

***BY-LAWS OF***  
***FLORIDA HEALTH CHOICES, INC.***

**ARTICLE 1. - ORGANIZATION**

The name of this organization shall be: FLORIDA HEALTH CHOICES, INC.

**ARTICLE 2. - PURPOSES**

The purposes for which the corporation is organized are:

- (a) To administer the Florida Health Choices Program as provided in Section 408.910, Florida Statutes, as an instrumentality of the State of Florida, and to conduct such other business as may further the administration of the Florida Health Choices Program.
- (b) To do all things to expand opportunities for Floridians without adequate access to affordable, quality health care to purchase affordable health insurance and health services through the Florida Health Choices Program.
- (c) To do all things to preserve the benefits of employer-sponsored insurance while easing the administrative burden for employers who offer these benefits through the Florida Health Choices Program.
- (d) To do all things to enable individual choice in both the manner and amount of health care purchased through the Florida Health Choices Program.
- (e) To provide for the purchase of individual, portable health care coverage through the Florida Health Choices Program.

(f) Disseminate information to consumers on the price and quality of health services in the Florida Health Choices Program.

(g) To sponsor a competitive market that will stimulate product innovation, quality improvement, and efficiency in the production and delivery of affordable and quality health services to under or uninsured citizens in Florida through the Florida Health Choices Program.

(h) To acquire, purchase, lease, mortgage and deal in all types of property, real and personal, which may be necessary and convenient to accomplish the general objectives herein stated, including the leasing or purchase of facilities, equipment, machinery and any other related items as the corporation may deem necessary.

(i) To receive and accept grants, loans or advances of fund from any public or private agency and to solicit and receive funds, gifts, endowments, donations, grants, devises and bequests of money, property, labor, or any other thing of value to be held, used and applied by the corporation in furtherance of the stated objectives.

(i) To exercise all the powers enumerated in Chapter 617, Florida Statutes, and to transact any other lawful business for which the corporation may engage.

This corporation is organized exclusively for public purposes as a not-for-profit corporation within the meaning of Section 501(c) of the Internal Revenue Code, 1986, as amended, and its activities shall be conducted for such purposes in such manner that no part of its net earnings shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in

furtherance of the purposes set forth in Article 3 hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. In addition, the corporation shall be authorized to exercise the powers permitted non-profit corporations under Chapter 617, Florida Statutes; provided, however, that the corporation in exercising any one or more powers shall do so in furtherance of the exempt purposes for which it has been organized as described in Section 501(a)(3) of the Internal Revenue Code of 1986, as amended.

### **ARTICLE 3 - CORPORATE HEADQUARTERS**

Section 1. The street address of the Corporation is Florida Health Choices, Inc., ~~225 South Adams Street, Suite 250,~~ 200 West College Avenue, Suite 203, Tallahassee, Florida 32301.

Section 2. The Corporation may have offices at such place or places as approved by the Board of Directors.

### **ARTICLE 4 - MEMBERSHIP**

Section 1. Membership of the Corporation shall be to those persons appointed to the Board of Directors, pursuant to Section 409.810, F.S. The Members so appointed shall constitute the Board of Directors (the "Board"). Members may not include insurers, health insurance agents or

brokers, health care providers, health maintenance organizations, prepaid service providers, or any other entity, affiliate or subsidiary of eligible vendors.

Section 2. In the event a vacancy shall occur on the Board by resignation, death or otherwise, such vacancy shall not be counted for the purpose of determining a quorum.

Section 3. The Chair is authorized to appoint Ad Hoc members who shall serve the Board in an advisory capacity.

Section 3.1 Ad Hoc members may be appointed to serve on committees, subcommittees, technical advisory panels, workgroups or steering committees consisting of interested parties, including consumers, health care providers, individuals with expertise in insurance regulation, and insurers.

Section 3.2 Ad Hoc members serve at the pleasure of the Chair.

Section 4. Voting Eligibility.

Section 4.1 Members appointed by and serving at the pleasure of the Governor, President of the Senate and Speaker of the House of Representatives are voting members of the Board of Directors, and of all committees or subcommittees on which they serve.

Section 4.2 Persons designated as Ex-Officio and representing the Secretary of Health Care Administration, Secretary of Management Services, and the commissioner of the Office of Insurance Regulation are non-voting members of the Board of Directors.

