



Appropriations Conference Chairs

Bump Issues Conforming Bills

SENATE OFFER 1

SB 2508 - Division of State Group Insurance

**SB 2510 - Public Records/Dependent
Eligibility Verification Services**

**Thursday, May 4, 2017
2:00 p.m.
412 Knott Building**

SB 2508 Division of State Group Insurance

	Senate	House	Senate Offer 1
1	Dependent Eligibility Verification Audit	No substantive language	Senate language modified to allow submission of photocopies and affidavits in certain instances
	Prescription Drug Program		
2	Technical rewrite of the section	No substantive language	Modified Senate language relating to retail pharmacies
3	Copayment tiers	No substantive language	Modified Senate language
4	Implementation of restricted drug formulary	No substantive language	House position (no language)
5	Repeal s. 8 of 99-255	No substantive language	House position (no language)

SB 2510 Public Records Exemption for Dependent Eligibility Audit Documents

	Senate	House	Senate Offer 1
1	<ul style="list-style-type: none"> Makes confidential and exempt records collected for the purpose of dependent eligibility audits for DSGI. If the record is collected by DMS for some other purposes and is not confidential and exempt, that record will not be confident and exempt for this purpose. 	No substantive language	Senate position
2	Provides a public necessity statement justifying the exemption	No substantive language	Senate position

SENATE OFFER

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1 A bill to be entitled
2 An act relating to the Division of State Group
3 Insurance; amending s. 110.12301, F.S.; removing a
4 requirement that a contract for dependent eligibility
5 verification services for the state group insurance
6 program be contingency-based; requiring the division
7 to notify subscribers of dependent eligibility rules
8 by a certain date; requiring the division to hold a
9 subscriber harmless for past claims of ineligible
10 dependents for a specified timeframe; providing for
11 applicability; removing a requirement that the
12 Department of Management Services submit budget
13 amendments pursuant to ch. 216, F.S., regarding vendor
14 payments for dependent eligibility verification
15 services; authorizing the contractor providing
16 dependent eligibility verification services to request
17 certain information from subscribers; requiring the
18 division and the contractor to disclose to subscribers
19 that dependent eligibility verification information
20 may be subject to disclosure and inspection under
21 public records requirements under certain
22 circumstances; specifying requirements for marriage
23 licenses or certificates or birth certificates
24 submitted for dependent eligibility verification;
25 requiring the contractor to retain documentation
26 obtained for dependent eligibility verification
27 services for a specified timeframe; requiring the
28 department and the contractor to destroy such
29 documentation after a specified date; amending s.

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30 110.12315, F.S.; providing that retail, mail order,
31 and specialty pharmacies participating in the state
32 employees' prescription drug program shall be
33 reimbursed as established by contract; revising supply
34 limitations under the program; providing that the
35 pharmacy dispensing fee be negotiated by the
36 department; revising provisions governing the
37 reimbursement schedule for prescription drugs and
38 supplies dispensed under the program; requiring the
39 department to maintain certain lists; establishing
40 supply limitations for maintenance drugs and supplies;
41 specifying pricing of certain copayments by health
42 plan members; deleting a provision requiring the
43 department to implement additional cost-saving
44 measures and adjustments; revising copayment and
45 coinsurance amounts for the State Group Health
46 Insurance Standard Plan and the State Group Health
47 Insurance High Deductible Plan; ~~requiring the~~
48 ~~department to implement formulary management for~~
49 ~~prescription drugs and supplies by a specified date;~~
50 ~~requiring that certain prescription drugs and supplies~~
51 ~~remain available unless specifically excluded from the~~
52 ~~list of approved prescription drugs and supplies;~~
53 ~~providing that prescription drugs and supplies first~~
54 ~~made available after a specified date may not be~~
55 ~~covered by the prescription drug program unless~~
56 ~~otherwise approved; requiring the department to submit~~
57 ~~the list of excluded prescription drugs and supplies~~
58 ~~to the Executive Office of the Governor by a specified~~

