

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
WEEKLY UPDATE**



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FROM THE WEEK OF MARCH 22-26, 2004

HEALTH CARE CONSUMER'S RIGHT TO KNOW ACT

HB 701 by Representative Donna Clarke (R-Sarasota) received a favorable vote from the House Subcommittee on Health Access & Financing on Tuesday, March 23rd. The bill requires the State of Florida to make the price and performance data (average length of stay, readmission rates, mortality rates, and infection rates) it already collects on Florida's hospitals and outpatient facilities available to the public on the internet. Currently, hospitals and surgical centers are only required to submit discharge data on a quarterly basis to the Agency for Health Care Administration (AHCA). In addition, the bill also protects consumers from unfair facility charges for non-emergency care and gives consumers the ability to audit their health care bills and patient records.

Special thanks go to Representatives: Carl Domino (R-Palm Beach Gardens), Bill Galvano (R-Bradenton), Audrey Gibson (D-Jacksonville), Irv Slosberg (D-Boca Raton), John Stargel (R-Lakeland), Baxter Troutman (R-Winter Haven), and Chair Donna Clarke (R-Sarasota) for their favorable vote on this Health Care Consumers Right to Know Act. The bill now goes to the full House Insurance Committee.

For more details on this issue read the AIF Special Notice on the Health Care Consumer Right to Know Act from March 8th.

AIF supports legislation that would allow the citizens of Florida to make better informed choices about where they get their care and how their health care dollars are spent. Increasing consumer access to pricing and performance data should drive competition between health care providers thereby reducing the cost of health care for employers and their employees.

HEALTH CARE

On Tuesday, March 23rd the Senate Health Care Committee passed SB 2910 by Senator Durell Peaden (R- Crestview). This bill incorporates the following recommendations from the Governor's Trust Fund on Affordable Health Insurance:

- creation of a high risk pool for uninsured individuals
- statewide expansion of the public/private insurance program for low income families (Health Flex Plan), and
- creation of regional health insurance purchasing pools for small employers.

During the meeting, Senator Peaden offered an AIF supported amendment which removed unnecessary coverage mandates from the bill. SB 2910 will be heard next by the Senate Banking and Insurance Committee.

AIF supports legislation that allows employers to provide or expand access to high-quality, affordable health benefits for their employees without additional government intrusion or expensive mandates. Programs such as Health Flex provide a way to address the health care needs of Florida's working poor.

FINANCE AND TAX

On Thursday, March 25th the Senate Finance and Tax Committee met and combined SB 244 by Senator Anna Cowin (R-Leesburg) and SB 1566 by Senator Daniel Webster (R-Winter Garden) into one bill since both bills deal with the sales tax holiday. Senator Cowin has sponsored the bill since 1997, which has helped many families in their back-to-school needs. This is the sixth year that this bill has been before the legislature, however, it has not gained approval in the last two years. .

This bill is similar to the bills passed in previous years with new inclusions for computer products, books, diaper bags, etc. This year the "holiday" period would be from July 24th to August 1st.

Senator Steven Geller (D-Hallandale Beach) stated he would not vote for the bill even though he had voted for it once or twice in the past. He remains concerned over the fiscal impact caused by the loss of state revenue. According to Senator Geller, the estimated loss is \$48.5 million.

Rick McAllister, of the Florida Retail Federation, voiced his support for the bill. He agreed with Senator Cowin that the sales tax holiday is a stimulus for Florida's economy. Senator Posey also spoke in support of the bill saying, "It's a good break, one of the few we allow any more...its good for business and good for families."

The CS for SB 244/SB 1566 passed with Senator Geller as the lone dissenting vote.

AIF strongly supports increasing business activity by allowing Floridians to purchase essential school supplies without having to pay sales tax.

CIVIL JUSTICE

The Senate Judiciary Committee passed SB 2092 by Senator Alex Villalobos (R-Miami) relating to the Financial Protection for Elderly Act on Monday, March 22nd. This bill would create a civil cause of action against banks, insurers and other financial institutions for so called financial exploitation of any person over 60 years old.

