

By the Committee on Banking and Insurance; and Senator Forman

311-2000-00

1 A bill to be entitled
2 An act relating to health insurance; providing
3 a short title; providing legislative findings;
4 creating the Premium Assistance Program within
5 the Agency for Health Care Administration to
6 assist small businesses in purchasing health
7 insurance coverage for employees; providing
8 eligibility requirements; providing
9 applicability to specified health benefit
10 plans; specifying the subsidies that a small
11 business may receive under the program;
12 requiring that specified moneys be used to fund
13 the Premium Assistance Program; providing for
14 distribution of funds; providing rulemaking
15 authority; providing an appropriation;
16 providing an effective date.

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

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20 Section 1. (1) This section may be cited as the
21 "Premium Assistance Program."

22 (2) The Legislature recognizes that 212,000 of the
23 over 310,000 small businesses in this state have four or fewer
24 employees, that health care for uninsured employees of these
25 small businesses represents a significant portion of the
26 uncompensated costs of health care providers, and that these
27 employees have impaired access to health care services and a
28 correspondingly lower health status. The Legislature finds
29 that the most difficult obstacle for a small business to
30 overcome is the initial expense of instituting the benefit of
31 health coverage for its employees because the premium expense

1 represents a substantial increase in overhead expense for the
2 business. Once accustomed to this expense, a small business is
3 more likely to be able to tolerate modest year-to-year
4 increases in premium costs.

5 (3) The Premium Assistance Program is created within
6 the Agency for Health Care Administration to assist small
7 businesses in purchasing health insurance coverage for their
8 employees.

9 (4)(a) To be eligible for the Premium Assistance
10 Program, a small business must have four or fewer employees
11 and must not have offered health insurance coverage to its
12 employees or paid the health insurance premiums of its
13 employees for the previous 6 months or longer. A small
14 business is ineligible for the Premium Assistance Program if
15 the business discontinues health insurance coverage for its
16 employees in an attempt to qualify for the program.

17 (b) The premium subsidy authorized by this section
18 must be provided for standard and basic health benefit plans,
19 as defined in section 627.6699, Florida Statutes.

20 (c) The small business shall receive the following
21 subsidies for single-parent or two-parent family contract
22 coverage:

23 1. Seventy-five percent of the cost of health
24 insurance premiums for the first year.

25 2. Fifty percent of the cost of health insurance
26 premiums for the second year.

27 3. Twenty-five percent of the cost of health insurance
28 premiums for the third year.

29 (5) Moneys that the state receives in the settlement
30 of the court action that was filed in the Fifteenth Judicial
31 Circuit, Palm Beach County, and styled "The State of Florida,

1 et al., v. The American Tobacco Company, et al.," must be used
2 to fund the Premium Assistance Program and must be distributed
3 by the Agency for Health Care Administration according to the
4 estimated number of small businesses in each community health
5 purchasing alliance district which do not offer health
6 insurance for their employees. Funds must be distributed
7 quarterly and monitored by the Agency for Health Care
8 Administration.

9 (6) The Agency for Health Care Administration may
10 adopt rules to implement the provisions of this section.

11 Section 2. The sum of \$10 million is appropriated to
12 the Agency for Health Care Administration from the moneys that
13 the state receives in the settlement of the legal action that
14 was filed in the Fifteenth Judicial Circuit, Palm Beach
15 County, and styled "The State of Florida, et al., v. The
16 American Tobacco Company, et al.," for the purpose of carrying
17 out the provisions of this act during fiscal year 2000-2001.

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

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21 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
22 COMMITTEE SUBSTITUTE FOR
23 Senate Bill 344

24 Authorizes the Agency for Health Care Administration to
25 promulgate rules to implement the provisions of the bill.
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