1 A bill to be entitled
2 An act relating to the state group insurance program;
3 amending s. 110.123, F.S.; revising applicability of
4 certain definitions; defining the term "plan year";
5 authorizing the program to include additional
6 benefits; authorizing an employee to use a certain
7 portion of the state's contribution to purchase
8 additional program benefits and supplemental benefits
9 under specified circumstances; providing for the
10 program to offer health plans in specified benefit
11 levels; requiring the Department of Management
12 Services to develop a plan for implementation of the
13 benefit levels; providing reporting requirements;
14 providing for expiration of the implementation plan;
15 creating s. 110.12303, F.S.; authorizing additional
16 benefits to be included in the program; requiring the
17 department to contract with at least one entity that
18 provides comprehensive pricing and inclusive services
19 for surgery and other medical procedures; providing
20 contract and reporting requirements; requiring the
21 department to contract with an entity that provides
22 health care service and provider cost and quality
23 information online to allow program enrollees to shop
24 for higher quality, lower cost health care; providing
25 for the enrollee and state to share any savings
26 realized from the enrollee’s choice of health care

27 services or providers; providing contract and
28 reporting requirements; creating s. 110.12304, F.S.;
29 directing the department to contract with an
30 independent benefits consultant; providing
31 qualifications and duties of the independent benefits
32 consultant; providing reporting requirements;
33 providing that the Department of Management Services
34 shall establish premiums for enrollees for the 2017
35 plan year that reflect the differences in benefit
36 design and value among the health maintenance
37 organization plan options and the preferred provider
38 organization plan options; requiring the department to
39 submit premium rates to the joint Legislative Budget
40 Commission by a certain date for review and approval;
41 requiring premium rates to be consistent with the
42 total budgeted amount for the program in the General
43 Appropriations Act for the 2016-17 fiscal year;
44 prohibiting the department from implementing premium
45 rates without the express approval of the commission;
46 providing an appropriation and authorizing positions;
47 providing an effective date.
48
49 Be It Enacted by the Legislature of the State of Florida:
50
51 Section 1. Subsection (2) and paragraphs (b), (f), (h),
52 and (j) of subsection (3) of section 110.123, Florida Statutes,

53 are amended, and paragraph (k) is added to subsection (3) of
54 that section, to read:
55 110.123 State group insurance program.—
56 (2) DEFINITIONS.—As used in ss. 110.123-110.1239 ~~this~~
57 ~~section~~, the term:
58 (a) "Department" means the Department of Management
59 Services.
60 (b) "Enrollee" means all state officers and employees,
61 retired state officers and employees, surviving spouses of
62 deceased state officers and employees, and terminated employees
63 or individuals with continuation coverage who are enrolled in an
64 insurance plan offered by the state group insurance program.
65 "Enrollee" includes all state university officers and employees,
66 retired state university officers and employees, surviving
67 spouses of deceased state university officers and employees, and
68 terminated state university employees or individuals with
69 continuation coverage who are enrolled in an insurance plan
70 offered by the state group insurance program.
71 (c) "Full-time state employees" means employees of all
72 branches or agencies of state government holding salaried
73 positions who are paid by state warrant or from agency funds and
74 who work or are expected to work an average of at least 30 or
75 more hours per week; employees paid from regular salary
76 appropriations for 8 months' employment, including university
77 personnel on academic contracts; and employees paid from other-
78 personal-services (OPS) funds as described in subparagraphs 1.

