

F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

HB 929

2010

1                   A bill to be entitled  
2           An act relating to local government officers and  
3           employees; amending s. 110.1228, F.S.; expanding  
4           eligibility for participation in the state group health  
5           insurance program and the prescription drug coverage  
6           program to include all counties, municipalities, special  
7           taxing districts, and district school boards rather than  
8           only small counties and municipalities and certain school  
9           boards; specifying prerequisites and conditions for  
10          participation; providing a minimum period of enrollment;  
11          requiring that a participating county, municipality,  
12          special taxing district, or school board reimburse the  
13          Department of Management Services for its costs, including  
14          administrative costs; prohibiting a county, municipality,  
15          special taxing district, or school board from  
16          participating in the state's cafeteria plan that allows  
17          for pretax treatment of premium contributions; authorizing  
18          the Department of Management Services to adopt rules;  
19          providing an effective date.

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

23          Section 1.   Section 110.1228, Florida Statutes, is amended  
24          to read:

25                110.1228   Participation by ~~small~~ counties, ~~small~~  
26                municipalities, special taxing districts, and district school  
27                boards ~~located in small counties.~~-

28                (1)   As used in this section, the term+

CODING: Words stricken are deletions; words underlined are additions.

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29            ~~(a)~~ "district school board" has the same meaning as in s.  
30 1003.01 ~~means a district school board located in a small county~~  
31 ~~or a district school board that receives funding pursuant to s.~~  
32 ~~1011.62(7).~~

33            ~~(b)~~ "Small municipality" ~~means an incorporated~~  
34 ~~municipality that has a population of 12,500 or fewer according~~  
35 ~~to the most recent decennial census.~~

36            ~~(c)~~ "Small county" ~~means a county that has a population of~~  
37 ~~100,000 or fewer according to the most recent decennial census.~~

38            (2) The governing body of a ~~small county,~~ or small  
39 municipality, special taxing district, or a district school  
40 board may apply for participation in the state group health  
41 insurance program authorized in s. 110.123 and the prescription  
42 drug coverage program authorized by s. 110.12315 by submitting  
43 an application along with a \$500 nonrefundable fee to the  
44 department.

45            (3) Any costs or savings to the state group health  
46 insurance program or the prescription drug coverage program  
47 resulting from such participation shall be passed on to the  
48 local government participants and their employees. Such costs or  
49 savings shall be delineated based on the impact to the state,  
50 state officers and employees, and local government employers and  
51 their employees.

52            (4) As a prerequisite to the adoption of an ordinance or  
53 resolution for participation in the state group health insurance  
54 program and prescription drug coverage program, a ~~small county,~~  
55 ~~small municipality,~~ special taxing district, or district school  
56 board shall issue a request for proposals to provide health

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57 insurance and prescription drug coverage. Such request for  
58 proposals shall seek coverages equivalent to those offered  
59 currently by the ~~small~~ county, ~~small~~ municipality, special  
60 taxing district, or district school board and coverages  
61 equivalent to the state group health insurance program and  
62 prescription drug coverage program. Such request for proposals  
63 must provide an opportunity for the receipt of competitive  
64 proposals from all interested parties without restriction. The  
65 ~~small~~ county, ~~small~~ municipality, special taxing district, and  
66 district school board shall review and consider all responsive  
67 proposals before ~~prior to~~ the adoption of any ordinance or  
68 resolution for participation in the state group health insurance  
69 program and prescription drug coverage program.

70 (5) If the department determines that a ~~small~~ county,  
71 ~~small~~ municipality, special taxing district, or district school  
72 board is eligible to enroll, the ~~small~~ county, ~~small~~  
73 municipality, special taxing district, or district school board  
74 must agree to the following terms and conditions:

75 (a) The minimum enrollment or contractual period will be 3  
76 years.

77 (b) The ~~small~~ county, ~~small~~ municipality, special taxing  
78 district, or district school board must pay to the department an  
79 initial administrative fee of not less than \$2.61 per enrollee  
80 per month, or such other amount established annually to fully  
81 reimburse the department for its costs.

82 (c) Termination of participation of a ~~small~~ county, ~~small~~  
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84 requires written notice 1 year before the termination date.

