

By the Committee on Banking and Insurance; and Senators  
Latvala, Geller and Horne

311-1652-00

1                               A bill to be entitled  
2           An act relating to health care; creating the  
3           Florida Health Endowment Association; providing  
4           for appointment of a board of directors;  
5           providing a limitation on the liability of  
6           members, employees of the association, and  
7           representatives of the Agency for Health Care  
8           Administration when performing responsibilities  
9           of the association; providing for open  
10          meetings; prescribing duties of the board;  
11          authorizing the board to administer the Florida  
12          Health Endowment Trust Fund; providing for the  
13          adoption of comprehensive health insurance  
14          coverage for state residents; providing for the  
15          establishment of a plan of operation by the  
16          board that includes the assumption of all  
17          assets and liabilities of the Florida  
18          Comprehensive Health Association and for the  
19          transfer of its remaining policyholders into  
20          the association; providing rulemaking  
21          authority; specifying mandatory and  
22          discretionary powers of the board; requiring an  
23          audit and report; providing definitions;  
24          providing eligibility requirements for persons  
25          who seek to join the new health endowment  
26          insurance plan; specifying coverages and  
27          limitations on coverages as a condition of a  
28          person's eligibility; providing for the  
29          selection of, term of service of, and duties of  
30          the administrator for the association;  
31          providing coverages, benefits, expenses,

1 premiums, and deductibles; authorizing the  
2 association to contract with insurers to  
3 provide disease-management services; providing  
4 conditions; repealing s. 627.648, F.S., which  
5 provides for the Florida Comprehensive Health  
6 Association Act; repealing s. 627.6482, F.S.,  
7 relating to definitions; repealing s. 627.6484,  
8 F.S., relating to termination of enrollment;  
9 repealing s. 627.6486, F.S., relating to  
10 eligibility; repealing s. 627.6487, F.S.,  
11 relating to availability of individual health  
12 insurance coverage; repealing s. 627.64871,  
13 F.S., relating to certification of coverage;  
14 repealing s. 627.6488, F.S., relating to the  
15 creation of the Florida Comprehensive Health  
16 Association; repealing s. 627.6489, F.S.,  
17 relating to the disease-management program;  
18 repealing s. 627.649, F.S., relating to the  
19 administrator of the program; repealing s.  
20 627.6496, F.S., relating to issuance of  
21 policies; repealing s. 627.6498, F.S., relating  
22 to minimum benefits; repealing s. 627.6492,  
23 F.S., relating to participation of insurers;  
24 repealing s. 627.6494, F.S., relating to  
25 assessments; providing that individuals having  
26 coverage issued by the Florida Comprehensive  
27 Health Association will be issued coverage by  
28 the Florida Health Endowment Association;  
29 requiring the Florida Health Endowment  
30 Association to assume the assets and  
31 liabilities of the Florida Comprehensive Health

1 Association; providing an appropriation to the  
2 Florida Health Endowment Association Trust  
3 Fund; providing an effective date.  
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5 Be It Enacted by the Legislature of the State of Florida:  
6

7 Section 1. Florida Health Endowment Association.--

8 (1) There is created a nonprofit legal corporation to  
9 be known as the "Florida Health Endowment Association." The  
10 association shall be considered a health insurer for purposes  
11 of the Florida Insurance Code. The association is exempt from  
12 the certificate-of-authority and financial requirements of the  
13 Insurance Code.

14 (2)(a) The association shall operate subject to the  
15 supervision and approval of a five-member board of directors.  
16 The board of directors shall consist of:

17 1. The Director of the Agency for Health Care  
18 Administration, or his or her designee, who shall serve as  
19 chairperson of the board.

20 2. The Insurance Commissioner, or his or her designee  
21 from the Department of Insurance.

22 3. Three members appointed by the Governor as follows:

23 a. One representative of policyholders who is not  
24 associated with the medical profession or a hospital.

25 b. One representative of the health insurance  
26 industry.

27 c. One member of the public.

28 (b) The administrator for the association, or his or  
29 her affiliate, may not be a member of the board. Any appointed  
30 board member may be removed and replaced by his or her  
31 appointor at any time without cause.

1       (c) All appointed board members, including the  
2 chairperson, shall be appointed to staggered 3-year terms  
3 beginning on a date established in the plan of operation.

4       (d) The board of directors may employ persons to  
5 perform the administrative and financial transactions and  
6 responsibilities of the association and to perform other  
7 necessary functions not prohibited by law.

