

CHAPTER 2017-112

Committee Substitute for House Bill No. 577

An act relating to discount plan organizations; revising the titles of ch. 636, F.S., and part II of ch. 636, F.S.; amending s. 636.202, F.S.; revising definitions; amending s. 636.204, F.S.; conforming provisions to changes made by the act; amending s. 636.206, F.S.; conforming provisions to changes made by the act; providing record keeping requirements for discount plan organizations; amending s. 636.208, F.S.; conforming provisions to changes made by the act; revising a specified condition for a member to receive a reimbursement of certain charges after cancelling a membership in a discount plan organization; amending s. 636.212, F.S.; requiring discount plan organizations or marketers to provide prospective members with certain disclosures; requiring prospective members to acknowledge the receipt and acceptance of such disclosures before enrolling in a discount plan; specifying what a first page is for the purpose of a disclosure requirement on certain materials relating to a discount plan; providing requirements for disclosures made in writing, by electronic means, and by telephone; amending s. 636.214, F.S.; making a technical change; conforming provisions to changes made by the act; amending s. 636.216, F.S.; deleting provisions relating to requirements to file with and obtain approval from the Department of Financial Services of certain charges and forms; conforming provisions to changes made by the act; amending s. 636.228, F.S.; conforming provisions to changes made by the act; authorizing a discount plan organization to delegate functions to its marketers; providing that the discount plan organization is bound to acts of its marketers within the scope of delegation; amending s. 636.230, F.S.; authorizing a marketer or discount plan organization to commingle certain products on a single page of certain documents; deleting a requirement for discount medical plan fees to be provided in writing under certain circumstances; amending s. 636.232, F.S.; revising the authority for the Financial Services Commission to adopt rules; amending ss. 408.9091, 408.910, 627.64731, 636.003, 636.205, 636.207, 636.210, 636.218, 636.220, 636.222, 636.223, 636.224, 636.226, 636.234, 636.236, 636.238, 636.240, and 636.244, F.S.; conforming provisions to changes made by the act; providing an effective date.

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

Section 1. Chapter 636, Florida Statutes, entitled “Prepaid Limited Health Service Organizations and Discount Medical Plan Organizations,” is retitled “Prepaid Limited Health Service Organizations and Discount Plan Organizations.”

Section 2. Part II of chapter 636, Florida Statutes, entitled “Discount Medical Plan Organizations,” is retitled “Discount Plan Organizations.”

Section 3. Section 636.202, Florida Statutes, is amended to read:

636.202 Definitions.—As used in this part, the term:

(1) “Discount medical plan” means a business arrangement or contract in which a person, in exchange for fees, dues, charges, or other consideration, provides access for plan members to providers of medical services and the right to receive medical services from those providers at a discount. The term ~~“discount medical plan”~~ does not include any product regulated under chapter 627, chapter 641, or part I of this chapter; ~~or any medical services provided through a telecommunications medium that does not offer a discount to the plan member for those medical services; or any plan that does not charge a fee to plan members.~~ Until June 30, 2018, a discount plan may also be referred to as a discount medical plan.

(2) “Discount medical plan organization” means an entity ~~that which~~, in exchange for fees, dues, charges, or other consideration, provides access for plan members to providers of medical services and the right to receive medical services from those providers at a discount. Until June 30, 2018, a discount plan organization may also be referred to as a discount medical plan organization.

(3) “Marketer” means a person or entity ~~that which~~ markets, promotes, sells, or distributes a discount medical plan, including a private label entity ~~that which~~ places its name on and markets or distributes a discount medical plan but does not operate a discount medical plan.

(4) “Medical services” means any care, service, or treatment of illness or dysfunction of, or injury to, the human body, including, but not limited to, physician care, inpatient care, hospital surgical services, emergency services, ambulance services, dental care services, vision care services, mental health services, substance abuse services, chiropractic services, podiatric care services, laboratory services, and medical equipment and supplies. The term does not include pharmaceutical supplies or prescriptions.

(5) “Member” means any person who pays fees, dues, charges, or other consideration for the right to receive the purported benefits of a discount medical plan.

(6) “Provider” means any person or institution ~~that which~~ is contracted, directly or indirectly, with a discount medical plan organization to provide medical services to members.

