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## Florida Academy of Family Physicians

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May 6, 2008

## Florida Academy of Family Physicians Week Nine | May 6, 2008

The 2008 Legislature concluded its work at 6:02 p.m. Friday, May 2nd. With its work on the budget completed earlier that day, the final hours of the session focused on health care. The final bill of the 2008 session dealt with health coverage for Autism Spectrum Disorder, and earlier that afternoon, a combined Governor/House health insurance reform bill passed. Overall, the state's fiscal situation led to a difficult legislative session. Governor Crist was successful, however, with many of his priorities, including energy, health care and taxes.

The conclusion of the 2008 session means a final resolution to the hundreds of bills that impact FAFP. Following is a brief summary of these key issues.

### Expanded Health Insurance Options - PASSED

On the final day of session, the Legislature approved legislation (SB 2534) which combines two healthcare proposals: the Cover Florida plan, a priority of Governor Charlie Crist, and the Florida Health Choices Program, a priority of the Florida House of Representatives. The 2008 budget includes \$1.5 million to pay for start-up costs. The following provisions of each plan passed.

#### The Cover Florida Plan:

- Provides guaranteed issue to enrollees, subject to exclusions for pre-existing conditions approved by the agency and the office;
- Offers portable plans regardless of employment status;
- May require limits on the number of services, caps on benefit payments and co-payments;
- Provides information on coverage, benefit limits, cost-sharing, and exclusions in the enrollment materials;
- Offers prescription drug benefit coverage or use a prescription drug manager; and
- Develops two benefit plans having different cost and benefit levels.

#### The Florida Health Choices Program:

- Provides voluntary participation that is open to small businesses, municipalities with less than 50,000 population, school boards in fiscally constrained counties and statutory rural hospitals;
- Offers individual options for health coverage including

comprehensive insurance plans, limited benefit plans, flexible spending accounts and other contracts for specific services;

- Offers portable insurance plans that allow employees to maintain coverage even if they change jobs;
- Provides options for vendors to offer new arrangements and service agreements which will ensure lower prices for consumers;
- Provides transparent pricing, a competitive environment and common sense protections for Floridians;
- Creates the Florida Health Choices Corporation to provide administrative services to employers, allowing them to offer more affordable choices to their workers without having to maintain expensive human resource capabilities; and
- Provides that the Office of Insurance Regulation will review risk-bearing products and provide comments to help consumers evaluate the products.

In order for the House and Senate to reach a compromise on SB 2534, they adopted several provisions related to the design and accountability of the Florida Health Choices Corporation including:

- Board members may not include insurers, health insurance agents or brokers, health care providers, health maintenance organizations, prepaid service providers, or any other entity, affiliate or subsidiary of eligible vendors;
- All members must submit financial disclosure reports; and
- The Corporation must comply with all Florida open records and Sunshine "laws."

## **2008-2009 Budget & Medicaid**

The 2008 Legislature approved the FY 2008-09 budget last Friday. The budget is awaiting the Governor's approval. Faced with significant revenue shortfalls, the Legislature made use of more than \$300 million out of the Lawton Chiles Endowment fund to bolster healthcare programs including the Medically Needy program, the Medicaid Aged and Disabled program, and to mitigate significant reductions to county health departments. These programs are continued at current eligibility and service levels for one more year since one-time money was used to keep the programs intact.

An estimated 7.3% reduction in rate cuts impact hospital inpatient and outpatient services that are required by law to serve all patients regardless of their ability to pay. Managed care organizations received a 6.5% reduction, and nursing homes that serve Medicaid recipients received a similar cut.

The final budget did not include an increase in physician reimbursements (as the House had originally proposed). It did, however, include a reduction of \$1.00 per member for physicians who treat MediPass patients (from \$3 to \$1). One cost saving provision included in the budget requires an automatic assignment of MediPass recipients. Patients who live in counties with two or more managed care plans, must now be enrolled into a managed care plan if they fail to make a choice during their designated choice period. This measure provides \$5.72 million in estimated savings.

There was no agreement related to the possible expansion of the Medicaid reform pilot program in other counties for 2010 as had been proposed by the House.

## **Managed Care Contracting (SB 1012/HB 405) - SB 1012 PASSED**

Senator Don Gaetz (R-Fort Walton Beach) and Representative Bill Galvano (R-Bradenton) filed legislation that requires 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 were initially opposed by the insurance industry. Ultimately, a compromise was reached.

Specifically the bills require managed care companies to accept a valid assignment of benefits and pay in-network physicians directly when the services are provided in-network or part of a PPO; reduce the "look back" period where managed care companies can demand repayment from 30 months to 12 months; and expand the disclosure requirements of "silent" PPOs.

SB 1012 was approved by the full Senate and the full House. The bill, supported by organized medicine, awaits approval by the Governor.

## **Physical Education in Public Schools (SB 610/HB 1163) - SB 610 PASSED**

Legislation filed by Senator Lee Constantine (R-Altamonte Springs) and Representative Chris Dorworth (R-Heathrow) 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 full Senate and the full House. The bill, supported by the FAEP, awaits approval by the Governor.

## **School Breakfast Programs (SB 1458/HB 623) - HB 623 PASSED**

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) authorizes district school boards to implement school breakfast programs, available to all students, in elementary schools. By the 2010-2011 school year, school breakfast programs will be available to all students in each elementary, middle, and high school.

Under the legislation, each district school board is encouraged to provide universal-free school breakfast meals to all students in each elementary, middle and high school who are eligible for free or reduced-price meals. By the beginning of the 2010-2011 school year, each district school board, after receiving public testimony, may decide whether or not to adopt a policy.

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.

HB 623, supported by the FAFP, was approved by the full House and the full Senate. The bill awaits approval by the Governor.

### **Tobacco Education Dollars Diverted - NO CHANGE IN LAW**

This year the House and Senate proposed legislation that would amend the allocation process for tobacco education dollars.

The House proposal (HB 5091) would have expanded the purpose of the Statewide Tobacco Education Program to include interventions to "detect, prevent and treat tobacco-related chronic diseases." The expansion would allow for the allocation of \$11 million for chronic disease prevention, detection and treatment programs at both the Moffitt and Shands Cancer Centers. Also under the proposal, AHCA would have created a statewide program that utilized physicians and dentists to deliver brief advice to their patients regarding the harmful health conditions associated with the use of tobacco.

The Senate proposal (SB 1856) did not contain these provisions and instead, lifted a two-year "sunset" of smoking cessation initiatives being performed by Area Health and Education Centers (AHECs).

The Senate and House were unable to reach a compromise on the proposals during the budget conference process. As a result, no changes in law were adopted and the program was funded at \$54 million.

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

The proposals to raise the cigarette user fee by \$1.00 per pack and to distribute tax revenues to numerous health-related programs did not gain traction. Advocates for the fee increase actively promoted its passage; however, legislators were not persuaded. Governor Crist remained vocal in his opposition. The FAFP supports this increase in the cigarette tax.

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

Senator Burt Saunders (R-Naples) and Representative Paige Kreegel (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 was opposed by the American Association of Physician Specialists (AAPS).

SB 1184 was temporarily postponed by Senator Saunders several weeks ago due to questions and concerns. HB 509 was referred to the Committee on Health Innovation and the Healthcare Council. HB 509 did not receive a committee hearing. Ultimately, the legislation did not

pass.

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

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. Most of organized medicine opposed this legislation. Neither bill received a committee hearing this year, and the bills died. These bills were opposed by the FAFP.

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