

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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FROM MARCH 13, 2003

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WORKERS' COMPENSATION

In an era when employers cannot afford workers' compensation coverage, when some employees receive inadequate benefits, and when carriers are being chased out of the state by skyrocketing claims costs, logic seems to argue against increasing costs. That's what made the meeting of the House Select Committee on Workers' Compensation an eye opener.

Chiropractors insisted on a return to their glory years of the 1980s, when the law allowed unlimited chiropractic treatment. As a result, some claimants were receiving years of treatment with two to three visits each week. In 1993, the Legislature limited chiropractic treatment to 18 visits or two months. The Florida Chiropractic Association made a presentation showing that chiropractic treatment of injured workers dropped by almost 75 percent between 1994 and 1999. The chiropractors blame managed care for the decrease, but the real culprits are the 1993 reform and the abuse of the system that inspired it.

Doctors argued that their fees for treating injured workers should be increased to double the Medicare fee schedule. A psychologist testified that psychologists needed to be involved in the system independently and earlier on in the process. The Coalition of Business and Industry agrees with the need for a higher fee schedule for physician services, but how that is done must be carefully crafted so that the system is not burdened down with even higher expenses.

These issues have been given credibility in legislation that would double the number of allowable chiropractic visits and permit treatment by psychologists free of supervision by a psychiatrist.

An orthopedist also testified that many doctors manipulate the system's impairment rating system in favor of injured workers whom they believe will not be able to return to work at their pre-injury wages.

After the parade of doctors demanding their right to a bigger slice of the workers' compensation pie, Jim Robertson, a construction company owner from Pompano Beach offered brief comments that were particularly revealing. According to Mr. Robertson, "Florida job sites have become the new Florida Lotto," due to an absence of accountability on the work site. Lawyers bilk the system as they sue every contractor on the job site until they find a deep pocket, even if there is no liability.

The negligence of a subcontractor frequently results in a lawsuit filed against a general contractor or a larger subcontractor. When all exemptions are eliminated and everyone on the job site is required to have workers' compensation coverage, this should eliminate the incentive to sue up the chain of contractors.

The testimony of health-care providers and this one employer helped reveal, unwittingly and intentionally, the weakness of the workers' compensation system. The secondary interests in the system — doctors, chiropractors, hospitals, clinics, psychologists, and especially lawyers — view the system as a host organism, which should feed them first.

But workers' compensation exists for the mutual benefit of employers and injured workers — they are the key to the system and if it doesn't serve them, it needs to be fixed.

The select committee will meet next Tuesday and Thursday from 5:30 to 7:30 p.m., which are likely be the last two meetings. Next Tuesday each member will be asked to state, in roll call format, their two most important issues in workers compensation.

AIF supports legislation that will bring more employers into compliance with the workers' comp law, while reducing the amount of litigation over claims. Where possible, some medical fees should be increased without increasing the overall medical costs in the system.

EDUCATION

Today the Senate Appropriations Subcommittee on Education met and considered SB 1646 and SB 1436 relating to the implementation of the class-size reduction amendment approved by voters. The two bills were combined into one and passed unanimously as SB 1436.

The following are key provisions of the bill:

- incorporates into statute the maximum class sizes specified in the constitutional amendment
- provides a list of implementation options for districts
- creates class-size reduction operating-categorical fund
- creates the Classrooms for Kids Program, providing for the allocation of capital outlay funds
- creates the Class-Size Reduction Lottery Revenue Bond Program, which authorizes the issuance of lottery revenue bonds to finance educational facilities
- creates Florida BEST program to encourage businesses to house K-3 public schools within their facilities
- repeals statutes that limit the number of charter schools

The last provision is an important one. Expanding the number of charter schools not only gives parents more choices over their children's education; allowing more children to transfer into charter schools will help school districts meet the class-size mandate. It will also help reduce the financial pressures related to building more schools and hiring more teachers.

The Legislature can also help school districts meet the class-size amendment more efficiently by passing legislation that would expand the corporate-income tax-credit scholarship program. The program allows businesses to take a dollar for dollar credit against its corporate income tax bill if it donates money to the scholarship fund, which provides \$3,500 private-school vouchers to low-income children. Currently the program is limited to \$50 million a year statewide. Leaders of

both the House and Senate have expressed their support for a proposal to double the total amount that can be distributed each year.

AIF supports legislation to implement the class-size amendment in a manner that relies on efficiency and flexibility, allowing districts to use their money in ways that do the most to improve the quality of education in the state.

Please send your comments or suggestions to us at aif@aif.com or call the Governmental Affairs department at (850)224-7173.

- 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.