(7) “Provider network” means an entity ~~that which~~ negotiates on behalf of more than one provider with a discount medical plan organization to provide medical services to members.

Section 4. Subsections (1), (2), (4), and (6) of section 636.204, Florida Statutes, are amended to read:

636.204 License required.—

(1) Before doing business in this state as a discount ~~medical~~ plan organization, an entity must be a corporation, a limited liability company, or a limited partnership, incorporated, organized, formed, or registered under the laws of this state or authorized to transact business in this state in accordance with chapter 605, part I of chapter 607, chapter 617, chapter 620, or chapter 865, and must be licensed by the office as a discount ~~medical~~ plan organization or be licensed by the office pursuant to chapter 624, part I of this chapter, or chapter 641.

(2) An application for a license to operate as a discount ~~medical~~ plan organization must be filed with the office on a form prescribed by the commission. Such application must be sworn to by an officer or authorized representative of the applicant and be accompanied by the following, if applicable:

(a) A copy of the applicant's articles of incorporation or other organizing documents, including all amendments.

(b) A copy of the applicant's bylaws.

(c) A list of the names, addresses, official positions, and biographical information of the individuals who are responsible for conducting the applicant's affairs, including, but not limited to, all members of the board of directors, board of trustees, executive committee, or other governing board or committee, the officers, contracted management company personnel, and any person or entity owning or having the right to acquire 10 percent or more of the voting securities of the applicant. Such listing must fully disclose the extent and nature of any contracts or arrangements between any individual who is responsible for conducting the applicant's affairs and the discount ~~medical~~ plan organization, including any possible conflicts of interest.

(d) A complete biographical statement, on forms prescribed by the commission, an independent investigation report, and a set of fingerprints, as provided in chapter 624, with respect to each individual identified under paragraph (c).

(e) A statement generally describing the applicant, its facilities and personnel, and the medical services to be offered.

(f) A copy of the form of all contracts made or to be made between the applicant and any providers or provider networks regarding the provision of medical services to members.

(g) A copy of the form of any contract made or arrangement to be made between the applicant and any person listed in paragraph (c).

(h) A copy of the form of any contract made or to be made between the applicant and any person, corporation, partnership, or other entity for the performance on the applicant's behalf of any function, including, but not limited to, marketing, administration, enrollment, investment management, and subcontracting for the provision of health services to members.

(i) A copy of the applicant's most recent financial statements audited by an independent certified public accountant. An applicant that is a subsidiary of a parent entity that is publicly traded and that prepares audited financial statements reflecting the consolidated operations of the parent entity and the subsidiary may petition the office to accept, in lieu of the audited financial statement of the applicant, the audited financial statement of the parent entity and a written guaranty by the parent entity that the minimum capital requirements of the applicant required by this part will be met by the parent entity.

(j) A description of the proposed method of marketing.

(k) A description of the subscriber complaint procedures to be established and maintained.

(l) The fee for issuance of a license.

(m) Such other information as the commission or office may reasonably require to make the determinations required by this part.

(4) ~~Before~~ ~~Prior to~~ licensure by the office, each discount medical plan organization must establish an Internet website so as to conform to the requirements of s. 636.226.

(6) ~~This part does not require~~ ~~Nothing in this part requires~~ a provider who provides discounts to his or her own patients to obtain and maintain a license as a discount medical plan organization.

Section 5. Section 636.206, Florida Statutes, is amended to read:

636.206 Examinations and investigations.—

(1) The office may examine or investigate the business and affairs of any discount medical plan organization. The office may order any discount medical plan organization or applicant to produce any records, books, files, advertising and solicitation materials, or other information and may take statements under oath to determine whether the discount medical plan organization or applicant is in violation of the law or is acting contrary to the public interest. The expenses incurred in conducting any examination or investigation must be paid by the discount medical plan organization or applicant. Examinations and investigations must be conducted as provided in chapter 624. For the duration of the agreement with a member, and for 5 years thereafter, a discount plan organization must maintain an accurate record of each member, including the membership materials provided to the member, the discount plan issued to the member, and the charges billed and paid by the member, in a form accessible to the office during an examination or investigation.

(2) Failure by the discount medical plan organization to pay the expenses incurred under subsection (1) is grounds for denial or revocation.