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85 (d) If participation is terminated, a ~~small~~ county, ~~small~~  
86 municipality, special taxing district, or district school board  
87 may not reapply for participation for a period of 2 years.

88 (e) ~~Small~~ Counties, ~~small~~ municipalities, special taxing  
89 districts, and district school boards shall reimburse the state  
90 for 100 percent of its costs, including administrative costs.

91 (f) If a ~~small~~ county, ~~small~~ municipality, special taxing  
92 district, or district school board employer fails to make the  
93 payments required by this section to fully reimburse the state,  
94 the Department of Revenue or the Department of Financial  
95 Services shall, upon the request of the Department of Management  
96 Services, deduct the amount owed by the employer from any funds  
97 not pledged to bond debt service satisfaction which ~~that~~ are to  
98 be distributed by it to the ~~small~~ county, ~~small~~ municipality,  
99 special taxing district, or district school board. The amounts  
100 so deducted shall be transferred to the Department of Management  
101 Services for further distribution to the trust funds in  
102 accordance with this chapter.

103 (g) The ~~small~~ county, ~~small~~ municipality, special taxing  
104 district, or district school board shall furnish the department  
105 any information requested by the department which the department  
106 considers necessary to administer the state group health  
107 insurance program and the prescription drug coverage program.

108 (h) The ~~small~~ county, ~~small~~ municipality, special taxing  
109 district, or district school board shall adopt the state's  
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111 (i) The ~~small~~ county, ~~small~~ municipality, special taxing  
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113 state's cafeteria plan that allows for pretax treatment of  
114 premium contributions. If pretax treatment is desirable for  
115 employees of these participating employers, each employee of a  
116 participating employer shall execute a salary reduction  
117 agreement with that employer, and each participating employer  
118 shall establish its own cafeteria plan.

119 (j) The ~~small~~ county, ~~small~~ municipality, special taxing  
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121 amounts sufficient to cover claims costs, department  
122 administrative costs, and third-party administrative costs and  
123 provide for adequate reserves and cash flow by contributing 3  
124 months' premiums and costs in advance of the coverage effective  
125 date.

126 (6) The provisions of ss. 624.436-624.446 do not apply to  
127 the State Group Insurance Program or to this section.

128 (7) The Department of Management Services may adopt rules  
129 necessary to administer this section.

130 Section 2. This act shall take effect July 1, 2010.

Attachment # 8

Select Year: 2010

Select Chamber: Senate 6 of 21 Col

Jump To: [Bill Text \(1\)](#) | [Amendments \(0\)](#) | [Staff Analysis \(1\)](#) | [Vote History \(1\)](#) | [Citations](#)

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## Senate 0512: Relating to Local Govt./Health Insurance/Drug Coverage [WPSC]

### S512 GENERAL BILL by Justice (Identical H.0929)

Local Govt./Health Insurance/Drug Coverage [WPSC]; Expands eligibility for participation in the state group health insurance program and the prescription drug coverage program to include all counties, municipalities, special taxing districts, and district school boards rather than only small counties and municipalities and certain school boards. Specifies prerequisites and conditions for participation. Provides a minimum period of enrollment, etc. EFFECTIVE DATE: 07/01/2010.

10/22/09 SENATE Filed

12/09/09 SENATE Referred to Community Affairs; Governmental Oversight and Accountability; General Government Appropriations; Policy & Steering Committee on Ways and Means

02/04/10 SENATE On Committee agenda-- Community Affairs, 02/16/10, 10:00 am, 412-K

02/16/10 SENATE Favorable by Community Affairs; YEAS 10 NAYS 0

02/17/10 SENATE Now in Governmental Oversight and Accountability

### Bills

<b>Version:</b>	<b>Posted:</b>	<b>Format:</b>
S 0512	11/15/2009	Web_Page   PDF

### Committee Amendments

NO COMMITTEE AMENDMENTS AVAILABLE

### Floor Amendments

NO FLOOR AMENDMENTS AVAILABLE

### Bill Analyses

<b>Analysis:</b>	<b>Committee:</b>	<b>Posted:</b>	<b>Format:</b>
s 0512	Community Affairs	02/17/2010	PDF

### Vote History - Committee

<b>Chamber:</b>	<b>Committee:</b>	<b>Format:</b>
Senate	Community Affairs	PDF

### Vote History - Floor

NO VOTE HISTORY AVAILABLE

### Citations - Statute

8

7 of 21

### Citations - Constitution

NO CONSTITUTION CITATIONS FOUND FOR SENATE BILL 0512.

