

1 A bill to be entitled
 2 An act relating to the state group insurance program;
 3 amending s. 110.123, F.S.; providing application of
 4 definitions; revising definitions; deleting legislative
 5 intent; revising duties of the Department of Management
 6 Services relating to the group insurance program;
 7 providing the state contribution toward cost of health
 8 insurance plans in the state group insurance program for
 9 specified plan years; revising authorized benefits;
 10 requiring certain data to be reported to the department by
 11 health maintenance organizations under specified
 12 circumstances; repealing the Florida State Employee
 13 Wellness Council; creating s. 110.12303, F.S.; directing
 14 the department to contract with an independent benefits
 15 consultant; providing vendor qualifications for the
 16 independent benefits consultant; providing duties of the
 17 independent benefits consultant; providing contract
 18 management duties for the department; providing duties of
 19 the department relating to the state group insurance
 20 program; providing an effective date.

21
 22 Be It Enacted by the Legislature of the State of Florida:

23
 24 Section 1. Subsections (1), (2), and (3), (4), (5) and
 25 (13) of section 110.123, Florida Statutes, are amended to read:
 26 110.123 State group insurance program.—

27 (1) TITLE.—Sections 110.123-110.1239 ~~This section~~ may be
 28 cited as the "State Group Insurance Program Law."

29 (2) DEFINITIONS.—As used in ss. 110.123-110.1239 ~~this~~
 30 ~~section~~, the term:

31 (a) "Department" means the Department of Management
 32 Services.

33 (b) "Enrollee" means all state officers and employees,
 34 retired state officers and employees, surviving spouses of
 35 deceased state officers and employees, and terminated employees
 36 or individuals with continuation coverage who are enrolled in an
 37 insurance plan offered by the state group insurance program.
 38 "Enrollee" includes all state university officers and employees,
 39 retired state university officers and employees, surviving
 40 spouses of deceased state university officers and employees, and
 41 terminated state university employees or individuals with
 42 continuation coverage who are enrolled in an insurance plan
 43 offered by the state group insurance program.

44 (c) "Full-time state employees" includes all full-time
 45 employees of all branches or agencies of state government
 46 holding salaried positions and paid by state warrant or from
 47 agency funds, and employees paid from regular salary
 48 appropriations for 8 months' employment, including university
 49 personnel on academic contracts, but in no case shall "state
 50 employee" or "salaried position" include persons paid from
 51 other-personal-services (OPS) funds. "Full-time employees"
 52 includes all full-time employees of the state universities.

53 (d) "Health maintenance organization" or "HMO" means an
 54 entity certified under part I of chapter 641.

55 (e) "Health plan member" means any person participating in
 56 a state group health insurance plan, ~~a TRICARE supplemental~~

PCB HHSC 12-02

2012

57 | ~~insurance plan,~~ or a health maintenance organization plan under
58 | the state group insurance program, including enrollees and
59 | covered dependents thereof.

60 | (f) "Part-time state employee" means any employee of any
61 | branch or agency of state government paid by state warrant from
62 | salary appropriations or from agency funds, and who is employed
63 | for less than the normal full-time workweek established by the
64 | department or, if on academic contract or seasonal or other type
65 | of employment which is less than year-round, is employed for
66 | less than 8 months during any 12-month period, but in no case
67 | shall "part-time" employee include a person paid from other-
68 | personal-services (OPS) funds. "Part-time state employee"
69 | includes any part-time employee of the state universities.

70 | (g) "Plan year" means a calendar year.

71 | (h)~~(g)~~ "Retired state officer or employee" or "retiree"
72 | means any state or state university officer or employee who
73 | retires under a state retirement system or a state optional
74 | annuity or retirement program or is placed on disability
75 | retirement, and who was insured under the state group insurance
76 | program at the time of retirement, and who begins receiving
77 | retirement benefits immediately after retirement from state or
78 | state university office or employment. In addition to these
79 | requirements, any state officer or state employee who retires
80 | under the Public Employee Optional Retirement Program
81 | established under part II of chapter 121 shall be considered a
82 | "retired state officer or employee" or "retiree" as used in this
83 | section if he or she:

84 | 1. Meets the age and service requirements to qualify for

85 normal retirement as set forth in s. 121.021(29); or

86 2. Has attained the age specified by s. 72(t)(2)(A)(i) of
87 the Internal Revenue Code and has 6 years of creditable service.

88 (i) ~~(h)~~ "State agency" or "agency" means any branch,
89 department, or agency of state government. "State agency" or
90 "agency" includes any state university for purposes of this
91 section only.

92 ~~(i) "State group health insurance plan or plans" or "state
93 plan or plans" mean the state self-insured health insurance plan
94 or plans offered to state officers and employees, retired state
95 officers and employees, and surviving spouses of deceased state
96 officers and employees pursuant to this section.~~

97 ~~(j) "State-contracted HMO" means any health maintenance
98 organization under contract with the department to participate
99 in the state group insurance program.~~

100 ~~(k) "State group insurance program" or "programs" means
101 the package of insurance plans offered to state officers and
102 employees, retired state officers and employees, and surviving
103 spouses of deceased state officers and employees pursuant to
104 this section, including the state group health insurance plan or
105 plans, health maintenance organization plans, TRICARE
106 supplemental insurance plans, and other plans required or
107 authorized by law.~~

108 (j) ~~(l)~~ "State officer" means any constitutional state
109 officer, any elected state officer paid by state warrant, or any
110 appointed state officer who is commissioned by the Governor and
111 who is paid by state warrant.