Section 6. Section 636.208, Florida Statutes, is amended to read:

636.208 Fees; charges; reimbursement.—

(1) A discount ~~medical~~ plan organization may charge a periodic charge as well as a reasonable one-time processing fee for a discount ~~medical~~ plan.

(2)(a) If the member cancels his or her membership in the discount ~~medical~~ plan organization within the first 30 days after the effective date of enrollment in the plan, the member shall receive a reimbursement of all periodic charges upon return of the discount card to the discount ~~medical~~ plan organization.

(b) If the member cancels his or her membership in the discount plan organization after the first 30 days, the discount plan organization:

1. Must cancel the membership on or before 30 days after receipt of the member's cancellation request.

2. May not charge the member any fees after the effective date of the cancellation of the membership.

3. Must provide a pro rata reimbursement of periodic charges made for months after cancellation date.

(c) If the member cancels his or her membership in the discount plan organization consistent with the open enrollment rules established by an employer or association for a plan having an open enrollment period, the member shall receive a pro rata reimbursement of all periodic charges upon return of the discount card to the discount plan organization.

(3) If the discount ~~medical~~ plan organization cancels a membership for any reason other than nonpayment of fees by the member, the discount ~~medical~~ plan organization ~~must~~ shall make a pro rata reimbursement of all periodic charges to the member.

(4) In addition to the reimbursement of periodic charges for the reasons stated in subsections (2) and (3), a discount ~~medical~~ plan organization shall also reimburse the member for any portion of a one-time processing fee that exceeds \$30 per year.

Section 7. Section 636.212, Florida Statutes, is amended to read:

636.212 Disclosures.—A discount plan organization or marketer must provide disclosures to a prospective member and the prospective member must acknowledge the acceptance of such disclosures before enrolling in a discount plan. A discount plan organization or marketer may make additional disclosures to those described in paragraph (1)(a). The following disclosures must be made in writing to any prospective member and must be on the first page of any advertisements, marketing materials, or brochures

~~relating to a discount medical plan. The disclosures must be printed in not less than 12-point type:~~

~~(1)(a) A disclosure must include:~~

- ~~1. That the plan is not insurance.~~
- ~~2.(2) That the plan provides discounts at certain health care providers for medical services.~~
- ~~3.(3) That the plan does not make payments directly to the providers of medical services.~~
- ~~4.(4) That the plan member is obligated to pay for all health care services but will receive a discount from those health care providers who have contracted with the discount plan organization.~~
- ~~5.(5) The name and address of the licensed discount medical plan organization.~~

~~(b) The first page of any written advertisements, marketing materials, or brochures relating to a discount plan must include the required disclosures in paragraph (a). The first page is the page that first includes the information that describes benefits of the discount plan. The disclosures must be printed in not less than 12-point type.~~

~~(c) Disclosures provided by electronic means must include disclosures required in paragraph (a). The disclosures must be in a font size and color that is readable.~~

~~(d) Disclosures made by telephone must include the disclosures in paragraph (a) and the prospective or new member must be provided with written disclosures in accordance with paragraph (b) in the initial written materials provided.~~

~~If the initial contract is made by telephone, the disclosures required by this section shall be made orally and provided in the initial written materials that describe the benefits under the discount medical plan provided to the prospective or new member.~~

Section 8. Section 636.214, Florida Statutes, is amended to read:

636.214 Provider agreements.—

(1) All providers offering medical services to members under a discount medical plan must provide such services pursuant to a written agreement. The agreement may be entered into directly by the provider or by a provider network to which the provider belongs.

(2) A provider agreement between a discount medical plan organization and a provider must provide the following:

- (a) A list of the services and products to be provided at a discount.
- (b) The amount or amounts of the discounts or, alternatively, a fee schedule which reflects the provider’s discounted rates.
- (c) A statement that the provider will not charge members more than the discounted rates.
- (3) A provider agreement between a discount medical plan organization and a provider network must shall require that the provider network have written agreements with its providers which:
 - (a) Contain the terms described in subsection (2).
 - (b) Authorize the provider network to contract with the discount medical plan organization on behalf of the provider.
 - (c) Require the network to maintain an up-to-date list of its contracted providers and to provide that list on a monthly basis to the discount medical plan organization.
- (4) The discount medical plan organization shall maintain a copy of each active provider agreement into which it has entered.