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79 and 2. The term includes all full-time employees of the state
80 universities. The term does not include seasonal workers who are
81 paid from OPS funds.
82 1. For persons hired before April 1, 2013, the term
83 includes any person paid from OPS funds who:
84 a. Has worked an average of at least 30 hours or more per
85 week during the initial measurement period from April 1, 2013,
86 through September 30, 2013; or
87 b. Has worked an average of at least 30 hours or more per
88 week during a subsequent measurement period.
89 2. For persons hired after April 1, 2013, the term
90 includes any person paid from OPS funds who:
91 a. Is reasonably expected to work an average of at least
92 30 hours or more per week; or
93 b. Has worked an average of at least 30 hours or more per
94 week during the person's measurement period.
95 (d) "Health maintenance organization" or "HMO" means an
96 entity certified under part I of chapter 641.
97 (e) "Health plan member" means any person participating in
98 a state group health insurance plan, a TRICARE supplemental
99 insurance plan, or a health maintenance organization plan under
100 the state group insurance program, including enrollees and
101 covered dependents thereof.
102 (f) "Part-time state employee" means an employee of any
103 branch or agency of state government paid by state warrant from
104 salary appropriations or from agency funds, and who is employed

105 for less than an average of 30 hours per week or, if on academic
106 contract or seasonal or other type of employment which is less
107 than year-round, is employed for less than 8 months during any
108 12-month period, but does not include a person paid from other-
109 personal-services (OPS) funds. The term includes all part-time
110 employees of the state universities.
111 (g) "Plan year" means a calendar year.
112 (h) ~~(g)~~ "Retired state officer or employee" or "retiree"
113 means any state or state university officer or employee who
114 retires under a state retirement system or a state optional
115 annuity or retirement program or is placed on disability
116 retirement, and who was insured under the state group insurance
117 program at the time of retirement, and who begins receiving
118 retirement benefits immediately after retirement from state or
119 state university office or employment. The term also includes
120 any state officer or state employee who retires under the
121 Florida Retirement System Investment Plan established under part
122 II of chapter 121 if he or she:
123 1. Meets the age and service requirements to qualify for
124 normal retirement as set forth in s. 121.021(29); or
125 2. Has attained the age specified by s. 72(t)(2)(A)(i) of
126 the Internal Revenue Code and has 6 years of creditable service.
127 (i) ~~(h)~~ "State agency" or "agency" means any branch,
128 department, or agency of state government. "State agency" or
129 "agency" includes any state university for purposes of this
130 section only.

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131 (j) ~~(i)~~ "Seasonal workers" has the same meaning as provided
132 under 29 C.F.R. s. 500.20(s)(1).
133 (k) ~~(j)~~ "State group health insurance plan or plans" or
134 "state plan or plans" mean the state self-insured health
135 insurance plan or plans offered to state officers and employees,
136 retired state officers and employees, and surviving spouses of
137 deceased state officers and employees pursuant to this section.
138 (l) ~~(k)~~ "State-contracted HMO" means any health maintenance
139 organization under contract with the department to participate
140 in the state group insurance program.
141 (m) ~~(l)~~ "State group insurance program" or "programs" means
142 the package of insurance plans offered to state officers and
143 employees, retired state officers and employees, and surviving
144 spouses of deceased state officers and employees pursuant to
145 this section, including the state group health insurance plan or
146 plans, health maintenance organization plans, TRICARE
147 supplemental insurance plans, and other plans required or
148 authorized by law.
149 (n) ~~(m)~~ "State officer" means any constitutional state
150 officer, any elected state officer paid by state warrant, or any
151 appointed state officer who is commissioned by the Governor and
152 who is paid by state warrant.
153 (o) ~~(n)~~ "Surviving spouse" means the widow or widower of a
154 deceased state officer, full-time state employee, part-time
155 state employee, or retiree if such widow or widower was covered
156 as a dependent under the state group health insurance plan, ~~a~~