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By Senator Justice

16-00163-10

2010512

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2 An act relating to local government officers and  
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4 eligibility for participation in the state group  
5 health insurance program and the prescription drug  
6 coverage program to include all counties,  
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14 Department of Management Services for its costs,  
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17 from participating in the state's cafeteria plan that  
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 130 necessary to administer this section.

131 Section 2. This act shall take effect July 1, 2010.

The Florida Senate  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**  
 (This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Community Affairs Committee

BILL: SB 512  
 INTRODUCER: Senator Justice  
 SUBJECT: Local Government Officers and Employees  
 DATE: February 3, 2010 REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wolfgang	Yeatman	CA	Favorable
2.	_____	_____	GO	_____
3.	_____	_____	GA	_____
4.	_____	_____	WPSC	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

This bill removes the population limitation on counties, municipalities, and district school boards eligible to apply to participate in the state group health insurance plan and the prescription drug coverage program so that all counties, municipalities, and district school boards may apply. Special taxing districts are also authorized to apply for participation in the state group health insurance plan and the prescription drug coverage program.

This bill substantially amends s. 110.1228, F.S.

**II. Present Situation:**

**State Group Health Insurance Plan**

Section 110.123, F.S., provides opportunities for state employees to receive health insurance and prescription drug coverage through enrollment in a self-insured, preferred provider organization (PPO) or a health maintenance organization (HMO). Participation is voluntary and employees may change plans during the annual open enrollment period. The state provides a uniform premium contribution for both plan types but charges do vary between management and non-management positions. Also, a jointly employed spousal benefit frees both members from premium costs. As of March 26, 2009, there were approximately 176,670 enrollees, excluding dependents, participating in the State Group Health Insurance Program.<sup>1</sup>

The State Employees' PPO plan is administered by BlueCross Blue Shield of Florida, Inc. which is responsible for processing all claims, providing access to a preferred provider network, and

<sup>1</sup> Department of Management Services, Analysis of SB 356 (2009).

managing customer service and case management. The plan has a per person lifetime benefit, has annual out-of-pocket limits per individual and per family for both the standard and investor PPO plans, has a pre-existing condition exclusion, and carries a prescription drug benefit administered by Caremark RX, Inc.

Each HMO is a self-administered, prepaid health plan that provides services to people who work and live within the HMO service area. Employees living in an area without a participating HMO can only choose the PPO plan.<sup>2</sup> The five following HMOs provide insurance to state employees: AvMed, Capital Health Plan, Florida Health Care Plan, VISTA, and UnitedHealthCare. Under an HMO, there is no maximum lifetime benefit, there is a per individual and per family out-of-pocket limit for both the standard and investor plans, no pre-existing exclusions or waiting periods apply, and there is a prescription drug benefit.

#### **Group Insurance for Local Government Units**

Section 112.08, F.S., authorizes every local government unit to pay for a variety of insurance expenses, including health insurance, for the officers and employees of the local government unit. Purchases must be competitively bid and procured on the basis of the bids. As an alternative, a local government unit may self-insure, subject to approval of actuarial soundness by the Office of Insurance Regulation.

In 1999, representatives of small cities in Florida mailed 400 letters to cities with a population of less than 20,000. Twenty-eight cities expressed interest in joining the state health insurance plan with twenty-six cities passing resolutions of support. That same year, the Small School District Consortium surveyed their membership (population of 75,000 or less). Some eighty-five percent of the respondents indicate support for plan participation.<sup>3</sup>

#### **Participation by Small Counties, Small Municipalities, and District School Boards Located in Small Counties**

Section 110.1228, F.S., enacted in 2001, authorizes counties with a population of 100,000 or fewer, cities with a population of 12,500 or fewer, and district school boards located in small counties or receiving a sparsity supplement under the Florida Education Finance Program (FEFP) to apply for participation in the state group insurance program and the prescription drug coverage program. Applicants are required to submit a \$500 non-refundable application fee to the Department of Management Services to determine eligibility for participation.

