



ASSOCIATED INDUSTRIES OF FLORIDA

The Voice of Florida Business Since 1920



2009 SESSION PRIORITIES



According to the Kaiser Family Foundation, the average cost of individual and family coverage in 2006 was \$354 and \$957 per-month, respectively. The newly designed packages begin in the \$150 per-month range, depending on the individual.

Further, these plans are available to those who recently became unemployed, have lost their employer-sponsored coverage, or are no longer covered by a public program. AIF was proud to stand with the Governor recently when he announced the availability of these plans.

With the economic downturn, the number of Medicaid recipients is expected to grow, which increases the need to optimize the **federal matching funds**. According to a Families USA report titled "A Painful Recession: States Cut Health Safety Net Programs," an economic stimulus proposal by President Obama could deliver more matching funds to Florida. While details are still emerging, it is estimated that this proposal for providing additional dollars to the state could result in 34,000 new jobs and nearly \$1.2 billion in new wages.

Additionally, there is an inconsistency in the Capitol whereby legislators are spending long hours in meetings looking at how to jettison health care services, paid for by the state, for elder, disabled and poor Floridians, while at the same time filing legislation to expand benefits and services that private insurance and businesses must provide to workers. These **mandates** include infant eye testing, autism spectrum disorder screening, and certain breast cancer treatment.

Specifically, AIF will advocate for the following health care initiatives in 2009:

Elimination of the Low Income Pool (LIP) Council

AIF SUPPORTS legislation that eliminates the Low Income Pool (LIP) Council and place responsibility for recommendation and distribution of these funds in the hands of the Legislature and experts at the Agency for Health Care Administration (AHCA). LIP is a pool of money (approximately \$1.4 billion) that reimburses hospitals for a small percentage of the indigent care they provide. The purpose of the fund is to spread dollars on a "broad and fair" basis so that they follow the indigent

Health Care

The growing number of **uninsured** residents is a challenge being experienced by almost every state in the country. Over the last few years, a number of states have implemented their version of reform designed to increase the number of persons who have health insurance. In the end, only time will tell whether these reforms will prove successful. In Florida, Governor Charlie Crist advanced the Cover Florida initiative (supported by AIF) last year to give lower cost benefit plan options for those Floridians who may not have been able to afford coverage previously. The main component challenged private insurers to develop innovative benefit packages which were chosen through a competitive bid process.

According to the Kaiser Family Foundation, the average cost of individual and family coverage in 2006 was \$354 and \$957 per-month, respectively. The newly designed Cover Florida plans begin in the \$150 per-month range, depending on the individual. Most importantly, these plans are available to ALL Floridians age 19 to 64 that have been without health insurance for at least six months, even if there are pre-existing health conditions.

patient wherever care is provided. Unfortunately, this Council is composed of hospital executives and lobbyists who are the beneficiaries of these dollars and who get to decide how the funds are divided among themselves. To increase transparency and accountability, AIF recommends that these taxpayer dollars be distributed by the Legislature or AHCA.

Florida's Uninsured

AIF SUPPORTS examining market-based and consumer-driven proposals as a starting point to explore methods to increase the affordability and availability of health insurance for Florida's uninsured population. Studies have shown that the number of uninsured residents correlates with an increased burden on emergency rooms. The cost of providing preventative-type services in an ER is significantly higher than if those services were provided in an office setting. Further, the uninsured delay care so that, when they finally seek care in the ER, their problems are more acute and inherently more expensive to resolve. As a result, Florida employers and employees and the State of Florida subsidize care for the uninsured through higher premiums. It is clear that increasing the pool of Floridians who have health insurance is imperative to ensure the health and prosperity of Florida's employers and their employees.

Federal Matching Funds for Medicaid

AIF SUPPORTS ensuring that our state maximizes its opportunities to receive federal matching funds. While increasing private market options for coverage is important, we must ensure the efficiency of our current public programs. Florida's Medicaid program is the 5th largest in the country with an annual budget of \$15.4 billion (FY 08-09). The state funds 44.6% of our total Medicaid program, while the federal government provides 55.4% in matching funds. The state needs to remain vigilant to secure all available federal funding for its citizens.

Health Insurance Mandates

AIF SUPPORTS giving employers and individuals the power to build their health care coverage by choosing from plans with varying degrees of benefit packages. Florida law contains 51 mandated benefits (among the most in the country) that health insurance plans must provide to consumers in the state. Even though current law calls for a study of the cost of proposed benefit mandates, this provision is all but ignored when new mandates are proposed. Further, the

Legislature has not repealed a single mandate in recent years, nor has it conducted a comprehensive review of the existing mandates. Yet, both the Senate and House consider new proposed mandates each legislative session. AIF believes that it is time for the Legislature to conduct a comprehensive approach to determining what benefits insurers must provide to Floridians by implementing a comprehensive cost/benefit analysis of proposed and current mandates. Consumers, not the government, should be allowed to make their own cost/benefit analysis when deciding how much money they can allocate toward their healthcare and which services they need and desire. To bring down the cost of insurance, we must give consumers flexibility to build health insurance plans to meet their specific needs and cost constraints.

AIF believes that it is politically impossible for the Legislature to address each of the mandates individually since each has a vocal group of advocates who make repeal difficult. Therefore, AIF proposes that the Legislature create a Base Realignment and Closing Commission (BRAC) – type mechanism to empirically investigate and allocate costs to each mandate. Furthermore, the Commission could recommend which mandates are cost-beneficial to consumers, and which are not. AIF, while opposed to increasing the overall number of mandates, is willing to substitute new mandates for older mandates no longer deemed necessary.

This BRAC – type commission should consist of actuaries, medical professionals and academics and should be charged with examining each existing and currently proposed mandate. Based on scientific and actuarial data, the Commission should make a recommendation to the Legislature on whether each mandate should be retained, modified or repealed. The Legislature should then vote on the entire package in an up or down vote with no amendments.

AIF and its **Health Care Task Force** members stand ready to assist the Legislature to develop increased market-based solutions to help employers better meet the health care needs of their employees.

AIF Lobby Team Members Assigned to the Area of Health Care Include:

Bob Asztalos

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