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## Florida Academy of Family Physicians

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April 4th 2008

## Florida Academy of Family Physicians Capitol Update Week Five April 4, 2008

House Restores Cleft Palate Funding is a headline in one of the state newspapers. The fact that cuts to cleft palate funding were considered in the first place exemplifies the fiscal crisis confronting the Legislature. Roads, beaches, colleges, courts and, especially, the poor, all grappled with budget realities. Budget proposals dominated legislative discussion again this week as the Session passed the mid-way point.

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

### Managed Care Contracting (SB 1012/HB 405)

#### Some 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. The insurance industry is opposed to the proposal and is insistent that health insurance rates will rise if it becomes law. An insurance company representative testified this week that this proposal will increase consumer insurance costs by approximately \$12 per month, per person. These "cost" of the bills are at the heart of the debate. Senator Victor Crist (R-Tampa), a member of the Health Policy Committee, commented that his health care rates rise each year and will continue to rise, regardless of the proposal's passage.

SB 1012 was approved by the Health Policy Committee this week. SB 1012 is awaiting a hearing in General Government Appropriations, its last committee hearing. HB 405 has two more hearings, the Healthcare Council and the Policy and Budget Council. HB 405 was not heard in committee this week.

### 2008-2009 Budget & Medicaid

Physician fee increased proposed

The House and Senate started refining their respective budget proposals this week in preparation for formal adoption by both chambers next week. The two chambers are significantly different in their approach to infrastructure, health care and the environment. Further, their respective policy differences in implementing next year's budget are quite different.

The House Policy & Budget Council adopted its budget blueprint on Thursday evening totaling just over \$65 billion dollars. That is nearly \$6 billion dollars less than the current year's operating budget! The Senate Fiscal Policy & Calendar Committee adopted its budget that is \$853 billion more than the House (\$65.920 billion).

In health care, the House actually spends more than the Senate on health and human services appropriations (House - \$22.780 billion vs. Senate \$22.753 billion). The House allocates more for the Agency for Health Care Administration (AHCA) while the Senate allocates more for the Department of Health (DOH). Overall, the Medicaid spending proposals between the chambers are separated by more than \$100 million. The House uses more general revenue (+\$124.9 million) as well.

**Two particular issues of interest are the MediPass per member per month fee reductions and physician fee increases. First, the House maintained its position to reduce the fee from \$3 to \$1.50 and the Senate remained at reducing the fee to \$2.00 per month. Second, the House held its position to provide more than \$21 million in non-recurring money to increase physician fees for "family care, medicine, OB GYN, pediatric, cardiology and pulmonary care." The House also directs \$6 million to AHCA as part of program to increase fees for physicians who participate as part of a tobacco cessation program. The Senate does include any such provision in its budget.**

On Medicaid reform, the House modified its plans to expand the current Medicaid reform program. The expansion will not begin until 2010, instead of 2009, and Miami-Dade will be included with the other eight counties that were previously slated to go after Miami-Dade. The Senate does not include any plans to expand the current Medicaid reform project.

## **Tobacco Education Dollars Diverted**

The creation of a Comprehensive Statewide Tobacco Education and Prevention Program was mandated following the passage of Amendment 4. Pursuant to the constitutional formula, the program will receive close to \$59 million this fiscal year.

Despite a fairly successful implementation, the fiscal crisis has prompted some legislators to propose using the Amendment 4 Tobacco Education and Prevention dollars as a means to accomplish other health care objectives.

Last week the House Healthcare Council proposed legislation to expand the purpose of the program to include interventions to "detect, prevent and treat tobacco-related chronic disease." The expansion would allow for the siphoning of \$11 million for chronic disease prevention, detection and treatment programs at the Moffitt Cancer Center and Shands Cancer Center. Also under the proposal, AHCA must implement a statewide program that utilizes physicians and dentists to deliver brief advice to quit the use of tobacco. The policy question, and perhaps the legal question, is whether this spending is consistent with the constitutional confines of Amendment 4. Legislators on the House Policy

and Budget Council debated the proposal on Thursday and discussed whether the proposal was what the voters intended when they approved Amendment 4. The proposal was ultimately approved by the Policy and Budget Council.

The Senate's proposal does not contain the permutations to the program. The Senate proposal lifts a two-year "sunset" of smoking cessation initiatives being performed by Area Health and Education Centers (AHECs). SB 1856 was approved by the Health and Human Service Appropriations Committee this week. The bill will receive a hearing by the full Senate next Wednesday.

## **Cigarette Taxes (SB 2790/HB 299)**

### **No movement this week**

There is still no movement on the legislative proposals to raise the cigarette tax by \$1.00 per pack and to distribute tax revenues to numerous health-related programs such as the Medically Needy Program, Medicaid Physician Reimbursement, Children's Health Insurance and others. Advocates for the tax increase continue to meet with legislators to encourage the increase. Radio commercials and advertisements supporting a cigarette tax increase will fill Tallahassee airways during the next couple weeks.