Section 9. Section 636.216, Florida Statutes, is amended to read:

636.216 Written agreement ~~Charge or Form filings.~~—

- (1)~~All charges to members must be filed with the office and any charge to members greater than \$30 per month or \$360 per year must be approved by the office before the charges can be used. The discount medical plan organization has the burden of proof that the charges bear a reasonable relation to the benefits received by the member.~~
- (2) There must be a written agreement between the discount medical plan organization and the member specifying the benefits under the discount medical plan and complying with the disclosure requirements of this part.
- (3)~~All forms used, including The written agreement pursuant to subsection (2), must first be filed with and approved by the office. Every form filed shall be identified by a unique form number placed in the lower left corner of each form.~~
- (4)~~A charge or form is considered approved on the 60th day after its date of filing unless it has been previously disapproved by the office. The office shall disapprove any form that does not meet the requirements of this part or that is unreasonable, discriminatory, misleading, or unfair. If such filings are disapproved, the office shall notify the discount medical plan organization and shall specify in the notice the reasons for disapproval.~~

Section 10. Section 636.228, Florida Statutes, is amended to read:

636.228 Marketing of discount medical plans.—

(1) All advertisements, marketing materials, brochures, and discount cards used by marketers must be approved in writing for ~~such use~~ by the discount medical plan organization.

(2) The discount medical plan organization ~~must~~ shall have an executed written agreement with a marketer ~~before~~ prior to the marketer's marketing, promoting, selling, or distributing the discount medical plan. Such agreement ~~must~~ shall prohibit the marketer from using marketing materials, brochures, and discount cards without the approval in writing by the discount medical plan organization. The discount medical plan organization may delegate functions to its marketers but shall be bound by any acts of its marketers, within the scope of the delegation, which ~~marketers' agency, that~~ do not comply with the provisions of this part.

Section 11. Section 636.230, Florida Statutes, is amended to read:

636.230 Bundling discount medical plans with other products.—~~A marketer or discount plan organization selling a discount plan with medical services and other services may commingle those products on a single page of forms, advertisements, marketing materials, or brochures. When a marketer or discount medical plan organization sells a discount medical plan together with any other product, the fees for the discount medical plan must be provided in writing to the member if the fees exceed \$30.~~

Section 12. Section 636.232, Florida Statutes, is amended to read:

636.232 Rules.—The commission may adopt rules to administer this part, including rules for the licensing of discount medical plan organizations; ~~establishing standards for evaluating forms, advertisements, marketing materials, brochures, and discount cards;~~ providing for the collection of data; relating to disclosures to plan members; and defining terms used in this part.

Section 13. Paragraph (b) of subsection (5) of section 408.9091, Florida Statutes, is amended to read:

408.9091 Cover Florida Health Care Access Program.—

(5) PLAN PROPOSALS.—The agency and the office shall announce, no later than July 1, 2008, an invitation to negotiate for Cover Florida plan entities to design a Cover Florida plan proposal in which benefits and premiums are specified.

(b) The agency and the office may announce an invitation to negotiate for the design of Cover Florida Plus products to companies that offer supplemental insurance, discount medical plan organizations licensed under part II of chapter 636, or prepaid health clinics licensed under part II of chapter 641.

Section 14. Paragraph (d) of subsection (2) and paragraph (d) of subsection (4) of section 408.910, Florida Statutes, are amended to read:

408.910 Florida Health Choices Program.—

(2) DEFINITIONS.—As used in this section, the term:

(d) “Insurer” means an entity licensed under chapter 624 which offers an individual health insurance policy or a group health insurance policy, a preferred provider organization as defined in s. 627.6471, an exclusive provider organization as defined in s. 627.6472, ~~or~~ a health maintenance organization licensed under part I of chapter 641, or a prepaid limited health service organization or discount ~~medical~~ plan organization licensed under chapter 636.

(4) ELIGIBILITY AND PARTICIPATION.—Participation in the program is voluntary and shall be available to employers, individuals, vendors, and health insurance agents as specified in this subsection.

(d) All eligible vendors who choose to participate and the products and services that the vendors are permitted to sell are as follows:

1. Insurers licensed under chapter 624 may sell health insurance policies, limited benefit policies, other risk-bearing coverage, and other products or services.

