

**From January 18, 2013**

In another interim committee week leading up to the 2013 Legislative Session, much of the discussion centered on the Patient Protection and Affordable Care Act (PPACA), ethics and elections, and economic development.

Health care issues and implementing the federal health care reform law are proving to be major topics for debate this session. Both the House and Senate Select Committees on PPACA met this week to deal with the Affordable Care Act.

For the last several months, Associated Industries of Florida has focused on the creation of an employer-minded long-term health care agenda. Resulting from these discussions, the Foundation of AIF held its first annual Health Care Affordability Summit on January 10th and 11th at the Orlando World Center Marriott. More than 350 attendees, including physicians, legislators and leading policy experts in the health care industry joined AIF for panel discussions and informative presentations.

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#### **Patient Protection and Affordable Care Act (PPACA)**

The House and Senate Select Committees charged with implementing the new federal health care law heard from various stakeholders early this week. Led by Representative Richard Corcoran (R-Land O'Lakes) the House Select Committee held its introductory meeting on Monday and received an overview of the law's components and the decision points that must be made by Florida lawmakers.

The new law seems most disconcerting to small employers who don't have the staff or cannot afford consultants to help them implement the changes. **AIF's general counsel, Tamela Perdue**, testified before the House Select Committee on PPACA and shared some of the challenges and solutions large employers are facing.



Ms. Perdue told members the Association is committed to helping employers navigate the changes brought on by PPACA. But more importantly, AIF will ensure employers are educated and engaged on this "defining issue of our generation."

Ms. Perdue noted that employers simply cannot sustain the continued premium increases and that the cost of health care affects an employer's decision on expanding the business, hiring new employees and potentially employee retention. Yet, rather than focusing on the negative aspects of the new law, AIF is looking for innovative ways to make coverage affordable for its members and their employees. Some of the suggestions discussed at the recent FAIF summit include:

- Evaluating the way patients access their health care goods and services; value doesn't always equal volume
- Ensuring care is organized around a patient's condition rather than simply exhausting all provisions allowed for in a policy

- Measuring providers to ensure patients are given the “right care at the right time in the right setting,” ultimately leading to better outcomes
- Focusing on prevention and ensuring appropriate utilization for the medical condition
- Identifying ways to mitigate excessive testing and treatment to avoid frivolous liability
- Continuing to expand initiatives that combat fraud

The Senate Select Committee on Patient Protection and Affordable Care Act, which held its first meeting in December, heard from employers on how the law will affect them and their employees. Chairman Joe Negron (R-Palm City), outlined the following scheduled topics for the next three meetings:

- Options for a state, hybrid, and federal exchange and the costs associated with those options
- The pros and cons of Medicaid expansion and the costs associated with expanding eligibility
- Consumer protections provided currently by the Office of Insurance Regulation and if other authority is needed for OIR to ensure consumers are protected

Chairman Negron’s goal is to have recommendations to provide to the full Senate for consideration by the beginning of the session in early March.

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## **Banking and Insurance**

On Wednesday, January 16, the Senate Banking and Insurance Committee met to have discussion and testimony relating to Citizens Property Insurance. Chairman Davis Simmons (R-Maitland) heard testimony from Chief Financial Officer, Jeff Atwater, Insurance Commissioner Kevin McCarty and Citizens CEO Barry Gilway, among others. The above speakers all supported policies that would lower Citizen 's insurance rates. Chairman Simmons is hoping to gain momentum to enact change to Florida’s property insurance system. However, the historic political divide on the issue was not absent from the committee meeting. Senator Jeremy Ring (D-Margate) stated that some homeowners are forced into Citizens due to private carriers refusing to write policies in his district. While Senator Allan Hayes (R-Umatilla) voiced frustration that his constituents were paying taxes on their auto insurance to help subsidize Citizens policies in areas prone to hurricanes.

AIF submitted our “Proposal for Property Insurance Reform” to the committee prior to the meeting. Our proposal was included in the meeting packet and was received by all members for the Banking and Insurance Committee. Due to the nature of the subject, and the large crowd that it attracted, Chairman Simmons was not able to allow everyone he wanted to address the committee. The committee will reconvene on January 23 at 4:00PM to continue discussion on Citizens Property Insurance in the state of Florida.