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V

157 TRICARE supplemental insurance plan, or a health maintenance
158 organization plan established pursuant to this section at the
159 time of the death of the deceased officer, employee, or retiree.
160 "Surviving spouse" also means any widow or widower who is
161 receiving or eligible to receive a monthly state warrant from a
162 state retirement system as the beneficiary of a state officer,
163 full-time state employee, or retiree who died prior to July 1,
164 1979. For the purposes of this section, any such widow or
165 widower shall cease to be a surviving spouse upon his or her
166 remarriage.
167 (p) ~~(o)~~ "TRICARE supplemental insurance plan" means the
168 Department of Defense Health Insurance Program for eligible
169 members of the uniformed services authorized by 10 U.S.C. s.
170 1097.
171 (3) STATE GROUP INSURANCE PROGRAM.—
172 (b) It is the intent of the Legislature to offer a
173 comprehensive package of health insurance and retirement
174 benefits and a personnel system for state employees which are
175 provided in a cost-efficient and prudent manner, and to allow
176 state employees the option to choose benefit plans which best
177 suit their individual needs. ~~Therefore,~~ The state group
178 insurance program ~~is established which~~ may include the state
179 group health insurance plan or plans, health maintenance
180 organization plans, group life insurance plans, TRICARE
181 supplemental insurance plans, group accidental death and
182 dismemberment plans, ~~and~~ group disability insurance plans,~~.~~

183 ~~Furthermore, the department is additionally authorized to~~
184 ~~establish and provide as part of the state group insurance~~
185 ~~program any~~ other group insurance plans or coverage choices, and
186 other benefits authorized by law ~~that are consistent with the~~
187 ~~provisions of this section~~.
188 (f) Except as provided for in subparagraph (h)2., the
189 state contribution toward the cost of any plan in the state
190 group insurance program shall be uniform with respect to all
191 state employees in a state collective bargaining unit
192 participating in the same coverage tier in the same plan. This
193 section does not prohibit the development of separate benefit
194 plans for officers and employees exempt from the career service
195 or the development of separate benefit plans for each collective
196 bargaining unit. For the 2019 plan year and thereafter, if the
197 state's contribution is more than the premium cost of the health
198 plan selected by the employee, subject to federal limitation,
199 the employee may elect to have the balance:
200 1. Credited to the employee's flexible spending account;
201 2. Credited to the employee's health savings account;
202 3. Used to purchase additional benefits offered through
203 the state group insurance program; or
204 4. Used to increase the employee's salary.
205 (h)1. A person eligible to participate in the state group
206 insurance program may be authorized by rules adopted by the
207 department, in lieu of participating in the state group health
208 insurance plan, to exercise an option to elect membership in a

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209 health maintenance organization plan which is under contract
210 with the state in accordance with criteria established by this
211 section and by said rules. The offer of optional membership in a
212 health maintenance organization plan permitted by this paragraph
213 may be limited or conditioned by rule as may be necessary to
214 meet the requirements of state and federal laws.
215 2. The department shall contract with health maintenance
216 organizations seeking to participate in the state group
217 insurance program through a request for proposal or other
218 procurement process, as developed by the Department of
219 Management Services and determined to be appropriate.
220 a. The department shall establish a schedule of minimum
221 benefits for health maintenance organization coverage, and that
222 schedule shall include: physician services; inpatient and
223 outpatient hospital services; emergency medical services,
224 including out-of-area emergency coverage; diagnostic laboratory
225 and diagnostic and therapeutic radiologic services; mental
226 health, alcohol, and chemical dependency treatment services
227 meeting the minimum requirements of state and federal law;
228 skilled nursing facilities and services; prescription drugs;
229 age-based and gender-based wellness benefits; and other benefits
230 as may be required by the department. Additional services may be
231 provided subject to the contract between the department and the
232 HMO. As used in this paragraph, the term "age-based and gender-
233 based wellness benefits" includes aerobic exercise, education in
234 alcohol and substance abuse prevention, blood cholesterol

235 screening, health risk appraisals, blood pressure screening and
236 education, nutrition education, program planning, safety belt
237 education, smoking cessation, stress management, weight
238 management, and women's health education.
239 b. The department may establish uniform deductibles,
240 copayments, coverage tiers, or coinsurance schedules for all
241 participating HMO plans.
242 c. The department may require detailed information from
243 each health maintenance organization participating in the
244 procurement process, including information pertaining to
245 organizational status, experience in providing prepaid health
246 benefits, accessibility of services, financial stability of the
247 plan, quality of management services, accreditation status,
248 quality of medical services, network access and adequacy,
249 performance measurement, ability to meet the department's
250 reporting requirements, and the actuarial basis of the proposed
251 rates and other data determined by the director to be necessary
252 for the evaluation and selection of health maintenance
253 organization plans and negotiation of appropriate rates for
254 these plans. Upon receipt of proposals by health maintenance
255 organization plans and the evaluation of those proposals, the
256 department may enter into negotiations with all of the plans or
257 a subset of the plans, as the department determines appropriate.
258 Nothing shall preclude the department from negotiating regional
259 or statewide contracts with health maintenance organization
260 plans when this is cost-effective and when the department