8       (e) The members of the board shall serve without  
9 compensation for such service, but are entitled to be  
10 reimbursed for expenses incurred in carrying out their  
11 responsibilities under this act, as provided in section  
12 112.061, Florida Statutes.

13       (f) There is no liability on the part of, and no cause  
14 of action of any nature shall arise against, any employee of  
15 the association, member of the board of directors of the  
16 association, or representative of the Agency for Health Care  
17 Administration for any act or omission taken by them in the  
18 performance of their powers and duties under this act, unless  
19 that act or omission is in intentional disregard of the rights  
20 of the claimant.

21       (g) Meetings of the board are subject to section  
22 286.011, Florida Statutes.

23       (3) The board of directors of the association shall:

24       (a) Adopt a plan of operation pursuant to this act and  
25 submit the plan of operation to the Agency for Health Care  
26 Administration for approval. The plan of operation of the  
27 Florida Comprehensive Health Association, and any amendments  
28 thereto, shall remain in effect until the Agency for Health  
29 Care Administration has approved the Florida Health Endowment  
30 Association's plan of operation.

1       (b) Administer the association in a manner that  
2 ensures that the financial resources of the association are  
3 adequate to meet the obligations of the program.

4       (c) Establish administrative and accounting procedures  
5 for the operation of the association and provide for an annual  
6 audit of the financial statements by an independent certified  
7 public accountant.

8       (d) Annually evaluate or cause to be evaluated the  
9 actuarial soundness of the association. The association shall  
10 contract with an actuary to evaluate the pool of insureds in  
11 the association and monitor the financial condition of the  
12 Florida Health Endowment Trust Fund. The actuary shall  
13 determine the feasibility of enrolling new members in the  
14 association, which must be based on the projected revenues and  
15 expenses of the association.

16       (e) Establish eligibility requirements for individuals  
17 participating in the association to ensure that the financial  
18 resources of the association are adequate to meet the  
19 obligations and are consistent with the actuarial  
20 determination pursuant to paragraph (d) and with the  
21 eligibility requirements of section 3.

22       (f) Establish procedures under which members in the  
23 association may have grievances reviewed internally by an  
24 impartial body and reported to the association. Individuals  
25 receiving care through the association under contract from a  
26 health maintenance organization must follow the grievance  
27 procedures established in sections 408.7056 and 641.31(5),  
28 Florida Statutes.

29       (g) Select an administrator.  
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1       (h) Develop and implement a program to publicize the  
2 existence of the association, the eligibility requirements,  
3 and the procedures for enrollment.

4       (i) Design and employ cost-containment measures and  
5 requirements that shall include preadmission certification,  
6 any out-of-state health care, home health care, hospice care,  
7 negotiated purchase of medical and pharmaceutical supplies,  
8 and individual case management.

9       (j) Contract with authorized insurers, health  
10 maintenance organizations, or health care providers.

11       (k) Use a case manager or managers to supervise and  
12 manage the medical care or coordinate the supervision and  
13 management of the medical care of specified individuals. The  
14 case manager, with the approval of the association, has final  
15 approval over the case management for any specific individual.  
16 If cost-effective and available in the county where the  
17 policyholder resides, the association, upon application or  
18 renewal of a policy, may place an individual, as established  
19 under section 5, with the case manager, who shall determine  
20 the most cost-effective quality care system or health care  
21 provider and shall place the individual in such system or with  
22 such health care provider. Prior to and during the  
23 implementation of case management, the case manager shall  
24 obtain input from the policyholder, parent, guardian, and  
25 health care providers.

26       (l) Appoint an executive director to serve as the  
27 chief administrative and operational officer of the  
28 association and perform other duties assigned to him or her by  
29 the board.

1       (m) Establish in the plan of operation procedures for  
2 the transition of policyholders from the Florida Comprehensive  
3 Health Association to the association.

4       1. The plan of operation must include procedures for  
5 calculating, issuing, and collecting the final assessment for  
6 operating losses of the Florida Comprehensive Health  
7 Association as specified in section 627.6488(4)(d), Florida  
8 Statutes.

9       2. The plan of operation must ensure that remaining  
10 Florida Comprehensive Health Association policyholders,  
11 including those currently enrolled in Medicare, will not be  
12 subjected to a new preexisting condition waiting period and  
13 that any previous claims paid by the Florida Comprehensive  
14 Health Care Association will apply towards the lifetime  
15 maximum benefit available in the Florida Health Endowment  
16 Association.