2. Health maintenance organizations licensed under part I of chapter 641 may sell health maintenance contracts, limited benefit policies, other risk-bearing products, and other products or services.

3. Prepaid limited health service organizations may sell products and services as authorized under part I of chapter 636, and discount ~~medical~~ plan organizations may sell products and services as authorized under part II of chapter 636.

4. Prepaid health clinic service providers licensed under part II of chapter 641 may sell prepaid service contracts and other arrangements for a specified amount and type of health services or treatments.

5. Health care providers, including hospitals and other licensed health facilities, health care clinics, licensed health professionals, pharmacies, and other licensed health care providers, may sell service contracts and arrangements for a specified amount and type of health services or treatments.

6. Provider organizations, including service networks, group practices, professional associations, and other incorporated organizations of providers, may sell service contracts and arrangements for a specified amount and type of health services or treatments.

7. Corporate entities providing specific health services in accordance with applicable state law may sell service contracts and arrangements for a specified amount and type of health services or treatments.

A vendor described in subparagraphs 3.-7. may not sell products that provide risk-bearing coverage unless that vendor is authorized under a certificate of authority issued by the Office of Insurance Regulation and is authorized to provide coverage in the relevant geographic area. Otherwise eligible vendors may be excluded from participating in the program for deceptive or predatory practices, financial insolvency, or failure to comply with the terms of the participation agreement or other standards set by the corporation.

Section 15. Subsection (11) of section 627.64731, Florida Statutes, is amended to read:

627.64731 Leasing, renting, or granting access to a participating provider.—

(11) This section does not apply to a contract between a contracting entity and a discount ~~medical~~ plan organization licensed or exempt under part II of chapter 636.

Section 16. Paragraph (c) of subsection (7) of section 636.003, Florida Statutes, is amended to read:

636.003 Definitions.—As used in this act, the term:

(7) “Prepaid limited health service organization” means any person, corporation, partnership, or any other entity which, in return for a prepayment, undertakes to provide or arrange for, or provide access to, the provision of a limited health service to enrollees through an exclusive panel of providers. Prepaid limited health service organization does not include:

(c) Any person who is licensed pursuant to part II as a discount ~~medical~~ plan organization.

Section 17. Paragraphs (c) and (d) of subsection (1) of section 636.205, Florida Statutes, are amended to read:

636.205 Issuance of license; denial.—

(1) Following receipt of an application filed pursuant to s. 636.204, the office shall review the application and notify the applicant of any deficiencies contained therein. The office shall issue a license to an applicant who has filed a completed application pursuant to s. 636.204 upon payment of the fees specified in s. 636.204 and upon the office being satisfied that the following conditions are met:

(c) The ownership, control, and management of the entity are competent and trustworthy and possess managerial experience that would make the proposed operation beneficial to the subscribers. The office may ~~shall~~ not grant or continue to grant authority to transact the business of a discount ~~medical~~ plan organization in this state at any time during which the office has good reason to believe that the ownership, control, or management of the organization includes any person whose business operations are or have been marked by business practices or conduct that is detrimental to the public, stockholders, investors, or creditors.

(d) The discount ~~medical~~ plan organization has a complaint procedure that will facilitate the resolution of subscriber grievances and that includes both formal and informal steps available within the organization.

Section 18. Section 636.207, Florida Statutes, is amended to read:

636.207 Applicability of part.—Except as otherwise provided in this part, discount ~~medical~~ plan organizations are governed by the provisions of this part and are exempt from the Florida Insurance Code unless specifically referenced.

Section 19. Section 636.210, Florida Statutes, is amended to read:

636.210 Prohibited activities of a discount ~~medical~~ plan organization.

(1) A discount ~~medical~~ plan organization may not:

(a) Use in its advertisements, marketing material, brochures, and discount cards the term “insurance” except as otherwise provided in this part or as a disclaimer of any relationship between discount ~~medical~~ plan organization benefits and insurance;

(b) Use in its advertisements, marketing material, brochures, and discount cards the terms “health plan,” “coverage,” “copay,” “copayments,” “preexisting conditions,” “guaranteed issue,” “premium,” “PPO,” “preferred provider organization,” or other terms in a manner that could reasonably mislead a person into believing the discount ~~medical~~ plan was health insurance;

(c) Have restrictions on free access to plan providers, including, but not limited to, waiting periods and notification periods; or

(d) Pay providers any fees for medical services.