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59 ~~date, requiring the list of excluded prescription~~
60 ~~drugs and supplies approved by the Executive Office of~~
61 ~~the Governor to be submitted to the Legislature by a~~
62 ~~specified date, authorizing the department to~~
63 ~~implement the exclusions if no objection is submitted~~
64 ~~by the Legislature by a certain date, authorizing the~~
65 ~~department to propose additional exclusions from~~
66 ~~coverage, make modifications to the formulary, and~~
67 ~~move drugs and supplies between copayment tiers,~~
68 ~~prescribing procedures and requirements with respect~~
69 ~~to the proposal of additional exclusions or~~
70 ~~modifications, requiring the department to submit~~
71 ~~certain information regarding the initial formulary~~
72 ~~and any subsequent modifications to the Executive~~
73 ~~Office of the Governor and the Legislature, repealing~~
74 ~~s. 8 of chapter 99-255, Laws of Florida, repealing a~~
75 ~~provision prohibiting the department from implementing~~
76 ~~a prior authorization program or a restricted~~
77 ~~formulary program that meets certain criteria,~~
78 providing an effective date.

79
80 Be It Enacted by the Legislature of the State of Florida:

81
82 Section 1. Section 110.12301, Florida Statutes, is amended
83 to read:

84 110.12301 Competitive procurement of postpayment claims
85 review services.—The Division of State Group Insurance is
86 directed to competitively procure:

87 (1) Postpayment claims review services for the state group

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88 health insurance plans established pursuant to s. 110.123.
89 Compensation under the contract shall be paid from amounts
90 identified as claim overpayments that are made by or on behalf
91 of the health plans and that are recovered by the vendor. The
92 vendor may retain that portion of the amount recovered as
93 provided in the contract. The contract must require the vendor
94 to maintain all necessary documentation supporting the amounts
95 recovered, retained, and remitted to the division; and

96 (2) A ~~contingency-based~~ contract for dependent eligibility
97 verification services for the state group insurance program;
98 however, compensation under the contract may not exceed
99 historical claim costs for the prior 12 months for the dependent
100 populations disenrolled as a result of the contractor's ~~vendor's~~
101 services.

102 (a)1. By September 1, 2017, the division shall notify all
103 subscribers regarding the eligibility rules for dependents.
104 Through November 30, 2017, the division must ~~may establish a 3-~~
105 ~~month grace period and~~ hold subscribers harmless for past claims
106 of ineligible dependents if such dependents are removed from
107 plan membership before December 1, 2017.

108 2. Subparagraph 1. does not apply to any dependent
109 identified as ineligible before July 1, 2017, for which the
110 department has notified the state agency employing the
111 associated subscriber ~~The Department of Management Services~~
112 ~~shall submit budget amendments pursuant to chapter 216 in order~~
113 ~~to obtain budget authority necessary to expend funds from the~~
114 ~~State Employees' Group Health Self Insurance Trust Fund for~~
115 ~~payments to the vendor as provided in the contract.~~

116 (b) The contractor providing dependent eligibility

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117 verification services may request the following information from
118 subscribers:

119 1. To prove a spouse's eligibility:

120 a. If married less than 12 months and the subscriber and
121 his or her spouse have not filed a joint federal income tax
122 return, a government-issued marriage certificate; or

123 b. If married for 12 or more months, a transcript of the
124 most recently filed federal income tax return.

125 2. To prove a biological child's or a newborn grandchild's
126 eligibility, a government-issued birth certificate.

127 3. To prove an adopted child's eligibility:

128 a. An adoption certificate; or

129 b. An adoption placement agreement and a petition for
130 adoption.

131 4. To prove a stepchild's eligibility:

132 a. A government-issued birth certificate for the stepchild;
133 and

134 b. The transcript of the subscriber's most recently filed
135 federal income tax return.

136 5. Any other information necessary to verify the
137 dependent's eligibility for enrollment in the state group
138 insurance program.

139 (c) If a document requested from a subscriber is not
140 confidential or exempt from public records requirements, the
141 division and the contractor shall disclose to all subscribers
142 that such information submitted to verify the eligibility of
143 dependents may be subject to disclosure and inspection under
144 chapter 119.

145 (d) A government-issued marriage license or marriage

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146 certificate submitted for dependent eligibility verification
147 must include the date of the marriage between the subscriber and
148 the spouse.

149 (e) A government-issued birth certificate submitted for
150 dependent eligibility verification must list the parents' names.

