



364932

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/15/2011	.	
	.	
	.	
	.	

The Committee on Budget (Flores) recommended the following:

Senate Amendment (with title amendment)

Between lines 5720 and 5721
insert:

Section 75. Present subsections (15) through (21) of section 641.19, Florida Statutes, are renumbered as subsections (16) through (22), respectively, and a new subsection (15) is added to that section, to read:

641.19 Definitions.—As used in this part, the term:

(15) "Provider service network" means a network established or organized and operated by a health care provider or group of affiliated health care providers, including minority physician networks and emergency room diversion programs that meet the



364932

14 requirements of s. 409.91211, which directly provides a
15 substantial proportion of the health care items and services
16 under a contract and may make arrangements with physicians,
17 other health care practitioners, health care institutions, or
18 any combination of such practitioners or institutions to assume
19 all or part of the financial risk on a prospective basis for the
20 provision of basic health services by such physicians,
21 practitioners, or institutions. The health care providers
22 operating the provider service network must have a controlling
23 interest in the governing body of the network.

24 Section 76. Section 641.2019, Florida Statutes, is created
25 to read:

26 641.2019 Provider service network certificate of
27 authority.—Notwithstanding any other provisions of this chapter,
28 a provider service network, including a prepaid provider service
29 network described under s. 409.912(4)(d), which meets all of the
30 applicable requirements of this part may apply for and obtain a
31 health care provider certificate pursuant to part III of this
32 chapter and a certificate of authority pursuant to this part
33 which states that the network is authorized to operate a
34 certified provider service network under this chapter. A
35 certified provider service network has the same rights and
36 responsibilities as a health maintenance organization certified
37 under this part.

38 Section 77. Subsection (13) of section 641.47, Florida
39 Statutes, is amended to read:

40 641.47 Definitions.—As used in this part, the term:

41 (13) "Organization" means a ~~any~~ health maintenance
42 organization as defined in s. 641.19, a ~~and any~~ prepaid health



364932

43 clinic as defined in s. 641.402, and a provider service network
44 as defined in s. 641.19.

45 Section 78. Section 641.49, Florida Statutes, is amended to
46 read:

47 641.49 Health care provider certificate ~~certification of~~
48 ~~health maintenance organization and prepaid health clinic as~~
49 ~~health care providers; application procedure.-~~

50 (1) No person or governmental unit shall establish,
51 conduct, or maintain a health maintenance organization, ~~or a~~
52 prepaid health clinic, or provider service network in this state
53 without first obtaining a health care provider certificate under
54 this part.

55 (2) The office may ~~shall~~ not issue a certificate of
56 authority under part I or part II of this chapter to any
57 applicant which does not possess a valid health care provider
58 certificate issued by the agency under this part.

59 (3) Each application for a health care provider certificate
60 shall be on a form prescribed by the agency. The following
61 information and documents shall be submitted by an applicant and
62 maintained, after certification under this part, by each
63 organization and shall be available for inspection or
64 examination by the agency at the offices of an organization at
65 any time during regular business hours. The agency shall give
66 reasonable notice to an organization before ~~prior to~~ any onsite
67 inspection or examination of its records or premises conducted
68 under this section. The agency may require that the following
69 information or documents be submitted with the application:

70 (a) A copy of the articles of incorporation and all
71 amendments to the articles.



364932

72 (b) A copy of the bylaws, rules and regulations, or similar
73 form of document, if any, regulating the conduct of the affairs
74 of the applicant or organization.

75 (c) A list of the names, addresses, and official capacities
76 with the applicant or organization of the persons who are to be
77 responsible for the conduct of the affairs of the applicant or
78 organization, including all officers and directors of the
79 corporation. Such persons must ~~shall~~ fully disclose to the
80 agency and the directors of the applicant or organization the
81 extent and nature of any contracts or arrangements between them
82 and the applicant or organization, including any possible
83 conflicts of interest.

84 (d) The name and address of the applicant and the name by
85 which the applicant or organization is to be known.

86 (e) A statement generally describing the applicant or
87 organization and its operations.

88 (f) A copy of the form for each group and individual
89 contract, certificate, subscriber handbook, and any other
90 similar documents issued to subscribers.

91 (g) A statement describing the manner in which health care
92 services shall be regularly available.

93 (h) A statement that the applicant has an established
94 network of health care providers which is capable of providing
95 the health care services that are to be offered by the
96 organization.

97 (i) The locations at which health care services shall be
98 regularly available to subscribers.