112 (k) ~~(m)~~ "Surviving spouse" means the widow or widower of a

113 | deceased state officer, full-time state employee, part-time
 114 | state employee, or retiree if such widow or widower was covered
 115 | as a dependent under the state group health insurance plan,~~a~~
 116 | ~~TRICARE supplemental insurance plan,~~ or a health maintenance
 117 | organization plan established pursuant to this section at the
 118 | time of the death of the deceased officer, employee, or retiree.
 119 | "Surviving spouse" also means any widow or widower who is
 120 | receiving or eligible to receive a monthly state warrant from a
 121 | state retirement system as the beneficiary of a state officer,
 122 | full-time state employee, or retiree who died prior to July 1,
 123 | 1979. For the purposes of this section, any such widow or
 124 | widower shall cease to be a surviving spouse upon his or her
 125 | remarriage.

126 | ~~(n) "TRICARE supplemental insurance plan" means the~~
 127 | ~~Department of Defense Health Insurance Program for eligible~~
 128 | ~~members of the uniformed services authorized by 10 U.S.C. s.~~
 129 | ~~1097.~~

130 | (3) STATE GROUP INSURANCE PROGRAM.—

131 | ~~(a) The Division of State Group Insurance is created~~
 132 | ~~within the Department of Management Services.~~

133 | ~~(b) It is the intent of the Legislature to offer a~~
 134 | ~~comprehensive package of health insurance and retirement~~
 135 | ~~benefits and a personnel system for state employees which are~~
 136 | ~~provided in a cost-efficient and prudent manner, and to allow~~
 137 | ~~state employees the option to choose benefit plans which best~~
 138 | ~~suit their individual needs. Therefore,~~

139 | (a) The state group insurance program is established which
 140 | may include the state group self-insured health insurance plan

PCB HHSC 12-02

2012

141 ~~er plans, health maintenance organization plans, group life~~
 142 ~~insurance plans, TRICARE supplemental insurance plans, group~~
 143 ~~accidental death and dismemberment plans, and group disability~~
 144 ~~insurance plans, . Furthermore, the department is additionally~~
 145 ~~authorized to establish and provide as part of the state group~~
 146 ~~insurance program any other group insurance plans or coverage~~
 147 ~~choices, and other benefits authorized by law. that are~~
 148 ~~consistent with the provisions of this section.~~

149 ~~(b)(c) Notwithstanding any provision in this section to~~
 150 ~~the contrary, it is the intent of the Legislature that The~~
 151 ~~department shall be responsible for specific duties related to~~
 152 ~~the state group insurance program, including the competitive~~
 153 ~~procurement of such contracts as may be necessary to implement~~
 154 ~~the state group insurance program all aspects of the purchase of~~
 155 ~~health care for state employees under the state group health~~
 156 ~~insurance plan or plans, TRICARE supplemental insurance plans,~~
 157 ~~and the health maintenance organization plans. Responsibilities~~
 158 ~~shall include, but not be limited to, the development of~~
 159 ~~requests for proposals or invitations to negotiate for state~~
 160 ~~employee health services, the determination of health care~~
 161 ~~benefits to be provided, and the negotiation of contracts for~~
 162 ~~health care and health care administrative services. Prior to~~
 163 ~~the negotiation of contracts for health care services, the~~
 164 ~~Legislature intends that the department shall develop, with~~
 165 ~~respect to state collective bargaining issues, the health~~
 166 ~~benefits and terms to be included in the state group health~~
 167 ~~insurance program. The department shall adopt rules necessary to~~
 168 ~~perform its responsibilities pursuant to this section. It is the~~

169 ~~intent of the Legislature that~~ The department shall be
 170 responsible for ~~the~~ contract management including the contract
 171 with the independent benefits consultant described in s.
 172 110.12303. ~~and day-to-day management of the state employee~~
 173 ~~health insurance program, including, but not limited to, The~~
 174 department shall be responsible for employee enrollment and
 175 enrollee support services, premium collection and
 176 administration, payment to health care providers, and other
 177 administrative functions ~~related to the program.~~ The department
 178 shall provide financial management of the program, including
 179 financial and budget oversight of program operations, management
 180 of vendor payments, analyzing and forecasting of program
 181 revenues and expenditures, monitoring of financial compliance of
 182 contractors, and auditing.

