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LEGISLATIVE ACTION

Senate

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House

The Committee on Appropriations (Diaz) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Section 110.12303, Florida Statutes, is amended to read:

110.12303 State group insurance program; additional benefits; price transparency program; reporting. ~~Beginning with the 2018 plan year:~~

(1) In addition to the comprehensive package of health



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11 insurance and other benefits required or authorized to be
12 included in the state group insurance program, the package of
13 benefits may also include products and services offered by:

14 (a) Prepaid limited health service organizations authorized
15 pursuant to part I of chapter 636.

16 (b) Discount medical plan organizations authorized pursuant
17 to part II of chapter 636.

18 (c) Prepaid health clinics licensed under part II of
19 chapter 641.

20 (d) Licensed health care providers, including hospitals and
21 other health care facilities, health care clinics, and health
22 professionals, who sell service contracts and arrangements for a
23 specified amount and type of health services.

24 (e) Provider organizations, including service networks,
25 group practices, professional associations, and other
26 incorporated organizations of providers, who sell service
27 contracts and arrangements for a specified amount and type of
28 health services.

29 (f) Entities that provide specific health services in
30 accordance with applicable state law and sell service contracts
31 and arrangements for a specified amount and type of health
32 services.

33 (g) Entities that provide health services or treatments
34 through a bidding process.

35 (h) Entities that provide health services or treatments
36 through the bundling or aggregating of health services or
37 treatments.

38 (i) Entities that provide optional participation in the
39 Medicare Advantage Prescription Drug Plan.



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40 (j) Entities that provide other innovative and cost-
41 effective health service delivery methods.

42 (2) (a) The department shall contract with at least one
43 entity that provides comprehensive pricing and inclusive
44 services for surgery and other medical procedures which may be
45 accessed at the option of the enrollee. The contract shall
46 require the entity to:

47 1. Have procedures and evidence-based standards to ensure
48 the inclusion of only high-quality health care providers.

49 2. Provide assistance to the enrollee in accessing and
50 coordinating care.

51 3. Provide cost savings to the state group insurance
52 program to be shared with both the state and the enrollee. Cost
53 savings payable to an enrollee may be:

54 a. Credited to the enrollee's flexible spending account;

55 b. Credited to the enrollee's health savings account;

56 c. Credited to the enrollee's health reimbursement account;

57 or

58 d. Paid as additional health plan reimbursements not
59 exceeding the amount of the enrollee's out-of-pocket medical
60 expenses.

61 4. Provide an educational campaign for enrollees to learn
62 about the services offered by the entity.

63 (b) On or before January 15 of each year, the department
64 shall report to the Governor, the President of the Senate, and
65 the Speaker of the House of Representatives on the participation
66 level and cost-savings to both the enrollee and the state
67 resulting from the contract or contracts described in this
68 subsection.



69 (3) The department shall contract with an entity that
70 provides enrollees with online information on the cost and
71 quality of health care services and providers, allows an
72 enrollee to shop for health care services and providers, and
73 rewards the enrollee by sharing savings generated by the
74 enrollee's choice of services or providers. The contract shall
75 require the entity to:

76 (a) Establish an Internet-based, consumer-friendly platform
77 that educates and informs enrollees about the price and quality
78 of health care services and providers, including the average
79 amount paid in each county for health care services and
80 providers. The average amounts paid for such services and
81 providers may be expressed for service bundles, which include
82 all products and services associated with a particular treatment
83 or episode of care, or for separate and distinct products and
84 services.

85 (b) Allow enrollees to shop for health care services and
86 providers using the price and quality information provided on
87 the Internet-based platform.

88 (c) Permit a certified bargaining agent of state employees
89 to provide educational materials and counseling to enrollees
90 regarding the Internet-based platform.

91 (d) Identify the savings realized to the enrollee and state
92 if the enrollee chooses high-quality, lower-cost health care
93 services or providers, and facilitate a shared savings payment
94 to the enrollee. The amount of shared savings shall be
95 determined by a methodology approved by the department and shall
96 maximize value-based purchasing by enrollees. The amount payable
97 to the enrollee may be:



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- 98 1. Credited to the enrollee's flexible spending account;
99 2. Credited to the enrollee's health savings account;
100 3. Credited to the enrollee's health reimbursement account;

101 or

- 102 4. Paid as additional health plan reimbursements not
103 exceeding the amount of the enrollee's out-of-pocket medical
104 expenses.

