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LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
04/01/2011	.	
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The Committee on Budget (Alexander) recommended the following:

Senate Amendment to Amendment (405496)

Delete lines 38 - 215

and insert:

(2) For the 2012 plan year and for each plan year thereafter, the department shall establish a single health insurance risk pool for each of the following groups participating in the state group insurance plans:

(a) Active employees;

(b) Retirees not eligible for Medicare; and

(c) Retirees eligible for Medicare.

Contribution determinations made pursuant to s. 110.123(5)(a)



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14 shall consider relative plan values; however, such
15 determinations may encourage enrollment in consumer-directed
16 plans.

17 Section 4. Subsections (1), (2), and (3) of section
18 110.12315, Florida Statutes, are amended to read:

19 110.12315 Prescription drug program.—The state employees'
20 prescription drug program is established. This program shall be
21 administered by the Department of Management Services, according
22 to the terms and conditions of the plan as established by the
23 relevant provisions of the annual General Appropriations Act and
24 implementing legislation, subject to the following conditions:

25 (1) ~~The Department of Management Services shall allow~~
26 ~~prescriptions written by health care providers under the plan to~~
27 ~~be filled by any licensed pharmacy pursuant to contractual~~
28 ~~claims-processing provisions. Nothing in This section does not~~
29 ~~prohibit may be construed as prohibiting~~ a mail order
30 prescription drug program distinct from the service provided by
31 retail pharmacies.

32 (2) In providing for reimbursement of pharmacies for
33 prescription medicines dispensed to members of the state group
34 health insurance plan and their dependents under the state
35 employees' prescription drug program:

36 (a) Retail pharmacies participating in the program must be
37 reimbursed ~~at a uniform rate and subject to uniform conditions,~~
38 according to applicable network agreements and the terms and
39 conditions of the plan.

40 (b) There shall be a 30-day supply limit for prescription
41 card purchases and 90-day supply limit for mail order or mail
42 order prescription drug purchases. The Department of Management



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43 Services may implement a 90-day supply limit program at select
44 retail pharmacies if the department finds that it is in the best
45 financial interest of the program.

46 (c) The ~~current~~ pharmacy dispensing fee shall be negotiated
47 in accordance with best industry practices ~~remains in effect.~~

48 (3) The Department of Management Services shall establish
49 the reimbursement schedule for prescription pharmaceuticals
50 dispensed under the program. Reimbursement rates for a
51 prescription pharmaceutical must be based on the cost of the
52 generic equivalent drug if a generic equivalent exists, unless
53 the physician prescribing the pharmaceutical clearly states on
54 the prescription that the brand name drug is medically necessary
55 or that the drug product is included on the formulary of drug
56 products that may not be interchanged as provided in chapter
57 465, in which case reimbursement must be based on the cost of
58 the brand name drug as specified in the reimbursement schedule
59 adopted by the Department of Management Services.

60 Notwithstanding the any other provision of this subsection, the
61 department may require that a generic or formulary brand
62 prescription be filled before dispensing an alternative within
63 any therapeutic class.

64 Section 5. Subsection (1) of section 112.0801, Florida
65 Statutes, is amended to read:

66 112.0801 Group insurance; participation by retired
67 employees.-

68 (1) Any ~~state agency,~~ county, municipality, special
69 district, community college, or district school board which
70 provides life, health, accident, hospitalization, or annuity
71 insurance, or all of any kinds of such insurance, for its



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72 officers and employees and their dependents upon a group
73 insurance plan or self-insurance plan shall allow all former
74 personnel who have retired prior to October 1, 1987, as well as
75 those who retire on or after such date, and their eligible
76 dependents, the option of continuing to participate in such
77 group insurance plan or self-insurance plan. Retirees and their
78 eligible dependents shall be offered the same health and
79 hospitalization insurance coverage as is offered to active
80 employees at a premium cost of no more than the premium cost
81 applicable to active employees. For the retired employees and
82 their eligible dependents, the cost of any such continued
83 participation in any type of plan or any of the cost thereof may
84 be paid by the employer or by the retired employees. To
85 determine health and hospitalization plan costs, the employer
86 shall commingle the claims experience of the retiree group with
87 the claims experience of the active employees; and, for other
88 types of coverage, the employer may commingle the claims
89 experience of the retiree group with the claims experience of
90 active employees. Retirees covered under Medicare may be
91 experience-rated separately from the retirees not covered by
92 Medicare and from active employees, provided that the total
93 premium does not exceed that of the active group and coverage is
94 basically the same as for the active group.

