



# DAILY BRIEF

From December 7, 2005

## Special Session "B"

Both the Senate and the House are in the process of wrapping up most committee meetings and have begun to meet in session for the purposes of debating and voting on the major bills being considered this session. Most of the day was taken up with lengthy debate on the issue of Medicaid reform in both chambers. Several floor amendments that would significantly alter the bills were offered in both chambers but were defeated. The House passed HB 3B Relating to Medicaid 83-36.

AIF will provide an in-depth report on the outcome of Medicaid reform in our weekly wrap-up report which will be published on Friday, December 9th.

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### Minimum Wage

As we have been reporting this week, the Legislature has undertaken the passage of implementation language for the recently passed Constitutional amendment raising Florida's minimum wage to \$6.15. The House version of this proposal, HB 29B by Representative David Simmons (R-Altamonte Springs), has passed all its committee assignments and is currently on the House calendar.

The Senate version, SB 16B Relating to the Florida Minimum Wage Act by Sen. JD Alexander (R-Lake Wales), was unanimously passed by the Senate Commerce and Consumer Services Committee today. SB 16B is identical to the House bill. During the meeting today, the bill sponsor indicated that the only outstanding issue is the creation of a "state poster" similar to the Federal minimum wage posters currently found in all places of employment. Sen. Alexander indicated that this is an issue that may be revisited during the 2006 regular session. Later in the afternoon, SB 16B was debated on the floor of the Senate. It is expected that Senators will take a final vote on it during tomorrow's session.

**AIF supports efforts to put into statute the provisions of Florida's Minimum Wage amendment. Although the jury is still out on the effects of raising Florida's minimum wage on the business environment of our state, it is important to implement certain safe guards like the 15 day right-to-cure provision for the protection of both employers and employees.**

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## Taxation

The Senate Ways and Means Committee passed SB 10B Relating to Ad Valorem Property Tax by Sen. Jeff Atwater (R-North Palm Beach). This is the Senate companion to HB 15B by Rep. Adam Hasner (R-Delray Beach). This bill allows the governing body of a county that has been declared a major disaster area to extend the time in which ad valorem tax payments made by individuals qualify for early payment discounts. The bill only applies to counties designated as disaster areas by the President of the United States and only applies for the 2005 storm season.

If passed, the bill would allow counties to enact these extensions through the use of emergency ordinances. This is in order to provide the extensions before the holiday season. Currently, property taxes on a person's home or business are due and payable in November and are delinquent on April 1 of the following year.

SB 10B was placed on the Senate calendar and was brought up this afternoon. It is expected that Senators will vote on the bill during tomorrow's session.

On the House side, HB 15B was passed unanimously by the House today and was sent to the Senate for consideration.

**AIF supports giving businesses the opportunity to pay less in property taxes if they suffered through one of Florida's recent hurricanes. Both bills provide some breathing room for businesses to get back on their feet.**

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## Banking and Insurance

The Senate Banking and Insurance Committee met for the purpose of hearing testimony on the repeal of Florida's Motor Vehicle No-Fault Law. The committee heard presentations from staff on the results of their interim project, Eric Miller from the Division of Insurance Fraud on PIP Fraud Activities, and from a panel composed of representatives from the insurance industry, trial attorneys, and medical providers.

In 2003, legislation was passed which provided that effective October 1, 2007, the Motor Vehicle No-Fault Law is to be repealed, unless reenacted by the Legislature during the 2006 regular session. This law was enacted 34 years ago and has provided valuable benefits over the years to consumers in Florida. This law is also known as the Personal Injury Protection (PIP) insurance program. It provides payment of medical and wage loss benefits, regardless of fault, in return for a limitation on the right to sue for non-economic damages for non-permanent injuries.

However, the intent of the 2003 law was clear and according to Senate staff "the goals behind the adoption of the no-fault law in 1971, which were to quickly and efficiently compensate accident victims regardless of fault, to reduce the volume of lawsuits by eliminating minor injuries from the tort system, and to reduce overall motor vehicle insurance costs, have been significantly compromised due to the fraud and abuse that has permeated the PIP insurance market."

Of particular interest were the staff recommendations on what path to follow regarding PIP. The major recommendations outlined in the presentations were:

- Reenact no-fault, provided that additional reforms are enacted to control costs, particularly, a medical fee schedule.
- Adopt a medical fee schedule for PIP, at a specified percentage above the Medicare fee schedule.
- Eliminate or limit the contingency risk multiplier for attorney fee awards in PIP cases

In regards to fraud, the staff made the following recommendations:

- Increase funding for the Division of Insurance Fraud and equalize salaries with the Florida Department of Law Enforcement.
- Add prosecutors in Orlando and Tampa· Increase criminal penalty for creating “paper” accidents
- Criminalize the solicitation of bribes in return for accepting health care treatments.

The major point of contention between representatives of the insurance industry and those who are trial attorneys and medical providers revolves around the issue of medical fee schedules. Most members of the insurance industry contend that instituting these fee schedules is the way to go and they argue that PIP is the only arena where fee schedules are not present (both Medicare and Workers’ Compensation have fee schedules built into their process).