

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
WEEKLY UPDATE**



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FROM THE WEEK OF MARCH 1 - 5, 2004

Today marks the end of the first week of a legislative session that promises to be action packed. The week began with the usual pomp and circumstance associated with opening day ceremonies and the Governor's State of State address. It ended with a controversial KidCare bill that is already on its way to the Governor's desk. The House and Senate leadership seem to be following the same game plan, tackling the most controversial issues first and then moving on to less problematic bills, in an attempt to conclude their business before the close of session.

Please Go to <http://www.aif.com/2004Articles/2004StateofState.htm> to view the Governor's State of the State Address

KIDCARE

On Friday, March 5th, the House voted successfully to substitute the Senate's version of the KidCare bill (SB 2000) for its version (HB 1073). Democrat members in the house did question the bill's sponsor, Representative Carole Green (R-Fort Myers), about the lack of outreach programs in the bill. In the end, the bill passed on a vote of 80 yeas – 37 nays and was enrolled by the Senate in preparation to go to the Governor. SB 2000 appropriates \$6.5 million in state money and millions more in federal dollars to provide subsidized health insurance for up to 90,000 children currently on a waiting list for the popular KidCare program. It also changes the eligibility standards which will limit the number of those eligible for the program.

The passage of SB 2000 marks the end of three straight days of heated debate in committee meetings and on the floor of both chambers. Democrats in both chambers tried unsuccessfully to pass several amendments throughout the week that would fund outreach programs designed to raise awareness about new open enrollments as well as fully fund KidCare at existing levels. Republicans on the other hand, were successful in passing amendments that would provide for dental coverage "subject to appropriations" and lowering the percentage of family income from 7% to 5% when determining eligibility.

NURSING HOMES

On Monday, March 1st, members of the Joint Select Committee on Nursing Homes passed the final draft of their report, concluding the bulk of their work. The committee's report outlines the current crisis facing nursing homes. While the 2001 Nursing Home Reform bill improved quality care in nursing homes, it has not brought back affordable liability insurance. The report found general agreement among committee members that:

- Any insurance solution should be comprehensive, linking more tort reform with minimum insurance requirements
- Funding for nursing homes and staff increases should remain at current levels
- Action must be taken against chronically poor performing facilities

Chairman Dudley Goodlette (R-Naples) said he hoped the report could serve as a basis for legislation in each chamber. While House leadership is sympathetic to additional litigation reforms, the fate of any nursing home bill would be precarious in the Senate.

AIF wholeheartedly supports the efforts to craft legislation that will ensure quality of care to seniors.

TAXATION

On Tuesday March 2nd the Senate Commerce, Economic Opportunities and Consumer Services Committee passed SB1072 (12-1) by Senator Skip Campbell (D-Tamarac) relating to Streamlined Sales and Use Tax, with Senator Mike Haridopolos (R-Melbourne) as the lone dissenter. Senator Campbell sponsored this bill last year and it was passed out of the Senate on a vote of 40-0.

This bill adopts definitions and procedures to streamline Florida's sales tax system as it relates to e-commerce. Thirty-nine states and the District of Columbia have already adopted such legislation. This legislation will put Florida businesses on a level-playing field with out-of-state companies who are selling products to Florida's residents via the internet, mail order, etc. by requiring these entities to collect and remit Florida sales tax to the Department of Revenue. Currently, Florida businesses are losing customers to these businesses because consumers are not being assessed sales tax on e-commerce purchases. Although Florida law requires consumers to pay such taxes, few are aware that they are required to pay, or that there is a penalty for not paying sales tax at the time of purchase.

This legislation adopts procedures to streamline the collection process, like several other states have; however, the legislature would still need to implement the collection process. Representative Jack Seiler (D-Pompano Beach) has filed the companion measure in the House; however, the bill has not been referenced to date. Along with AIF, several organizations expressed their support of this measure including, the Retail Federation, NFIB, Badcock Furniture Corporation, the Florida Association of Counties, and the Florida League of Cities.

AIF supports implementation of the statutory mechanisms needed to allow Florida to enter into the Streamlined Sales and Use Tax Agreement with other states. If a uniform national collection system is developed, the State of Florida could equalize the treatment of all retail vendors regarding the assessment and collection of state sales tax.

Also on Tuesday March 2nd, the Commerce Committee heard three Community Contribution Tax Credit bills which allow businesses, insurance companies and individuals to receive a tax credit for making donations to certain low-income and very low-income housing and community development projects.

