A bill to be entitled 1 2 An act relating to health insurance benefits for state 3 employees; amending s. 110.123, F.S.; authorizing the 4 University of Florida Board of Trustees to provide or 5 arrange for the provision of health and other self-6 insurance or insurance programs under certain 7 conditions; requiring the board to offer the programs 8 to certain persons; prohibiting the programs from commencing before a specified date; providing 9 10 requirements for state funding for the insurance 11 programs; providing procedural requirements relating to the program for the Department of Management 12 13 Services, the Executive Office of the Governor, and 14 the Legislature; providing applicability; providing 15 for the state's monthly contribution for employees 16 under the state group insurance program; amending s. 17 110.12315, F.S.; revising the conditions under which pharmacies are provided reimbursement for prescription 18 19 medicines that are dispensed to members of the state group health insurance plan under the state employees' 20 21 prescription drug program; authorizing the Department 22 of Management Services to implement a supply limit 23 program for certain maintenance drugs; reenacting 24 provisions specifying copayment amounts for the state 25 employees' prescription drug program; providing an effective date. 26

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

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Section 1. Paragraph (a) of subsection (12) of section 110.123, Florida Statutes, is amended, and subsection (14) is added to that section, to read:

- 110.123 State group insurance program.-
- (12) HEALTH SAVINGS ACCOUNTS.—The department is authorized to establish health savings accounts for full-time and part-time state employees in association with a health insurance plan option authorized by the Legislature and conforming to the requirements and limitations of federal provisions relating to the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.
- (a)1. A member participating in this health insurance plan option is eligible to receive an employer contribution into the employee's health savings account from the State Employees Health Insurance Trust Fund in an amount to be determined by the Legislature. A member is not eligible for an employer contribution upon termination of employment. For the 2011-2012 fiscal year, The state's monthly contribution for employees having individual coverage shall be \$41.66 and the monthly contribution for employees having family coverage shall be \$83.33.
- 2. A member participating in this health insurance plan option is eligible to deposit the member's own funds into a health savings account.
 - (14) UNIVERSITY OF FLORIDA BOARD OF TRUSTEES.—
- (a) Notwithstanding any other provision of this section or any other law, rule, or regulation, and in lieu of participation

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in state group insurance programs or any part thereof, the University of Florida Board of Trustees, at its option, may provide, or arrange for the provision of, health and other selfinsurance or insurance programs, including the necessary administrative support services required to implement and administer such programs, for its employees, including all of its employees who retire on or after implementation of such programs, and may require actuarially determined employee premium payments. The University of Florida Board of Trustees may include in such programs and assess actuarially determined premiums to its students, the employees of its direct-support organizations and other affiliated organizations, and other persons and entities, as may be determined by the board of trustees. The University of Florida Board of Trustees shall also offer such programs to its retirees who retired prior to the implementation of such programs. Such programs may include, but are not limited to, health and life insurance, pharmacy, and other supplemental or tax-favored plans. In implementing such programs, the University of Florida Board of Trustees may not commence coverage prior to January 1, 2013.

(b) State funding for such insurance programs for active employees paid from Educational and General activity funds shall be determined by using the health insurance premium rates established in the General Appropriations Act for coverage for active state employees, reduced by the per capita amount of the actuarially determined implicit subsidy included in the employer paid cost for active employees' participation in the state group insurance program which is associated with retired employees

85 participating in the state group insurance program. The 86 university shall pay the cost of the actuarial study required to 87 determine the implicit subsidy. The department shall submit the 88 actuarially determined amount of the implicit subsidy and the 89 actuary's methodology used for its determination to the 90 Executive Office of the Governor for approval. The Executive 91 Office of the Governor shall provide notice of the implicit 92 subsidy amount and the actuary's methodology used for its 93 determination pursuant to s. 216.177(2)(a). If the chair of the 94 House of Representatives Appropriations Committee and the chair 95 of the Senate Budget Committee or the President of the Senate 96 and the Speaker of the House of Representatives object to the 97 actuarially determined amount or the actuary's methodology used 98 for its determination, the Governor shall void such 99 determination and methodology and direct the department to 100 recalculate the amount of the implicit subsidy. Upon 101 implementation of the plan by the University of Florida, the 102 university shall transfer, on the last day of each calendar 103 quarter after implementation, the reduction amount for the 104 implicit subsidy to the State Employees Health Insurance Trust 105 Fund and shall submit the necessary budget amendment to the 106 Executive Office of the Governor to accomplish the transfers. 107 Section 110.161 does not apply to any insurance programs 108 developed under this subsection. 109 Section 2. Paragraph (b) of subsection (2) of section 110 110.12315, Florida Statutes, is amended, and, notwithstanding section 75 of chapter 2011-47, Laws of Florida, paragraph (a) of 111 subsection (7) of that section, as reenacted by section 74 of 112

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chapter 2011-47, Laws of Florida, does not revert to the text of that paragraph in existence on December 31, 2010, and is reenacted and amended, to read:

- 110.12315 Prescription drug program.—The state employees' prescription drug program is established. This program shall be administered by the Department of Management Services, according to the terms and conditions of the plan as established by the relevant provisions of the annual General Appropriations Act and implementing legislation, subject to the following conditions:
- (2) In providing for reimbursement of pharmacies for prescription medicines dispensed to members of the state group health insurance plan and their dependents under the state employees' prescription drug program:
- (b) There shall be a 30-day supply limit for prescription card purchases and 90-day supply limit for mail order or mail order prescription drug purchases. The Department of Management Services may implement a 90-day supply limit program for certain maintenance drugs as determined by the department at retail pharmacies participating in the program if the department determines it to be in the best financial interest of the state.
- (7) Under the state employees' prescription drug program copayments must be made as follows:
- (a) Effective January 1, 2012 2011, for the State Group Health Insurance Standard Plan:
 - 1. For generic drug with card \$7.
 - 2. For preferred brand name drug with card \$30.
 - 3. For nonpreferred brand name drug with card \$50.
- 4. For generic mail order drug \$14.

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5. For preferred brand name mail order drug \$60.

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6. For nonpreferred brand name mail order drug \$100.

Section 3. This act shall take effect July 1, 2012.

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