

## Committee Substitute for Senate Bill No. 1250

An act relating to employee benefits; amending s. 110.12315, F.S., relating to the state employees' prescription drug program; deleting obsolete provisions; removing an expiration date applicable to copayment amounts; amending s. 110.1239, F.S.; removing an expiration date applicable to provisions governing procedures for determining the level of premiums necessary to fund the state group health insurance program; amending s. 624.437, F.S.; clarifying that a provision requiring certain insurers to obtain a certificate of authority does not apply to the state group health insurance program; providing for certain personnel moving from county government to a position in the state courts system, an office of the state attorney, or an office of the public defender, and their covered dependents, to qualify for the state group health insurance program; authorizing state attorneys and public defenders to transfer a specified amount of unused annual leave and unused sick leave; amending s. 110.161, F.S.; including certain additional salaried employees of state government within the definition of "employee" for purposes of the pretax benefits program; providing for the transfer of certain savings from the employer FICA contributions into the Pretax Benefits Trust Fund; amending s. 110.123, F.S., relating to the state group insurance program; revising the application of coverage for legislative members and employees; amending s. 121.081, F.S.; providing for the past service of certain specified employees who became employees of the State Courts System as a result of the revision of Art. V of the State Constitution to be included service for purposes of the Florida Retirement System; providing for the resolution of certain collective bargaining issues at impasse between the State of Florida and the specified employee bargaining units; providing for the resolution of mandatory collective bargaining issues at impasse for the 2004-2005 fiscal year which are not addressed by the act or the General Appropriations Act; providing an effective date.

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

Section 1. Subsection (7) of section 110.12315, Florida Statutes, is amended to read:

110.12315 Prescription drug program.—The state employees' prescription drug program is established. This program shall be administered by the Department of Management Services, according to the terms and conditions of the plan as established by the relevant provisions of the annual General Appropriations Act and implementing legislation, subject to the following conditions:

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

(a) ~~Effective January 1, 2001, through December 31, 2003:~~

1. For generic drug with card .....	\$7.
2. For preferred brand name drug with card .....	\$20.
3. For nonpreferred brand name drug with card .....	\$35.
4. For generic mail order drug .....	\$10.50.
5. For preferred brand name mail order drug .....	\$30.
6. For nonpreferred brand name drug .....	\$52.50.

~~(a)~~(b) Effective January 1, 2004:

1. For generic drug with card .....	\$10.
2. For preferred brand name drug with card .....	\$25.
3. For nonpreferred brand name drug with card .....	\$40.
4. For generic mail order drug .....	\$20.
5. For preferred brand name mail order drug .....	\$50.
6. For nonpreferred brand name drug .....	\$80.

(b)(e) The Department of Management Services shall create a preferred brand name drug list to be used in the administration of the state employees' prescription drug program.

~~This subsection expires July 1, 2004.~~

Section 2. Section 110.1239, Florida Statutes, is amended to read:

110.1239 State group health insurance program funding.—~~For the 2003-2004 fiscal year only,~~ It is the intent of the Legislature that the state group health insurance program be managed, administered, operated, and funded in such a manner as to maximize the protection of state employee health insurance benefits. Inherent in this intent is the recognition that the health insurance liabilities attributable to the benefits offered state employees should be fairly, orderly, and equitably funded. Accordingly:

(1) The division shall determine the level of premiums necessary to fully fund the state group health insurance program for the next fiscal year. Such determination shall be made after each Self-Insurance Estimating Conference as provided in s. 216.136(11), but not later than December 1 and April 1 of each fiscal year.

(2) The Governor, in the Governor's recommended budget, shall provide premium rates necessary for full funding of the state group health insurance program, and the Legislature shall provide in the General Appropriations Act for a premium level necessary for full funding of the state group health insurance program.

(3) For purposes of funding, any additional appropriation amounts allocated to the state group health insurance program by the Legislature shall be considered as a state contribution and thus an increase in the state premiums.

