

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
WEEKLY UPDATE**



P.O. Box 784 • Tallahassee, FL 32302 • Phone: (850) 224-7173 • Fax: (850) 224-6532 • Internet: <http://aif.com> • fbnnet.com

FOR THE WEEK OF MARCH 20TH-24TH, 2000

Health Care Issues

Health care continues to be the major issue of the 2000 session, as AIF is determined to oppose any bill that will result in a higher insurance cost for the business community of Florida.

The [House Committee on Health Care Services](#) again delayed action on [HB 31, Infertility Health Insurance](#) by [Rep. Debbie Wasserman-Schultz \(D-Weston\)](#). The [House Committee on Health Care Licensing and Regulation](#) passed HB 1953, Telehealth Services to Patients. The bill creates a new section of law that would provide for the regulation of any health care service regulated under Florida law that is delivered or provided to a patient through telecommunications. AIF has some serious concerns with the broad scope of this legislation and will be meeting with the Health Care Licensing and Regulation Committee Chairman [Mike Fasano \(R-New Port Richey\)](#) and work to create some needed changes. The bill is next scheduled to be heard by the [Governmental Operations Committee](#). The [Senate Committee on Health, Aging and Long-term Care](#) has scheduled [Sen. Ginny Brown-Waite's \(R-Brooksville\)](#) companion bill, [SB 2492](#) for a hearing on Tuesday, March 28.

The [Senate Banking and Insurance Committee](#) passed [SB 164, Insurance/Autism Spectrum Disorder](#) by Chairman [Jim Scott \(R-Ft. Lauderdale\)](#). AIF made an excellent presentation on the effect mandates are having on the affordability and accessibility of health care and that Florida is second in the nation in the number of mandates currently in statute. Members of the Committee raised some objections and reluctantly send the bill to its next stop (Health, Aging, and Long-term Care). Furthermore, with the work AIF is doing in the House on creating a mandate review process, this bill will have a long way to go before passage.

The next important health care issue moving toward center stage, is that of "prompt pay." Health care providers, (doctors and hospitals) want insurance claims to be paid first and verified later. Already there is an unbelievable amount of billing errors and fraud occurring and if insurers are forced to pay without properly determining the accuracy, they will never be able to recoup overpayments later. The high cost of fraud and error will be passed on to employers' premiums. A Prompt Pay Task Force, chaired by AHCA Secretary Ruben King-Shaw, met numerous times over the summer and fall to discuss this issue. They provided a report with recommendations to the Legislature. The

proposal being pushed by the doctors and hospitals goes far beyond the Task Force's recommendations.

Domestic Violence and Unemployment Compensation.

[HB 637 Unemployment Compensation Domestic Violence](#) by [Rep. Marjorie Turnbull \(D-Tallahassee\)](#) was substantially amended in [House Business Development & International Trade Committee](#) this week. The funding for this proposal will no longer be from the Unemployment Compensation Trust Fund. Rather, the funds will come from Temporary Assistance to Needy Families block grant, part A of Title IV of the Social Security Act.

AIF had gone on record to make it clear that as long as the funds were coming out of the unemployment compensation fund, that AIF could not support the measure. Further that the definition of voluntary quit had to be tightened up. To do that, the committee adopted Rep. Chris Hart's (R-Tampa) amendment which requires that to be eligible for these benefits when domestic violence occurs, there must be corroborating evidence, which may include one of the following: (1) restraining order, (2) police record documenting domestic violence, (3) proof of conviction of the domestic violence perpetrator, (4) medical documentation of domestic violence, (5) certification from a certified domestic violence specialist that the individual is a domestic violence victim; or other documentation from a social worker, clergy member, shelter worker or other professional who assisted the domestic violence victim in dealing with domestic violence.

Mary Ann Stiles, AIF General Counsel testified that with these changes, AIF could support the measure. However, AIF would not support any expenditure of funds for victims of domestic violence when the abuser is still living in the home. AIF also questions whether or not the funds that are currently set to be used are considered a legal use of such funds. Chairman [Rudy Bradley \(R-St. Petersburg\)](#) cautioned Rep. Turnbull, the bills sponsor, that these issues needed to be worked out as the measure moves through the process.

Unemployment Compensation and Alternative Base Rate

[HB 617 Unemployment Compensation Base Rate](#) by [Rep. Willie Logan \(D-Opa Locka\)](#), got a resounding cheer by members of the AFL-CIO when the bill passed [House Insurance Committee](#) this week, by an 8 to 6 vote. Only one representative from each side of the issue was allowed to testify. The entire business community was opposed to this measure.

This measure changes the base period to be the last four completed calendar quarters immediately preceding the individual's benefit year rather than the based period that has always been used, the first four of the last five calendar quarters. This method is to be used when an individual is not monetarily eligible in his or her base period to qualify for benefits. To make matters worse, since the division may not have inputted all of the quarterly wages in the report that must be filed, a burden is placed on the employer to respond to wage request from the division

with 10 days. Therefore, the employer is going to have to report such figures to the division for a second time.

