



ASSOCIATED INDUSTRIES OF FLORIDA

The Voice of Florida Business Since 1920

June 8, 2009

The Honorable Charlie Crist
Governor
State of Florida
PL 05, The Capitol
400 South Monroe Street
Tallahassee, FL 32399-0001

Dear Governor Crist:

On behalf of over 10,000 employers and their thousands of employees across the state of Florida, Associated Industries of Florida respectfully requests your veto of **SB 1122 Relating to Health Insurance/Payment of Benefits**. During the legislative session, AIF testified against SB 1122 because we strongly believe it will increase health insurance premiums and employee out-of-pocket costs.

As Governor, you have heard firsthand the difficulties facing Florida employers and employees. Even though changes are on the horizon, 58% of Florida's adults receive health insurance through their employer. Health care is a major portion of the benefit packages employers offer to recruit and retain quality employees. Yet over the last several years, both large and small Florida's employers have found it more difficult to continue to offer employee health benefits.

Another unfortunate fact is that even when employers offer benefits, some employees cannot afford their portion of the premium. When premiums increase, many times so does the employee's portion. Between 2004 and 2007, employees' out-of-pocket costs increased 34% according to a study by The National Opinion Research Center and Watson Wyatt Worldwide. These cost increases were amidst a period of economic expansion. Historically, employees are asked to provide more of the cost-sharing during difficult economic times (like what Floridians are facing now).

When employees lose employer sponsored coverage, they are highly likely to shift into a public program which is paid for by all taxpayers. We applaud your efforts to decrease the number of uninsured through establishment of The Cover Florida Program. Last year, AIF supported your efforts because it offers coverage options at a lower cost. We hope you will not allow this bill or any other bill to take effect which will have a negative effect on Cover Florida or employer sponsored health insurance.

This legislation is unnecessary. The proponents of SB 1122 say it is needed to ensure physicians who choose not to join an insurer's network receive payment after rendering treatment to a patient. Although the FMA raised anecdotal evidence about the patients refusing to remit the insurer check to them, we have not seen any evidence that this occurs. Further, a cursory survey of our employer members found that insurers plainly disclose on the reimbursement check sent to the patient that it is their responsibility to pay an out of network provider.



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Self-insured employers rely heavily on well-established networks in order to receive lower cost benefits and to ensure the best quality and cost is provided to employees. By insisting that out of network physicians receive the same direct payment benefits as those in network, the ability for an employer to receive provider discounts will be eliminated.

This legislation will hurt employers and employees. SB 1122 does not protect employees because it does not address the ability of out of network providers to bill the patient for costs over what the insurer reimburses. Yet in network providers agree to take the insurer reimbursement as payment in full in return for direct payment. Without a provision to address “balance billing,” our employees will be subject to any additional charge determined by the provider to be fair. Even worse, our employees will have no way of knowing how much more they can be on the hook for since physicians are not required to disclose that there will be additional charges or a range of what those charges could be. A balance billing prohibition plays an important consumer protection role for our seniors in the Medicare Program. Why wouldn’t we extend that protection to all Floridians?

Over the years, AIF has not agreed with Consumer Federation of the Southeast, Florida PIRG and Florida CHAIN on many public policy issues. Yet on SB 1122 we are all in agreement. This bill WILL increase costs for all Floridians. On behalf of Florida’s employers and employees, we ask you to veto SB 1122.

Sincerely,

Barney T. Bishop III
President & Chief Executive Officer