

By Senator Gaetz

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1                                   A bill to be entitled  
2           An act relating to group insurance for public  
3           employees; amending s. 112.08, F.S.; requiring that  
4           school districts procure certain types of insurance  
5           through interlocal agreements; providing an exception;  
6           requiring that each school district in this state  
7           enter into a specified type of interlocal agreement  
8           and establish the School District Insurance  
9           Consortium; providing purposes of the consortium;  
10          requiring that the consortium be governed by a board  
11          of directors consisting of a specified number of  
12          members; providing requirements for membership on the  
13          board; specifying terms of office for board members;  
14          authorizing the board to employ staff or contract for  
15          staffing services to be provided to the consortium;  
16          requiring that the Department of Management Services  
17          provide technical services to the consortium as  
18          requested by the board; requiring the consortium to  
19          advertise for competitive bids for health, accident,  
20          or hospitalization insurance, as well as certain  
21          insurance plans; requiring that the contracts for such  
22          insurance be let upon the basis of such bids;  
23          requiring that the consortium take certain actions and  
24          consider certain factors when defining coverage  
25          regions; authorizing the awarding of bids on a  
26          statewide or regional basis and the selection of  
27          multiple insurance providers; requiring that school  
28          districts engage in collective bargaining with the  
29          certified bargaining agent for any unit of employees

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30 for which health, accident, or hospitalization  
31 insurance is provided; providing an effective date.

32  
33 Be It Enacted by the Legislature of the State of Florida:

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35 Section 1. Paragraph (a) of subsection (2) of section  
36 112.08, Florida Statutes, is amended, and paragraph (d) is added  
37 to that subsection, to read:

38 112.08 Group insurance for public officers, employees, and  
39 certain volunteers; physical examinations.—

40 (2) (a) Notwithstanding any general law or special act to  
41 the contrary, every local governmental unit is authorized to  
42 provide and pay out of its available funds for all or part of  
43 the premium for life, health, accident, hospitalization, legal  
44 expense, or annuity insurance, or all or any kinds of such  
45 insurance, for the officers and employees of the local  
46 governmental unit and for health, accident, hospitalization, and  
47 legal expense insurance for the dependents of such officers and  
48 employees upon a group insurance plan and, to that end, to enter  
49 into contracts with insurance companies or professional  
50 administrators to provide such insurance. Before entering any  
51 contract for insurance, the local governmental unit shall  
52 advertise for competitive bids; and such contract shall be let  
53 upon the basis of such bids. Beginning on July 1, 2012, or upon  
54 the expiration or renewal date of any existing contract,  
55 whichever occurs later, school districts shall procure such  
56 insurance through a purchasing interlocal agreement as provided  
57 in paragraph (d) unless the school board, at a duly noticed  
58 public meeting, determines that the purchase of insurance

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59 outside the plan procured through the interlocal agreement is  
60 financially advantageous to the school district. If a  
61 contracting health insurance provider becomes financially  
62 impaired as determined by the Office of Insurance Regulation of  
63 the Financial Services Commission or otherwise fails or refuses  
64 to provide the contracted-for coverage or coverages, the local  
65 government may purchase insurance, enter into risk management  
66 programs, or contract with third-party administrators and may  
67 make such acquisitions by advertising for competitive bids or by  
68 direct negotiations and contract. The local governmental unit  
69 may undertake simultaneous negotiations with those companies  
70 that ~~which~~ have submitted reasonable and timely bids and are  
71 found by the local governmental unit to be fully qualified and  
72 capable of meeting all servicing requirements. Each local  
73 governmental unit may self-insure any plan for health, accident,  
74 and hospitalization coverage or enter into a risk management  
75 consortium to provide such coverage, subject to approval based  
76 on actuarial soundness by the Office of Insurance Regulation;  
77 and each shall contract with an insurance company or  
78 professional administrator qualified and approved by the office  
79 to administer such a plan.

80 (d)1. Each school district in this state shall enter into  
81 an interlocal agreement as provided in s. 163.01 to establish  
82 the School District Insurance Consortium through which health,  
83 accident, and hospitalization insurance shall be procured for  
84 officers and employees of the school district and their  
85 dependents unless the school board opts out in the manner set  
86 forth in paragraph (a).

87 2. The consortium shall be governed by a board of directors

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88 comprised of nine members, three of whom shall be elected school  
89 board members appointed by the Florida School Boards  
90 Association, Inc., three of whom shall be elected or appointed  
91 superintendents of schools appointed by the Florida Association  
92 of District School Superintendents, Inc., two of whom shall be  
93 public school teachers or support personnel appointed by the  
94 Florida Education Association, and one of whom shall have  
95 experience in running employee-benefit systems, to be appointed  
96 by the other members of the consortium. Consortium board members  
97 shall be appointed to 2-year terms. The board may employ staff  
98 or contract for staffing services to be provided to the  
99 consortium. The Department of Management Services shall provide  
100 technical services to the consortium as requested by the board.

101 3. Notwithstanding any other provision of law, the  
102 consortium shall advertise for competitive bids for such  
103 insurance, and the contracts for such insurance shall be let  
104 upon the basis of such bids. The consortium shall advertise for  
105 proposals for a statewide insurance plan as well as plans  
106 providing coverage on a regional basis. In determining  
107 appropriate regions, the consortium shall group school districts  
108 geographically in a manner that includes school districts of  
109 varying sizes for the purpose of ensuring the availability of  
110 coverage for all districts in the region. Contracts may be  
111 awarded on a statewide or regional basis, and more than one  
112 provider may be selected to provide insurance. School districts  
113 shall engage in collective bargaining with the certified  
114 bargaining agent for any unit of employees for which health,  
115 accident, or hospitalization insurance is provided, as required  
116 by part II of chapter 447, with regard to coverage offered, cost

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117 for dependent coverage, deductibles, optional coverage, and  
118 other matters that are subject to collective bargaining as  
119 required by state law.

120 Section 2. This act shall take effect July 1, 2011.