**AIF supports legislation to return Citizens to and insurer of last resort. The proposals on how to do so are outlined in our “Proposal for Property Insurance Reform”**

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## **Ethics & Elections**

The Senate Committee on Ethics and Elections met on Monday to take testimony from nine county supervisors of elections concerning voting problems during the 2012 General Election. A consensus emerged that most of the problems were caused by:

- Excessive ballot length
- Too few early voting sites
- Too few early voting days
- Lack of adequate equipment in many large precincts

The statewide supervisors' association urged passage of legislation that would expand the number of voting days and sites as well as shorten ballot length.

The same Senate committee met the following day and considered a series of ethics-related matters that will be folded into a single, comprehensive Senate bill to be considered next week. The bill is a top priority for Senate President Don Gaetz (R-Niceville) and is expected to be heard by the full Senate during the opening days of the legislative Session. Provisions included in the bill would close the "revolving door," whereby elected officials leave office and immediately begin lobbying, as well as the employment of legislators by public entities. Another provision of the bill would end the referral of potential ethics law violations to the Commission on Ethics by the Governor and by law enforcement officials.

The House Subcommittee on Ethics and Elections met Wednesday in the first of many meetings on Florida's current system of regulating campaign finances. The subcommittee heard proposals by Integrity Florida, a public interest think tank, which would revolutionize Florida's system of regulation. They propose that Florida's current practice of limiting contributions to candidates to \$500 per election is essentially meaningless given the availability of unlimited funding from committees of continuous existence and electioneering communications organizations. The group's key proposal is to follow the example of four other states by removing any cap on contributions, thus allowing contributions to candidates in unlimited amounts. This would be augmented by the electronic reporting of all contributions within twenty-four hours of deposit so the voting public has a real time perspective of the sources of a given candidate's funding.

Campaign finance reform is a top priority for both House Speaker Will Weatherford (R-Wesley Chapel) and Senate President Gaetz.

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## **Economic Development**

This week the House Economic Development and Tourism Sub-Committee met, discussing several AIF priority initiatives within state government, including business incentives, and space related activities. AIF has consistently been the leader in the state Capital on these issues by encouraging the Legislature to invest in the state's business recruitment and retention through economic incentives and statutory changes meant to position the state as a more attractive place for job creators.

On Tuesday, Enterprise Florida (EFI), the state's economic development agency tasked with reviewing and distributing business incentives, reviewed their 2013 Legislative agenda with the committee. These include the removal of Qualified Targeted Industry incentive caps for recipients, which is currently 7 years, as well as a tweaks to the application review process for companies looking to receive the incentive. Also, the agency will seek additional funds for the State Economic Enhancement

Development (SEED) program and the agency's "tool kit" programs which consist of the various economic development programs utilized to incentive and recruit business to the state. EFI will also support targeted manufacturing tax exemptions as well as increased Quick Response Training grants across the state.

In concert with EFI, Space Florida has asked the committee for consideration of their 2013 legislative agenda which includes increased funding for Space Related incentives, flexibility for the state's launch sites with respect to private sector operations of space flights, as well as research and development support for space related companies seeking innovative communities for relocation. Frank Dibello, CEO of Space Florida, told the committee that the space industry is a \$280 billion industry and Florida is inherently well positioned to be a national leader in space related private capital investment.

**AIF supports the state's efforts to efficiently utilize state resources for business retention and recruitment in all sectors. These include research and development, space, and manufacturing. Florida must also continue to evolve with the marketplace's needs with respect to its regulatory structure to give businesses certainty and flexibility to prosper. And while business recruitment is crucial to the state, job retention and domestic corporate growth is also essential in order to continue to excel as a national economic leader.**

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## **Transportation**

This week Florida's Department of Transportation (FDOT) Secretary Ananth Prasad presented the 2013 FDOT Legislative package to the House and Senate Transportation Committees, as well as an update to the Five Year Work Plan, and a review of the state's gas tax receipts with respect to sustaining revenues for future transportation projects.

Within the Departments' legislative package, Secretary Prasad asked legislators to consider giving the department more flexibility on site mitigation and lease purchase agreements with FDOT construction projects, asking local governments to adhere to different noise mitigation responsibilities, transfer the Mid Bay Bridge Authority to the Transportation Commission, and flexibility for FDOT when dealing with the agency's surplus property. The Department will also ask the legislature to create two new policy initiatives that will help local communities expand infrastructure projects. The first concept would allow local governments to create a regional tolling authority to aide contiguous communities with needed infrastructure projects and funding capacities. The second would be to create initiatives for communities to capitalize on strategic airport developments across the state. Also of note in the FDOT legislative package, will be \$15 million for space related infrastructure projects.