~~(4) This section expires July 1, 2004.~~

Section 3. Subsection (3) of section 624.437, Florida Statutes, is amended to read:

624.437 “Multiple-employer welfare arrangement” defined; certificate of authority required; penalty.—

(3) This section does not apply to a multiple-employer welfare arrangement which offers or provides benefits which are fully insured by an authorized insurer, ~~or~~ to an arrangement which is exempt from state insurance regulation in accordance with Pub. L. No. 93-406, the Employee Retirement Income Security Act, ~~or to the state group health insurance program administered pursuant to s. 110.123.~~

Section 4. All personnel moving from county government to a position in the state courts system, an office of the state attorney, or an office of the public defender, as a part of the implementation of Revision No. 7 to Article 5 of the State Constitution, and their covered dependents, who were continuously enrolled for at least 12 months in a county-sponsored group health insurance program on June 30, 2004, shall be deemed to have met the preexisting conditions requirements under the State Group Health Insurance Program.

Section 5. All personnel moving from county government to a position in an office of the state attorney or an office of the public defender as a part of the implementation of Revision No. 7 to Article 5 of the State Constitution shall be allowed to transfer up to 80 hours of unused annual leave and up to 320 hours of unused sick leave.

Section 6. Subsections (2) and (3) of section 110.161, Florida Statutes, are amended to read:

110.161 State employees; pretax benefits program.—

(2) As used in this section, “employee” means any individual filling an authorized and established position in the executive, legislative, or judicial branch of the state, including the employees of the State Board of Administration, ~~and the state universities, and other entities of state government holding salaried positions and being paid by state warrant or from agency funds.~~

(7) The Legislature recognizes that a substantial amount of the employer savings realized by the implementation of a pretax benefits program will be the result of diminutions in the state’s employer contribution to the Federal Insurance Contributions Act tax. There is hereby created the Pretax Benefits Trust Fund in the Department of Management Services. Each agency in the executive, legislative, or judicial branch of the state, including the

State Board of Administration, state universities, and other entities of state government whose employees hold salaried positions and are paid by state warrant or from agency funds, shall transfer to the Pretax Benefits Trust Fund the full and complete employer FICA contributions saved in connection with each weekly, biweekly, semimonthly, or monthly payroll by the state as a result of the implementation of the pretax benefits program authorized pursuant to this section. Such savings shall be transferred to the Pretax Benefits Trust Fund upon transacting each payroll, but not later than a subsequent payroll. Any moneys forfeited pursuant to employees' salary reduction agreements to participate in the program must also be deposited in the Pretax Benefits Trust Fund. Moneys in the Pretax Benefits Trust Fund shall be used for the pretax benefits program, including its administration by the Department of Management Services or a third-party administrator.

Section 7. Subsection (8) of section 110.123, Florida Statutes, is amended to read:

110.123 State group insurance program.—

(8) COVERAGE FOR LEGISLATIVE MEMBERS AND EMPLOYEES.—

(a) The Legislature may provide coverage for its members and employees under all or any part of the state group insurance program; may provide coverage for its members and employees under a legislative group insurance program in lieu of all or any part of the state group insurance program; and, notwithstanding the provisions of paragraph (4)(c), may assume the cost of any group insurance coverage provided to its members and employees.

(b) ~~Effective July 1, 1999,~~ Any legislative member who terminates his or her elected service after ~~January~~ July 1, 1999, after having vested in the state retirement system, may purchase coverage in a state group health insurance plan at the same premium cost as that for retirees and surviving spouses. Such legislators may also elect ~~to continue~~ coverage under the group term life insurance program prevailing for current members at the premium cost in effect for that plan.

Section 8. Paragraph (k) is added to subsection (1) of section 121.081, Florida Statutes, to read:

121.081 Past service; prior service; contributions.—Conditions under which past service or prior service may be claimed and credited are:

(1)

(k) Employees of the Fourth Judicial Circuit who were in an employee-employer relationship with the City of Jacksonville on June 30, 2004, and who became employees of the State Courts System on July 1, 2004, as a result of implementation of Revision 7 to Article V of the State Constitution shall be deemed to be included in past service as defined in s. 121.021(18), for the purposes of the Florida Retirement System, any other provisions of law notwithstanding. If credit for such service has not been granted under any other retirement system, any member of the Florida Retirement System

therein shall be entitled to receive past-service credit for his or her period of employment with the City of Jacksonville prior to July 1, 2004, in the manner provided in this subsection. However, in no event will eligibility for past service be established unless required contributions are paid into the Florida Retirement System for such period of past service, and such contributions may be paid by the member or prior employer on behalf of the member.