183 ~~(d)1. Notwithstanding the provisions of chapter 287 and~~
 184 ~~the authority of the department, for the purpose of protecting~~
 185 ~~the health of, and providing medical services to, state~~
 186 ~~employees participating in the state group insurance program,~~
 187 ~~the department may contract to retain the services of~~
 188 ~~professional administrators for the state group insurance~~
 189 ~~program. The agency shall follow good purchasing practices of~~
 190 ~~state procurement to the extent practicable under the~~
 191 ~~circumstances.~~

192 (c)1.2. Each vendor in a major procurement, and any other
 193 vendor if the department deems it necessary to protect the
 194 state's financial interests, shall, at the time of executing any
 195 contract with the department, post an appropriate bond with the
 196 department in an amount determined by the department to be

PCB HHSC 12-02

2012

197 adequate to protect the state's interests but not higher than
198 the full amount estimated to be paid annually to the vendor
199 under the contract.

200 2.3. Each major contract entered into by the department
201 pursuant to this section shall contain a provision for payment
202 of liquidated damages to the department for material
203 noncompliance by a vendor with a contract provision. The
204 department may require a liquidated damages provision in any
205 contract if the department deems it necessary to protect the
206 state's financial interests.

207 3.4. The provisions of s. 120.57(3) apply to the
208 department's contracting process, except:

209 a. A formal written protest of any decision, intended
210 decision, or other action subject to protest shall be filed
211 within 72 hours after receipt of notice of the decision,
212 intended decision, or other action.

213 b. As an alternative to any provision of s. 120.57(3), the
214 department may proceed with the bid selection or contract award
215 process if the director of the department sets forth, in
216 writing, particular facts and circumstances which demonstrate
217 the necessity of continuing the procurement process or the
218 contract award process in order to avoid a substantial
219 disruption to the provision of any scheduled insurance services.

220 (d) ~~(e)~~ The Department of Management Services and the
221 Division of State Group Insurance may not prohibit or limit any
222 properly licensed insurer, health maintenance organization,
223 prepaid limited health services organization, or insurance agent
224 from competing for any insurance product or plan purchased,

225 provided, or endorsed by the department or the division on the
 226 basis of the compensation arrangement used by the insurer or
 227 organization for its agents.

228 (e)~~(f)~~ ~~Except as provided for in subparagraph (h)2.,~~ the
 229 state contribution toward the cost of any plan in the state
 230 group insurance program shall be uniform with respect to all
 231 state employees in a state collective bargaining unit
 232 participating in the same coverage tier in the same plan. This
 233 section does not prohibit the development of separate benefit
 234 plans for officers and employees exempt from the career service
 235 or the development of separate benefit plans for each collective
 236 bargaining unit.

237 (f)~~(g)~~ Participation by individuals in the program is
 238 available to all state officers, full-time state employees, and
 239 part-time state employees; and such participation in the program
 240 or any plan is voluntary. Participation in the program is also
 241 available to retired state officers and employees, as defined in
 242 paragraph (2)(h)~~(g)~~, who elect at the time of retirement to
 243 continue coverage under the program, but they may elect to
 244 continue all or only part of the coverage they had at the time
 245 of retirement. A surviving spouse may elect to continue coverage
 246 only under a state group health insurance plan, ~~a TRICARE~~
 247 ~~supplemental insurance plan,~~ or a health maintenance
 248 organization plan.

249 (g)~~(h)~~1. A person eligible to participate in the state
 250 group insurance program may be authorized by rules adopted by
 251 the department to select any benefits and coverage that may be
 252 offered to qualified persons as authorized by the Legislature

PCB HHSC 12-02

2012

253 and that are in compliance with applicable federal requirements,
 254 ~~in lieu of participating in the state group health insurance~~
 255 ~~plan, to exercise an option to elect membership in a health~~
 256 ~~maintenance organization plan which is under contract with the~~
 257 ~~state in accordance with criteria established by this section~~
 258 ~~and by said rules. The offer of optional membership in a health~~
 259 ~~maintenance organization plan permitted by this paragraph may be~~
 260 ~~limited or conditioned by rule as may be necessary to meet the~~
 261 ~~requirements of state and federal laws.~~

262 2. The department shall contract with health maintenance
 263 organizations seeking to participate in the state group
 264 insurance program through a competitive ~~request for proposal or~~
 265 ~~other procurement process, as developed by the Department of~~
 266 ~~Management Services and determined to be appropriate.~~

267 a. The department shall establish a schedule of minimum
 268 benefits for health maintenance organization coverage, and that
 269 schedule shall be as authorized by the Legislature and that are
 270 in compliance with applicable federal requirements ~~include~~
 271 ~~physician services; inpatient and outpatient hospital services;~~
 272 ~~emergency medical services, including out-of-area emergency~~
 273 ~~coverage; diagnostic laboratory and diagnostic and therapeutic~~
 274 ~~radiologic services; mental health, alcohol, and chemical~~
 275 ~~dependency treatment services meeting the minimum requirements~~
 276 ~~of state and federal law; skilled nursing facilities and~~
 277 ~~services; prescription drugs; age-based and gender-based~~
 278 ~~wellness benefits; and other benefits as may be required by the~~
 279 ~~department. Additional services may be provided subject to the~~
 280 ~~contract between the department and the HMO. As used in this~~

281 ~~paragraph, the term "age-based and gender-based wellness~~
 282 ~~benefits" includes aerobic exercise, education in alcohol and~~
 283 ~~substance abuse prevention, blood cholesterol screening, health~~
 284 ~~risk appraisals, blood pressure screening and education,~~
 285 ~~nutrition education, program planning, safety belt education,~~
 286 ~~smoking cessation, stress management, weight management, and~~
 287 ~~women's health education.~~

288 b. The department may establish uniform deductibles,
 289 copayments, coverage tiers, or coinsurance schedules for all
 290 participating HMO plans.