This measure carries a \$4 million impact during periods of low unemployment. It is unknown what the cost will be in periods of high unemployment.

[Rep. John Rayson \(D-Pompano Beach\)](#) made a point that there is so much money in the fund that there is plenty of money to fund this change. The fund currently has \$2.04 billion. How quick it is forgotten that during the last period of high unemployment, how fast those dollars disappeared and states had to look to the federal government to help fund their unemployment losses and further, that taxes on employers had to be raised to continue to support the payouts. The reporting of unemployment data will also be skewed in that some will be in one base period and some in the alternative base period.

There is a fiduciary responsibility to guard these funds and insure that there is money there for times of high unemployment. Any measure that reduces those funds cannot be supported by the business community.

Tax Issues Begin to Move Slowly

The [House Governmental Operations Committee](#) passed HB 1535 State Sales Tax Reform Task Force by [Rep. George Albright \(R-Ocala\)](#) which creates the State Tax Reform Task Force. The purpose of this task force is to evaluate the state's tax structure and make recommendations to the Governor and the Legislature on how the state's tax structure can be improved to warrant a constant revenue base that is capable of funding the state's needs.

The task force will consist of 15 members appointed by the Governor, President of the Senate, and the Speaker of the House of Representatives; the task force also includes the Executive Director of the Department of Revenue or his or her designee.

The task force shall consider the tax structure's effectiveness, efficiency and equity, as well as, other state's methods in treating tax issues. In addition, the task force shall provide an analysis of alternative tax sources. The task force will submit an interim report by February 1, 2001, and by February 1, 2002, shall submit a final report to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

AIF will be extremely involved in this task force over the next several years while it reviews Florida's current tax structure and makes recommendations on how Florida's tax base can be improved and broadened.

[HB 1073, Sales Tax Exemption](#) by [Rep. Jim Fuller \(R-Jacksonville\)](#) passed the [House Committee on Business Development & International Trade](#) this week. The bill would revise the sales tax exemption for industrial machinery and equipment purchased for use in manufacturing or spaceport activities in new or expanding businesses. It also revises the time period during which such

machinery and equipment must be purchased with respect to the exemption for new businesses. The bill removes a provision that specifies that the exemption for expanding businesses applies only to taxes in excess of \$50,000. Further the bill provides an exemption for machinery and equipment purchased for use in manufacturing that is not eligible for the exemption for new or expanding businesses, phased in over a 5-year period. It provides a sales tax exemption for machinery, equipment, materials, and tangible personal property purchased for use predominantly in research and development, phased in over a 5-year period. Finally the bill extends the application of the sales tax exemption for materials and labor used in the repair of industrial machinery and equipment to include machinery and equipment used in the preparation of items for shipping.

The bills sponsor, [Rep. Jim Fuller \(R-Jacksonville\)](#) indicated that the Revenue Estimating Conference had not reviewed the bill. AIF believes that the bill may have too high of a fiscal impact to pass in its current form and will continue to offer an alternative which has a much lessor fiscal impact.

[SB 1338 Unified Utilities Tax](#) by [Sen. Jim Horne \(R-Orange Park\)](#) passed the [Senate Fiscal Resource Committee](#) this week. The bill is an effort to impose a single unified tax on all electronic communications services. This would include wire line and wireless telecommunications, paging, data communications, cable TV, and satellite TV

The current laws governing taxation of communications services in Florida are not keeping pace with converging industries, advancing technology and bundling of services. When most of the laws were written, there was one telecommunications company providing all your communications needs. They were ubiquitous; therefore, made a good collector of taxes for government. As a result, many taxes and fees are collected via the telephone companies and other utilities as well. AIF supports the idea of a single unified tax on all electronic communications services. The single tax would make it easier for customers including businesses to understand their bills since there will be but one state tax and not five different ones.

Next Weeks Forecast

Monday, March 27 at 3:30 p.m. will be round two of the Joint Health Care Insurance Workshop with the [Senate Committee on Banking and Insurance](#) and the [Committee on Health, Aging, and Long-term Care](#). The health care providers, including doctors and hospitals, will give their presentation and then members of the Committees will ask questions of the trial lawyers, providers, insurance industry and the business community representatives as they discuss the various issues.

The [Senate Committee on Health, Aging and Long-term Care](#) has scheduled [SB 2492 Telehealth Services to Patients](#) by [Sen. Ginny Brown-Waite \(R-Brooksville\)](#), for a hearing on Tuesday, March 28th at 1:00 p.m.

The [Senate Commerce and Economic Opportunities Committee](#) has scheduled [SB 164, Insurance/Autism Spectrum Disorder](#) by [Sen. Jim Scott \(R-Ft. Lauderdale\)](#) for a hearing on Tuesday, March 28th at 1:00 p.m. Also the committee is scheduled to hear [SB 236 Unemployment Compensation Base Rate](#) by [Sen. Buddy Dyer \(D-Orlando\)](#) that same day.

Stay tuned to our daily brief and to our web site at www.fbnnet.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.

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- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.