If eligible to participate, the applicant must agree to a minimum enrollment or contractual period of 3 years, must pay an initial administrative fee of at least \$2.61 per enrollee<sup>4</sup>, submit written notice of termination of participation not later than 1 year prior to the termination date, and agree to reimburse the state for 100 percent of its costs, including administrative costs. Eligible participants must adopt the state's eligibility rules, may not participate in the state's pretax cafeteria plan, and must pay monthly premiums in an amount sufficient to cover claim costs, third-party administrative costs, and the department's administrative costs. In addition,

<sup>2</sup> Glades, Gulf, Hardee, Holmes, Jackson, Monroe, Sumter, and Washington counties only offer the State Employees' PPO plan.

<sup>3</sup> See "Senate Staff Analysis and Economic Impact Statement", CS/SB 1172, prepared by the staff of the Governmental Oversight and Productivity Committee of the Florida Senate, dated April 2, 2001.

<sup>4</sup> See s. 110.1228(5)(b), F.S.

participants must provide for adequate cash reserves and cash flow by contributing a total of three months of premiums and costs in advance of the coverage date. To date, no applications for participation have been submitted by a small county, small city, or district school board.

### **Special Districts in Florida**

The Florida Constitution specifically provides for four types of local governments: counties, municipalities, school districts, and special districts. The 67 counties are subdivisions of the state, and provide a variety of core services through constitutional officers (county commissioners, sheriff, tax collector, property appraiser, supervisor of elections, and clerk of the court) pursuant to authority granted in the constitution and consistent with general law.<sup>5</sup> The 67 school districts are coterminous with the boundaries of the county. Each school district is governed by a school board who is responsible for the operation, control and supervision of all free public schools within the district.<sup>6</sup> Florida's more than 400 municipalities exist pursuant to charters established by law and approved by the electorate in a referendum. They possess "home rule" authority to provide traditional municipal services, to the extent consistent with their charges and not inconsistent with general law.<sup>7</sup> The State Constitution limits the property taxing authority of each of these forms of government to a maximum of 10 mills<sup>8</sup> on the assessed value of real estate and tangible personal property.<sup>9</sup>

Section 189.403(1), F.S., provides that a special district is "a local unit of special purpose, as opposed to general-purpose, government within a limited boundary, created by general law, special act, local ordinance, or by rule of the Governor and Cabinet." Special districts are limited-purpose units of local government. Their property tax millage is limited by general law and subject to referendum approval by the affected electorate.<sup>10</sup> Special districts are subject to the same restrictions on credit,<sup>11</sup> bonding,<sup>12</sup> public records and meetings,<sup>13</sup> as are counties, municipalities, and school districts.<sup>14</sup>

Special districts are either dependent or independent districts. Special districts operate within a limited geographical area and have a governing board with policy making powers. A special district does not include: a school district, community college, municipal service taxing or benefit unit (MSTU/MSBU), or a board providing electrical service that is a political subdivision of a municipality or part of a municipality.

All special districts serve a public purpose and are to be held accountable to the public, local general-purpose governments, and state agencies. Special districts are subject to financial reporting requirements, which are an essential element of the law.

<sup>5</sup> Art. VIII, § 1, Fla. Const.

<sup>6</sup> Art. IX, § 4(a), Fla. Const.

<sup>7</sup> Art. VIII, § 2 Fla. Const.

<sup>8</sup> A "mill" is equal to \$1 for each \$1,000 of assessed value.

<sup>9</sup> Art. VII, § 9, Fla. Const.

<sup>10</sup> Art. VII, § 9, Fla. Const.

<sup>11</sup> Art. VII, § 10, Fla. Const.

<sup>12</sup> Art. VII, § 12, Fla. Const.

<sup>13</sup> Art. I, § 24, Fla. Const.

<sup>14</sup> Art. VII, § 8, Fla. Const.

For financial reporting and other purposes, special districts are classified as either dependent or independent. A district is usually dependent if a single county or single municipality:

- has an identical governing board,
- appoints the governing board,
- may remove governing board members at will during unexpired terms,
- approves the budget, or
- may veto the budget.