Section 4.3 Persons who are Ad Hoc members or Ex-Officio members may vote on matters pending before any committee, subcommittee, steering committee, workgroup or advisory panel established by the Board and to which they are appointed.

Section 5. Except as otherwise provided by law, a designee shall not serve or vote in the place of a Director at any meeting.

Section 5.1. (a) Persons permitted to appoint a designee are those representing the Secretary of Health Care Administration, Secretary of Management Services and the commissioner of the Office of Insurance Regulation.

(b) Where allowed by law, if a Director intends to send a designee in his/her place at any meeting, the Director shall notify the Corporation of the designee's name prior to the meeting.

## **ARTICLE 5 - BOARD OF DIRECTORS**

Section 1. The affairs of the corporation shall be managed by a Board of Directors. The Board of Directors shall be responsible for establishing procedure and formulating policy for the corporation, and for determining the program activities of the corporation. The Board shall carry out the objectives of the corporation in compliance with Section 408.910, Florida Statutes, the Articles of Incorporation and these By-Laws.

Section 2. A Board member serves at the pleasure of the appointing official for a three (3) year term and may serve consecutive terms at the discretion of the appointing official, provided that no Board member shall serve more than 9 consecutive years.

Section 3. The Board may make attendance reports to the appointing official when a Member misses three (3) consecutive meetings of the Board.

Section 4. Any Director may resign at any time by giving written notice to the Corporation.

Section 4.1 The resignation of any Director shall take effect when the notice is delivered, unless the notice specifies a later effective date.

Section 4.2. If any vacancy shall occur among the Directors, the remaining Directors shall continue to act, and the appointing official shall be notified of the vacancy.

Section 5. Board members are entitled to receive, from the funds of the corporation, reimbursement for per diem and travel expenses as provided by s. 112.061. No other compensation is authorized.

## **ARTICLE 6 – OFFICERS AND APPOINTMENTS**

Section 1. The officers of the corporation shall consist of a Chair, Vice Chair, Chief Executive Officer, Secretary and Treasurer, and other officers or assistant officers as determined by the Board to be necessary or appropriate in the conduct of the corporation's activities.

Section 2. Annually, the Board of Directors will elect a Chair, Vice Chair and a Secretary and Treasurer from among its appointed members for a one (1) year term.

Section 2.1 The Vice Chair will chair the Board in the absence of the Chair and the Secretary will chair in the absence of the Chair and the Vice Chair.

Section 2.2 Election of Officers. Officers may be reelected to the same office for consecutive terms, but no Member shall serve more than nine (9) consecutive years in any officer position.

Section 2.3 Other conditions of tenure are as follows:

(a) The expiration of any tenure of any elected officer shall not impact on their term as a Director of the corporation.

(b) The tenure of an elected officer will cease upon the completion of the elected or appointed term, or when their successor is chosen, or immediately upon the individual's ceasing to be affiliated as a Director or employee of the corporation.

Section 2.4 An elected officer may resign at any time by delivering notice to the Corporation. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date, and the corporation accepts the later effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board of Directors provides that the successor does not take office until the effective date of the pending vacancy. Notwithstanding the foregoing provisions, if the vacancy in office to be filled is that of the Chair, Vice Chair, Treasurer or Secretary, the individual elected to fill that vacancy must be a Member of the ~~Corporation~~ Board of Directors.

Section 2.5 The Board of Directors may remove any elected officer at any time with or without cause.

Section 2.6. The duties of elected officers shall be those usually pertaining to their positions and shall include the following specific duties assigned to each office:

(a) Chair. The Chair of the Board of Directors shall preside at all meetings of the Board of Directors, the Executive Committee, and of the members. The Chair, in addition, may exercise any other powers and duties that may be assigned

to the Chair by the Board of Directors. In the absence of the Chief Executive Officer, or in the event of their death, inability or refusal to act, the Chair of the Board shall perform the duties of the Chief Executive Officer and when so acting, shall have all powers of and be subject to all the restrictions upon the Chief Executive Officer.

(b) Vice-Chair. The Vice-Chair shall, in the absence of the Chair, perform all the duties of the Chair.

(c) Secretary. The Secretary shall, in the absence of the Chair and the Vice Chair, perform all the duties of the Chair. The Secretary shall be responsible for seeing that minutes of the meetings of the Board of Directors are prepared and distributed by staff of the Corporation.