99 (j) The type of health care personnel engaged to provide
100 the health care services and the quantity of the personnel of



364932

101 each type.

102 (k) A statement giving the present and projected number of
103 subscribers to be enrolled annually ~~yearly~~ for the next 3 years.

104 (l) A statement indicating the source of emergency services
105 and care on a 24-hour basis.

106 (m) A statement that the physicians employed by the
107 applicant have been formally organized as a medical staff and
108 that the applicant's governing body has designated a chief of
109 medical staff.

110 (n) A statement describing the manner in which the
111 applicant or organization assures the maintenance of a medical
112 records system in accordance with accepted medical records'
113 standards and practices.

114 (o) If general anesthesia is to be administered in a
115 facility not licensed by the agency, a copy of architectural
116 plans that meet the requirements for institutional occupancy
117 (NFPA 101 Life Safety Code, current edition as adopted by the
118 State Fire Marshal).

119 (p) A description of the applicant's or organization's
120 internal quality assurance program, including committee
121 structure, as required under s. 641.51.

122 (q) A description and supporting documentation concerning
123 how the applicant or health maintenance organization will comply
124 with internal risk management program requirements under s.
125 641.55.

126 (r) An explanation of how coverage for emergency services
127 and care is to be effected outside the applicant's or health
128 maintenance organization's stated geographic area.

129 (s) A statement and map describing with reasonable accuracy



364932

130 the specific geographic area to be served.

131 (t) A nonrefundable application fee of \$1,000.

132 (u) Such additional information as the agency may
133 reasonably require.

134 Section 79. Paragraph (b) of subsection (2) of section
135 430.705, Florida Statutes, is amended to read:

136 430.705 Implementation of the long-term care community
137 diversion pilot projects.—

138 (2)

139 (b) The department shall select providers that meet all of
140 the following criteria. Providers shall:

141 1. Have a plan administrator who is dedicated to the
142 diversion pilot project and project staff who perform the
143 necessary project administrative functions, including data
144 collection, reporting, and analysis.

145 2. Demonstrate the ability to provide program enrollees
146 with a choice of care provider by contracting with multiple
147 providers that provide the same type of service.

148 3. Demonstrate through performance or other documented
149 means the capacity for prompt payment of claims as specified
150 under s. 641.3155.

151 4. Maintain an insolvency protection account in a bank or
152 savings and loan association located in the state with a balance
153 of at least \$100,000 into which monthly deposits equal to at
154 least 5 percent of premiums received under the project are made
155 until the balance equals 2 percent of the total contract amount.
156 The account shall be established with such terms as to ensure
157 that funds are ~~may only be~~ withdrawn only with the signature
158 approval of designated department representatives.



364932

159 5. Maintain a surplus of at least \$1.5 million as
160 determined by the department. Each applicant and each provider
161 shall furnish to the department initial and annual unqualified
162 audited financial statements prepared by a certified public
163 accountant that expressly confirm that the applicant or provider
164 satisfies this surplus requirement. The department may approve a
165 waiver of compliance with the surplus requirement for an
166 existing diversion provider. The department's approval of the
167 ~~this~~ waiver is ~~must be~~ contingent on the provider demonstrating
168 proof to the department that the entity has posted and maintains
169 a \$1.5 million performance bond, which is written by an insurer
170 licensed to transact insurance in this state, in lieu of meeting
171 the surplus requirement. The department may not approve a waiver
172 of compliance with the surplus requirement that extends beyond
173 June 30, 2006. As used in this subparagraph, the term:

174 a. "Existing diversion provider" means an entity that is
175 approved by the department on or before June 30, 2005, to
176 provide services to consumers through any long-term care
177 community diversion pilot project authorized under ss. 430.701-
178 430.709.

179 b. "Surplus" has the same meaning as in s. 641.19~~(19)~~.

180
181 ===== T I T L E A M E N D M E N T =====

182 And the title is amended as follows:

183 Delete line 374

184 and insert:

185 without the insured's permission; amending s. 641.19,
186 F.S.; defining the term "provider service network";
187 creating s. 641.2019, F.S.; providing that a provider



364932

188 service network that meets the requirements of ch.
189 641, F.S., may obtain a certificate of authority under
190 that chapter; amending s. 641.47, F.S.; redefining the
191 term "organization" to include a provider service
192 network; amending s. 641.49, F.S.; providing that a
193 provider service network may apply for a health care
194 provider certificate; amending s. 430.705, F.S.;
195 conforming a cross-reference; amending s. 766.102,