261 determines that the plan offers high value to enrollees.
262 d. The department may limit the number of HMOs that it
263 contracts with in each service area based on the nature of the
264 bids the department receives, the number of state employees in
265 the service area, or any unique geographical characteristics of
266 the service area. The department shall establish by rule service
267 areas throughout the state.
268 e. All persons participating in the state group insurance
269 program may be required to contribute towards a total state
270 group health premium that may vary depending upon the plan,
271 coverage level, and coverage tier selected by the enrollee and
272 the level of state contribution authorized by the Legislature.
273 3. The department is authorized to negotiate and to
274 contract with specialty psychiatric hospitals for mental health
275 benefits, on a regional basis, for alcohol, drug abuse, and
276 mental and nervous disorders. The department may establish,
277 subject to the approval of the Legislature pursuant to
278 subsection (5), any such regional plan upon completion of an
279 actuarial study to determine any impact on plan benefits and
280 premiums.
281 4. In addition to contracting pursuant to subparagraph 2.,
282 the department may enter into contract with any HMO to
283 participate in the state group insurance program which:
284 a. Serves greater than 5,000 recipients on a prepaid basis
285 under the Medicaid program;
286 b. Does not currently meet the 25-percent non-

287 Medicare/non-Medicaid enrollment composition requirement
288 established by the Department of Health excluding participants
289 enrolled in the state group insurance program;
290 c. Meets the minimum benefit package and copayments and
291 deductibles contained in sub-subparagraphs 2.a. and b.;
292 d. Is willing to participate in the state group insurance
293 program at a cost of premiums that is not greater than 95
294 percent of the cost of HMO premiums accepted by the department
295 in each service area; and
296 e. Meets the minimum surplus requirements of s. 641.225.
297
298 The department is authorized to contract with HMOs that meet the
299 requirements of sub-subparagraphs a.-d. prior to the open
300 enrollment period for state employees. The department is not
301 required to renew the contract with the HMOs as set forth in
302 this paragraph more than twice. Thereafter, the HMOs shall be
303 eligible to participate in the state group insurance program
304 only through the request for proposal or invitation to negotiate
305 process described in subparagraph 2.
306 5. All enrollees in a state group health insurance plan, a
307 TRICARE supplemental insurance plan, or any health maintenance
308 organization plan have the option of changing to any other
309 health plan that is offered by the state within any open
310 enrollment period designated by the department. Open enrollment
311 shall be held at least once each calendar year.
312 6. When a contract between a treating provider and the

313 state-contracted health maintenance organization is terminated
314 for any reason other than for cause, each party shall allow any
315 enrollee for whom treatment was active to continue coverage and
316 care when medically necessary, through completion of treatment
317 of a condition for which the enrollee was receiving care at the
318 time of the termination, until the enrollee selects another
319 treating provider, or until the next open enrollment period
320 offered, whichever is longer, but no longer than 6 months after
321 termination of the contract. Each party to the terminated
322 contract shall allow an enrollee who has initiated a course of
323 prenatal care, regardless of the trimester in which care was
324 initiated, to continue care and coverage until completion of
325 postpartum care. This does not prevent a provider from refusing
326 to continue to provide care to an enrollee who is abusive,
327 noncompliant, or in arrears in payments for services provided.
328 For care continued under this subparagraph, the program and the
329 provider shall continue to be bound by the terms of the
330 terminated contract. Changes made within 30 days before
331 termination of a contract are effective only if agreed to by
332 both parties.
333 7. Any HMO participating in the state group insurance
334 program shall submit health care utilization and cost data to
335 the department, in such form and in such manner as the
336 department shall require, as a condition of participating in the
337 program. The department shall enter into negotiations with its
338 contracting HMOs to determine the nature and scope of the data

