



A Publication of the
Florida Academy of Family Physicians

6720 Atlantic Boulevard, Jacksonville, FL 32211 • 800.223.3237
Tad P. Fisher, Executive Vice President • www.fafp.org

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For additional information regarding any subjects covered in BYTES, please call 800.223.3237.

2007 SPECIAL LEGISLATIVE SESSION ACTIONS

By: *Jim Daughton and Geoffrey Becker, Legislative Consultants*

No-Fault Auto Insurance (Personal Injury Protection)

Background on PIP

Under the prior law, if an insurer failed to reimburse a care provider within 30 days, the provider could not sue until they sent a demand letter. Once the provider sent the demand letter, the insurer had 15 days to pay the claim, plus interest and up to \$250 in penalties. The penalty was intended to create an incentive to expeditiously reimburse care providers. However, the 30/15 day window did not provide sufficient time for an insurance company to adequately investigate suspicious claims. The new bill increases the period after a demand letter is filed from 15 days to 30 days; thereby increasing the total period for investigation from 45 to 60 days.

The structure of the new “fee schedule” includes:

- Hospitals will be reimbursed 75 percent of “the hospital’s usual and customary charges” for services rendered in the emergency department;
- Hospital inpatient and non-emergent outpatient services will be paid 200 percent of Medicare up to the policy limits;
- Physicians providing emergency and related inpatient services will be reimbursed their “usual and customary charges in the community;” and
- All providers outside of the hospital will be reimbursed 200 percent of Medicare up to the policy limits.

The reforms also streamline claims processing by requiring joinder of similar claims and encouraging the use of electronic transmissions.

Current law allows for “joinder”—the joining of similar claims at judicial discretion—to be handled together. Due to the discretionary nature of joinder, health care providers can file separate lawsuits against the same insurance company for each service for which they seek recovery. While defense attorneys may seek consolidation, litigating separate suits is more profitable.

Some critics stated the old PIP law contributed to overburdened court dockets, wasted judicial resources and excessive attorney’s fees.

The new PIP bill requires: all claims by the same health care provider related to the same injured person to be consolidated into one lawsuit against the insurer; authorizes the court to determine if there is good cause for the claims to be brought separately; authorizes the court to choose not to award attorney’s fees if it determines separate claims should have been consolidated.

The new, reformed legislation also provides a transition period to the new PIP, but it does not re-enact the old PIP for any period of time. The no-fault threshold, however, will be re-enacted under certain circumstances like:

- No party in Florida has protection of the no-fault threshold between October 1, when PIP no-fault sunsetted, and the effective date of the new PIP package—when it is signed by Gov. Crist, possibly next week.

- All Floridians will once again be subject to mandatory PIP, and the no-fault law, on January 1, 2008 when the new PIP takes effect.
- Between the times the Governor signs the bill and January 1, the no-fault threshold will apply following accidents, in limited circumstances.
- If both drivers in an accident have old PIP, it is asserted that the no-fault threshold applies to all parties.
- If one driver does not have old PIP, the no-fault threshold applies to no one in the accident.

According to a pertinent section of the bill:

“This section does not apply the Florida Motor Vehicle No Fault Law, as revived and amended by this act, prior to January 1, 2008. However, for lawsuits for injuries arising out of an auto accident that occurred between the effective date of this act and December 31, 2007, inclusive, the limitations on lawsuits and tort immunity provided in section 627.737, FL Statutes, shall apply, if, and only if, the plaintiff and the defendant are insured for personal injury protection coverage that meets the requirements of the Florida Motor Vehicle Law that was in effect on September 30, 2007.”

Some other key provisions:

Physician Set Aside:

- Insurers are required to reserve \$5,000 for payments to physicians and dentists providing emergency services and inpatient services;
- The reserve period is for 30 days from the “date the insurer receives notice of the accident”;
- Following the 30-day reserve period, other claims must be paid; and
- For claims less than \$5,000, the current requirements for payment within 30 days remain in effect.

Transition Period:

- PIP reforms will go into effect January 1, 2008 and PIP coverage will be mandatory for all licensed drivers at that time;
- PIP policies that are currently in effect will remain in effect up through the effective date of the coverage;
- If the PIP coverage expires prior to January 1, 2008 the insured will not be required to purchase PIP until January 1, 2008, but can purchase alternative coverage; and
- If the PIP coverage expires after January 1, 2008 the PIP coverage will be automatically converted to the reformed PIP.

Other Provisions:

- Policyholders will be able to elect a deductible of up to \$1,000 for a lower premium;
- Policyholders will be subject to a 20 percent deductible for all healthcare services; and
- All claims “related to the same healthcare provider for the same injured person” must be consolidated into one legal action.

Budget Reductions

The total reductions for this special session were \$1.084 billion. A total of 443 positions were eliminated from state government, nearly all of them currently vacant. Of the total reductions, more than \$180 million came from federally matched programs. This means more than \$227 million in federal funds will not be drawn down due to the reductions.

Within the Medicaid budget (which amounts to nearly 40 percent of all the reductions from this session), a total of \$416 million were reduced. A key reduction was \$54 million from payments for inpatient and outpatient reimbursements for Florida hospitals. Additionally, spending for prescribed medicines was reduced by more than \$13.6 million. This is significantly less than the original cut recommendation of more than \$43 million. The Agency for Health Care Administration (AHCA) is directed to achieve these reductions by renegotiating current supplemental rebates and enforcing greater use of “maximum allowable cost” (MAC) methodology, as required by recent federal law changes.