(2) A discount ~~medical~~ plan organization may not collect or accept money from a member for payment to a provider for specific medical services furnished or to be furnished to the member unless the organization has an active certificate of authority from the office to act as an administrator.

Section 20. Subsection (1), paragraphs (b), (c), and (d) of subsection (2), and subsection (3) of section 636.218, Florida Statutes, are amended to read:

636.218 Annual reports.—

(1) Each discount ~~medical~~ plan organization shall ~~must~~ file with the office, within 3 months after the end of each fiscal year, an annual report.

(2) Such reports must be on forms prescribed by the commission and must include:

(b) If different from the initial application or the last annual report, a list of the names and residence addresses of all persons responsible for the conduct of the organization’s affairs, together with a disclosure of the extent and nature of any contracts or arrangements between such persons and the discount ~~medical~~ plan organization, including any possible conflicts of interest.

(c) The number of discount ~~medical~~ plan members in the state.

(d) Such other information relating to the performance of the discount ~~medical~~ plan organization as is reasonably required by the commission or office.

(3) Every discount ~~medical~~ plan organization ~~that~~ which fails to file an annual report in the form and within the time required by this section shall forfeit up to \$500 for each day for the first 10 days during which the neglect continues and shall forfeit up to \$1,000 for each day after the first 10 days during which the neglect continues; and, upon notice by the office to that effect, the organization’s authority to enroll new members or to do business in this state ceases while such default continues. The office shall deposit all sums collected by the office under this section to the credit of the Insurance Regulatory Trust Fund. The office may not collect more than \$50,000 for each report.

Section 21. Section 636.220, Florida Statutes, is amended to read:

636.220 Minimum capital requirements.—

(1) Each discount ~~medical~~ plan organization shall ~~must~~ at all times maintain a net worth of at least \$150,000.

(2) The office may not issue a license unless the discount ~~medical~~ plan organization has a net worth of at least \$150,000.

Section 22. Section 636.222, Florida Statutes, is amended to read:

636.222 Suspension or revocation of license; suspension of enrollment of new members; terms of suspension.—

(1) The office may suspend the authority of a discount ~~medical~~ plan organization to enroll new members, revoke any license issued to a discount ~~medical~~ plan organization, or order compliance if the office finds that any of the following conditions exist:

- (a) The organization is not operating in compliance with this part.
- (b) The organization does not have the minimum net worth as required by this part.
- (c) The organization has advertised, merchandised, or attempted to merchandise its services in such a manner as to misrepresent its services or capacity for service or has engaged in deceptive, misleading, or unfair practices with respect to advertising or merchandising.
- (d) The organization is not fulfilling its obligations as a ~~medical~~ discount ~~medical~~ plan organization.
- (e) The continued operation of the organization would be hazardous to its members.
- (2) If the office has cause to believe that grounds for the suspension or revocation of a license exist, the office must ~~shall~~ notify the discount ~~medical~~ plan organization in writing specifically stating the grounds for suspension or revocation and shall pursue a hearing on the matter in accordance with ~~the provisions of~~ chapter 120.
- (3) When the license of a discount ~~medical~~ plan organization is surrendered or revoked, such organization must proceed, immediately following the effective date of the order of revocation, to wind up its affairs transacted under the license. The organization may not engage in any further advertising, solicitation, collecting of fees, or renewal of contracts.
- (4) The office shall, in its order suspending the authority of a discount ~~medical~~ plan organization to enroll new members, specify the period during which the suspension is to be in effect and the conditions, if any, which must be met by the discount ~~medical~~ plan organization before ~~prior to~~ reinstatement of its license to enroll new members. The order of suspension is subject to rescission or modification by further order of the office before ~~prior to~~ the expiration of the suspension period. Reinstatement may not be made unless requested by the discount ~~medical~~ plan organization; however, the office may not grant reinstatement if it finds that the circumstances for which the suspension occurred still exist or are likely to recur.