339 submission and the final requirements, format, penalties
340 associated with noncompliance, and timetables for submission.
341 These determinations shall be adopted by rule.
342 8. The department may establish and direct, with respect
343 to collective bargaining issues, a comprehensive package of
344 insurance benefits that may include supplemental health and life
345 coverage, dental care, long-term care, vision care, and other
346 benefits it determines necessary to enable state employees to
347 select from among benefit options that best suit their
348 individual and family needs. Beginning with the 2017 plan year,
349 the package of benefits may also include products and services
350 described in s. 110.12303.
351 a. Based upon a desired benefit package, the department
352 shall issue a request for proposal or invitation to negotiate
353 for ~~health insurance~~ providers interested in participating in
354 the state group insurance program, and the department shall
355 issue a request for proposal or invitation to negotiate for
356 ~~insurance~~ providers interested in participating in the non-
357 health-related components of the state group insurance program.
358 Upon receipt of all proposals, the department may enter into
359 contract negotiations with ~~insurance~~ providers submitting bids
360 or negotiate a specially designed benefit package. Insurance
361 providers offering or providing supplemental coverage as of May
362 30, 1991, which qualify for pretax benefit treatment pursuant to
363 s. 125 of the Internal Revenue Code of 1986, with 5,500 or more
364 state employees currently enrolled may be included by the

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365 department in the supplemental insurance benefit plan
366 established by the department without participating in a request
367 for proposal, submitting bids, negotiating contracts, or
368 negotiating a specially designed benefit package. These
369 contracts shall provide state employees with the most cost-
370 effective and comprehensive coverage available; however, except
371 as provided in subparagraph (f)3., no state or agency funds
372 shall be contributed toward the cost of any part of the premium
373 of such supplemental benefit plans. With respect to dental
374 coverage, the division shall include in any solicitation or
375 contract for any state group dental program made after July 1,
376 2001, a comprehensive indemnity dental plan option which offers
377 enrollees a completely unrestricted choice of dentists. If a
378 dental plan is endorsed, or in some manner recognized as the
379 preferred product, such plan shall include a comprehensive
380 indemnity dental plan option which provides enrollees with a
381 completely unrestricted choice of dentists.
382 b. Pursuant to the applicable provisions of s. 110.161,
383 and s. 125 of the Internal Revenue Code of 1986, the department
384 shall enroll in the pretax benefit program those state employees
385 who voluntarily elect coverage in any of the supplemental
386 ~~insurance~~ benefit plans as provided by sub-subparagraph a.
387 c. Nothing herein contained shall be construed to prohibit
388 insurance providers from continuing to provide or offer
389 supplemental benefit coverage to state employees as provided
390 under existing agency plans.

391 (j) For the 2019 plan year and thereafter, health plans
392 shall be offered in the following benefit levels:
393 1. Platinum level, which shall have an actuarial value of
394 at least 90 percent.
395 2. Gold level, which shall have an actuarial value of at
396 least 80 percent.
397 3. Silver level, which shall have an actuarial value of at
398 least 70 percent.
399 4. Bronze level, which shall have an actuarial value of at
400 least 60 percent Notwithstanding paragraph (f) requiring uniform
401 contributions, and for the 2011-2012 fiscal year only, the state
402 contribution toward the cost of any plan in the state group
403 insurance plan is the difference between the overall premium and
404 the employee contribution. This subsection expires June 30,
405 2012.
406 (k) In consultation with the independent benefits
407 consultant described in s. 110.12304, the department shall
408 develop a plan for implementation of the benefit levels
409 described in paragraph (j). The plan shall be submitted to the
410 Governor, the President of the Senate, and the Speaker of the
411 House of Representatives no later than January 1, 2018, and
412 include recommendations for:
413 1. Employer and employee contribution policies.
414 2. Steps necessary for maintaining or improving total
415 employee compensation levels when the transition is initiated.
416 3. An education strategy to inform employees of the