291 c. The department may require detailed information from
 292 each health maintenance organization participating in the
 293 procurement process, including information pertaining to
 294 organizational status, experience in providing prepaid health
 295 benefits, accessibility of services, financial stability of the
 296 plan, quality of management services, accreditation status,
 297 quality of medical services, network access and adequacy,
 298 performance measurement, ability to meet the department's
 299 reporting requirements, and the actuarial basis of the proposed
 300 rates and other data determined by the director to be necessary
 301 for the evaluation and selection of health maintenance
 302 organization plans and negotiation of appropriate rates for
 303 these plans. Upon receipt of proposals by health maintenance
 304 organization plans and the evaluation of those proposals, the
 305 department may negotiate ~~enter into negotiations~~ with all of the
 306 plans or a subset of the plans, as the department determines
 307 appropriate. ~~Nothing shall preclude~~ The department may negotiate
 308 ~~from negotiating~~ regional or statewide contracts with health

309 maintenance organization plans ~~when this is cost-effective and~~
 310 ~~when the department determines that the plan offers high value~~
 311 ~~to enrollees.~~

312 d. The department may limit the number of HMOs that it
 313 contracts with in each service area based on the nature of the
 314 bids the department receives, the number of state employees in
 315 the service area, or any unique geographical characteristics of
 316 the service area. The department shall establish by rule service
 317 areas throughout the state.

318 e. For plan years that begin prior to January 1, 2014, all
 319 persons participating in the state group insurance program may
 320 be required to contribute towards a total state group health
 321 premium that may vary depending upon the plan and coverage tier
 322 selected by the enrollee and the level of state contribution
 323 authorized by the Legislature.

324 ~~3. The department is authorized to negotiate and to~~
 325 ~~contract with specialty psychiatric hospitals for mental health~~
 326 ~~benefits, on a regional basis, for alcohol, drug abuse, and~~
 327 ~~mental and nervous disorders. The department may establish,~~
 328 ~~subject to the approval of the Legislature pursuant to~~
 329 ~~subsection (5), any such regional plan upon completion of an~~
 330 ~~actuarial study to determine any impact on plan benefits and~~
 331 ~~premiums.~~

332 ~~4. In addition to contracting pursuant to subparagraph 2.,~~
 333 ~~the department may enter into contract with any HMO to~~
 334 ~~participate in the state group insurance program which:~~

335 a. ~~Serves greater than 5,000 recipients on a prepaid basis~~
 336 ~~under the Medicaid program;~~

337 ~~b. Does not currently meet the 25 percent non-~~
 338 ~~Medicare/non-Medicaid enrollment composition requirement~~
 339 ~~established by the Department of Health excluding participants~~
 340 ~~enrolled in the state group insurance program;~~

341 ~~e. Meets the minimum benefit package and copayments and~~
 342 ~~deductibles contained in sub-subparagraphs 2.a. and b.;~~

343 ~~d. Is willing to participate in the state group insurance~~
 344 ~~program at a cost of premiums that is not greater than 95~~
 345 ~~percent of the cost of HMO premiums accepted by the department~~
 346 ~~in each service area; and~~

347 ~~e. Meets the minimum surplus requirements of s. 641.225.~~

348
 349 ~~The department is authorized to contract with HMOs that meet the~~
 350 ~~requirements of sub-subparagraphs a. d. prior to the open~~
 351 ~~enrollment period for state employees. The department is not~~
 352 ~~required to renew the contract with the HMOs as set forth in~~
 353 ~~this paragraph more than twice. Thereafter, the HMOs shall be~~
 354 ~~eligible to participate in the state group insurance program~~
 355 ~~only through the request for proposal or invitation to negotiate~~
 356 ~~process described in subparagraph 2.~~

357 3.5. All enrollees in a state group health insurance plan,
 358 ~~a TRICARE supplemental insurance plan,~~ or any health maintenance
 359 organization plan have the option of changing to any other
 360 health plan that is offered by the state within any open
 361 enrollment period designated by the department. Open enrollment
 362 shall be held at least once each calendar year.

