1	A bill to be entitled
2	An act relating to group health plans; amending s.
3	624.438, F.S.; revising the definition of and
4	providing requirements for bona fide groups for
5	purposes of issuance of certificates of authority and
6	multiple-employer welfare arrangements; providing an
7	effective date.
8	
9	Be It Enacted by the Legislature of the State of Florida:
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11	Section 1. Paragraph (b) of subsection (1) of section
12	624.438, Florida Statutes, is amended to read:
13	624.438 General eligibility
14	(1) To meet the requirements for issuance of a certificate
15	of authority and to maintain a multiple-employer welfare
16	arrangement, an arrangement:
17	(b) Must be established by a trade association, industry
18	association, professional association of employers or
19	professionals, or a bona fide group that as defined in 29 C.F.R.
20	part 2510.3-5 which has a constitution or bylaws specifically
21	stating its purpose and <u>that</u> which has been organized for
22	purposes in addition to obtaining or providing insurance.
23	1. A trade association consists of member employers who
24	are in the same trade as recognized by the appropriate licensing
25	agency.
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26 An industry association consists of member employers 2. 27 who are in the same major group code, as defined by the Standard 28 Industrial Classification Manual issued by the federal Office of 29 Management and Budget, unless restricted by subparagraph 1. or 30 subparagraph 3. 3. A professional association consists of member employers 31 32 who are of the same profession as recognized by the appropriate 33 licensing agency. 34 4. A bona fide group is an employee welfare benefit plan 35 consisting of a group or association of member employers which meets the following requirements: 36 37 a. The primary purpose of the group or association may be to offer and provide health coverage to its member employers and 38 39 their employees, but the group or association has at least one 40 substantial business purpose that is unrelated to offering and 41 providing health coverage or other employee benefits to its 42 member employers and their employees. For purposes of this 43 subparagraph, as a safe harbor, a substantial business purpose 44 is considered to exist if the group or association would be a 45 viable entity in the absence of sponsoring an employee benefit plan. The business purpose includes promoting common business 46 interests of its members or the common economic interests in a 47 48 given trade or employer community, and is not required to be a 49 for-profit activity.

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b. Each member employer of the group or association

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51 participating in the group health plan is a person acting 52 directly as an employer of at least one employee who is a 53 participant covered under the plan. 54 c. The group or association has a formal organizational 55 structure with a governing body. 56 d. The functions and activities of the group or 57 association are controlled by its member employers, and the group's or association's member employers that participate in 58 59 the group health plan control the plan. Control must be present 60 both in form and in substance. e. The member employers have a principal place of business 61 in the same region that does not exceed the boundaries of a 62 single state or a metropolitan area, even if the metropolitan 63 64 area includes more than one state. 65 f. The group or association does not make health coverage 66 through the group's or association's group health plan available 67 other than to: 68 (I) Participating member employers. 69 (II) An employee of a current participating member 70 employer. 71 (III) A former employee of a current participating 72 employer member who became eligible for coverage under the group health plan when the former employee was an employee of the 73 74 employer. 75 (IV) A spouse, a dependent child, or any other Page 3 of 4

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76	beneficiaries of an individual described in sub-sub-subparagraph
77	(I) or sub-subparagraph (II).
78	g. The group or association and the health coverage
79	offered by the group or association comply with the
80	nondiscrimination provisions of s. 627.6699.
81	h. The group or association is not a health insurance
82	issuer, or owned or controlled by a health insurance issuer or
83	by a subsidiary or affiliate of a health insurance issuer, other
84	than to the extent such entities participate in the group or
85	association in their capacity as member employers of the group
86	or association.
87	
88	The requirements of this paragraph do not apply to an
89	arrangement licensed before April 1, 1995, regardless of the
90	nature of its business. However, an arrangement exempt from the
91	requirements of this paragraph may not expand the nature of its
92	business beyond that set forth in the articles of incorporation
93	of its sponsoring association as of April 1, 1995, except as
94	authorized in this paragraph.
95	Section 2. This act shall take effect July 1, 2023.
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