417 additional choices available in the state group insurance
418 program.
419
420 This paragraph expires July 1, 2018.
421 Section 2. Section 110.12303, Florida Statutes, is created
422 to read:
423 110.12303 State group insurance program; additional
424 benefits; price transparency pilot program; reporting.—Beginning
425 with the 2017 plan year:
426 (1) In addition to the comprehensive package of health
427 insurance and other benefits required or authorized to be
428 included in the state group insurance program, the package of
429 benefits may also include products and services offered by:
430 (a) Prepaid limited health service organizations as
431 authorized by part I of chapter 636.
432 (b) Discount medical plan organizations as authorized by
433 part II of chapter 636.
434 (c) Prepaid health clinics licensed under part II of
435 chapter 641.
436 (d) Licensed health care providers, including hospitals
437 and other health facilities, health care clinics, and health
438 professionals, who sell service contracts and arrangements for a
439 specified amount and type of health services.
440 (e) Provider organizations, including service networks,
441 group practices, professional associations, and other
442 incorporated organizations of providers, who sell service

443 contracts and arrangements for a specified amount and type of
444 health services.
445 (f) Entities that provide specific health services in
446 accordance with applicable state law and sell service contracts
447 and arrangements for a specified amount and type of health
448 services.
449 (g) Entities that provide health services or treatments
450 through a bidding process.
451 (h) Entities that provide health services or treatments
452 through the bundling or aggregating of health services or
453 treatments.
454 (i) Entities that provide other innovative and cost-
455 effective health service delivery methods.
456 (2)(a) The department shall contract with at least one
457 entity that provides comprehensive pricing and inclusive
458 services for surgery and other medical procedures which may be
459 accessed at the option of the enrollee. The contract shall
460 require the entity to:
461 1. Have procedures and evidence-based standards to ensure
462 the inclusion of only high-quality health care providers.
463 2. Provide assistance to the enrollee in accessing and
464 coordinating care.
465 3. Provide cost savings to the state group insurance
466 program to be shared with both the state and the enrollee. Cost
467 savings payable to an enrollee may be:
468 a. Credited to the enrollee's flexible spending account;

469 b. Credited to the enrollee's health savings account;
470 c. Credited to the enrollee's health reimbursement
471 account; or
472 d. Paid as additional health plan reimbursements not
473 exceeding the amount of the employee's out-of-pocket medical
474 expenses.
475 4. Provide an educational campaign for enrollees to learn
476 about the services offered by the entity.
477 (b) On or before January 15 of each year, the department
478 shall report to the Governor, the President of the Senate, and
479 the Speaker of the House of Representatives on the participation
480 level and cost savings to both the enrollee and the state
481 resulting from the contract or contracts described in this
482 subsection.
483 (3) The department shall contract an entity that provides
484 enrollees with online information on the cost and quality of
485 health care services and providers, allows an enrollee to shop
486 for health care services and providers, and rewards the enrollee
487 by sharing any savings generated by the enrollee's choice of
488 services or providers. The contract shall require the entity
489 to:
490 (a) Establish an Internet-based, consumer friendly
491 platform that educates and informs enrollees about the price and
492 quality of health care services and providers, including the
493 average amount paid in each county for health care services and
494 providers. The average amounts paid for such services and

495 providers may be expressed for service bundles, which includes
496 all products and services associated with a particular treatment
497 or episode of care, or for separate and distinct products and
498 services.
499 (b) Allow enrollees to shop for health care services and
500 providers using the price and quality information provided on
501 the platform.
502 (c) Identify the savings realized to the enrollee and
503 state when the enrollee chooses high-quality, lower cost health
504 care services or providers, and facilitate a shared savings
505 payment to the enrollee. The amount of shared savings shall be
506 determined by a methodology approved by the department with the
507 goal of maximizing value-based purchasing by enrollees. The
508 amount payable to the enrollee may be:
509 1. Credited to the enrollee's flexible spending account;
510 2. Credited to the enrollee's health savings account;
511 3. Credited to the enrollee's health reimbursement
512 account; or
513 4. Paid as additional health plan reimbursements not
514 exceeding the amount of the enrollee's out-of-pocket medical
515 expenses.
516 (d) On or before January 1 of 2018, 2019, and 2020, the
517 department shall report to the Governor, the President of the
518 Senate, and the Speaker of the House of Representatives on the
519 participation level, amounts paid to enrollees, and cost savings
520 to both the enrollees and the state resulting from the