Secretary Prasad also brought to the attention of legislators the state's inability to rely on gas tax revenues for future transportation needs. Specifically, while state gas tax revenues are in good standing today, gas tax revenues will eventually decline (due in large part to fuel efficiency standards and innovations within the automobile industry) to levels unsustainable for the Five Year Work Plan. Secretary Prasad asked legislators to consider promoting a dialogue over the session that would help aide policy makers in making long term decisions about the state's future revenue needs in the State Transportation Trust Fund.

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## General Business

In the House Business and Professional Regulation Sub-Committee met this week, the Department of Revenue provided an update on their effort to develop a one stop business registration portal for the state. The committee was encouraged to see that the program is advancing as planned and is on track to finish the first phase of the portal, which creates the one stop licensing and permitting portal for the Departments of State, Revenue, Lottery, Management Services, Financial Services, and Business and Professional Regulation, by December of 2013.

The Senate Commerce and Tourism Committee received an update on the status of the Reemployment Assistance program this week. The committee was encouraged to hear that the major policy changes they have passed and DEO has implemented over the previous two years, has resulted in the system becoming much more stable. Of note is that the Unemployment Compensation trust fund, which has been depleted and gone into a deficit to the tune of \$2 billion at some points, is on track to be completely out of a deficit by this spring. The committee doesn't anticipate any major changes to the Reemployment Assistance program this year, but they may make small changes aimed at ensuring fewer major swings in the trust fund balance in the future.

On Tuesday, the Senate Commerce and Tourism Committee also heard Senator Chris Smith's (D-Ft. Lauderdale) SB 90. If passed, it would require any company entering into a contract with the state of Florida that exceeds \$35,000, to only operate and staff their call centers within the United States borders. The measure passed through the committee unanimously and has now moved to the Senate Committee on Government Oversight and Accountability, which is scheduled to meet on February 7th.

**AIF opposes SB 90 due to the fact that enactment of this legislation would cost Florida tax payers money by raising the cost of the contracts in order to meet the requirements of the legislation.**

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## Agriculture and Environment

The Senate Agriculture Committee met on Tuesday morning. Chairman Bill Montford (D-Tallahassee) dedicated the entire meeting to the problems of effects of the Gulf oil spill on coastal residents of Franklin and surrounding counties.

The House Agriculture and Natural Resources Subcommittee held a hearing on Tuesday afternoon. Two agencies made presentations. First, Florida Department of Citrus Executive Director Doug Ackerman outlined the major impacts of the citrus industry on the economy of FL.

The second presentation was an overview of the Department of Environmental Protection. The various divisions and offices and their functions were explained to the committee. Lands and Recreation was first, followed by the Division of State Lands. Next was the Office of Cabinet Affairs, followed by the Division of Recreation.

This outline was followed by the Water Policy & Ecosystem Restoration Division, which oversees the 5 water management districts and Florida's coastal management. The Office of Water Policy in particular has a number of responsibilities, including minimum flows and levels, Florida's Water Plan, and reviewing WMD's rules for consistency. They are currently working on Consumptive Use Permitting consistency, cost efficiencies, and developing metrics for comparing performance.

DEP Director of Environmental Assessment and Restoration Drew Bartlett presented an update on NNC. Significant progress is being made. You may recall that AIF has played a key role in forming a wide coalition to fight the EPA's efforts. We still have a ways to go and expect a bill will be filed this session.

On January 16th, the House Agricultural & Natural Resources Appropriations Subcommittee met.

One of the major environmental issues this session will be the new plans for Everglades restoration. Florida is working hard to develop an Everglades restoration program for review by a Federal judge. This program will likely require several land purchases and additional funds from the State. FDEP Secretary Herschel Vinyard gave a brief presentation on the program, then Greg Munson, the DEP Deputy Secretary Water Policy and Eco Restoration, explained Florida's long-term plan to solve this environmental problem. This proposed plan includes the use of Stormwater Treatment Areas (STAs) to remove phosphorous and the implementation of Best Management Practices (BMPs) for over ½ million acres of land.