During the meeting, members of the Committee asked Senator Villalobos to meet with members of the business community to discuss the bill's potential impact on financial institutions, banks, and other investment companies. Committee members expressed concern that the bill was overly broad.

Tom Cardwell of the Florida Bankers Association testified against the bill as did Leslie Dughi of the Florida Chamber of Commerce.

AIF has been able to get the bill referenced to the Senate Banking and Insurance Committee which is considered to be more reasonable on business issues.

AIF is always in favor of providing the maximum protection by law for Florida's elderly population, however, AIF opposes this legislation because of its overly broad language which encourages speculative lawsuits against financial institutions that do business with the elderly.

WORKERS' COMPENSATION

On Wednesday, March 24th, the Senate Criminal Justice Committee passed SB 2268, a bill that came about as a result of an interim study by committee staff undertaken since the passage of SB 50A (last year's workers' compensation reform package). This "glitch bill" as it has been called would open the door for bad legislation to thwart all cost saving measures that last year's reform package created.

Additionally, Senator Rod Smith (D-Gainesville) filed two amendments dealing with claimant attorney fees. One would eliminate the current statutory attorney fee schedule and increase claimant attorneys to a flat 25% fee for all benefits secured. The other amendment would give workers' compensation judges the discretion to award a "reasonable fee" in any instance in which the employer/carrier paid an attorney to defend a petition for benefits. This provision clearly would increase costs and provide an incentive for attorneys to maximize billable hours on cases.

At the time the bill was heard in the committee, however, the amendment sponsor was not present. Consequently, Committee Chair Mike Haridopolos (R-Melbourne) ruled the amendments as withdrawn.

Therefore, the committee passed the bill without the unfriendly attorney fee amendments.

AIF opposes this legislation because any changes to the workers' compensation statute has the potential to destroy the savings that last year's workers' compensation reform package, SB 50A, has already brought to Florida's employers. AIF will continue to work with legislators to preserve those savings.

Also on Wednesday, March 24th, the full Senate voted 40-0 to pass SB 1926 by Senator Jeff Atwater (R-North Palm Beach). This bill is the work product of the Joint Select Committee on Workers' Compensation Rate Reform which met during the interim prior to session and which Senator Atwater chaired.

This bill will allow the Office of Insurance Regulation (OIR) greater flexibility when approving rate deviations by insurers. This should make coverage available to more employers by private workers' compensation carriers. It also provides incentives for carriers to write coverage for policyholders in the Joint Underwriting Association (JUA or more commonly referred as an insurer of last resort) so that those employers have additional options for coverage in the voluntary market. The bill also requires the OIR to submit an annual report to the legislature evaluating competition in the workers' compensation market in Florida.

A similar measure, HB 1241 sponsored by Representative Kim Berfield (R-Clearwater), has passed the House Insurance Committee and will be heard next by the House Appropriations Committee.

AIF supports legislation addressing the concerns outlined by SB 1926 and HB 1241, but will continue to closely monitor this bill.

BUDGET

This week both the Senate and the House were hard at work debating their respective proposed bills during Appropriation committee meetings. Late Thursday afternoon, the Senate Appropriations committee passed its \$56.5 billion budget. The House has sped up its budget process so that both chambers will have a finished document by the end of next week. The House and Senate budgets are uncharacteristically close at this point, with approximately \$350 million separating the two. It is expected that both proposed budgets will be debated next week on the floor of the House and Senate. After both chambers settle their versions of the budget next week, members of the negotiating conference committee will be given the task of working out a compromise so each chamber can sign off on a single budget before the end of session, April 30.

CAMPAIGN FINANCE

On Tuesday, March 23rd the Senate Ethics and Elections Committee passed new campaign finance legislation. SB 2346 by Senator Tom Lee (R-Brandon) addresses issue advocacy regulation, sponsorship identification disclaimers and reporting requirements for Committees of Continuous Existence (CCE's). The intent of this legislation and the apparent goal of the sponsors of the bill is to disclose contributors to advocacy campaigns and leadership funds. SB 2346 does not address campaign contribution limits or expenditure limits.