521 implementation of this subsection.
522 Section 3. Section 110.12304, Florida Statutes, is created
523 to read:
524 110.12304 Independent benefits consultant.—
525 (1) The department shall competitively procure an
526 independent benefits consultant.
527 (2) The independent benefits consultant may not:
528 (a) Be owned or controlled by a health maintenance
529 organization or insurer.
530 (b) Have an ownership interest in a health maintenance
531 organization or insurer.
532 (c) Have a direct or indirect financial interest in a
533 health maintenance organization or insurer.
534 (3) The independent benefits consultant must have
535 substantial experience in consultation and design of employee
536 benefit programs for large employers and public employers,
537 including experience with plans that qualify as cafeteria plans
538 pursuant to s. 125 of the Internal Revenue Code of 1986.
539 (4) The independent benefits consultant shall:
540 (a) Provide an ongoing assessment of trends in benefits
541 and employer-sponsored insurance that affect the state group
542 insurance program.
543 (b) Conduct a comprehensive analysis of the state group
544 insurance program, including available benefits, coverage
545 options, and claims experience.
546 (c) Identify and establish appropriate adjustment

547 procedures necessary to respond to any risk segmentation that
548 may occur when increased choices are offered to employees.
549 (d) Assist the department with the submission of any
550 necessary plan revisions for federal review.
551 (e) Assist the department in ensuring compliance with
552 applicable federal and state regulations.
553 (f) Assist the department in monitoring the adequacy of
554 funding and reserves for the state self-insured plan.
555 (g) Assist the department in preparing recommendations for
556 any modifications to the state group insurance program which
557 shall be submitted to the Governor, the President of the Senate,
558 and the Speaker of the House of Representatives no later than
559 January 1 of each year.
560 Section 4. For the 2017 plan year, the Department of
561 Management Services shall determine and recommend premiums for
562 enrollees that reflect the actual differences in costs to the
563 program for each of the health maintenance organization and the
564 preferred provider organization plan options offered in the
565 state group insurance program for both self-insured and fully
566 insured plans. The premium alternatives for the plan options
567 shall reflect the costs to the program for both medical and
568 prescription drug benefits. By July 1, 2016, the department
569 shall submit the proposed enrollee premium rates for the 2017
570 plan year to the joint Legislative Budget Commission for review
571 and approval. If the joint Legislative Budget Commission does
572 not approve such proposed rates, the rates provided in the 2016-

573 17 General Appropriations Act shall apply. The premium rates
574 for employers shall be the same as those established for the
575 state group insurance program in the General Appropriations Act
576 for the 2016-17 fiscal year.
577 Section 5. (1) For the 2016-2017 fiscal year, the sums of
578 $151,216 in recurring funds and $507,546 in nonrecurring funds
579 are appropriated from the State Employees Health Insurance Trust
580 Fund to the Department of Management Services, and two full-time
581 equivalent positions and associated salary rate of 120,000 are
582 authorized, for the purpose of implementing this act.
583 (2)(a) The recurring funds appropriated in this section
584 shall be allocated to the following specific appropriation
585 categories within the Insurance Benefits Administration Program:
586 $150,528 in Salaries and Benefits and $688 in Special Categories
587 Transfer to Department of Management Services—Human Resources
588 Purchased per Statewide Contract.
589 (b) The nonrecurring funds appropriated in this section
590 shall be allocated to the following specific appropriation
591 categories: $500,000 in Special Categories Contracted Services
592 and $7,546 in Expenses.
593 Section 6. This act shall take effect July 1, 2016.