17       (n) Contract with the State Board of Administration  
18 for the investment of the funds held in the Florida Health  
19 Endowment Trust Fund in accordance with a trust agreement  
20 entered into by the association and the State Board of  
21 Administration in accordance with sections 215.44-215.53,  
22 Florida Statutes.

23       (o) Submit a report to the Governor, the President  
24 of the Senate, the Speaker of the House of Representatives,  
25 and the Minority Leaders of the Senate and the House of  
26 Representatives not later than October 1 of each year. The  
27 report shall summarize the activities of the association for  
28 the 12-month period ending December 31 of the previous year,  
29 including then-current data and estimates as to premiums, the  
30 expense of administration, the paid and incurred losses for  
31 the year, and the financial status of the Florida Health

1 Endowment Trust Fund, and any recommendations by the actuary  
2 and actions by the association for the opening or closing of  
3 the association. The report shall also include analysis and  
4 recommendations for legislative changes regarding utilization  
5 review, quality assurance, an evaluation of the administrator  
6 of the association, access to cost-effective health care, and  
7 cost containment/case management policy and recommendations  
8 concerning new enrollment.

9 (5) The association may:

10 (a) Sue or be sued.

11 (b) Prepare or contract for an independent performance  
12 audit of the administrator of the association.

13 (c) Invest funds not required for immediate  
14 disbursement.

15 (d) Appear in its own behalf before boards,  
16 commissions, or other governmental agencies.

17 (e) Execute, hold, buy, and sell any instruments,  
18 obligations, securities, and property determined appropriate  
19 by the board.

20 (f) Restrict the number of participants in the  
21 association based on actuarial estimates. However, any person  
22 denied participation solely on the basis of such restriction  
23 must be granted priority on a first-come, first-served basis  
24 for participation in the succeeding years in which the  
25 association is reopened for participants.

26 (g) Contract for necessary goods and services; employ  
27 necessary personnel; and engage the services of private  
28 consultants, actuaries, managers, legal counsel, and  
29 independent certified public accountants for administrative or  
30 technical assistance.



1       (h) Solicit and accept gifts, grants, loans, and other  
2 aid from any source or participate in any other way in any  
3 government program to carry out the purposes of this act.

4       (i) Require and collect administrative fees and  
5 charges in connection with any transaction and impose  
6 reasonable penalties, including default, for delinquent  
7 payments or for entering into the association on a fraudulent  
8 basis.

9       (j) Procure insurance against any loss in connection  
10 with the property, assets, and activities of the association  
11 or the board.

12       (k) Establish other policies, procedures, and criteria  
13 to implement and administer this section.

14       (l) Adopt procedures to govern contract dispute  
15 proceedings between the association and its vendors.

16       (6) The Auditor General shall conduct an operational  
17 audit and an actuarial study of the Florida Health Endowment  
18 Association. The actuarial study shall determine the projected  
19 revenues and expenses associated with providing continuing  
20 coverage to the current members of the Florida Comprehensive  
21 Health Association and the feasibility of enrolling new  
22 members. The reports shall be submitted to the President of  
23 the Senate and Speaker of the House of Representatives on or  
24 before January 1, 2002.

25       Section 2. Definitions.--As used in sections 1-8 of  
26 this act, the term:

27       (1) "Administrator" means an authorized insurer or a  
28 licensed third-party administrator licensed under chapter 626,  
29 Florida Statutes.

30       (2) "Association" means the Florida Health Endowment  
31 Association.

1       (3) "Board" means the board of directors of the  
2 association.

3       (4) "Case management" means the specific supervision  
4 and management of the medical care provided or prescribed for  
5 a specific individual or a specific episode of care, which may  
6 include the use of health care providers designated by the  
7 case manager.

8       (5) "Agency" means the Agency for Health Care  
9 Administration.

10       (6) "Medicaid" means the medical assistance program  
11 authorized by Title XIX of the Social Security Act, 42 U.S.C.  
12 s. 1396 et seq., and regulations thereunder, as administered  
13 in this state by the agency.

14       (7) "Medicare" means coverage under both parts A and B  
15 of Title XVII of the Social Security Act, 42 U.S.C. s. 1395 et  
16 seq., as amended.

17       (8) "Case manager" means the person or persons used by  
18 the association to supervise and manage or coordinate with the  
19 administrator the supervision and management of the medical  
20 care provided or prescribed for a specific individual.

21       (9) "Plan of operation" means the articles, bylaws,  
22 and operating rules and procedures adopted by the association.

23       (10) "Resident" means a person who is legally  
24 domiciled in this state.