105 (e) On or before January 1 of 2019, 2020, and 2021, the
106 department shall report to the Governor, the President of the
107 Senate, and the Speaker of the House of Representatives on the
108 participation level, amount paid to enrollees, and cost-savings
109 to both the enrollees and the state resulting from the
110 implementation of this subsection.

111 Section 2. Subsection (9) is added to section 110.12315,
112 Florida Statutes, to read:

113 110.12315 Prescription drug program.—The state employees'
114 prescription drug program is established. This program shall be
115 administered by the Department of Management Services, according
116 to the terms and conditions of the plan as established by the
117 relevant provisions of the annual General Appropriations Act and
118 implementing legislation, subject to the following conditions:

119 (9) (a) Beginning with the 2020 plan year, the department
120 must implement formulary management for prescription drugs and
121 supplies. Such management practices must require prescription
122 drugs to be subject to formulary inclusion or exclusion but may
123 not restrict access to the most clinically appropriate,
124 clinically effective, and lowest net-cost prescription drugs and
125 supplies. Drugs excluded from the formulary must be available
126 for inclusion if a physician, advanced registered nurse



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127 practitioner, or physician assistant prescribing a
128 pharmaceutical clearly states on the prescription that the
129 excluded drug is medically necessary. Prescription drugs and
130 supplies first made available in the marketplace after January
131 1, 2020, may not be covered by the prescription drug program
132 until specifically included in the list of covered prescription
133 drugs and supplies.

134 (b) No later than August 15, 2019, and by each August 15
135 thereafter, the department must submit to the Governor, the
136 President of the Senate, and the Speaker of the House of
137 Representatives the list of prescription drugs and supplies that
138 will be excluded from program coverage for the next plan year.
139 If the department proposes to exclude prescription drugs and
140 supplies after the plan year has commenced, the department must
141 provide notice to the Governor, the President of the Senate, and
142 the Speaker of the House of Representatives of such exclusions
143 at least 30 days before implementation of such exclusions.

144 Section 3. Effective December 31, 2019, section 8 of
145 chapter 99-255, Laws of Florida, is repealed.

146 Section 4. Effective January 1, 2020, section 627.6387,
147 Florida Statutes, is created to read:

148 627.6387 Shared savings incentive program.-

149 (1) This section may be cited as the "Patient Savings Act."

150 (2) As used in this section, the term:

151 (a) "Health care provider" means a hospital or facility
152 licensed under chapter 395; an entity licensed under chapter
153 400; a health care practitioner as defined in s. 456.001; a
154 blood bank, plasma center, industrial clinic, or renal dialysis
155 facility; or a professional association, partnership,



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156 corporation, joint venture, or other association for
157 professional activity by health care providers. The term
158 includes entities and professionals outside of this state with
159 an active, unencumbered license for an equivalent facility or
160 practitioner type issued by another state, the District of
161 Columbia, or a possession or territory of the United States.

162 (b) "Health insurer" means an authorized insurer offering
163 health insurance as defined in s. 624.603 or a health
164 maintenance organization as defined in s. 641.19. The term does
165 not include the state group health insurance program provided
166 under s. 110.123.

167 (c) "Shared savings incentive" means a voluntary and
168 optional financial incentive that a health insurer may provide
169 to an insured for choosing certain shoppable health care
170 services under a shared savings incentive program and may
171 include, but is not limited to, the incentives described in s.
172 626.9541(4)(a).

173 (d) "Shared savings incentive program" means a voluntary
174 and optional incentive program established by a health insurer
175 pursuant to this section.

176 (e) "Shoppable health care service" means a lower-cost,
177 high-quality nonemergency health care service for which a shared
178 savings incentive is available for insureds under a health
179 insurer's shared savings incentive program. Shoppable health
180 care services may be provided within or outside of this state
181 and include, but are not limited to:

- 182 1. Clinical laboratory services.
- 183 2. Infusion therapy.
- 184 3. Inpatient and outpatient surgical procedures.



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185 4. Obstetrical and gynecological services.

186 5. Inpatient and outpatient nonsurgical diagnostic tests
187 and procedures.

188 6. Physical and occupational therapy services.

189 7. Radiology and imaging services.

190 8. Prescription drugs.

191 9. Services provided through telehealth.

192 (3) A health insurer may offer a shared savings incentive
193 program to provide incentives to an insured when the insured
194 obtains a shoppable health care service from the health
195 insurer's shared savings list. An insured may not be required to
196 participate in a shared savings incentive program. A health
197 insurer that offers a shared savings incentive program must:

198 (a) Establish the program as a component part of the
199 policy, contract, or certificate of insurance provided by the
200 health insurer and notify the insureds and the office at least
201 30 days before program termination.

