



DAILY BRIEF

From March 31, 2010

Legislators returned to Tallahassee today for a shortened week due to the Passover and Easter holidays this week. Both chambers held marathon sessions to debate their respective budgets. Although scheduled to meet today and Thursday it seems as though only the House will continue to hold session tomorrow since the Senate was able to conclude their business and pass their version of the budget, which ended up being around \$70 billion. The House budget, on the other hand, is expected to come in around \$67 billion. The major difference between the two budgets is that the Senate is counting on receiving \$880 million in additional federal Medicaid funding, which has not been made official as of today. The two chambers will have approximately a month – from now until the end of session – to work out their differences via the budget conference process.

One of the more contentious debates in the House today was during the vote on HB 5503 – a budget conforming bill that sweeps millions of dollars from the state's Transportation Trust Fund. The Democrats used this bill to ding Republicans on the amount of jobs this proposed sweep would kill. AIF and a number of business groups have stood in strong opposition to this proposed sweep because of the negative impact it would have on the state's economy. This is another issue that will ultimately be decided during the budget conference process since the Senate has been more reluctant to cut transportation funding.

The House has scheduled two committee meetings on Thursday prior to the start of their floor session. The Energy and Utilities Committee as well as the Economic Development and Community Affairs Council will be meeting in the morning.

Health Care

Today, the House Health Care Regulation Policy Committee passed HB 715 Relating to Healthcare Services by Representative Jimmy Patronis (R-Panama City). If implemented, this bill will eliminate the ability of health insurers to use prior authorization as a way to ensure appropriate hospital services are provided. Specifically, this legislation would not allow a claim to be denied by an insurer if, "due to an unintentional act, error or omission", the hospital did not get authorization for the hospital services. Prior authorization is an effective cost control measure employed by insurers to confidently determine the appropriateness of a hospital admission. The State Group Insurance Program noted in the staff analysis that this bill could increase premiums approximately \$4 per person per month, equating to over \$3 million dollars in increased premiums. This bill will undoubtedly have the same effect on private health insurance premiums.

To make matters worse, the sponsor offered an amendment to the bill which is the subject of another bill opposed by AIF. This language would prohibit a contract between health insurers and dentists from including provisions that require the dentists to offer discounts on non-covered services to the insurer's members. This language is very similar to HB 291 by Representative Clay Ford (R-Pensacola) and SB 302 by Senator Dennis Jones (R-Seminole). This would result in higher prices being charged to employers and their employees for services not usually

covered in a policy. The advantage of group coverage is that insurers negotiate discounts with providers on behalf of employers and their employees. In practice, this bill would prohibit insurers from trying to get lower prices for their members.

HB 715 is scheduled to be heard next in the House Insurance, Business & Financial Affairs Policy Committee; however, if supported by leadership, the bill could be removed from its remaining committee stops and move into the General Government Council. The Senate companion - SB 1232 by Senator Mike Fasano (R-Port Richey) has not yet been heard.

AIF OPPOSES any healthcare mandates that drive up premiums for businesses and their employees. Furthermore, we believe that eviscerating group coverage plans and consequently driving up costs will provide additional burdens to our state's struggling businesses.

Following the passage of HB 715, the House committee considered HB 7 Relating to Coverage for Mental and Nervous Disorders by Representative Ed Homan (R-Temple Terrace). This bill would mandate health insurers to cover treatment for schizophrenia and psychotic disorders, mood disorders, childhood ADD/ADHD and anxiety, substance abuse and eating disorders at the same levels as offered for physical illnesses. Furthermore, the bill increases the mandated coverage limits for inpatient, outpatient and partial hospitalization services. Due to lack of time remaining in committee, and the inability for AIF to speak out in strong opposition, the bill was passed unanimously.

This bill moves next to House Insurance, Business & Financial Affairs Policy Committee, but like HB 715, could be pulled into the General Government Council to keep it progressing. The Senate companion, SB 182 by Senator Victor Crist (R-Tampa), has not yet been heard this session.

AIF will continue to OPPOSE mandates that drive up costs for Florida's businesses. In addition, AIF will continue to work with legislative members to fight these mandates and protect the state's commerce from rising premiums that they simply cannot afford.

Information Technology

The Senate unanimously passed SB 2020 Relating to Information Technology by Senator JD Alexander (R-Lake Wales) during their floor session today. This budget conforming bill revises the duties of the Agency for Enterprise Information Technology (AEIT) by expanding its role in purchasing IT products for enterprise services. It establishes a competitive solicitation process for procuring a statewide consolidated email service and requires the consolidation of SUNCOM Network services by October 2010. Additionally, it places requirements on the consolidation of the data centers.

This conforming bill has no House companion; therefore, the House is being asked to concur. If the House fails to concur then a conference committee would be needed to determine its outcome.

AIF's Information Technology Council (ITC) will continue to monitor this legislation carefully. This bill makes needed revisions to the Agency for Enterprise Information Technology that AIF supports.