Physician services were reduced by \$7.2 million but it should still allow for a total increase over last year’s funding. Almost \$111 million were cut from nursing home reimbursement rates. The most significant cut was \$113 million, made by eliminating cost sharing payments from AHCA for qualified Medicare beneficiary services.

Note: At press time, the Special Session was extended to again deliberate property tax reform.

FAFP’s 60th Anniversary & 100th Family Medicine Weekend

To commemorate the Academy’s approaching 60th anniversary, we would like to recognize all past FAFP award winners at the 100th Family Medicine Weekend in Clearwater, April 11-13 (save the date!). We are reconstructing important Academy history and you could be of great assistance. If you are a past FAFP award winner, please send an email to Joyce Lowe (joyce@fafp.org) and let her know what you were awarded and for which year. Time to dig out those plaques!

AAFP Congress Calls for Exploring Clinical Data Repository for FPS, Florida Resolution

By James Arvantes • Chicago

AAFP NEWS NOW: ASSEMBLY EDITION, OCTOBER 5TH

The Academy should evaluate the fiscal risks, drawbacks and benefits of creating and owning a clinical data repository for members that could give the AAFP control over critical health information, the AAFP Congress of Delegates decided on Oct. 3.

A resolution put forth by the Florida AFP directs the Academy to explore creating and owning a secure commercial-grade clinical data repository. AAFP members could submit and retrieve clinical data to qualify for pay-for-performance bonuses or have their practices designated as patient-centered medical homes, among other things.

The resolution generated a great deal of testimony before the Reference Committee on Special Issues. Those testifying noted that creating a repository was one of the most important issues facing the Academy. Private and public payers have access to detailed clinical data that AAFP members do not, said members. That situation must change because those who control health information, including insurance companies, hold great power in the health care system.

Members further pointed out that other specialty societies have data repositories, which puts further onus on the AAFP to develop its own. A clinical data repository could be used to promote primary care and the patient-centered medical home, and some delegates said they would be more comfortable submitting data to the AAFP than to private insurers or to CMS.

Delegates also pointed out that any such repository must be created properly, with careful consideration given to the fiscal implications -- which is why the resolution calls on the AAFP to evaluate the issue and submit its findings to the Congress next year.

The Congress of Delegates also:

- Adopted a resolution calling on the AAFP to “strongly encourage electronic health vendors to include chronic disease registries’ software in their products” and to “strongly encourage the standardization of disease registry technology software across all EHR systems” and;
- Adopted a substitute resolution directing the Academy to support “full access by the patient’s family physician to health information, electronic and otherwise, within the context of the patient’s medical home.”

For a complete update on issues discussed at the October meeting of the AAFP Congress of Delegates visit www.aafp.org.

The Florida Academy of Family Physicians Partners with Atlantic Health Partners

The Florida Academy of Family Physicians is pleased to announce a partnership with Atlantic Health Partners, a leading physician vaccine purchasing program. With the increased burden you face providing a growing number of vaccines to your patients in a fiscally responsible manner, Atlantic may be able to help lower your costs and improve your purchasing terms.

Advantages of Atlantic’s program include:

- Favorable pricing for sanofi pasteur and Merck vaccines
- Improved purchasing terms as you do not need to make large, multi-product orders
- No fee to participate and enrollment is voluntary
- On-line or phone orders placed directly with sanofi pasteur and Merck
- Full spectrum of pediatric, adolescent, adult and travel vaccines
- Reimbursement support provided by Atlantic

We encourage you to contact:

Jeff Winokur at Atlantic Health Partners at 1-800-741-2044 or jwinokur@atlantichhealthpartners.com for more information and to determine how Atlantic can benefit your practice.

Vaccine Update

Effective January 1, 2008, Prevnar® (pneumococcal conjugate vaccine) will be required for day care entry in Florida for all children between the ages of 2 months and 24 months. Prevnar® protects young children against Invasive Pneumococcal Disease which includes Meningitis and Bacteremia and has been shown to reduce the incidence of Otitis Media in children under 5 years old.

Please Update Your Email Address

Much of the FAFP membership correspondence now takes place electronically. Please take a moment to send an email to Mary Jo Griseuk, Director of Membership Development (maryjo@fafp.org), so that we can update your email address and assure that you continue to receive important information from the Academy. In order to properly identify you, please include your name and FAFP/AAFP membership identification number in the email message.



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Florida Academy of Family Physicians and Florida Academy of Family Physicians Foundation Future Meetings:

- **December 7-9, 2007**
99th Family Medicine Weekend
The Ritz-Carlton, Sarasota
- **February 9, 2008**
One-Day Diabetes Workshop
University of North Florida, Jacksonville
- **April 11-13, 2008**
100th Family Medicine Weekend
Hilton Clearwater Beach Resort
- **June 12-15, 2008**
2008 Summer Break Away
Naples Grande Resort & Club
- **December 12-14, 2008**
101st Family Medicine Weekend 2008
The Ritz-Carlton, Amelia Island

*Make plans to join the celebration in 2008
as the FAFP marks its 60th Anniversary!*



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