Section 23. Section 636.223, Florida Statutes, is amended to read:

636.223 Administrative penalty.—In lieu of suspending or revoking a certificate of authority whenever any discount ~~medical~~ plan organization has been found to have violated any provision of this part, the office may:

- (1) Issue and cause to be served upon the organization charged with the violation a copy of such findings and an order requiring such organization to cease and desist from engaging in the act or practice that constitutes the violation.

(2) Impose a monetary penalty of not less than \$100 for each violation, but not to exceed an aggregate penalty of \$75,000.

Section 24. Section 636.224, Florida Statutes, is amended to read:

636.224 Notice of change of name or address of discount medical plan organization.—Each discount medical plan organization must provide the office at least 30 days' advance notice of any change in the discount medical plan organization's name, address, principal business address, or mailing address.

Section 25. Section 636.226, Florida Statutes, is amended to read:

636.226 Provider name listing.—Each discount medical plan organization must maintain on an Internet website an up-to-date list of the names and addresses of the providers with which it has contracted, ~~on an Internet website page~~, the address of which ~~must shall~~ be prominently displayed on all its advertisements, marketing materials, brochures, and discount cards. This section applies to those providers with whom the discount medical plan organization has contracted directly, as well as those who are members of a provider network with which the discount medical plan organization has contracted.

Section 26. Section 636.234, Florida Statutes, is amended to read:

636.234 Service of process on a discount medical plan organization.—Sections 624.422 and 624.423 apply to a discount medical plan organization as if the discount medical plan organization were an insurer.

Section 27. Section 636.236, Florida Statutes, is amended to read:

636.236 Surety bond or security deposit.—

(1) Each discount medical plan organization licensed pursuant to the provisions of this part ~~shall~~ must maintain in force a surety bond in its own name in an amount not less than \$35,000 to be used at the discretion of the office to protect the financial interests of members who may be adversely affected by the insolvency of a discount medical plan organization. The bond must be issued by an insurance company that is licensed to do business in this state.

(2) In lieu of the bond specified in subsection (1), a licensed discount medical plan organization may deposit and maintain deposited in trust with the department securities eligible for deposit under s. 625.52 having at all times a value of not less than \$35,000. If a licensed discount medical plan organization substitutes its deposited securities under this subsection with a surety bond authorized in subsection (1), such deposited securities must ~~shall~~ be returned to the discount medical plan organization no later than 45 days following the effective date of the surety bond.

(3) A ~~No~~ judgment creditor or other claimant of a discount ~~medical~~ plan organization, other than the office or department, does not shall have the right to levy upon any of the assets or securities held in this state as a deposit under subsections (1) and (2).

Section 28. Subsections (2) and (3) of section 636.238, Florida Statutes, are amended to read:

636.238 Penalties for violation of this part.—

(2) A person who operates as or willfully aids and abets another operating as a discount ~~medical~~ plan organization in violation of s. 636.204(1) commits a felony punishable as provided for in s. 624.401(4)(b), as if the unlicensed discount ~~medical~~ plan organization were an unauthorized insurer, and the fees, dues, charges, or other consideration collected from the members by the unlicensed discount ~~medical~~ plan organization or marketer were insurance premium.

(3) A person who collects fees for purported membership in a discount ~~medical~~ plan but purposefully fails to provide the promised benefits commits a theft, punishable as provided in s. 812.014.

Section 29. Subsection (1) of section 636.240, Florida Statutes, is amended to read:

636.240 Injunctions.—

(1) In addition to the penalties and other enforcement provisions of this part, the office may seek both temporary and permanent injunctive relief when:

(a) A discount ~~medical~~ plan is being operated by any person or entity that is not licensed pursuant to this part.

(b) Any person, entity, or discount ~~medical~~ plan organization has engaged in any activity prohibited by this part or any rule adopted pursuant to this part.

Section 30. Section 636.244, Florida Statutes, is amended to read:

636.244 Unlicensed discount ~~medical~~ plan organizations.—Sections ~~The provisions of ss. 626.901-626.912~~ apply to the activities of an unlicensed discount ~~medical~~ plan organization as if the unlicensed discount ~~medical~~ plan organization were an unauthorized insurer.

Section 31. This act shall take effect upon becoming a law.

Approved by the Governor June 14, 2017.

Filed in Office Secretary of State June 14, 2017.