SB 2346 creates a definition for "electioneering communications" as paid issue advocacy advertisements affecting candidates or ballot issues that are run proximate to an election. Also for candidate ads, that are targeted to 1,000 or more persons in the district the candidate seeks to represent. The bill then regulates these issue advocacy advertisements in essentially the same manner as existing Florida law regulates political committees and persons making independent expenditures. SB 2346 would also apply disclosure regulations to "527" organizations and "501c4" organizations and their participation in the pre-defined "electioneering communications".

The bill would also close the loophole which allows CCE's to report contributions from their members on otherwise typical campaign finance reporting forms and conceal the identities of large donors. It does not, in any way, impose contribution limits towards CCE donors as once proposed. SB 2346 will be heard next by the Senate Judiciary Committee.

AIF supports responsible campaign finance legislation that would impose full disclosure requirements on state political committees and Committees of Continuous Existence.

Ethics and Elections

The House Subcommittee on Ethics and Elections passed HJR 659 by Representative Baxter Troutman (R-Winter Haven) on Thursday, March 25th. This bill proposes to amend Article VI, Section 4, of the Florida Constitution increasing the current term limits, from eight years to twelve years for Florida Senators and Representatives and members of the Cabinet: Attorney General, Chief Financial Officer, and Commissioner of Agriculture. It would not affect the eight year term limit on the office of the Governor nor Lieutenant Governor.

HJR 659 would delete the term limit language previously placed in Florida's Constitution that impacted Florida's delegation to the US House of Representatives and Senate. As a result of a 1995 US Supreme Court decision, state laws mandating term limits for Federal legislators was deemed unconstitutional. HJR 659 would bring Florida's Constitution into compliance with this decision.

HJR 659 will be heard next by the full House Procedures Committee. If approved by the legislature, HJR 659 would appear as a legislative initiative before the Florida voters on the November 2004 ballot.

AIF supports the repeal of legislative and cabinet term limits.

MEDICAL MALPRACTICE

On Monday, March 22nd, the House Insurance Committee held a workshop on proposed committee bill PCB-IN-04-05. This proposed bill addresses several issues dealing with medical negligence including: expert witness qualifications, medical review panels, and sovereign immunity for teaching physicians at the University of Miami's Jackson Memorial Hospital. Last week, Chair Kim Berfield (R-Clearwater) released a new version of the proposed bill in which new language was added that includes a provision prohibiting hospitals or HMO's from requiring in their contracts that doctors have medical malpractice liability insurance. Many of committee members had multiple questions regarding the new language, specifically about the definition of negligence and possible caps on attorney fees.

The Committee met again on Tuesday, March 23rd for proposes of voting on the proposed bill (PCB-IN-04-05). The Committee adopted an amendment by Representative Dick Kravitz (R-Jacksonville), which removed the provision prohibiting hospitals and HMOs from requiring physicians to have medical malpractice insurance as a condition to practice in a hospital or to be on an HMO's provider panel. Representative Kravitz filed the amendment at the request of AIF.

The proposed bill (PCB-IN-04-05) was passed by the Committee as amended. It was given a bill number (HB 1821) and placed on the House agenda for second reading on Thursday, March 25th but the Speaker shut down the house before getting to the bill.

With passage of Representative Kravitz's amendment, AIF supports this legislation.

INSURANCE

On Tuesday, March 23rd the House Subcommittee on Insurance regulation held a workshop on PCB-IN-04-01. This proposed bill provides for flexible rate regulation in certain classes of insurance including automobile insurance. The proposed bill would allow the Office of Insurance Regulation (OIR) to approve rates within a 12 percent plus or minus rate band for a variety of insurance lines including private passenger automobile insurance.

Some Democratic members raised concerns about the state of the automobile market and whether now is the time to make these changes. Members did not seem to have a concern with the inclusion of commercial insurance lines. Representatives from Broward County expressed concerns that the statewide average of 12 percent may disproportionately affect South Florida counties. PCB-IN-04-01 will be heard next by the House Insurance Committee.

AIF supports rate modernizations because it would promote competition in the insurance market, bring in more carriers, and drive down insurance rates for employers in Florida.

- 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://fbnnet.com>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.