25       Section 3. Eligibility.--

26       (1) Except as provided in subsection (2), any person  
27 who has been a resident for the previous year and continues to  
28 be a resident of the state is eligible for coverage if such  
29 person provides evidence of a notice of rejection or refusal  
30 to issue substantially similar insurance for health reasons by  
31 an insurer licensed to do business in this state.

1       (2) The association or administrator shall require  
2 verification of residency for the preceding 12 months and  
3 shall require any additional information or documentation or  
4 statements under oath when necessary to determine residency  
5 upon initial application and for the entire term of the  
6 policy. A person may demonstrate his or her residency by  
7 maintaining his or her residence in this state for the  
8 preceding year, purchasing a home which is occupied by him or  
9 her as his or her primary residence for the past 12 months, or  
10 establishing a domicile in this state pursuant to section  
11 222.17, Florida Statutes, for the previous 12 months.

12       (3) A person is ineligible for coverage under the  
13 association if:

14           (a) The person has or obtains health insurance  
15 coverage substantially similar to or more comprehensive than  
16 the association's policy, or would be eligible to have  
17 coverage if the person elected to obtain it.

18           (b) The person is an inmate or resident of a public  
19 institution or correction facility.

20           (c) The person's premiums are paid for or reimbursed  
21 under any government-sponsored program or by any government  
22 agency or health care provider, except as an agency or health  
23 care provider.

24           (d) The person has received the lifetime maximum  
25 benefit under coverage issued by the association.

26           (e) The person is eligible, on the date of issue of  
27 coverage under the association, for substantially similar  
28 coverage under another contract or policy.

29           (f) The person is currently enrolled for health care  
30 benefits under the Medicare programs, except for those persons  
31

1 currently insured by the Florida Comprehensive Health  
2 Association and currently enrolled under Medicare.

3 (4) Coverage ceases:

4 (a) On the date a person is no longer a resident of  
5 this state;

6 (b) On the date a person requests coverage to end;

7 (c) Upon the date of death of the covered person;

8 (d) On the date state law requires cancellation of the  
9 policy; or

10 (e) Sixty days after the person receives notice from  
11 the association making any inquiry concerning the person's  
12 eligibility or place of residence to which the person does not  
13 reply.

14 (5) All eligible persons must, upon application or  
15 renewal, agree to be placed in a case-management system when  
16 it is determined by the association and the case manager that  
17 such system will be cost-effective and provide quality care to  
18 the individual.

19 (6) The coverage of any person who ceases to meet the  
20 eligibility requirements shall be terminated immediately. If  
21 such person again becomes eligible for subsequent coverage,  
22 any previous claims payments must be applied towards the  
23 lifetime maximum benefit, and any limitation relating to  
24 preexisting conditions in effect at the time such person again  
25 becomes eligible applies to such person.

26 Section 4. Administrator.--

27 (1) The association shall select an administrator,  
28 through a competitive bidding process, to administer the  
29 coverage offered through the association. The association  
30 shall evaluate bids based on criteria established by the  
31 board, which must include:

1       (a) The administrator's proven ability to handle  
2 individual accident and health insurance.

3       (b) The extent to which the administrator has  
4 developed a network of health care providers for providing  
5 managed health care on a statewide basis.

6       (c) The efficiency of the administrator's  
7 claims-paying procedures.

8       (d) An estimate of total charges for administering the  
9 coverage for the association.

10       (2) The administrator serves for a period of 3 years  
11 unless otherwise determined by the board. At least one year  
12 prior to the expiration of each 3-year period of service by an  
13 administrator, the association shall invite all insurers or  
14 third party administrators, including the current  
15 administering insurer, to submit bids to serve as the  
16 administrator for the succeeding 3-year period. The selection  
17 of the administrator for the succeeding period must be made at  
18 least 6 months prior to the end of the current 3-year period.

19       (3) The administration may:

20       (a) Perform all eligibility and administrative  
21 claims-payment functions relating to the association, as  
22 prescribed by the association.

23       (b) Pay an agent's referral fee as established by the  
24 association to each insurance agent who refers an applicant to  
25 the association, if the applicant's application is accepted.  
26 The selling or marketing of coverage is not limited to the  
27 administrator or its agents. However, any agent must be  
28 licensed by the Department of Insurance to sell health  
29 insurance in this state. The referral fees must be paid by the  
30 administrator from moneys received as premiums for the  
31 coverage.

1       (c) Establish a premium-billing procedure for  
2 collecting premiums from insured persons. Billings must be  
3 made periodically as determined by the association.

