

CAPITOL Update

Florida Academy
of Family Physicians

Legislative action
for today's family physician



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In This Issue

[Capitol Update](#)

[Cigarette Taxes](#)

[Managed Care Contracting](#)

[2008-2009 Budget & Medicaid](#)

[Biomedical Research](#)

[Emergency Medicine Certification](#)

[Marketplace for Affordable Health Insurance](#)

[ARNP Prescribing Expansion](#)

[Electronic Health Records](#)

Quick Links

[FAFP Website](#)

[Contact Us](#)

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March 21st, 2008

Florida Academy of Family Physicians Capitol Update Week Three March 21, 2008

Like the month of March, week 3 of the Legislative Session roared in like a lion and out like a lamb. The Legislature broke early on Thursday afternoon and took Good Friday off in observance of the Easter holiday. In order to accommodate the schedule, however, it crammed a full week's agenda into three days. Legislative committees packed their agendas, with some committees meeting twice in one day.

The big issue for the week, however, was not before the Legislature, but instead, before Florida's Taxation and Budget Commission. The non-partisan Commission meets every 20 years and can put proposals directly on the ballot for voter approval. On Monday, the Commission adopted a measure that would eliminate most property taxes for schools, but require the Legislature to find replacement revenue through a one cent sales tax increase and other revenue sources or budget cuts. This tax cut proposal will appear on the November ballot where it must garner approval of 60% of the votes. If passed, this measure could reduce property tax bills by 25% or more.

On the FAFP front, following is a summary of our key issues.

Cigarette Taxes - (SB 2790/HB 299)

Some momentum

Florida currently has the 6th lowest cigarette tax in the nation. The last time the tax was raised was in 1990. Over 28,700 Floridians lose their lives each year due to tobacco-related illnesses.

This week the cigarette tax issue gained a bit of momentum by gaining support from Republican Senator Mike Bennett (R-Bradenton). These bills are sponsored by Senator Ted Deutch (D-Delray Beach) and Representative Jim Waldman (D-Coconut Creek). Representative Waldman's bill raises the cigarette tax by \$1.00 per pack and would distribute tax revenues back in to general revenue for the state. Senator Deutch's bill also raises the tax by \$1.00 per pack, but more specifically targets the revenue increases to numerous health-related programs such as the Medically Needy Program, Medicaid Physician Reimbursement, Children's Health Insurance and others.

SB 2790 was referred to the Committees on Health Policy, Higher Education, Finance and Tax, General Government Appropriations and

Education Facilities Appropriations. HB 299 was referred to the House Jobs & Entrepreneurship Council and the Policy & Budget Council.

A number of health advocacy groups are presenting information about the benefits of raising the tobacco tax, both from a public health and fiscal perspective. We expect a news conference early next week that will provide important polling information.

Managed Care Contracting - (SB 101/HB 405)

No movement this week

Senator Don Gaetz (R- Fort Walton Beach) and Representative Bill Galvano (R- Bradenton) filed legislation that require managed care companies to accept a valid assignment of benefits, place a fair time limit on the "look-back" provision in the prompt payment law and prohibit silent PPOs. These bills are supported by organized medicine and strongly opposed by the insurance industry.

SB 1012 has two more committee hearings, the Committees on Health Policy and General Government Appropriations. HB 405 has two more hearings, the Healthcare Council and the Policy and Budget Council. Neither bill received a committee hearing this week.

2008-2009 Budget & Medicaid

This week the House and Senate respectively reviewed potential reductions of their 2008-2009 budgets. Many of the proposed reductions come from the analyses of the Medicaid Impact Conference Report and the relevant agency recommendations.

The Medicaid Impact Conference review many ideas including rate freezes and reductions for hospitals, nursing homes, managed care providers and other providers. The Conference is also considering a reduction to the Medi-Pass, \$3 per member, per month physician reimbursement fee. The Conference also reviewed the impact of additional drug rebates for physician administered drugs. AHCA indicated in the report that no additional savings would be gained from this reduction as this issue was adopted by the Legislature during the 2007 legislative session. There are several additional issues of interest including, the elimination of the MEDS/AD program, the reduction of the Medically Needy program and the elimination of optional programs and services.

Appropriation committee's budget proposals are expected to be released by the middle of next week. We anticipate that health and human services could face up to \$750 million in general revenue reductions. Including the federal match, the total size of its area of budget reductions could climb as high as \$1.7 billion.

Biomedical Research

House proposal released this week

Representative Aaron Bean (R-Fernandina Beach) is chairman of the House Healthcare Council. For the second year in a row, Chairman Bean is trying to restructure the manner in which biomedical research is funded at the state level. His concern is that state funds flow to dozens of different research entities and that the entities are chosen more for political reasons than for the quality of the work. Bean also worries that

different disease states receive additional funding based on the whim of whoever is in political power at the time and that research dollars are not necessarily being spent on research, but on other expenses unrelated to research. Finally, Bean is concerned that entities doing research in Florida are not collaborating with one another.

This week the Healthcare Council, led by Bean, released a proposal that would consolidate processes for awarding funds appropriated by the Florida Legislature for biomedical research. The proposal provides that the James and Esther King Biomedical Research Program will serve as the exclusive source of state funding for biomedical research. The funds would be merged and housed within the DOH. Grant requests will be reviewed by the Biomedical Research Commission's 15 appointed members. The proposal also reduces the annual allocation to the Johnnie B. Byrd, Sr., Alzheimer's Center and Research Institute by \$8.5 million each year. The Bankhead-Coley Cancer Program is not included in the consolidation under this proposal.