(d) Treasurer. The Treasurer shall perform such duties as is customarily performed by a Treasurer including determine that accurate and adequate account of the property and business transactions of the corporation are kept, including accounts of its assets, liabilities, receipts, disbursements, gains and losses, and such other duties as may be assigned by the Board. The Treasurer shall cause to be prepared and review the annual report and financial statement required by the provisions of Section 408.910, Florida Statutes. The Treasurer in conjunction with the Chief Executive Officer shall open and maintain such banking accounts as may be necessary to transact the business of the corporation.



(e) The Treasurer shall also serve as the Chair of the Finance and Audit Committee or any other such fiscal committee as may be designated.

(f) The Board may elect the same person to fill the office of Secretary and the Office of the Treasurer, and the office may be designated as the Secretary/Treasurer.

Section 3. The Board of Directors shall have the power to hire a Chief Executive Officer who is responsible for the selection of other staff, as may be authorized by the corporation's operating budget as approved by the Board of Directors.

Section 3.1. The Chief Executive Officer ("CEO") of the corporation shall, subject to the control of the board of directors, generally supervise and control all of the business and affairs of the corporation. In addition, the CEO shall possess, and may exercise, such power and authority, and shall perform such duties, as may from time to time be assigned to him or her by the board of directors, and as are incident to the office of chief executive officer. The CEO shall also:

- (1) Provide notice of all meetings of the membership and Board of Directors.
- (2) Attend meetings of the members.
- (3) Serve as the corporation's official representative.
- (4) Be responsible for the day-to-day operations of the corporation.

Section 3.2 The Chief Executive Officer shall have and possess all powers and authority normally conferred upon the office of the President of a corporation at law.

Subject to existing contract rights, if any, the CEO shall serve at the pleasure of the Board of Directors, but the appointment as an officer does not itself create contract rights.

Section 4. The Board may establish committees, subcommittees, steering committees, workgroup or advisory panels.

Section 4.1 The Chair, Vice-Chair and the Treasurer shall serve as the Executive Committee to the Board.

Section 4.1.1 The Chair of the Board of Directors shall serve as Chair of the Executive Committee

Section 4.1.2 The Chair of the Committee or any two (2) members of the Committee may convene a meeting of the Executive Committee. A quorum is present when at least two members of the Committee are in attendance.

Section 4.1.3 The Executive Committee may take action on behalf of the board, or make recommendation to the board, or take action that are conditional upon giving notice to the Board, provided that the Executive Committee shall not have the power to Amend these By-Laws, or the Articles of Incorporation.

Section 4.2. The Chair of the Board may appointed such additional committees, subcommittees, steering committees, workgroups or advisory panels as he/she deems appropriate for the purpose of preparing advice or recommendation to the Board.

Section 4.2.1 The Board of Directors, may delegate to such committees, subcommittees, steering committees, workgroups or advisory panels such powers as it deems appropriate where not in conflict with these bylaws or state law including the

authority to take actions on behalf of the board, or to take actions which are conditions upon giving notice to the Board.

## **ARTICLE 7. - MEETINGS**

**Section 1.** The date and location for a meeting of the Board of Directors will be determined by the Chair on no less than ten (10) day notice to each director. Notice of any meeting will be provided to each Director by mail, electronic mail, facsimile or personal delivery.

Section 1.1. There shall be at least one annual meeting of the Board of Directors held each January.

Section 1.2 Regular meetings of the Board of Directors shall be held in such place and time as necessary for the conduct of business.

Section 1.3 Special meetings of the Board of Directors may be called by the Chair on not less than three (3) calendar days' notice.

Section 1.3.1 A special meeting shall be called by the Chair upon the written request of any two (2) or more Directors.

Section 1.3.2 Notice requirements may be waived, in writing, by members of the Board attending any special meeting that is not called in conformity with the notice provision of these bylaws.

**Section 2.** Public testimony may be accepted at any meeting of the Board of Directors at the discretion of the Chair.

Section 3. At any meeting of the Board of Directors, a majority of the Directors shall be necessary to constitute a quorum.

Section 3.1 The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors.

Section 3.2 At any meeting, if a quorum is not present, a majority of the Directors present may adjourn the meeting to a future date.

Section 4. Members of the Board of Directors may participate in a meeting of the Board by means of a conference telephone or other similar communications equipment.

Section 4.1 Participation by conference call or use of other similar electronic equipment must allow for all persons participating in the meeting to hear each other at the same time.

