obligation to make payment for any medical  
13 service rendered by the provider which is determined not to be  
14 medically necessary. A carrier may use preferred provider  
15 arrangements or exclusive provider arrangements to the same  
16 extent as allowed in group products that are not issued to  
17 small employers.

18           b. A procedure for utilization review by the small  
19 employer carrier or its designees.

20  
21 This subparagraph does not prohibit a small employer carrier  
22 from including in its policy or contract additional managed  
23 care and cost containment provisions, subject to the approval  
24 of the department, which have potential for controlling costs  
25 in a manner that does not result in inequitable treatment of  
26 insureds or subscribers. The carrier may use such provisions  
27 to the same extent as authorized for group products that are  
28 not issued to small employers.

29           4. The standard health benefit plan shall include:

30           a. Coverage for inpatient hospitalization, except  
31 coverage for inpatient hospital care for induced abortions and

1 related procedures is required only when performed to save the  
2 life of the mother;  
3       b. Coverage for outpatient services, but such coverage  
4 is required for induced abortions and related procedures only  
5 when such services are necessary to save the life of the  
6 mother;  
7       c. Coverage for newborn children pursuant to s.  
8 627.6575;  
9       d. Coverage for child care supervision services  
10 pursuant to s. 627.6579;  
11       e. Coverage for adopted children upon placement in the  
12 residence pursuant to s. 627.6578;  
13       f. Coverage for mammograms pursuant to s. 627.6613;  
14       g. Coverage for handicapped children pursuant to s.  
15 627.6615;  
16       h. Emergency or urgent care out of the geographic  
17 service area; and  
18       i. Coverage for services provided by a hospice  
19 licensed under s. 400.602 in cases where such coverage would  
20 be the most appropriate and the most cost-effective method for  
21 treating a covered illness.  
22       5. The standard health benefit plan and the basic  
23 health benefit plan may include a schedule of benefit  
24 limitations for specified services and procedures. If the  
25 committee develops such a schedule of benefits limitation for  
26 the standard health benefit plan or the basic health benefit  
27 plan, a small employer carrier offering the plan must offer  
28 the employer an option for increasing the benefit schedule  
29 amounts by 4 percent annually.  
30       6. The basic health benefit plan shall include all of  
31 the benefits specified in subparagraph 4.; however, the basic