Senator Durell Peaden, MD (R-Crestview) filed legislation that would repeal the Johnnie B. Byrd, Sr., Alzheimer's Center and Research Institute. SB 1080 was approved by the Higher Education Committee this week. The bill has two more committee hearings, the Health and Human Services Appropriations and Higher Education Appropriations Committees. There is no house companion bill filed. However, this provision could be included in Bean's proposal.

The proposal generated much discussion and debate. Many of the research facilities adamantly oppose losing their autonomy and having to compete for research dollars each year. However, this consolidation remains a goal for Bean this session.

Emergency Medicine Certification (SB 1184/HB 509)

No movement this week

Senator Burt Saunders (R-Naples) and Representative Paige Kreegel, MD (R-Punta Gorda) filed legislation that would prohibit physicians and osteopathic physicians who complete their certification after January 1, 2009 from becoming board-certified emergency physicians unless certain requirements are satisfied. Last year, FAFP worked with the emergency physicians and the FMA to clarify certain provisions in the bill, thus avoiding unintended consequences of limiting the ability of physicians to practice in various settings. The bill is still opposed by the American Association of Physician Specialists (AAPS).

SB 1184 received a hearing in the Senate Health Regulation Committee last week, and generated many questions and concerns. Due to the number of concerns, Senator Saunders temporarily postponed the bill. Health Regulation is the only committee that must hear SB 1184. HB 509 was referred to the Committee on Health Innovation and the Healthcare Council. Neither bill was heard in committee this week.

Marketplace for Affordable Health Insurance

Senate proposal released this week
During his state of the state address, Governor Crist announced several health care initiatives including his proposal for the Cover Florida Health Access Act - Consumer Choice Benefit Insurance Plans. Prior to that announcement, the House Healthcare Council was working on its own affordable health insurance package based on the ideas of Chairman Aaron Bean. The goal is to create a new health insurance marketplace

in Florida where employees can choose their coverage, make it attractive for employers to provide it and allow the plan to be portable with the employee.

Governor Crist's proposal permits companies to offer new plans containing no individual mandates or mandates for specific coverage or conditions. Differing from the House, Crist's plan would have to guarantee coverage to uninsured Floridians age 19 to 64 and must offer multiple benefit options. Under his plan, the package would have to include strong preventive, primary and urgent care benefits, including hospitalization. The House proposal is silent on these issues.

This week the Senate released its proposal in the Banking and Insurance Committee. SB 2534 is sponsored by Senator Durell Peadar (R-Crestview). The bill creates the "Cover Florida Health Access Program Act," to provide affordable health care options for uninsured residents. The plan must provide non-catastrophic coverage and may provide catastrophic coverage, supplemental insurance, and discount medical plan product options to enrollees.

The Senate's proposal includes the following goals:

- Guaranteed issue to enrollees, subject to exclusions for pre-existing conditions approved by the agency and the office;
- Plans are portable, regardless of employment status;
- Plans can require limits on the number of services, caps on benefit payments, and co-payments;
- Plans must provide information on coverage, benefit limits, cost-sharing, and exclusions in the enrollment materials;
- Plans must offer prescription drug benefit coverage or use a prescription drug manager; and,
- Plan entities are required to develop two benefit plans having different cost and benefit levels.

SB 2534 was approved by the Banking and Insurance Committee this week. The bill has one more committee hearing, the Health and Human Services Appropriations Committee.

ARNP Prescribing Expansion (SB 972/HB 515)

No movement this week
Another scope expansion battle will be fought in the Legislature this year. At the urging of the advanced registered nurse practitioners (ARNPs), Senator Burt Saunders (R-Naples) and Representative Juan Zapata (R-Miami), Vice Chair of the House Healthcare Council, filed bills authorizing ARNPs whose practice is located in medically underserved areas or who provide care to medically underserved populations (as designated by the United States Department of Health and Human Services) to prescribe Schedule II, III, IV, and V substances. The legislation would only authorize ARNPs to prescribe these substances to the extent authorized by a protocol with a physician licensed under chapter 458 or chapter 459. Most of organized medicine opposes this legislation.

SB 972 was referred to the Senate Committees on Health Regulation and Judiciary and HB 515 was referred to the Committee on Health Innovation and the Healthcare Council. Neither bill has received a committee hearing to date.

Electronic Health Records (SB 1998/HB 637)

No **movement** **this** **week**
Senator Jeremy Ring (D-Margate) and Representative Denise Grimsley (R-Sebring) filed legislation creating a Florida eHealth Initiative Act. The bills direct AHCA to award and monitor matching grants to health information organizations that submit proposals that advance the development of a statewide health information exchange. The grants would be subject to appropriation each year.

SB 1998 was referred to the Senate Committees on Health Regulation, Banking and Insurance, Governmental Operations and Health and Human Services Appropriations. HB 637 was referred to the Healthcare Council and the Policy and Budget Council. Neither bill has received a committee hearing to date.

We hope this brief legislative update is helpful. We will keep you posted on these and other developments as the Session progresses.