Section 4.2 Participation by such means shall constitute presence in person at a meeting. A Director participating by telephone or similar communications equipment is considered present for purposes of a quorum. A Director participating by such means may vote and otherwise participate in the meeting.

Section 5. Board meeting materials will be made available to Board members and the public by electronic posting to the Corporations website prior to each meeting of the Board.

Section 6. When not in conflict with these bylaws or rules adopted by the Board of Directors, meetings will be conducted in accordance with Roberts' Rules of Order.

## **ARTICLE 8 – INSPECTION OF BOOKS**

The Board of Directors shall have the power to fix reasonable rules and regulations, not in conflict with applicable law, for the inspection of accounts and books, which by law or determination of the Board of Directors, are open for inspection.

## **ARTICLE 9 – ANNUAL REPORTS**

Section 1. On or before February 1 each year, the Corporation shall submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives, an annual report documenting the corporation's activities in compliance with the duties delineated 408.910, Florida Statutes.

Section 2. An annual financial audit or financial review shall be conducted. The results shall be reviewed by the appropriate financial committee prior to presentation to the Board of Directors.

Section 3. An annual review of corporate documents and contracts shall be conducted by the CEO, and a report provided to the Board of Directors.

## **ARTICLE 10. - INSURANCE**

The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or who is or was serving at the request of the corporation, as a director, officer, employee, or agent of the corporation against any liability asserted against them and incurred by them in any such capacity, or arising

out of their status as such, whether or not the corporation would have the authority to indemnify such person against such liability under the provisions of these articles, or under law.

#### **ARTICLE 11. - INDEMNIFICATION OF OFFICERS AND DIRECTORS**

The corporation shall:

Section 1. Indemnify to the fullest extent permitted by law any person who was or is a party, or may be made a party, to any threatened, pending legal or administrative action, suit, or proceeding when the person is or was a Director or officer of the corporation, or of any other corporation, partnership, joint venture, trust or other enterprise in which the person served, or is serving, at the request of the corporation, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorney's fees, actually and necessarily incurred as a result of such action, suit, or proceeding, or any appeal thereof. However, no indemnification under this section shall be made:

(a) If the Director or officer breached or failed to perform their duties and such a breach of, or failure to perform, such duties, constitutes:

(1) A violation of the criminal law, unless the officer or Director had reasonable cause to believe their conduct was lawful, or had no reasonable cause to believe their conduct was unlawful;

(2) A transaction from which the officer or Director derived an improper personal benefit, either directly or indirectly;

(3) A circumstance under which the liability provisions of Section 617.0834, F.S., are applicable;

(4) In a proceeding by or in the right of the corporation to procure a judgment in its favor; or

(5) Recklessness or an act of omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety or property in a proceeding by or in the right of someone other than the corporation or shareholder.

(b) Unless authorized in the specific case:

(1) By the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such proceeding;

(2) By majority vote of a committee duly designated by the Board of Directors (in which Directors who are parties may participate) consisting solely of two or more Directors not at the time parties to the proceedings;

(3) By independent legal counsel:

a. Selected by the Board of Directors or the committee prescribed above; or

b. If a quorum of the Directors cannot be obtained for Section 1(b)(1) and the committee cannot be designated under Section 1(b)(2), selected by majority vote of the full Board of Directors;

(c) Upon a determination that:

(1) In a proceeding, other than an action by or in the right of the corporation, the person acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. The termination of any proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interests of the corporation, or with respect to any criminal action or proceeding, have reasonable cause to believe that their conduct was unlawful.

(2) In a proceeding by, or in the right of, the corporation to procure a judgment in its favor, the person acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation; provided, however, that no indemnification shall be made under this subsection if the person shall have been adjudged to be liable unless, and only to the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, shall determine upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 2. Notwithstanding the conditions and qualifications set forth above, to the extent that a Director or officer of a corporation has been successful on the merits or otherwise in defense of any proceeding, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses actually and reasonably incurred by them in connection therewith.



Section 3. Evaluation of the reasonableness of expenses and authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible. However, if the determination of permissibility is made by independent legal counsel, persons specified in paragraph (b)(3) shall evaluate the reasonableness of expenses and may authorize indemnification.

