

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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

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PRESCRIPTION INSURANCE AND CONTRACEPTIVES

In yet another example of a string of bills designed to drive up the costs of employer-provided health insurance, SB-920 by Senator Debbie Wasserman-Schultz (D-Pembroke Pines) was heard and approved in the Senate Banking and Insurance Committee today. Basically, the bill requires any health insurer that provides prescription drug coverage must also provide coverage for oral contraceptives.

The bill would require insurance policies to be in compliance with a ruling by the U. S. Equal Employment Opportunity Commission (EEOC) which held that it was unlawful to exclude prescription contraceptive drugs and devices from health insurance plans because such exclusion violated Title VII and the Pregnancy Discrimination Act (PDA). Specifically, the bill requires individual and group (including the standard and basic policies that must be offered to small employers) health insurance policies and health maintenance organization (HMO) contracts to be in compliance with the decisions of the EEOC that hold that the exclusion or limitation of a specific benefit violates Title VII of the Civil Rights Act of 1964, as amended by the Pregnancy Discrimination Act (PDA) of 1978. The EEOC decision was issued in December of 2000 and found that excluding prescription contraceptive drugs and devices from employee health insurance plans constituted sex and pregnancy discrimination. Women affected by pregnancy, childbirth, or related medical conditions must be treated equally in all aspects of employment, including the receipt of fringe benefits. Employers are barred from singling out pregnancy or related medical conditions in their benefit plans.

The bill feigns “compliance” with an EEOC decision; however, the decision applies only to the two women whose complaints the EEOC considered. The EEOC decision is not binding on the courts, but such courts may give the decision due deference. Under the guise of this EEOC decision, the bill plainly establishes a new, mandated coverage under prescription drug benefits, whether the employer wants it or not.

Currently, the State of Florida has 51 mandates or requirements placed on health insurers. These 51 mandates are a list of things that health carriers must insure or cover, by law. Seemingly lost on people such as Senator Wasserman-Schultz is the fact that only 40% of Florida’s population has private insurance at this time and the numbers are dropping as costs of the insurance continue to spiral. Such a mandate as requiring oral contraceptive coverage is yet another, simple increase in the cost to the carrier and Florida’s employers. We are disappointed the committee passed the bill and AIF will continue its opposition to this well-intentioned, but bad bill.

Some of the 51 mandated health benefits actually represent smart policy decisions and, arguably, reduce long-term costs to the carriers and to the employers buying the coverage. But many are burdensome and drive up prices beyond the reach of employers who would like to purchase basic health-care coverage for their employees. Until a system is established for the objective cost-benefit evaluation of current and proposed mandates, AIF is opposed to the imposition of any additional health insurance coverage mandates.

WORKERS COMPENSATION REFORM UPDATE

The House Insurance Committee will hear PCB 02 IN 02a Wednesday morning. The proposed committee bill is the work product of the Coalition of Business and Insurance Industry. While the bill does not contain every provision the Coalition believes would be of benefit to restoring the workers compensation system; the bottom line is that the bill does increase benefits to injured workers while reducing workers' compensation rates. That is a rare combination and it is a combination, both morally and as a matter of policy, worth fighting for in the Committee on Wednesday.

The Coalition is comprised of representative members of the Florida business community and Florida's insurance carriers. In addition to this historic cooperation between the groups, representatives of Florida's labor unions support the bill as well and particularly those provisions related to correcting fraud and abuse in the "construction exemptions" allowed under current law.

Unbelievably, despite virtually the whole world supporting the bill, it appears that it will be a close vote on Wednesday. Several legislators are completely allergic to making tough votes on tough issues and keep imploring the Coalition to "compromise" further on issues that simply cannot be altered or finessed anymore. After a year, and hundreds of hours of meetings, negotiations, research, debate, and dozens of compromises large and small, the bill is done.

Today we're referring obliquely to, "several legislators" but in Wednesday's Daily Brief, you will have names, phone numbers and addresses on how the Committee voted on this very critical issue.

AIF supports PCB 02 IN -02a by Chairman Leslie Waters (R-Largo). Florida's Workers' Compensation system is slowly unwinding into a completely unworkable, unaffordable process that neither serves the employer or the employee. The bill represents real, substantive reform – the only reform that will repair the system and insure adequate care and benefits for injured workers. Half-baked attempts to protect the financial interests of attorneys and fraudulent business operations that refuse to cover their employees only corrupt any real reform. Now is the time to enact reforms before the system is in complete collapse. The system was designed to be self-executing. The system was designed to make sure an injured employee received the speedy and necessary care in order to return to their rightful place in the workplace. It was not designed to provide a career path for bureaucrats and attorneys.

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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