363 4.6. When a contract between a treating provider and the
 364 state-contracted health maintenance organization is terminated

PCB HHSC 12-02

2012

365 for any reason other than for cause, each party shall allow any
366 enrollee for whom treatment was active to continue coverage and
367 care when medically necessary, through completion of treatment
368 of a condition for which the enrollee was receiving care at the
369 time of the termination, until the enrollee selects another
370 treating provider, or until the next open enrollment period
371 offered, whichever is longer, but no longer than 6 months after
372 termination of the contract. Each party to the terminated
373 contract shall allow an enrollee who has initiated a course of
374 prenatal care, regardless of the trimester in which care was
375 initiated, to continue care and coverage until completion of
376 postpartum care. This does not prevent a provider from refusing
377 to continue to provide care to an enrollee who is abusive,
378 noncompliant, or in arrears in payments for services provided.
379 For care continued under this subparagraph, the program and the
380 provider shall continue to be bound by the terms of the
381 terminated contract. Changes made within 30 days before
382 termination of a contract are effective only if agreed to by
383 both parties.

384 ~~5.7.~~ Any HMO participating in the state group insurance
385 program shall submit health care utilization and cost data to
386 the department, in such form and in such manner as the
387 department shall require, as a condition of participating in the
388 program. For any HMO that participated in the program prior to
389 January 2014 and is selected to participate in the 2014 plan
390 year, health care utilization and cost data for at least the
391 last two contract periods shall be submitted to the department
392 before a contract is entered into for the 2014 plan year. The

393 ~~department shall enter into negotiations with its contracting~~
 394 ~~HMOs to determine the nature and scope of the data submission~~
 395 ~~and the final requirements, format, penalties associated with~~
 396 ~~noncompliance, and timetables for submission. These~~
 397 ~~determinations shall be adopted by rule.~~

398 6.8. The department may establish and direct, with respect
 399 to collective bargaining issues, a comprehensive package of
 400 insurance benefits that may include supplemental health and life
 401 coverage, dental care, long-term care, vision care, and other
 402 benefits it determines necessary to enable state employees to
 403 select from among benefit options that best suit their
 404 individual and family needs.

405 a. Based upon a desired benefit package, the department
 406 shall issue a request for proposal or invitation to negotiate
 407 for health insurance providers interested in participating in
 408 the state group insurance program, and the department shall
 409 issue a request for proposal or invitation to negotiate for
 410 insurance providers interested in participating in the non-
 411 health-related components of the state group insurance program.
 412 Upon receipt of all proposals, the department may enter into
 413 contract negotiations with insurance providers submitting bids
 414 or negotiate a specially designed benefit package. Insurance
 415 providers offering or providing supplemental coverage as of May
 416 30, 1991, which qualify for pretax benefit treatment pursuant to
 417 s. 125 of the Internal Revenue Code of 1986, with 5,500 or more
 418 state employees currently enrolled may be included by the
 419 department in the supplemental insurance benefit plan
 420 established by the department without participating in a request

421 for proposal, submitting bids, negotiating contracts, or
 422 negotiating a specially designed benefit package. These
 423 contracts shall provide state employees with the most cost-
 424 effective and comprehensive coverage available; however, ~~no~~
 425 state or agency funds may not ~~shall~~ be contributed toward the
 426 cost of any part of the premium of such supplemental benefit
 427 plans. With respect to dental coverage, the division shall
 428 include in any solicitation or contract for any state group
 429 dental program made after July 1, 2001, a comprehensive
 430 indemnity dental plan option which offers enrollees a completely
 431 unrestricted choice of dentists. If a dental plan is endorsed,
 432 or in some manner recognized as the preferred product, such plan
 433 shall include a comprehensive indemnity dental plan option which
 434 provides enrollees with a completely unrestricted choice of
 435 dentists.

436 b. Pursuant to the applicable provisions of s. 110.161,
 437 and s. 125 of the Internal Revenue Code of 1986, the department
 438 shall enroll in the pretax benefit program those state employees
 439 who voluntarily elect coverage in any of the supplemental
 440 insurance benefit plans as provided by sub-subparagraph a.

441 c. This section may not ~~Nothing herein contained~~ shall be
 442 construed to prohibit insurance providers from continuing to
 443 provide or offer supplemental benefit coverage to state
 444 employees as provided under existing agency plans.

445 (h) (i) The benefits of the insurance authorized by this
 446 section are ~~shall~~ not be in lieu of any benefits payable under
 447 chapter 440, the Workers' Compensation Law, and ~~the~~ insurance
 448 authorized by this section does ~~law~~ shall not be deemed to

449 constitute insurance to secure workers' compensation benefits as
 450 required by chapter 440.

451 ~~(i)-(j)~~ Notwithstanding the provisions of paragraph (e) ~~(f)~~
 452 requiring uniform contributions, and for the 2012-2013 ~~2011-2013~~
 453 fiscal year only, the state contribution toward the cost of any
 454 plan in the state group insurance plan shall be the difference
 455 between the overall premium and the employee contribution. This
 456 subsection expires June 30, 2013 ~~2012~~.

457 (4) PAYMENT OF PREMIUMS; CONTRIBUTION BY STATE;
 458 LIMITATION ON ACTIONS TO PAY AND COLLECT PREMIUMS.—

459 (a) Except as provided in paragraph (e) with respect to
 460 law enforcement officers, correctional and correctional
 461 probation officers, and firefighters, legislative authorization
 462 through the appropriations act is required for payment by a
 463 state agency of any part of the premium cost of participation in
 464 any group insurance plan. However, the state contribution for
 465 full-time employees or part-time permanent employees shall
 466 continue in the respective proportions for up to 6 months for
 467 any such officer or employee who has been granted an approved
 468 parental or medical leave of absence without pay.

