



FOR THE WEEK OF MARCH 7TH-10TH, 2000

The Business Community Comes Out Ahead on Health Care Issues

The gavel fell this week signaling the commencement of the Florida Legislature's 2000 Session. As predicted, the Session began with immediate intensity for employers seeking to get a handle on health care issues. Associated Industries of Florida (AIF) fared extremely well in getting our message out and placing the focus on the accessibility and affordability of the health insurance benefit.

The Senate Banking and Insurance Committee heard [SB 866](#), *HMO Prohibition on Care*, by [Sen. Jim King \(R-Jacksonville\)](#) concerning the mandatory use of hospitalists for in-patient services. This bill is a very high priority of the Florida Medical Association (FMA) as well as AIF. AIF helped craft good compromise language allowing physicians to choose, at the time of contracting, whether or not they would utilize the services of a hospitalist. Obviously, the FMA demands the utilization to be on a case by case, day by day basis, making it virtually impossible for the HMO to develop adequate contracts with physicians. With the loss of cost containment measures, this becomes another mandate passed onto the paying employer. AIF had the votes secured on the Committee to adopt the compromise language but at the last minute, the sponsor of the amendment withdrew it due to confusion within the health care industry. The Committee passed the bill, making it virtually identical to the House version. AIF will continue to work legislative members in efforts to amend this legislation.

One of AIF's most significant accomplishments this week was in the House Committee on Health Care Licensing and Regulation. The Committee considered [HB 913](#), *Advance Determinations/ Medical Fields*, by [Rep. Bob Casey \(R-Gainesville\)](#) which is the House version of Sen. Anna Cowin's (R-Leesburg), *Practice of Medicine* bill, [SB 162](#). AIF met with Sen. Cowin numerous times and obtained her approval of every change except one. She, at the insistence of the FMA, wanted to require that only a Florida licensed doctor could make an adverse determination or deny treatment coverage. While AIF supports utilizing a licensed doctor, we did not want to deny an employee's use of a licensed doctor at one of the nation's Centers of Excellence, such as the Mayo Clinic. Rep. Everett Kelly (R-Tavares), a member of the Committee, agreed with the AIF's contention that the doctor could be licensed in any state. He offered AIF's compromise

amendment that included this change and it was passed over the strenuous objections of the FMA.

The final managed care related bill heard this week was the Proposed Committee Bill on Telehealth by the House Committee on Health Care Licensing and Regulation. This legislation is a codification of recommendations by the Department of Health's Telehealth Task Force which was created last year by the Legislature. This bill contains several issues which still need to be worked out including a provision requiring a doctor anywhere in the world who is engaged in direct diagnosis, screening, etc., hold a Florida medical license. An exemption is provided if the physician is consulting with another Florida licensed doctor and therefore not exerting primary authority. AIF testified expressing our concerns and desire to work with the Department of Health and others in addressing needed changes as the bill moves through the process. The Committee passed the bill which will now be numbered and referred for consideration by the House.

TAX BILLS MOVE FORWARD

The Senate Commerce & Economic Opportunities Committee passed several tax exemption bills this week that puts the Senate in motion to begin the move towards another good year for tax cuts for Florida's businesses and individual citizens. The committee passed a bill that would continue the efforts of eliminating Florida's intangibles tax. [CS/SB 60](#), *Intangible Personal Property*, by [Sen. Tom Lee \(R-Brandon\)](#) would cut the intangibles tax Floridians pay on stocks and bonds for the second year in a row. The bill would cut the tax rate from 1.5 mills to 1 mill.

The bill also provides that the accounts receivable be totally exempt from the tax. Both business and individuals will benefit by having lower taxes due to the reduction in tax rate and the exemption of accounts receivable from the intangible tax. The lower we can get the intangibles tax, the better chance Florida has to attracting new businesses. Getting new companies to come to Florida will of course benefit the entire state economy. That's why this reduction is so important and furthermore, a total repeal of the intangibles tax is being pursued by AIF.

The committee also passed [SB 1310](#), *Sales Tax Liability*, by [Sen. Jim Horne \(R-Orange Park\)](#). This bill would continue to reduce the amount of the estimated sales tax payments owed by Florida businesses, by reducing it from 60% to 50% of the current month's sales tax liability.

In the early 1980's the State of Florida devised a method of collecting sales tax receipts which produced a windfall for the State treasury. This procedure required all registered sales tax dealers, who collected over a threshold amount, to advance sixty-six and two-thirds percent (66 2/3%) of their average monthly sales tax collections by the twentieth day of the current month, combined with the last ten days actual collections from the prior month. When this was done, it created a speed-up of cash that allowed the State to spend more money than would have normally been available.

While the 1999 Legislature solved the problem for many smaller businesses by reducing it from 66 2/3% to 60% and lowering the threshold for making the payments from \$100,000 in sales tax payments to \$200,000 in sales tax payments, it still creates problems in the business community. Many businesses will still have to borrow funds to be used to advance to the State because of credit sales and irregular monthly sales cycles. Now, with plenty of recurring revenue, the businesses of Florida are requesting that the State stop borrowing funds from businesses on a recurring basis by repealing or continuing to modify the estimated sales tax payment requirement until it is completely phased out. [SB 1310](#) will accomplish this if passed.

Both of these bills are now on the Senate Calendar.

Also this week, the Senate Fiscal Resource Committee combined three of AIF's tax glitch bills by amending them into CS/SB 1070, Tax Administration, by Sen. Jim Horne. AIF's tax glitches consist of the following three issues:

- (1) Defining the de-minimis use standard and set the top end limit to 15% so that if it is determined that 15% or less of all fuel consumed to generate energy is produced by the burning of residual fuel, then the full exemption would apply, rather than being pro-rated;
- (2) Include the use of bioagumentation products and specialty chemicals to be exempt from taxation when used in the pollution control process, and;
- (3) During the 1999 Session, a law was passed to exempt from sales tax the repair parts and labor for machinery and equipment used in manufacturing. The exemption was provided by using Standard Industrial Codes (SIC) for qualification and SIC code 35 was inadvertently left out. This just adds it back into the current statute as was intended by last year's legislation.

FORECAST FOR NEXT WEEK

Next week is crucial for the business community. The Senate Committee on Banking and Insurance along with the Committee on Health, Aging and Long-Term Care will hold a joint workshop on managed care issues on Tuesday at 11:15 a.m..

At this meeting, AIF will roll out our health care package for consideration. This includes the HMO Subscribers' Bill of Benefits, the strengthening of the state panel for patient appeals, a process for addressing mandated health benefits, protecting subscribers from double billing by health care providers, public awareness and assistance for subscribers, and creating an external review of medically needy decisions with binding arbitration. [\(Read more about AIF's health care proposals for this session\)](#)

AIF will take the lead in testifying on behalf of the business community, the consumer of health insurance plans. This provides AIF with an excellent

opportunity to share with the Legislature the devastating effects of rising health care costs on employers and businesses.

Stay tuned to our daily brief and to our web site at www.fbnet.com as the legislature makes some very important decisions on the state's economy. These decisions will have a major impact on the business community and AIF will be reporting to you everything that happens.

This report was prepared by Curt Leonard, Manager – Governmental Affairs at Associated Industries of Florida (AIF). Please send your comments or suggestions to us at aif@aif.com or call the Governmental Affairs department at (850)224-7173.

- For more information on all of the important legislative information concerning the business community, go to our “members only” Florida Business Network web site at <http://fbnet.com>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.