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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/18/2013	.	
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The Committee on Appropriations (Benacquisto) recommended the following:

Senate Amendment (with title amendment)

Between lines 861 and 862
insert:

Section 18. Subsection (6) and paragraph (b) of subsection (7) of section 627.6675, Florida Statutes, are amended to read:

627.6675 Conversion on termination of eligibility.—Subject to all of the provisions of this section, a group policy delivered or issued for delivery in this state by an insurer or nonprofit health care services plan that provides, on an expense-incurred basis, hospital, surgical, or major medical expense insurance, or any combination of these coverages, shall

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provide that an employee or member whose insurance under the group policy has been terminated for any reason, including discontinuance of the group policy in its entirety or with respect to an insured class, and who has been continuously insured under the group policy, and under any group policy providing similar benefits that the terminated group policy replaced, for at least 3 months immediately prior to termination, shall be entitled to have issued to him or her by the insurer a policy or certificate of health insurance, referred to in this section as a "converted policy." A group insurer may meet the requirements of this section by contracting with another insurer, authorized in this state, to issue an individual converted policy, which policy has been approved by the office under s. 627.410. An employee or member shall not be entitled to a converted policy if termination of his or her insurance under the group policy occurred because he or she failed to pay any required contribution, or because any discontinued group coverage was replaced by similar group coverage within 31 days after discontinuance.

(6) OPTIONAL COVERAGE.—The insurer is ~~shall~~ not ~~be~~ required to issue a converted policy covering any person who is or could be covered by Medicare. The insurer is ~~shall~~ not ~~be~~ required to issue or renew a converted policy covering a person if paragraphs (a) and (b) apply to the person:

(a) If any of the following apply to the person:

1. The person is covered for similar benefits by another hospital, surgical, medical, or major medical expense insurance policy or hospital or medical service subscriber contract or medical practice or other prepayment plan, or by any other plan

or program.

2. The person is eligible for similar benefits, whether ~~or not~~ actually provided coverage, under any arrangement of coverage for individuals in a group, whether on an insured or uninsured basis.

3. Similar benefits are provided for or are available to the person under ~~any~~ state or federal law.

(b) If the benefits provided under the sources referred to in subparagraph (a)1. or the benefits provided or available under the sources referred to in subparagraphs (a)2. and 3., together with the benefits provided by the converted policy, would result in overinsurance according to the insurer's standards. The insurer's standards must bear some reasonable relationship to actual health care costs in the area in which the insured lives at the time of conversion and must be filed with the office before ~~prior to~~ their use in denying coverage.

(7) INFORMATION REQUESTED BY INSURER.—

(b) The converted policy may provide that the insurer may refuse to renew the policy or the coverage of any person only for one or more of the following reasons:

1. ~~Either~~ The benefits provided under the sources referred to in subparagraphs (a)1. and 2. for the person or the benefits provided or available under the sources referred to in subparagraph (a)3. for the person, together with the benefits provided by the converted policy, would result in overinsurance according to the insurer's standards on file with the office. The reason for nonrenewal authorized by this subparagraph is not required to be contained in the converted policy but must be provided in writing to the policyholder at least 90 days before

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the policy renewal date.

2. The converted policyholder fails to provide the information requested pursuant to paragraph (a).

3. Fraud or intentional misrepresentation in applying for any benefits under the converted policy.

4. Other reasons approved by the office.

Section 19. Subsection (6) of section 641.3922, Florida Statutes, is amended and paragraph (h) is added to subsection (7) of that section, to read:

641.3922 Conversion contracts; conditions.—Issuance of a converted contract shall be subject to the following conditions:

(6) OPTIONAL COVERAGE.—The health maintenance organization may ~~shall~~ not be required to issue a converted contract covering any person if such person is or could be covered by Medicare, Title XVIII of the Social Security Act, as added by the Social Security Amendments of 1965, or as later amended or superseded. Furthermore, the health maintenance organization is ~~shall~~ not ~~be~~ required to issue or renew a converted health maintenance contract covering any person if:

(a)1. The person is covered for similar benefits by another hospital, surgical, medical, or major medical expense insurance policy or hospital or medical service subscriber contract or medical practice or other prepayment plan or by any other plan or program;

2. The person is eligible for similar benefits, whether actually ~~or not~~ covered ~~therefor~~, under any arrangement of coverage for individuals in a group, whether on an insured or uninsured basis; or

3. Similar benefits are provided for or are available to

the person pursuant to or in accordance with the requirements of ~~any~~ state or federal law; and

(b) A converted health maintenance contract may include a provision whereby the health maintenance organization may request information, in advance of any premium due date of a health maintenance contract, of any person covered thereunder as to whether:

1. She or he is covered for similar benefits by another hospital, surgical, medical, or major medical expense insurance policy or hospital or medical service subscriber contract or medical practice or other prepayment plan or by another ~~any other~~ plan or program;

2. She or he is covered for similar benefits under an ~~any~~ arrangement of coverage for individuals in a group, whether on an insured or uninsured basis; or

3. Similar benefits are provided for or are available to the person pursuant to or in accordance with the requirements of ~~any~~ state or federal law.

(7) REASONS FOR CANCELLATION; TERMINATION.—The converted health maintenance contract must contain a cancellation or nonrenewability clause providing that the health maintenance organization may refuse to renew the contract of any person covered thereunder, but cancellation or nonrenewal must be limited to one or more of the following reasons:

(h) The subscriber is covered for similar benefits or eligible for similar benefits, or similar benefits are provided for or are available to the subscriber as described in paragraph (6)(a). The reason for nonrenewal authorized by this paragraph is not required to be contained in the converted health

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maintenance contract but must be provided in writing to the subscriber at least 90 days before the contract renewal date.

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

And the title is amended as follows:

Delete line 93

and insert:

repeal of this provision; amending s. 627.6675, F.S.; specifying conditions for nonrenewal of a conversion policy; amending s. 641.3922, F.S.; specifying conditions for nonrenewal of a health maintenance organization conversion contract; providing effective dates.