

# **Governor Bush Signs Workers' Compensation Bill**

FOR IMMEDIATE RELEASE  
CONTACT: ALIA FARAJ  
TUESDAY, JULY 15 2003  
(850) 488-5394

Law will increase benefits, cut fraud and improve business climate

Governor Jeb Bush today signed legislation that will strengthen the plagued workers' compensation market while visiting an Americas Homes construction company work site. The measure, which was passed by the Florida House and Senate in late May, will increase benefits to the injured worker, reduce fraud in the system and increase access to quality health care for injured workers. It will also produce a 12.5 percent cost savings to the workers' compensation system. "

This legislation is a great example of what can happen when the Florida Legislature works together. Florida's workers' compensation system was crumbling under the weight of rampant fraud and skyrocketing insurance costs," Governor Bush said. "I applaud the Legislature for responding to the call and passing a bill that addresses the critical needs for all Florida's employees and employers. This bill means real relief for small businesses such as Americas Homes. This company will experience an estimated 16 percent reduction in workers' compensation insurance rates thanks to this legislation."

Joining Governor Bush at the bill signing was Americas Homes owner Luis Diaz and his 11 employees. Also in attendance were bill co-sponsors Senators J.D. Alexander, Jeff Atwater, and Representatives Kim Berfield, Donald Brown, Larry Cretul and Leslie Waters. Local business and community leaders also attended the ceremony.

Senate Bill 50A provides changes to the workers' compensation system designed to increase medical reimbursement fees for injured workers, increase availability and affordability of coverage for businesses and provide greater training opportunities for those injured on the job. These changes translate into an estimated \$400 million in annual cost savings, based on a study by the National Council on Compensation Insurance (NCCI). Those savings include an additional estimated four percent reduction on the oppressive construction contractor workers' compensation insurance rates.

Before passing this legislation, Florida's workers' compensation system ranked among the worst in the country.

According to studies conducted by the NCCI, costs for permanent total disability claims in Florida were almost three times the national average, medical costs for permanent partial claims were more than two times higher than the national average, and medical costs for temporary total disability were 60 percent higher than the national average.

Troubling statistics such as these led Governor Bush to issue an Executive Order creating the Commission on Workers' Compensation Reform in May 2002. He charged the commission to study and make policy recommendations regarding the availability and affordability of workers' compensation claims, changes necessary to reduce the cost of workers' compensation insurance and the adequacy of benefits for injured workers.

Please see attached bullets for more information.

- **INCREASED BENEFITS FOR INJURED WORKERS:**

The goal of any workers' compensation system should be to provide timely and effective medical treatment and economic support to injured workers at affordable costs to employers. This bill will specifically increase permanent partial disability benefits from 50 percent to 75 percent of the employees' compensation rate. The legislation also increases benefits for employees who have temporary disabilities but are still able to work at a reduced wage.

- **SPEEDIER CLAIMS RESOLUTION:**

The workers' compensation system should provide injured workers with efficient claim resolution. This legislation addresses that concern by eliminating the hourly attorney fee and replacing it with the contingency fee system, which provides attorneys with proper compensation based on the benefits received.

- **REDUCED WORKERS' COMPENSATION FRAUD:**

Fraudulent claims and employers that under-report or misclassify employees corrupt the workers' compensation system. This bill increases penalties from first and second-degree misdemeanors to third and second-degree felonies for fraudulently gaming the worker's compensation system. The measure also increases the authority of the Division of Workers' Compensation to impose sanctions against carriers and employers.

- **IMPROVED ACCESS TO QUALITY MEDICAL CARE:**

As a means to get more experienced doctors to treat injured workers, the legislation increases the reimbursement schedule for certain specialty doctors and surgical physicians. The bill also includes more stringent reviews to ensure doctors are not unnecessarily treating patients for personal financial gain.

- **INCREASED WORKPLACE SAFETY:**

Floridians deserve to work in the safest workplaces possible. To that end, this legislation continues the current discount for employers that maintain a qualified workplace safety program as well as requires all employees covered under a Joint Underwriting Association Policy to go through a safety at the workplace program.