Otherwise, the district is an independent district. Independent districts can sometimes occupy multiple counties. Florida currently has 1,011 independent districts and 614 dependent districts. Special districts include the five water management districts, community development districts, community redevelopment districts, drainage and water control districts, housing authorities, fire control and rescue, and soil and water conservation districts,<sup>15</sup> as well as districts that provide a variety of governmental services pertaining to airports, the arts, beach restoration, expressways and bridges, health care, housing, juvenile welfare, libraries, mosquito control, and transportation.

### III. Effect of Proposed Changes:

**Section 1** amends s. 110.1228, F.S., to allow the governing body of **any** county, municipality, **special taxing district**, or school board to apply for participation in the state group health insurance program and the prescription drug coverage program. Each governing body electing to participate must submit a \$500 nonrefundable application fee to the Department of Management Services.

**Section 2** provides an effective date of July 1, 2010.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

Participation in the state group health insurance program is optional, and therefore, this bill is not a mandate or restriction.

#### B. Public Records/Open Meetings Issues:

None.

#### C. Trust Funds Restrictions:

None.

<sup>15</sup> DEPARTMENT OF COMMUNITY AFFAIRS, OFFICIAL LIST OF SPECIAL DISTRICTS ONLINE, *available at*, [www.floridaspecialdistricts.org](http://www.floridaspecialdistricts.org).

**V. Fiscal Impact Statement:**

**A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Indeterminate at this time. However, existing local health care providers could experience membership erosion and the associated loss of local provider access in the area which could result in the provider exiting the community in its entirety. Also, if a local government does decide to terminate participation, there may be no successor provider in the community.

Supplemental insurance carriers may experience a reduction in membership because the provisions of the state group plan, including the pre-tax benefit programs that permit reimbursement for out-of-pocket expenses, may eliminate the need for supplemental health insurance.

**C. Government Sector Impact:**

The impact to local governments is indeterminate at this time, but it is likely that costs will be incurred relating to the solicitation of bid proposals such as advertising and public notice expenses, and attorney fees relating to document preparation and review for local governments with contract legal counsel. The relative benefit and impact to local government units and their employees will be determined by each group opting to participate in the state plan, and will be based on existing plan benefits and costs as compared to the benefits and costs of the state group plan.

If applications are received, the Division of State Group Insurance reports that budget authority and appropriations for program implementation may be required. The reason the Division thinks that it will require appropriations is that the Division's enrollment systems are not designed to interface with the entities eligible for participation under this legislation. Associated costs depend in part on the particular entities and their systems. Administrative systems for enrollment, eligibility determination, and premium collection must be established prior to adding a new group. No positions or funding are currently assigned to implement this program. Establishing rates requires actuarial analysis of the applicant group. The Division currently does not receive funding to conduct the analysis needed to establish rates for consideration by an applicant entity. However, the program is designed to pass on all costs that the Division incurs to the participating entity.

In 2001, the Division of State Group Insurance estimated a fiscal impact of \$314,000 to the division for additional staff salaries and benefits, technology services, and open enrollment and communication costs. According to the Division, enrollment of less than 10,000 employees under the provisions of s. 110.1228, F.S., would make it difficult to sufficiently spread the administrative expenses. The State Group Program does not incur costs pursuant to this legislation, unless and until an application is made to the Division. The table below reports the state plan premiums beginning June 2008:

Health Insurance Premium Rate Table, Effective June 2008<sup>16</sup>

Category and Coverage Type	PPO/HMO Standard, Total	PPO/HMO HIHP, Total
Full Time		
Single	\$ 449.46	\$ 414.26
Family	\$ 1,015.98	\$ 900.28
Spouse	\$ 1,015.98	\$ 900.28
COBRA		
Single	\$ 458.25	\$ 380.05
Family	\$ 1,036.30	\$ 833.29
"Early" retirees		
Single	\$ 449.26	\$ 372.60
Family	\$ 1,015.98	\$ 816.95
Medicare		
One eligible	\$ 238.54	\$ 179.80
One over/under	\$ 687.80	\$ 594.06
Both eligible	\$ 477.08	\$ 359.60

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

"Special taxing districts" is a term used, but undefined, throughout Florida Statutes, and usually refers to dependent or independent special districts with ad valorem taxing power or the authority to impose special assessments.