4       (d) Perform all necessary functions to assure timely  
5 payment of benefits, including:

6           1. Making available information relating to the proper  
7 manner of submitting a claim for benefits and distributing  
8 forms upon which submissions are made.

9           2. Evaluating the eligibility of each claim for  
10 payment.

11           3. Notifying each claimant, within the time limits  
12 prescribed by law as to insurers and third-party  
13 administrators, after receiving a properly completed and  
14 executed proof of loss whether the claim is accepted,  
15 rejected, or compromised.

16       (e) Submit regular reports to the association. The  
17 frequency, content, and form of the reports must be determined  
18 by the association.

19       (f) Following the close of each calendar year,  
20 determine net premiums, reinsurance premiums less  
21 administrative expense allowance, and the expense of  
22 administration pertaining to the reinsurance operations of the  
23 association.

24       (g) Pay claims expenses from the premium payments  
25 received from or on behalf of covered persons.

26       Section 5. Minimum benefits coverage; exclusions;  
27 premiums; deductibles.--

28           (1) COVERAGE OFFERED.--

29           (a) The association must offer in an annually  
30 renewable policy the coverage specified in this section for  
31 each eligible individual.

1       **(b) Coverage provided to a person who is eligible for**  
2 **Medicare benefits may not be issued as a Medicare supplement**  
3 **policy as defined in section 627.672, Florida Statutes.**

4       **(2) BENEFITS.--The association must offer coverage to**  
5 **every eligible person, subject to limitations set by the**  
6 **association. The coverage offered must pay an eligible**  
7 **person's covered expenses, subject to limits on the deductible**  
8 **and coinsurance payments authorized under subsection (4), up**  
9 **to a lifetime limit of \$1 million per covered individual. The**  
10 **maximum limit under this subsection may not be altered by the**  
11 **association, and no actuarially equivalent benefit may be**  
12 **substituted by the association.**

13       **(3) COVERED EXPENSES.--The coverage issued by the**  
14 **association must, at a minimum, be patterned after the**  
15 **standard health benefit as defined in section 627.6699,**  
16 **Florida Statutes.**

17       **(4) PREMIUMS, DEDUCTIBLES, AND COINSURANCE.--**

18       **(a) The association may provide for annual deductibles**  
19 **for coverage in the amount of \$1,000 or any higher amounts**  
20 **proposed by the board and approved by the Department of**  
21 **Insurance. The schedules of premiums and deductibles must be**  
22 **established by the association.**

23       **1. Separate schedules of premium rates based on age,**  
24 **gender, and geography may apply for individual risks.**

25       **2. Rates are subject to approval by the Department of**  
26 **Insurance.**

27       **3. Standard risk rates for coverage issued by the**  
28 **association must be established by the Department of**  
29 **Insurance, pursuant to section 627.6675(3), Florida Statutes.**

30       **4. An association policy may contain provisions under**  
31 **which coverage is excluded during a period of 12 months**

1 following the effective date of coverage with respect to a  
2 given covered individual for any preexisting condition, as  
3 long as:

4 (a) The condition manifested itself within a period of  
5 6 months before the effective date of coverage; or

6 (b) Medical advice or treatment was recommended or  
7 received within a period of 6 months before the effective date  
8 of coverage.

9 5. The board shall establish premium schedules and  
10 shall revise premium schedules pursuant to this section each  
11 12-month policy period, and the rate will be 200 percent of  
12 the standard risk rate as established by the Department of  
13 Insurance.

14 (a) If the covered costs incurred by the eligible  
15 person exceed the deductible for coverage selected by the  
16 person in a policy year, the association shall pay in the  
17 following manner:

18 1. For individuals placed under case management, the  
19 association shall pay 90 percent of the additional covered  
20 costs incurred by the person during the policy year for the  
21 first \$10,000, after which the association shall pay 100  
22 percent of the covered cost incurred by the person during the  
23 policy year.

24 2. For individuals using the preferred provider  
25 network, the association shall pay 80 percent of the  
26 additional covered costs incurred by the person during the  
27 policy year for the first \$10,000, after which the association  
28 shall pay 90 percent of covered costs incurred by the person  
29 during the policy year.

30 3. If the person does not use either the case  
31 management system or the preferred provider network, the



1 association shall pay 60 percent of the additional covered  
2 costs incurred by the person for the first \$10,000, after  
3 which the association shall pay 70 percent of the additional  
4 covered costs incurred by the person during the policy year.

5 (b) All premiums paid to the association must be  
6 deposited with the Florida Health Endowment Association.