The first bill was SB 2066 by Senator David Aronberg (D-Greenacres) which would allocate up to 25% of the annual credit (currently \$10 million) to rural counties. This bill was temporarily passed on a request by Senator Aronberg. The second bill was CS/SB 330 by Senator Burt Saunders (R-Naples) which would delete the expiration date of this entire program which was originally set for June 30, 2005. The bill passed unanimously. The last bill on this topic was SB 1210 by Senator Steve Wise (R-Jacksonville). His bill would increase the annual tax credit from a total of \$10 million to \$20 million. After two amendments were accepted, the bill passed unanimously as a committee substitute.

Tax credits that encourage businesses, insurance companies and individuals to invest in low-income housing programs and community development projects encourage investments in Florida's infrastructure needs. Not only does AIF support the expansion of this program but also supports deleting the expiration date of the program indefinitely.

INSURANCE

On Wednesday, March 3rd the Senate Banking and Insurance Committee met and passed SB 1744 by Senator Durell Peadar (R-Crestview) which authorizes the statewide extension of the pilot program establishing Health Flex Plans by the Agency for Health Care Administration and the Office of Insurance Regulation. Health Flex plans permit health insurers, health maintenance organizations, local governments and other public or private community-based organizations to offer alternative health care coverage products to uninsured Floridians.

A strike everything amendment was adopted to clean up various provisions of the bill. Joy Ryan of HIAA said that some health plans are concerned that these flex programs should have a phased-in licensing requirement as the program grows. Senator Skip Campbell (D-Tamarac) agreed there should be some solvency protection involved. The bill will now head to the Senate Health, Aging & Long Term Care Committee.

AIF strongly supports the expansion of Health Flex Plans as a way to address the health care needs of Florida's working poor. This program provides a tailored approach to health care without the burdens of mandated benefits.

Also on Wednesday, the Banking and Insurance Committee passed SB 1606 by Senator Mike Fasano (R-New Port Richey). This bill allows spouses of military personnel who are relocated due to station orders, unit deployment or active duty orders to collect unemployment benefits. Under current law these spouses of such military personnel are presumed to have voluntarily left their employment when relocating for purposes of this military service and are ineligible to receive benefits. Under this bill such resignation from employment will not constitute a voluntary separation from the employer.

There was no discussion or debate on the bill and it passed unanimously. Staff indicates that this provision will not fiscally impact individual employers, but the funds will come from the Unemployment Compensation Trust Fund. However, the anticipated amount of these specific types of claims is estimated to have a minimal impact on that trust fund of around \$6.9 million out of the \$1.2 billion it pays annually. The bill's next stop will be the Senate Appropriations Subcommittee on Transportation and Economic Development. The House Companion (HB1183) has not been referred to committees.

On Thursday, March 4th the House Insurance Regulation Subcommittee met and temporarily postponed HB 945 Relating to Personal Injury Protection Insurance. This was due to some problems that were raised in an amendment that would eliminate attorney fee multipliers. This bill would expand the minimum no-fault law and the proof of financial responsibility law to include \$30,000 of total benefits for emergency services and care provided in or by a hospital, in addition to the minimum requirement already in place.

AIF opposes this legislation because it is likely that expanding coverage to \$30,000 for emergency services would increase insurance premiums thereby making it more difficult for Floridians to afford insurance coverage.

HEALTH CARE

The House Subcommittee on Health Standards met on Thursday, March 4th and passed HB 121 by Representative Bill Galvano (R-Bradenton) which requires physicians and health care practitioners to identify their specific licenses in advertisements for health care services and in the initial first encounter with a patient. Currently, health care practitioners can advertise and easily mislead patients into believing that they are better qualified than other health care practitioners simply by creating a sham practice designation. Practitioners providing services in hospitals or nursing homes are exempt from this requirement. The bill passed with a minor clarifying amendment and will now move on to the full House Health Care Committee.

AIF supports giving Florida's health care consumers the means to make educated decisions regarding their medical care.

Also on Thursday, March 4th the Senate Appropriations Subcommittee on Health and Human Services heard testimony on the impact of proposed cuts in the Governor's budget that will impact health care providers. Tim Goldfarb who spoke on behalf of the teaching hospitals across Florida stated that any negative impact on Medicaid funding has a disproportionate impact on teaching hospitals. James McKnight spoke on behalf of rural hospitals and testified that the freezing of hospital rates would make the operation of rural hospitals more difficult. Larry Freeman spoke on behalf of Florida's children hospitals and stressed to the committee that even if there is no Medicaid funding, they will not turn children away. Unfortunately this practice is costing the hospitals millions of dollars each year.

Erwin Bodo from the Florida Association of Homes for the Aging and Tony Marshall from the Florida Health Care Association gave a presentation outlining the direct impact on nursing homes. Since the implementation of staffing mandates, variable costs are negatively affecting nursing homes across the state. Their presentation also showed that nursing home costs have grown substantially since 1999 and that a revision to the Medicaid reimbursement system is absolutely necessary.

- 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.