469 (b) For the 2014 plan year and thereafter, the state shall
 470 make a defined contribution toward the premium cost of
 471 participation in state group insurance program in the amounts
 472 that are authorized in the General Appropriations Act.
 473 Employees who are non-tobacco users may receive an enhanced
 474 contribution. Subject to appropriation, the amount of the
 475 defined contribution shall be actuarially equivalent to no less
 476 than 90 percent of the benefits covered in the 2012 plan year

PCB HHSC 12-02

2012

477 for employees selecting individual coverage and no less than 85
478 percent of benefits covered in the 2012 plan year for employees
479 selecting family coverage. This section does not prohibit the
480 use of different levels of state contributions for positions
481 exempt from career service.

482 1. If the state's contribution is less than premium
483 cost of the health plan selected by the employee, the employee
484 shall by salary reduction arrangement contribute the remainder
485 of the premium cost.

486 2. If the state's contribution is more than premium
487 cost of the health plan selected by the employee, subject to any
488 federal limitations, the employee may elect to have the balance:

489 a. credited to the employee's flexible spending account;

490 b. credited to the employee's health savings account;

491 c. used to increase the employee's salary by the
492 difference between the premium cost for the employee's selected
493 health plan and the contribution made by the state.

494 (c) ~~(b)~~ If a state officer or full-time state employee
495 selects membership in a health maintenance organization as
496 authorized by paragraph (3) (g) ~~(h)~~, the officer or employee is
497 entitled to a state contribution toward individual and dependent
498 membership as provided by the Legislature through the
499 appropriations act.

500 (d) ~~(e)~~ During each policy or budget year, no state agency
501 shall contribute a greater dollar amount of the premium cost for
502 its officers or employees for any plan option under the state
503 group insurance program than any other agency for similar
504 officers and employees, nor shall any greater dollar amount of

PCB HHSC 12-02

2012

505 premium cost be made for employees in one state collective
506 bargaining unit than for those in any other state collective
507 bargaining unit. Nothing in this section prohibits the use of
508 different levels of state contributions for positions exempt
509 from career service.

510 (e) ~~(d)~~ The state contribution for a part-time permanent
511 state employee who elects to participate in the program shall be
512 prorated so that the amount of the cost contributed for the
513 part-time permanent employee bears that relation to the amount
514 of cost contributed for a similar full-time employee that the
515 part-time employee's normal workday bears to a full-time
516 employee's normal workday.

517 (f) ~~(e)~~ No state contribution for the cost of any part of
518 the premium shall be made for retirees or surviving spouses for
519 any type of coverage under the state group insurance program.
520 However, any state agency that employs a full-time law
521 enforcement officer, correctional officer, or correctional
522 probation officer who is killed or suffers catastrophic injury
523 in the line of duty as provided in s. 112.19, or a full-time
524 firefighter who is killed or suffers catastrophic injury in the
525 line of duty as provided in s. 112.191, shall pay the entire
526 premium of the state group health insurance plan selected for
527 the employee's surviving spouse until remarried, and for each
528 dependent child of the employee, subject to the conditions and
529 limitations set forth in s. 112.19 or s. 112.191, as applicable.

530 (g) ~~(f)~~ Pursuant to the request of each state officer,
531 full-time or part-time state employee, or retiree participating
532 in the state group insurance program, and upon certification of

533 the employing agency approved by the department, the Chief
 534 Financial Officer shall deduct from the salary or retirement
 535 warrant payable to each participant the amount so certified and
 536 shall handle such deductions in accordance with rules
 537 established by the department.

538 (h) ~~(g)~~ No administrative or civil proceeding shall be
 539 commenced to collect an underpayment or refund an overpayment of
 540 premiums collected pursuant to this subsection unless such claim
 541 is filed with the department within 2 years after the alleged
 542 underpayment or overpayment was made. For purposes of this
 543 paragraph, a payroll deduction, salary reduction, or
 544 contribution by an agency is deemed to be made on the date the
 545 salary warrant is issued.

546 (5) DEPARTMENT POWERS AND DUTIES.—The department is
 547 responsible for the administration of the state group insurance
 548 program. The department shall initiate and supervise the program
 549 as established by this section and shall adopt such rules as are
 550 necessary to perform its responsibilities. To implement this
 551 program, the department shall, with prior approval by the
 552 Legislature:

553 (a) Determine the benefits to be provided and the
 554 contributions to be required for the state group insurance
 555 program. Such determinations, ~~whether for a contracted plan or a~~
 556 ~~self-insurance plan pursuant to paragraph (c),~~ do not constitute
 557 rules within the meaning of s. 120.52 or final orders within the
 558 meaning of s. 120.52. Any physician's fee schedule used in the
 559 health and accident plan shall not be available for inspection
 560 or copying by medical providers or other persons not involved in

PCB HHSC 12-02

2012

561 the administration of the program. However, in the determination
562 of the design of the program, the department shall consider
563 existing and complementary benefits provided by the Florida
564 Retirement System and the Social Security System.