151 (f) Foreign born subscribers, unable to obtain the
152 necessary documentation within the specified time period of
153 producing verification documents, may execute a signed affidavit
154 attesting to eligibility requirements.

155 (g) Documentation submitted to verify eligibility may be an
156 original or a photocopy of an original document. Prior to
157 submitting a document, the subscriber may redact any information
158 on a document that is not necessary to verify the eligibility of
159 the dependent.

160 (h~~f~~) All documentation obtained by the contractor to
161 conduct the dependent eligibility verification services must be
162 retained until June 30, 2019. The department or the contractor
163 are not required to retain such documentation after June 30,
164 2019, and shall destroy such documentation as soon as
165 practicable after such date.

166 Section 2. Upon the expiration and reversion of the
167 amendments made to section 110.12315, Florida Statutes, pursuant
168 to section 123 of chapter 2016-62, Laws of Florida, section
169 110.12315, Florida Statutes, is amended to read:

170 110.12315 Prescription drug program.—The state employees'
171 prescription drug program is established. This program shall be
172 administered by the Department of Management Services, according
173 to the terms and conditions of the plan as established by the
174 relevant provisions of the annual General Appropriations Act and

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175 implementing legislation, subject to the following conditions:

176 (1) The department shall allow prescriptions written by
177 health care providers under the plan to be filled by any
178 licensed pharmacy and reimbursed pursuant to subsection (2)
179 ~~contractual claims processing provisions. Nothing in This~~
180 section may not be construed as prohibiting a mail order
181 prescription drug program distinct from the service provided by
182 retail pharmacies.

183 (2) In providing for reimbursement of pharmacies for
184 prescription drugs and supplies ~~medicines~~ dispensed to members
185 of the state group health insurance plan and their dependents
186 under the state employees' prescription drug program:

187 (a) Retail, mail order, and specialty pharmacies
188 participating in the program must be reimbursed as established
189 by contract and at a uniform rate and subject to uniform
190 ~~conditions~~, according to the terms and conditions of the plan.

191 (b) There ~~is shall be~~ a 30-day supply limit for retail
192 pharmacy fills, a 90-day supply limit for mail order fills, and
193 a 90-day supply limit for maintenance drug fills by retail
194 pharmacies participating in a 90-day supply network ~~prescription~~
195 ~~card purchases and 90-day supply limit for mail order or mail~~
196 ~~order prescription drug purchases. This paragraph may not be~~
197 construed to prohibit fills at any amount less than the
198 applicable supply limit.

199 (c) The ~~current~~ pharmacy dispensing fee shall be negotiated
200 by the department ~~remains in effect.~~

201 (d) ~~(3) The department of Management Services shall~~
202 establish the reimbursement schedule for prescription drugs and
203 supplies ~~pharmaceuticals~~ dispensed under the program.

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204 Reimbursement rates for a prescription drug or supply
205 ~~pharmaceutical~~ must be based on the cost of the generic
206 equivalent drug or supply if a generic equivalent exists, unless
207 the physician, advanced registered nurse practitioner, or
208 physician assistant prescribing the drug or supply
209 ~~pharmaceutical~~ clearly states on the prescription that the brand
210 name drug or supply is medically necessary or that the drug or
211 supply product is included on the formulary of drugs and
212 supplies drug products that may not be interchanged as provided
213 in chapter 465, in which case reimbursement must be based on the
214 cost of the brand name drug or supply as specified in the
215 reimbursement schedule adopted by the department of ~~Management~~
216 ~~Services~~.

217 (3) The department shall maintain the generic, preferred
218 brand name, and the nonpreferred brand name lists of drugs and
219 supplies to be used in the administration of the state
220 employees' prescription drug program.

221 (4) The department shall maintain a list of maintenance
222 drugs and supplies.