7 (c) Notwithstanding the provisions of section 624.509,  
8 Florida Statutes, premiums for coverage are, as to the  
9 association and participating insurers, exempt from premium  
10 taxation.

11 (6) OTHER SOURCES PRIMARY.--

12 (a) Any amounts paid or payable by Medicare or any  
13 other governmental program or any other insurance, or  
14 self-insurance maintained in lieu of otherwise statutorily  
15 required insurance, may not be made or recognized as claims  
16 under such policy or be recognized as or towards satisfaction  
17 of applicable deductibles or out-of-pocket maximums or to  
18 reduce the limits of benefits available.

19 (b) The association has a cause of action against a  
20 participant for any benefits paid to the participant which  
21 should not have been claimed or recognized as claims because  
22 of the provisions of this subsection or because the condition  
23 is not covered.

24 (7) NONENTITLEMENT.--This section does not provide an  
25 individual with an entitlement to health care services or  
26 health insurance. A cause of action does not arise against the  
27 state or the board for failure to make health services for  
28 health insurance available under this section.

29 Section 6. Disease management services.--  
30  
31

1       (1) The association may contract with insurers to  
2 provide disease management services for insurers that elect to  
3 participate in the association's disease management program.

4       (2) An insurer that elects to contract for such  
5 services must provide the association with all medical records  
6 and claims information necessary for the association to  
7 effectively manage the services.

8       (3) Moneys collected by the association for providing  
9 disease management services must be used by the association to  
10 pay administrative expenses associated with the disease  
11 management program, and any remaining moneys must be deposited  
12 in the Florida Health Endowment Trust Fund.

13       Section 7. Sections 627.648, 627.6482, 627.6484,  
14 627.6486, 627.6488, 627.6489, 627.649, 627.6496 and 627.6498,  
15 Florida Statutes, are repealed effective upon the opening of  
16 the association. Sections 627.6492 and 627.6494, Florida  
17 Statutes, are repealed January 1, 2001.

18       Section 8. Effective upon the date of the opening of  
19 the association, all individuals who have insurance coverage  
20 issued by the Florida Comprehensive Health Association on that  
21 date must be issued insurance coverage under the Florida  
22 Health Endowment Association. The Florida Health Endowment  
23 Association shall assume all assets and liabilities of the  
24 Florida Comprehensive Health Association. The articles,  
25 bylaws, and operational rules of the Florida Comprehensive  
26 Health Association, and any amendments thereto, shall remain  
27 in effect until the Agency for Health Care Administration has  
28 approved the Florida Health Endowment Association plan of  
29 operation, articles, bylaws, and operating rules.

30       Section 9. The sum of \$50 million is appropriated from  
31 the General Revenue Fund to the Florida Health Endowment Trust

1 Fund to carry out the provisions of this act during fiscal  
2 year 2000-2001.

3 Section 10. This act shall take effect July 1, 2000.  
4

5 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
6 COMMITTEE SUBSTITUTE FOR  
7 Senate Bill 402

8 The committee substitute provides the following changes:

- 9 1. Moves oversight responsibility of the Florida Health  
10 Endowment Association from the Department of Health to  
11 the Agency for Health Care Administration. The director  
12 of the agency shall serve as the chairperson of the  
13 board of directors. The Department is no longer  
14 represented on the board.
- 15 2. Eliminates the requirement that the premiums be based  
16 upon participants' income and requires that the  
17 association establish premium schedules at the rate of  
18 200 percent of the standard risk rate, as developed by  
19 the Department of Insurance.
- 20 3. Specifies that the association shall be considered a  
21 health insurer for purposes of the Florida Insurance  
22 Code. The association is exempt from the  
23 certificate-of-authority and financial requirements of  
24 the Insurance Code.
- 25 4. Tightens the eligibility requirements for the  
26 association by no longer allowing individuals to be  
27 eligible if coverage in the private sector was more  
28 expensive than coverage offered through the association,  
29 and requiring an individual to provide evidence of a  
30 notice of rejection or refusal to issue substantially  
31 similar coverage for health reasons only.
5. Eliminates the vested tax credit against insurance  
premium tax liability to insurers who contribute to the  
Florida Health Endowment Association.
6. Eliminates the provision that the effective date of the  
bill is contingent upon \$50 million being appropriated  
to the Florida Health Endowment Association and,  
instead, the bill provides for a July 1, 2000, effective  
date.
7. Provides other changes related to the powers and  
responsibilities of the board of directors.