565 (b) Prepare, in cooperation with the Office of Insurance
566 Regulation of the Financial Services Commission, the
567 specifications necessary to implement the program.

568 (c) Competitively procure a contract ~~on a competitive~~
569 ~~proposal basis~~ with an insurance carrier or carriers, or
570 professional administrator, determined by the Office of
571 Insurance Regulation of the Financial Services Commission to be
572 fully qualified, financially sound, and capable of meeting all
573 servicing requirements. ~~Alternatively, the department may self-~~
574 ~~insure any plan or plans contained in the state group insurance~~
575 ~~program subject to approval based on actuarial soundness by the~~
576 ~~Office of Insurance Regulation. The department may contract with~~
577 ~~an insurance company or professional administrator qualified and~~
578 ~~approved by the Office of Insurance Regulation to administer~~
579 ~~such plan. Before entering into any contract, the department~~
580 ~~shall advertise for competitive proposals, and such contract~~
581 ~~shall be let upon the consideration of the benefits provided in~~
582 ~~relationship to the cost of such benefits. In the selection of a~~
583 third-party administrator ~~determining which entity to contract~~
584 ~~with~~, the department shall, at a minimum, consider: the entity's
585 previous experience and expertise in administering group
586 insurance programs of the type it proposes to administer; the
587 entity's ability to specifically perform its contractual
588 obligations in this state and other governmental jurisdictions;

PCB HHSC 12-02

2012

589 the entity's anticipated administrative costs and claims
590 experience; the entity's capability to adequately provide
591 service coverage and sufficient number of experienced and
592 qualified personnel in the areas of claims processing,
593 recordkeeping, and underwriting, as determined by the
594 department; the entity's accessibility to state employees and
595 providers; the financial solvency of the entity, using accepted
596 business sector measures of financial performance. ~~The~~
597 ~~department may contract for medical services which will improve~~
598 ~~the health or reduce medical costs for employees who participate~~
599 ~~in the state group insurance plan.~~

600 (d) With respect to a state group health insurance plan,
601 be authorized to require copayments with respect to all
602 providers under the plan.

603 (e) Have authority to establish a voluntary program for
604 comprehensive health maintenance, which may include health
605 educational components and health appraisals.

606 (f) With respect to any contract with an insurance carrier
607 or carriers or professional administrator entered into by the
608 department, require that the state and the enrollees be held
609 harmless and indemnified for any financial loss caused by the
610 failure of the insurance carrier or professional administrator
611 to comply with the terms of the contract.

612 (g) With respect to any contract with an insurance carrier
613 or carriers, or professional administrator entered into by the
614 department, require that the carrier or professional
615 administrator provide written notice to individual enrollees if
616 any payment due to any health care provider of the enrollee

617 | remains unpaid beyond a period of time as specified in the
 618 | contract.

619 | (h) Have authority to establish other voluntary programs
 620 | to be funded on a pretax contribution basis or on a posttax
 621 | contribution basis, as the department determines.

622 | (i) Contract with a single custodian to provide services
 623 | necessary to implement and administer the health savings
 624 | accounts authorized in subsection (12).

625 |
 626 | Final decisions concerning enrollment, the existence of
 627 | coverage, or covered benefits under the state group insurance
 628 | program may ~~shall~~ not be delegated or deemed to have been
 629 | delegated by the department.

630 | ~~(13) FLORIDA STATE EMPLOYEE WELLNESS COUNCIL.~~

631 | ~~(a) There is created within the department the Florida
 632 | State Employee Wellness Council.~~

633 | ~~(b) The council shall be an advisory body to the
 634 | department to provide health education information to employees
 635 | and to assist the department in developing minimum benefits for
 636 | all health care providers when providing age-based and gender-
 637 | based wellness benefits.~~

638 | ~~(c) The council shall be composed of nine members
 639 | appointed by the Governor. When making appointments to the
 640 | council, the Governor shall appoint persons who are residents of
 641 | the state and who are highly knowledgeable concerning, active
 642 | in, and recognized leaders in the health and medical field, at
 643 | least one of whom must be an employee of the state. Council
 644 | members shall equitably represent the broadest spectrum of the~~

645 ~~health industry and the geographic areas of the state. Not more~~
 646 ~~than one member of the council may be from any one company,~~
 647 ~~organization, or association.~~

648 ~~(d)1. Council members shall be appointed to 4-year terms,~~
 649 ~~except that the initial terms shall be staggered. The Governor~~
 650 ~~shall appoint three members to 2-year terms, three members to 3-~~
 651 ~~year terms, and three members to 4-year terms.~~

652 ~~2. A member's absence from three consecutive meetings~~
 653 ~~shall result in his or her automatic removal from the council. A~~
 654 ~~vacancy on the council shall be filled for the remainder of the~~
 655 ~~unexpired term.~~

656 ~~(e) The council shall annually elect from its membership~~
 657 ~~one member to serve as chair of the council and one member to~~
 658 ~~serve as vice chair.~~