**VIII. Additional Information:**

**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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<sup>16</sup> Office of Economic and Demographic Research, The Florida Legislature, *Self-Insurance Estimating Conference*, February 28, 2008, Exhibit XI, p. 13. Amounts are monthly premiums paid by employer and employee or retiree.



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## The 2009 Florida Statutes

Title X Chapter 110 View Entire Chapter  
PUBLIC OFFICERS, EMPLOYEES, AND RECORDS STATE EMPLOYMENT

### 110.1228 Participation by small counties, small municipalities, and district school boards located in small counties.--

(1) As used in this section, the term:

(a) "District school board" means a district school board located in a small county or a district school board that receives funding pursuant to s. 1011.62(7).

(b) "Small municipality" means an incorporated municipality that has a population of 12,500 or fewer according to the most recent decennial census.

(c) "Small county" means a county that has a population of 100,000 or fewer according to the most recent decennial census.

(2) The governing body of a small county or small municipality or a district school board may apply for participation in the state group health insurance program authorized in s. 110.123 and the prescription drug coverage program authorized by s. 110.12315 by submitting an application along with a \$500 nonrefundable fee to the department.

(3) Any costs or savings to the state group health insurance program or the prescription drug coverage program resulting from such participation shall be passed on to the local government participants and their employees. Such costs or savings shall be delineated based on the impact to the state, state officers and employees, and local government employers and their employees.

(4) As a prerequisite to the adoption of an ordinance or resolution for participation in the state group health insurance program and prescription drug coverage program, a small county, small municipality, or district school board shall issue a request for proposals to provide health insurance and prescription drug coverage. Such request for proposals shall seek coverages equivalent to those offered currently by the small county, small municipality, or district school board and coverages equivalent to the state group health insurance program and prescription drug coverage program. Such request for proposals must provide an opportunity for the receipt of competitive proposals from all interested parties without restriction. The small county, small municipality, and district school board shall review and consider all responsive proposals prior to the adoption of any ordinance or resolution for participation in the state group health insurance program and prescription drug coverage program.

(5) If the department determines that a small county, small municipality, or district school board is eligible to enroll, the small county, small municipality, or district school board must agree to the following terms and conditions:

(a) The minimum enrollment or contractual period will be 3 years.

(b) The small county, small municipality, or district school board must pay to the department an initial administrative fee of not less than \$2.61 per enrollee per month, or such other amount established annually to fully reimburse the department for its costs.

(c) Termination of participation of a small county, small municipality, or district school board requires written notice 1 year before the termination date.

(d) If participation is terminated, a small county, small municipality, or district school board may not reapply for participation for a period of 2 years.

(e) Small counties, small municipalities, and district school boards shall reimburse the state for 100 percent of its costs, including administrative costs.

(f) If a small county, small municipality, or district school board employer fails to make the payments required by this section to fully reimburse the state, the Department of Revenue or the Department of Financial Services shall, upon the request of the Department of Management Services, deduct the amount owed by the employer from any funds not pledged to bond debt service satisfaction that are to be distributed by it to the small county, small municipality, or district school board. The amounts so deducted shall be transferred to the Department of Management Services for further distribution to the trust funds in accordance with this chapter.

(g) The small county, small municipality, or district school board shall furnish the department any information requested by the department which the department considers necessary to administer the state group health insurance program and the prescription drug coverage program.

(h) The small county, small municipality, or district school board shall adopt the state's eligibility rules.

(i) The small county, small municipality, or district school board may not participate in the state's cafeteria plan that allows for pretax treatment of premium contributions. If pretax treatment is desirable for employees of these participating employers, each employee of a participating employer shall execute a salary reduction agreement with that employer, and each participating employer shall establish its own cafeteria plan.

(j) The small county, small municipality, or district school board shall pay monthly premiums in amounts sufficient to cover claims costs, department administrative costs, and third-party administrative costs and provide for adequate reserves and cash flow by contributing 3 months' premiums and costs in advance of the coverage effective date.

(6) The provisions of ss. 624.436-624.446 do not apply to the State Group Insurance Program or to this section.

(7) The Department of Management Services may adopt rules necessary to administer this section.

**History.**--s. 1, ch. 2001-285; s. 888, ch. 2002-387; s. 117, ch. 2003-261; s. 10, ch. 2006-27.

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