95 Section 6. (1) For the period July 1, 2011, through
96 December 31, 2012, the Department of Management Services shall
97 administer the plans and benefits provided under the state group
98 insurance program consistent with the following parameters:

99 (a) The state group insurance program shall include a
100 health insurance standard plan, a state group health insurance



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101 high-deductible plan, a state-contracted health maintenance
102 organization standard plan, and a state-contracted health
103 maintenance organization high-deductible plan. Beginning January
104 1, 2012, the health insurance portion of the state group
105 insurance program shall be self-insured for active employees and
106 retirees not eligible for Medicare, and may be self-insured for
107 retirees eligible for Medicare.

108 (b) The benefits provided under each of the plans shall be
109 those benefits as provided in the current State Employees' PPO
110 Plan Group Health Insurance Plan Booklet and Benefit Document,
111 current health maintenance organization contracts, and other
112 health insurance benefits that are approved by the Legislature.

113 (c) The high-deductible plans shall continue to include an
114 integrated health savings account. Such plans and accounts shall
115 be administered in accordance with the requirements and
116 limitations of federal provisions relating to the Medicare
117 Prescription Drug, Improvement, and Modernization Act of 2003.
118 The state shall make a monthly contribution to an employee's
119 health savings account to the extent authorized in s.
120 110.123(12), Florida Statutes.

121 (2) For the 2012 plan year and each plan year thereafter,
122 the Department of Management Services shall develop a program of
123 health insurance options and enrollee contribution requirements
124 consistent with s. 110.123(5), Florida Statutes. Options shall
125 encourage and promote enrollee health plan choices and positive
126 behavior to promote the health and well-being of health plan
127 members and to encourage appropriate plan utilization. The
128 division shall determine the level of premiums necessary to
129 fully fund the state group health insurance program for the next



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130 fiscal year. The Legislature shall provide in the General
131 Appropriations Act a premium schedule.

132 Section 7. The premiums charged under the state group
133 insurance program for health insurance authorized in s. 110.123,
134 Florida Statutes, shall be as follows:

135 (1) STATE CONTRIBUTION.—

136 (a) Effective July 1, 2011, for the coverage period
137 beginning August 1, 2011, the state contribution toward the cost
138 of any plan in the state group health insurance program which is
139 paid by the executive, legislative, and judicial branches on
140 behalf of participating employees, shall be, for individual
141 coverage, the total actuarial cost for the lowest cost plan
142 offered by the department for individual coverage and shall be,
143 for family coverage, the total actuarial cost for the lowest
144 cost plan offered by the department for family coverage, less
145 the employee contribution in paragraphs (2) (a) and (b).

146 (b) Effective July 1, 2011, for the coverage period
147 beginning August 1, 2011, the state contribution toward the cost
148 of any plan in the state group health insurance program which is
149 paid by the executive, legislative, and judicial branches on
150 behalf of each employee enrolled in the spouse program shall be
151 one-half the total actuarial cost for the lowest cost plan
152 offered by the department for family coverage, less the employee
153 contribution in paragraphs (2) (a) and (b).

154 (2) EMPLOYEE CONTRIBUTION.—

155 (a) For employees not participating in the spouse program,
156 effective July 1, 2011, for the coverage period beginning August
157 1, 2011, the employee contribution toward the cost of a standard
158 plan in the state group health insurance program shall be \$50



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159 per month for individual coverage, and \$200 per month for family
160 coverage, plus the difference between the cost of the lowest
161 cost plan and the cost of the plan selected.

162 (b) For employees participating in the spouse program in
163 accordance with section 60P-2.0036, Florida Administrative Code,
164 effective July 1, 2011, for the coverage period beginning August
165 1, 2011, the employee contribution toward the cost of a standard
166 plan in the state group health insurance program shall be \$100
167 per month for family coverage, plus the difference between the
168 cost of the lowest cost plan and the cost of the plan selected.