659 ~~(f) The first meeting of the council shall be called by~~
 660 ~~the chair not more than 60 days after the council members are~~
 661 ~~appointed by the Governor. The council shall thereafter meet at~~
 662 ~~least once quarterly and may meet more often as necessary. The~~
 663 ~~department shall provide staff assistance to the council which~~
 664 ~~shall include, but not be limited to, keeping records of the~~
 665 ~~proceedings of the council and serving as custodian of all~~
 666 ~~books, documents, and papers filed with the council.~~

667 ~~(g) A majority of the members of the council constitutes a~~
 668 ~~quorum.~~

669 ~~(h) Members of the council shall serve without~~
 670 ~~compensation, but are entitled to reimbursement for per diem and~~
 671 ~~travel expenses as provided in s. 112.061 while performing their~~
 672 ~~duties.~~

PCB HHSC 12-02

2012

673 ~~(i) The council shall:~~

674 ~~1. Work to encourage participation in wellness programs by~~
675 ~~state employees. The council may prepare informational programs~~
676 ~~and brochures for state agencies and employees.~~

677 ~~2. In consultation with the department, develop standards~~
678 ~~and criteria for age-based and gender-based wellness programs.~~

679 Section 2. Section 110.12303, Florida Statutes, is created
680 to read:

681 110.12303 Independent benefits consultant.—

682 (1) The department shall competitively procure an
683 independent benefits consultant.

684 (2) The independent benefits consultant may not:

685 (a) Be owned or controlled by any HMO or insurer.

686 (b) Have an ownership interest in any HMO or insurer.

687 (c) Have any direct or indirect financial interest in any
688 HMO or insurer.

689 (3) The independent benefits consultant must have
690 substantial experience in the design and administration of
691 employee benefit programs for large employers and public
692 employers, including experience administering plans that qualify
693 as cafeteria plans pursuant to s. 125 of the Internal Revenue
694 Code.

695 (4) The independent benefits consultant shall:

696 (a) Provide an ongoing assessment of trends in benefits
697 and employer-sponsored insurance that affect the state group
698 insurance program.

699 (b) Conduct comprehensive analysis of the state group
 700 insurance program, including available benefits, coverage
 701 options, and claims experience.

702 (c) Evaluate designs for the state group insurance
 703 program, including a full flex cafeteria plan, an employer-
 704 sponsored multicarrier exchange plan, and alternatives to and
 705 variations of these designs.

706 (d) Identify and establish appropriate adjustment
 707 procedures necessary to respond to any risk segmentation that
 708 may occur when increased choices are offered to employees.

709 (e) Submit recommendations for any modifications to the
 710 state group insurance program no later than January 1 of each
 711 year.

712 (f) Assist the department in establishing a transition
 713 plan for assuming the responsibilities described in subsection
 714 (5).

715 (g) Develop a plan to convert the state group insurance
 716 program to a defined contribution plan. The plan shall be
 717 submitted to the Legislature by January 1, 2013, and include
 718 recommendations for:

719 1. An implementation timeline for conversion as of the
 720 2014 plan year.

721 2. Employer and employee contribution policies, including
 722 provisions that reward and incentivize non-tobacco use and other
 723 healthy lifestyle choices.

724 3. Steps necessary for maintaining or improving total
 725 employee compensation levels when a transition to a defined
 726 contribution plan is initiated.

PCB HHSC 12-02

2012

727 4. Establishing an employment-based benefits exchange or
728 for implementing a full flex cafeteria plan to provide a variety
729 of diverse benefit options, including but not limited to,
730 multiple health plans offering a wide variety of benefit levels
731 and benefit options within the state group insurance program.

732 5. Submission of any needed plan revisions for federal
733 review.

734 (h) Subject to approval by the Legislature, direct and
735 implement the plan described in paragraph (g).

736 (5) Notwithstanding s. 110.123 and beginning no later than
737 the 2014 plan year, the independent benefits consultant shall:

738 (a) Assist the department in managing the state group
739 insurance program, including negotiation and supervision of
740 contracts and other administrative functions as may be
741 necessary.

742 (b) If the Legislature authorizes the creation of a state
743 employee benefits exchange, certify health insurance plans,
744 health maintenance organizations, and other providers eligible
745 to participate.

746 (c) If the Legislature authorizes the implementation of a
747 full flex cafeteria plan, assist the department with the
748 procurement process and conducting the contract negotiations
749 with providers that are necessary for their participation in
750 defined service areas.

751 (d) Subject to approval of the Legislature, develop and
752 implement wellness initiatives for enrollees.

PCB HHSC 12-02

2012

753 (e) Provide enrollee education and decision support tools,
754 including an online interface, to assist enrollees in choosing
755 benefit plans that best suit their individual needs.

756 (f) Assist the department in ensuring compliance with
757 applicable federal and state regulations.

758 (g) Prior to the transition to a defined contribution
759 plan, assist the department in monitoring the adequacy of
760 funding and reserves for the state self-insured plan.

761 Section 3. This act shall take effect upon becoming a law.