Section 9. (1) Collective bargaining issues at impasse between the State of Florida and the International Union of Police Associations for Law Enforcement Bargaining Unit employees shall be resolved as follows:

(a) All collective bargaining issues at impasse regarding Article 16 "Employment Outside State Government" shall be resolved pursuant to the state's last offer.

(b) All collective bargaining issues at impasse regarding Article 22 "Job-connected Disability" and Article 24 "On-call assignment - Call back - Court Appearance" shall be resolved by maintaining the status quo under the language of the current collective bargaining agreement.

(c) All collective bargaining issues at impasse regarding Article 18 "Hours of Work, Leave, Job-connected Disability" shall be resolved pursuant to the state's last offer, except that the issues at impasse relating to "Section 3-Work Schedule" for employees of the Fish and Wildlife Conservation Commission shall be resolved pursuant to the Settlement Agreement transmitted on March 2, 2004, by the commission to the bargaining unit representatives.

(2) All mandatory collective bargaining issues at impasse between the State of Florida and the Federation of Physicians and Dentists for Selected Exempt Service Physicians Unit employees shall be resolved by maintaining the status quo under the language of the current collective bargaining agreement.

(3) Collective bargaining issues at impasse between the State of Florida and the Police Benevolent Association for the Special Agents Bargaining Unit employees regarding Article 16 "Employment Outside State Government" and Article 17 "Department Vehicles" shall be resolved by maintaining the status quo under the language of the current collective bargaining agreement.

(4) Collective bargaining issues at impasse between the State of Florida and the Florida Police Benevolent Association for Security Services Bargaining Unit employees regarding Article 7 "Discipline and Discharge" and Article 28 "Travel Expenses" shall be resolved by maintaining the status quo under the language of the current collective bargaining agreement.

(5) Collective bargaining issues at impasse between the State of Florida and AFSCME, Council 79, Master Contract Units, for career service employees regarding Article 1 "Recognition," Article 6 "Grievance Procedure," Article 7 "Discipline and Discharge," Article 8 "Workforce Reduction and Privatization," Article 9 "Reassignment, Transfer, Change in Duty Station," Arti-

cle 10 "Promotion," Article 12 "Personnel Records," Article 14 "Performance Review," Article 17 "Seniority," Article 18 "Leaves of Absence, Hours of Work, and Disability," Article 22 "Disability Leave," Article 23 "Hours of Work/Overtime," and Article 26 "Quality of Service through Partnership" shall be resolved pursuant to the state's last offer.

(6) Collective bargaining issues at impasse between the State of Florida and the Florida State Fire Service Association regarding Article 16 "Retirement," Article 23 "Hours of Work and Overtime," and Article 24 "On-call Assignment, Call-Back, and Residency" shall be resolved by maintaining the status quo under the language of the current collective bargaining agreement.

(7) Collective bargaining issues at impasse between the State of Florida and the Federation of Physicians and Dentists for Selected Exempt Service Supervisory Nonprofessional Unit employees shall be resolved as follows:

(a) All collective bargaining issues at impasse regarding Article 7 "Employee Standards of Conduct" and Article 11 "Classification and Pay Plan" shall be resolved by maintaining the status quo under the language of the current collective bargaining agreement.

(b) All collective bargaining issues at impasse regarding Article 18 "Hours of Work/Overtime & Leaves of Absence" shall be resolved pursuant to the state's last offer.

(8) All other mandatory collective bargaining issues at impasse for the 2004-2005 fiscal year which are not addressed by this act or the General Appropriations Act for the 2004-2005 fiscal year shall be resolved consistent with the personnel rules in effect on April 20, 2004, and by otherwise maintaining the status quo under the language of the current collective bargaining agreements.

Section 10. This act shall take effect upon becoming a law.

Approved by the Governor June 23, 2004.

Filed in Office Secretary of State June 23, 2004.