223 (a) Preferred provider organization health plan members may
224 have prescriptions for maintenance drugs and supplies filled up
225 to 3 times as a supply for up to 30 days through a retail
226 pharmacy; thereafter, prescriptions for the same maintenance
227 drug or supply must be filled for up to 90 days either through
228 the department's contracted mail order pharmacy or through a
229 retail pharmacy ~~participating in a 90-day supply network.~~

230 (b) Health maintenance organization health plan members may
231 have prescriptions for maintenance drugs and supplies filled for
232 up to 90 days either through a mail order pharmacy or through a

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233 retail pharmacy ~~participating in a 90-day supply network.~~

234 (5) Copayments made by health plan members for a supply for
235 up to 90 days through a retail pharmacy ~~participating in a 90-~~
236 ~~day supply network~~ shall be the same as copayments made for a
237 similar supply through the department's contracted mail order
238 pharmacy.

239 (6) ~~(4)~~ The department of Management Services shall conduct
240 a prescription utilization review program. In order to
241 participate in the state employees' prescription drug program,
242 retail pharmacies dispensing prescription drugs and supplies
243 ~~medicines~~ to members of the state group health insurance plan or
244 their covered dependents, or to subscribers or covered
245 dependents of a health maintenance organization plan under the
246 state group insurance program, shall make their records
247 available for this review.

248 ~~(5) The Department of Management Services shall implement~~
249 ~~such additional cost saving measures and adjustments as may be~~
250 ~~required to balance program funding within appropriations~~
251 ~~provided, including a trial or starter dose program and~~
252 ~~dispensing of long term maintenance medication in lieu of acute~~
253 ~~therapy medication.~~

254 (7) ~~(6)~~ Participating pharmacies must use a point-of-sale
255 device or an online computer system to verify a participant's
256 eligibility for coverage. The state is not liable for
257 reimbursement of a participating pharmacy for dispensing
258 prescription drugs and supplies to any person whose current
259 eligibility for coverage has not been verified by the state's
260 contracted administrator or by the department of Management
261 Services.

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262 ~~(7) Under the state employees' prescription drug program~~
263 ~~copayments must be made as follows:~~

264 (8) (a) Effective July 1, 2017 ~~January 1, 2006~~, for the
265 State Group Health Insurance Standard Plan, copayments must be
266 made as follows:

267 1. For a supply for up to 30 days from a retail pharmacy:

268 a. ~~For generic drug with card~~ \$7 ~~\$10~~.

269 b. ~~2. For preferred brand name drug with card~~ \$30 ~~\$25~~.

270 c. ~~3. For nonpreferred brand name drug with card~~ \$50 ~~\$40~~.

271 2. For a supply for up to 90 days from a mail order

272 pharmacy or a retail pharmacy ~~participating in a 90-day supply~~
273 ~~network:~~

274 a. ~~4. For generic mail-order drug~~ \$14 ~~\$20~~.

275 b. ~~5. For preferred brand name mail-order drug~~ \$60 ~~\$50~~.

276 c. ~~6. For nonpreferred brand name mail-order drug~~ .. \$100 ~~\$80~~.

277 (b) Effective July 1, 2017 ~~January 1, 2006~~, for the State
278 Group Health Insurance High Deductible Plan, coinsurance must be
279 paid as follows:

280 1. For a supply for up to 30 days from a retail pharmacy:

281 a. ~~Retail coinsurance For generic drug with card~~ 30%.

282 b. ~~2. Retail coinsurance For preferred brand name drug with~~
283 ~~card~~ 30%.

284 c. ~~3. Retail coinsurance For nonpreferred brand name drug~~
285 ~~with card~~ 50%.

286 2. For a supply for up to 90 days from a mail order

287 pharmacy or a retail pharmacy ~~participating in a 90-day supply~~
288 ~~network:~~

289 a. ~~4. Mail-order coinsurance For generic drug~~ 30%.

290 b. ~~5. Mail-order coinsurance For preferred brand name~~

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291 drug 30%.

292 ~~c.6. Mail order coinsurance~~ For nonpreferred brand name

293 drug 50%.