202 (b) File a description of the program on a form prescribed
203 by commission rule. The office must review the filing and
204 determine whether the shared savings incentive program complies
205 with this section.

206 (c) Notify an insured annually and at the time of renewal,
207 and an applicant for insurance at the time of enrollment, of the
208 availability of the shared savings incentive program and the
209 procedure to participate in the program.

210 (d) Publish on a webpage easily accessible to insureds and
211 to applicants for insurance a list of shoppable health care
212 services and health care providers and the shared savings
213 incentive amount applicable for each service. A shared savings



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214 incentive may not be less than 25 percent of the savings
215 generated by the insured's participation in any shared savings
216 incentive offered by the health insurer. The baseline for the
217 savings calculation is the average in-network amount paid for
218 that service in the most recent 12-month period or some other
219 methodology established by the health insurer and approved by
220 the office.

221 (e) At least quarterly, credit or deposit the shared
222 savings incentive amount to the insured's account as a return or
223 reduction in premium, or credit the shared savings incentive
224 amount to the insured's flexible spending account, health
225 savings account, or health reimbursement account, such that the
226 amount does not constitute income to the insured.

227 (f) Submit an annual report to the office within 90
228 business days after the close of each plan year. At a minimum,
229 the report must include the following information:

230 1. The number of insureds who participated in the program
231 during the plan year and the number of instances of
232 participation.

233 2. The total cost of services provided as a part of the
234 program.

235 3. The total value of the shared savings incentive payments
236 made to insureds participating in the program and the values
237 distributed as premium reductions, credits to flexible spending
238 accounts, credits to health savings accounts, or credits to
239 health reimbursement accounts.

240 4. An inventory of the shoppable health care services
241 offered by the health insurer.

242 (4) (a) A shared savings incentive offered by a health



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243 insurer in accordance with this section:

244 1. Is not an administrative expense for rate development or
245 rate filing purposes.

246 2. Does not constitute an unfair method of competition or
247 an unfair or deceptive act or practice under s. 626.9541 and is
248 presumed to be appropriate unless credible data clearly
249 demonstrates otherwise.

250 (b) A shared saving incentive amount provided as a return
251 or reduction in premium reduces the health insurer's direct
252 written premium by the shared saving incentive dollar amount for
253 the purposes of the taxes in ss. 624.509 and 624.5091.

254 (5) The commission may adopt rules necessary to implement
255 and enforce this section.

256 Section 5. Except as otherwise expressly provided in this
257 act, this act shall take effect July 1, 2019.

258
259 ===== T I T L E A M E N D M E N T =====

260 And the title is amended as follows:

261 Delete everything before the enacting clause
262 and insert:

263 A bill to be entitled
264 An act relating to health insurance; amending s.
265 110.12303, F.S.; removing an obsolete date;
266 authorizing the inclusion in the state group insurance
267 program of products and services offered by entities
268 providing optional participation in the Medicare
269 Advantage Prescription Drug Plan; amending s.
270 110.12315, F.S.; requiring the Department of
271 Management Services to implement formulary management



272 cost-saving measures beginning with the 2020 plan
273 year; specifying requirements for such measures;
274 requiring the department to report to the Governor and
275 the Legislature regarding formulary exclusions;
276 repealing s. 8 of ch. 99-255, Laws of Florida;
277 repealing a restriction prohibiting the department
278 from implementing prior authorization or restricted
279 formulary programs within the state employees'
280 prescription drug program; creating s. 627.6387, F.S.;
281 providing a short title; defining terms; authorizing
282 health insurers, which include health maintenance
283 organizations, to offer shared savings incentive
284 programs to insureds; providing that insureds are not
285 required to participate in such programs; specifying
286 requirements for health insurers offering such
287 programs; requiring the Office of Insurance Regulation
288 to review filed descriptions of programs and make a
289 certain determination; providing notification and
290 account credit or deposit requirements for insurers;
291 specifying the minimum shared savings incentive and
292 the basis for calculating savings; specifying
293 requirements for annual reports submitted by insurers
294 to the office; providing construction; providing that
295 certain shared saving incentive amounts reduce an
296 insurer's direct written premium for purposes of the
297 insurance premium tax and the retaliatory tax;
298 authorizing the Financial Services Commission to adopt
299 rules; providing effective dates.