Section 4. Expenses incurred by an officer or director in defending a civil or criminal proceeding shall be paid by the corporation in advance of the final disposition of the proceeding upon receipt of a commitment by or on behalf of such person to repay such amount if they are ultimately found not to be entitled to indemnification by the corporation as authorized under this Article.

Section 5. Indemnification or advancement of expenses shall not be made to or on behalf of any Director or officer if a judgment or other final adjudication establishes that their actions, or omissions to act, were material to the cause of action and constitute the conduct set forth in Section 1(a)(1)-(5).

Section 6. Indemnification and advancement of expenses as provided in this Article shall continue as, unless otherwise provided when authorized or ratified, to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors, and administrators of such person.

Section 7. Notwithstanding the failure of the corporation to provide indemnification, and despite any contrary determination of the Board, a Director or officer of the corporation who is or was a party to a proceeding may apply for indemnification or advancement of expenses, or

both, to the court conducting the proceeding, to the Circuit Court, or to another court of competent jurisdiction. Such court may order indemnification and advancement of expenses, including expenses incurred in seeking court-ordered indemnification or advancement expenses, if it determines that:

(a) The Director or officer is entitled to mandatory indemnification under Section 2 above; or

(b) The corporation has made other or further indemnification or advancement of expenses of such person; or

(c) The Director or officer is fairly and reasonably entitled to indemnification or advancement of expenses, or both, in view of all the relevant circumstances, regardless of whether such person met, or failed to meet, the standards of conduct set forth in Section 1(a)-(c).

## **ARTICLE 12. - CODE OF ETHICS**

Section 1. The Board shall establish a Code of Ethics which includes standards of conduct, gift policies, disclosure forms, and otherwise provides guidance on potential conflicts of interest.

Section 2. Any contract or other transaction between this corporation and any officer (except for an employment contract) or one (1) or more of its Directors or any other corporation, firm, association, or entity in which one (1) or more of its Directors are directors or officers or are financially interested shall be either void or voidable because of such relationship or interest, whether or not such Director or Directors were present at the meeting of the Board of Directors or a committee thereof which authorized, approved, or ratified such contract or transaction.

Section 3. Not less frequently than annually, each officer, and each member of the Board of Directors of the corporation shall fully complete, execute and deliver, to the corporation, a conflict of interest statement on a form approved by the Board of Directors, requiring full and complete disclosure of any financial relationship between the corporation and any officer or Director, which shall be a public record.

Section 4. No member of the Board of Directors shall vote on any matter which comes before the Board of Directors which would result in direct monetary gain to the Director of any firm, partnership, corporation, or other business enterprise in which the Director has any interest.

### **ARTICLE 13. - DISSOLUTION**

In the event it becomes necessary to dissolve this corporation, all of the corporation's assets remaining after the payment of all costs and expenses of such dissolution shall be distributed to the State of Florida. None of these assets will be distributed by or to any member, officer or director of this corporation or any other entity.

### **ARTICLE 14. - AMENDMENTS**

Section 1. The By-Laws of this corporation may be altered, rescinded, or amended

Section 2. The original Bylaws shall be adopted by a two-thirds vote of the Board of Directors herein named to manage the affairs of the corporation. Such Bylaws as are adopted in this manner may be altered, rescinded or amended by a majority vote of the Board of Directors,; provided, a copy of the proposed amendment shall have been submitted in writing to each

director at least ten (10) days before the meeting at which a vote upon such proposal is to be taken.

### **ARTICLE 15 - INTERPRETATION**

Section 1. All provisions of these bylaws are subject to, regulated by and controlled by Chapter 617, Florida Statutes, and the Articles of Incorporation.

Section 2. The Corporation shall be controlled and operated pursuant to the provisions of Section 408.910, Florida Statutes, the enabling legislation for the Corporation and pursuant to the provisions as set out in these bylaws.

Section 3. If any conflict between the enabling legislation, the Articles of Incorporation and /or the provisions of these bylaws arises, then, and in that event, the provisions of the enabling legislation will control. Should an issue arise which the enabling legislation does not address and the conflict between the Article of Incorporation and these bylaws exists, the Articles of Incorporation shall control that issue.

Section 4. In the event of uncertainty, the Board of Directors shall resolve the conflict.

### **ARTICLE 16 - INCORPORATION**

The foregoing By-Laws containing fifteen (15) articles were adopted as amended this 18<sup>th</sup> day of January, 2012.

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Secretary/Treasurer

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Chair