294 ~~(9)(a) Beginning January 1, 2018, the department shall~~
295 ~~implement formulary management for prescription drugs and~~
296 ~~supplies but may not restrict access to the most clinically~~
297 ~~appropriate, clinically effective, and lowest net cost~~
298 ~~prescription drugs and supplies. Prescription drugs and supplies~~
299 ~~available for coverage through the prescription drug program as~~
300 ~~of July 1, 2017, must remain available unless specifically~~
301 ~~excluded from coverage in accordance with the list developed~~
302 ~~pursuant to this subsection. Prescription drugs and supplies~~
303 ~~first made available after July 1, 2017, may not be covered by~~
304 ~~the prescription drug program unless specifically included in~~
305 ~~the list of approved prescription drugs and supplies.~~

306 ~~(b) The department must submit the list of excluded~~
307 ~~prescription drugs and supplies to the Executive Office of the~~
308 ~~Governor for review and approval by July 21, 2017. The approved~~
309 ~~formulary must be submitted to the Legislature for review by~~
310 ~~August 18, 2017. The implementation of the initial list of~~
311 ~~excluded prescription drugs and supplies shall be treated as an~~
312 ~~action subject to the notice, review, and objection procedures~~
313 ~~under s. 216.177. If no objection is submitted in writing by~~
314 ~~September 15, 2017, the department may implement the exclusions,~~
315 ~~as approved by the Executive Office of the Governor, beginning~~
316 ~~January 1, 2018.~~

317 ~~(c) The department may propose additional exclusions from~~
318 ~~coverage under the prescription drug program once each plan~~
319 ~~year, for implementation on January 1 of the next plan year or~~

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320 ~~as otherwise directed by the Legislature. The department must~~
321 ~~submit its proposed exclusions to the Executive Office of the~~
322 ~~Governor for review and approval at least 30 days before the~~
323 ~~date the Governor's recommended budget is required to be~~
324 ~~submitted to the Legislature. Any recommendations by the~~
325 ~~Governor to exclude drugs or supplies from coverage under the~~
326 ~~prescription drug program must be submitted to the Legislature~~
327 ~~with the Governor's recommended budget.~~

328 ~~(d) The department may propose modifications to the~~
329 ~~formulary to include prescription drugs or supplies not covered~~
330 ~~under the program or to move the drugs or supplies between~~
331 ~~copayment tiers. Such modifications may be implemented on~~
332 ~~January 1, April 1, July 1, or October 1 of the plan year.~~

333 ~~(e) With each proposed change to the status of prescription~~
334 ~~drugs and supplies under the program, the department shall~~
335 ~~submit the following information to the Executive Office of the~~
336 ~~Governor and the Legislature:~~

337 ~~1. The drugs and supplies excluded or proposed for a change~~
338 ~~in copayment tier;~~

339 ~~2. The drugs that remain available under the program as a~~
340 ~~substitute for the excluded drug;~~

341 ~~3. The number of prescriptions written for the affected~~
342 ~~drug or supply during the prior plan year and the current plan~~
343 ~~year and the number of plan members affected by the change;~~

344 ~~4. The expected financial impact to the prescription drug~~
345 ~~program, including the impact by drug on plan payments and~~
346 ~~rebates to the plan; and~~

347 ~~5. The expected financial impact to the plan members,~~
348 ~~including the impact on member copayments and coinsurance, and~~

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349 ~~the cost of the drug to the plan members if the drug is~~
350 ~~excluded.~~

351 ~~(c) The Department of Management Services shall create a~~
352 ~~preferred brand name drug list to be used in the administration~~
353 ~~of the state employees' prescription drug program.~~

354 ~~Section 3. Section 8 of ch. 99-255, Laws of Florida, is~~
355 ~~repealed.~~

356 Section 4. This act shall take effect July 1, 2017.

By the Committee on Appropriations

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1 A bill to be entitled
2 An act relating to public records; amending s.
3 110.12301, F.S.; creating an exemption from public
4 records requirements for records collected for
5 dependent eligibility verification services for the
6 state group insurance program and held by the
7 Department of Management Services; providing for
8 construction; providing for future legislative review
9 and repeal; providing a statement of public necessity;
10 providing a contingent effective date.