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.

## **School Breakfast Programs (SB 1184/HB 509)**

### **Movement this week**

Elementary schools are required by law to participate in school breakfast programs. Although not required by law, a majority of middle and high schools participate in school breakfast programs. Legislation filed by Senator Stephen Wise (R-Jacksonville) and Representative Will Kendrick (R-Carrabelle) would expand school district breakfast programs to middle and high schools by the beginning of the 2010-2011 school year. Under the legislation, schools, in which 80% or more of the students are eligible for free or reduced-price meals, must offer universal free school breakfasts.

The bills require that the Department of Education develop an incentive program to encourage student participation and requires that information regarding the breakfast program be communicated to students and parents.

SB 1458 was approved by the Education Pre-K 12 Committee this week. The bill will receive a hearing in the Children, Families, and Elder Affairs Committee next Tuesday. After Tuesday, the bill will have two more committee hearings in Health Policy and Education Pre-K - 12 Appropriations. HB 623 was approved by the Schools and Learning Council. The bill is on the House calendar awaiting a hearing by the full House.

## **Emergency Medicine Certification (SB 1184/HB 509)**

### **No movement this week**

Senator Burt Saunders (R-Naples) and Representative Paige Kregel

(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. The bill is opposed by the American Association of Physician Specialists (AAPS).

SB 1184 was temporarily postponed by Senator Saunders two weeks ago due to questions and concerns. Health Regulation is the only committee that must hear SB 1184. As committees begin to wind down, this bill may not be brought up again. HB 509 was referred to the Committee on Health Innovation and the Healthcare Council. HB 509 has not received a committee hearing.

## **Marketplace for Affordable Health Insurance**

### **No movement this week**

Florida has the 3<sup>rd</sup> highest uninsured rate in the nation. In an effort to address this serious problem, legislation was filed to increase affordable coverage to the uninsured in Florida by revising eligibility for certain private and public health care coverage.

The House and Senate proposals 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.

SB 2534 is sponsored by Senator Durell Peaden, MD, (R-Crestview). The plan provides non-catastrophic coverage and may provide catastrophic coverage, supplemental insurance, and discount medical plan product options to enrollees. SB 2534 has one more committee hearing, the Health and Human Services Appropriations Committee.

The House Healthcare Council held a workshop on this issue and should be releasing a proposal soon.

## **Biomedical Research**

### **Senate companion bill filed**

**The Senate and House filed legislation that would consolidate processes for awarding funds appropriated by the Florida Legislature for biomedical research. The proposal 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 House proposal reduces the annual allocation to the Johnnie B. Byrd, Sr., Alzheimer's Center and Research Institute to \$3.5 million each year from \$13.5 million. The Senate proposal reduces it to \$7 million annually.**

**SB 2752 by Senator Durell Peaden (R-Crestview) was referred to the following committees: Health Policy, Commerce, Higher Education and Health and Human Services Appropriations. The bill has not received a committee hearing to date. HB 7061 by Representative Aaron Bean (R-Fernandina Beach) was approved by the Policy and Budget Council this week.**

## **Electronic Health Records (SB 1998/HB 637)**

### **SB 1998 on the agenda next week**

Legislation filed by Senator Jeremy Ring (D-Margate) and Representative Denise Grimsley (R-Sebring) creates the Florida eHealth Initiative Act.

The bills amend AHCA's authority to provide grants to Regional Health Information Organizations, by requiring a dollar for dollar match of state funds with local or private funds and issuance of grants in three categories: development, operation and collaboration. AHCA is required to provide one-time, no-interest loans to physicians or business entities whose shareholders are physicians for the initial costs of implementing an electronic medical records system. AHCA must develop and implement a plan to promote participation in health information exchanges and the adoption of electronic medical record systems by physicians in consultation with the council and professional associations.

SB 1998 was approved by the Health Regulation Committee this week. The bill has three more committee hearings, Banking and Insurance, Governmental Operations and Health and Human Services Appropriations. HB 637 is awaiting a committee hearing in Policy and Budget Council.

## **ARNP Prescribing Expansion (SB 972/HB 515)**

### **No movement this week**

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.

## **Physical Education in Public Schools (SB 610/ HB 757)**

### **Some movement this week**

Legislation filed by Senator Lee Constantine (R-Altamonte Springs) and Representative Don Davis (R-Jacksonville Beach) requires each district school board to include in its written physical education policy the benefits of physical education and the availability of counseling to explain the benefits. Under the bills, district school boards are required to provide the equivalent of one class period per day of physical education for one semester of each year for students enrolled in grades 6 through 8. This requirement may be waived for students who are

enrolled in a remedial course or if parents request a waiver in certain circumstances.

SB 610 was approved by the Education Pre-K - 12 Appropriations Committee this week. The bill is on the Senate calendar awaiting a hearing by the full Senate. HB 757 was referred to the Schools and Learning Council and the Policy and Budget Council. The bill has not received a committee hearing to date.

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