

For Immediate Release

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**Legislation to Close Loophole in Workers' Compensation System Continues
to Move in Florida House**

Legislation to Address Drug Repackaging Loophole Passes Second Committee of Reference

Tallahassee, Fla. – House Bill 511, sponsored by Representative Matt Hudson (R-Naples), today passed the House Health and Human Services Committee, its second committee of reference. HB 511 focuses on correcting a loophole in the workers' compensation system that allows physicians to dispense repackaged drugs and charge employers exorbitant prices that greatly exceed the statutory reimbursement for the same pharmaceuticals dispensed by pharmacies. The existing loophole allows repackaged or relabeled prescription drugs to be dispensed at rates up to **679% more than what a pharmacy would charge.**

The Workers' Compensation Coalition and its more than 60 members have made the drug repackaging issue one of their top priorities for the 2012 Legislative Session.

"We continue to feel encouraged by the favorable votes this legislation has received so far," said Tamela Perdue, general counsel for Associated Industries of Florida. "We believe this is an unfair practice that is holding employers responsible for markups that are, in the end, hiking up their workers' compensation premiums unnecessarily."

"Both proposals in the House and Senate have been moving along the process and we believe that is going to continue," added Perdue. "We have the support of Insurance Commissioner Kevin McCarty who has committed to granting a rate reduction in workers' compensation insurance rates for Florida businesses of at least the 2.5 percent that can be attributed to drug repackaging, if and when this bill becomes a law."

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Associated Industries of Florida recognized the urgent need for significant reform to Florida's Workers' Compensation System and formed the Workers' Compensation Coalition of Business and Insurance Industry to: educate lawmakers about the nature of the system, its potential for failure or success, and to develop viable solutions that would reduce fraud, lower rates and create a healthy workers' compensation market. The Workers' Compensation Coalition, and its over 60 members, has spearheaded the most recent workers' compensation reforms of 2003, which have resulted in remarkable savings for employers, decreased time away from work for employees, and improved enforcement of the laws governing the Workers' Compensation System.