11
12 Be It Enacted by the Legislature of the State of Florida:

13
14 Section 1. Section 110.12301, Florida Statutes, is amended
15 to read:

16 110.12301 Competitive procurement of postpayment claims
17 review services; public records exemption.—

18 (1) The Division of State Group Insurance is directed to
19 competitively procure:

20 (a) ~~(1)~~ Postpayment claims review services for the state
21 group health insurance plans established pursuant to s. 110.123.
22 Compensation under the contract shall be paid from amounts
23 identified as claim overpayments that are made by or on behalf
24 of the health plans and that are recovered by the vendor. The
25 vendor may retain that portion of the amount recovered as
26 provided in the contract. The contract must require the vendor
27 to maintain all necessary documentation supporting the amounts
28 recovered, retained, and remitted to the division; and

29 (b) ~~(2)~~ A contingency-based contract for dependent

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30 eligibility verification services for the state group insurance
31 program; however, compensation under the contract may not exceed
32 historical claim costs for the prior 12 months for the dependent
33 populations disenrolled as a result of the vendor's services.
34 The division may establish a 3-month grace period and hold
35 subscribers harmless for past claims of ineligible dependents.
36 The Department of Management Services shall submit budget
37 amendments pursuant to chapter 216 in order to obtain budget
38 authority necessary to expend funds from the State Employees'
39 Group Health Self-Insurance Trust Fund for payments to the
40 vendor as provided in the contract.

41 (2) Records collected for purposes of dependent eligibility
42 verification services conducted for the state group insurance
43 program, as authorized under paragraph (1)(b), and held by the
44 department are confidential and exempt from s. 119.07(1) and s.
45 24(a), Art. I of the State Constitution. This subsection does
46 not apply to records that are otherwise open for inspection and
47 copying which are held by the department for purposes other than
48 for the performance of dependent eligibility verification
49 services. This subsection is subject to the Open Government
50 Sunset Review Act in accordance with s. 119.15 and shall stand
51 repealed on October 2, 2022, unless reviewed and saved from
52 repeal through reenactment by the Legislature.

53 Section 2. (1) The Legislature finds that it is a public
54 necessity that records collected for purposes of dependent
55 eligibility verification services conducted for the state group
56 insurance program, authorized under s. 110.12301(1)(b), Florida
57 Statutes, and held by the Department of Management Services be
58 confidential and exempt from s. 119.07(1), Florida Statutes, and

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59 s. 24(a), Article I of the State Constitution. Enrollment in the
60 state group insurance program is available to all state
61 employees, their children, their adult dependents, and, in
62 certain circumstances, even their grandchildren. Eligible
63 enrollees for the program include officers and employees from
64 all three branches of state government and represent numerous
65 professions. Employees are required to produce sensitive and
66 personal information related to the state employees' and their
67 dependents' health, finances, and personal relationships to
68 verify their eligibility to participate in the state group
69 insurance program. Eligibility verification can require state
70 employees to produce a variety of documentation, including proof
71 of marriages and divorces, child custody, children's education
72 status, as well as the mental and medical records related to
73 their children with disabilities. Absent the public records
74 exemption, state employees subject to the verification process
75 may be hesitant or less cooperative in producing documents or
76 information out of fear that they or their families would be
77 exposed to public ridicule or humiliation because the details of
78 their personal lives would be subject to public disclosure.
79 Personnel may also be uncooperative if they are concerned that
80 they or their families may be exposed to public scorn or be
81 subject to legal action for inappropriately or mistakenly
82 claiming ineligible dependents. Protecting such information
83 helps to protect state employees and their families from
84 criminal or inappropriate use of their personal information.
85 Enrollees and their families would be at increased risk of
86 identity theft and fraud if the public had unfettered access to
87 documents requested by the Department of Management Services to

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88 verify dependent eligibility.

89 (2) The Legislature further recognizes that some of the
 90 records produced to verify dependent eligibility are not exempt
 91 or confidential and exempt from public records requirements when
 92 held by other agencies under existing law. Through this act, the
 93 Legislature does not intend to make such records exempt or
 94 confidential and exempt from public records requirements other
 95 than for records held by the Department of Management Services
 96 for the express purpose of dependent eligibility verification.
 97 The verification program ensures that taxpayer money and
 98 resources of the state group insurance program are spent
 99 appropriately on eligible dependents. This exemption will
 100 promote effective and efficient administration of the program
 101 which would otherwise be significantly impaired without the
 102 exemption.

103 Section 3. This act shall take effect on the same date that
 104 SB 2508 or similar legislation takes effect, if such legislation
 105 is adopted in the same legislative session or an extension
 106 thereof and becomes law.