ASSOCIATED INDUSTRIES OF FLORIDA
LEGISLATIVE DAILY BRIEF
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FOR APRIL 18, 2001

WORKERS' COMPENSATION REFORM

The House Council for Competitive Commerce under the leadership of Council Chairman *J. D. Alexander (R-Winter Haven)* took up, considered, and adopted a "strike everything" amendment that vastly improved HB 1927. The bill, produced to reform a sinking workers' compensation system, actually came out of the House Insurance committee, *driving up costs to Florida's employers*, according to an analysis conducted by the National Council on Compensation Insurance. In addition, it did little to address the fraud, outrageous attorneys' fees, endless delays, and waste in the system. The adopted committee substitute includes many of the recommendations of Associated Industries of Florida and is similar to the Senate bill, PCS/SB 1188 by *Senator Jack Latvala (R-St. Petersburg).*

This redrawn bill simply means prompt payment and less litigation for injured employees while increasing their benefits. The bill doubles the benefits to an injured employee with 5% impairment who earns $400 a week, i.e., instead of $2000 in impairment benefits, he or she will receive $4000 in impairment benefits. The bill embodies the practical and needed reforms that can and will serve those for whom the system is intended; Florida's employers and injured employees.

AIF supports and applauds the efforts of both Sen. Jack Latvala and Rep. J. D. Alexander on this issue. Their leadership on what can be a complex and politically volatile issue has been indispensable.

The Council also approved a revised version of HB 1803 by the Insurance Committee, the so-called non-controversial parts of workers' compensation reform including transfer of workers' compensation judges to the Division of Administrative Hearings. The bill would exempt prisoners and sports officials hired by schools and make administrative changes such as allowing claims and payments to be filed electronically and requiring the 1st District Court of Appeal to establish a specialized division to handle workers' compensation cases.

NURSING HOME CARE REFORM

The Senate Appropriations Committee approved CS/CS/SB 1202 by *Sen. Ginny Brown-Waite (R-Brooksville)* to rescue nursing homes after working through a series of amendments to get the cost within the $26 million currently allocated in the Senate budget. The quality of care reforms in the bill have exceeded what the Senate originally budgeted for the improved care and oversight of the nursing home and assisted living facilities care providers. The committee approved an amendment to raise the annual license fee for nursing home from $35 to $50 a bed and allow the Agency for Health Care Administration to adjust the amount annually based on the consumer price index. The agency also would be able to raise the $50 assisted living facility fee by the rate of inflation. The committee removed the requirement to have direct-care and indirect-care sub-components in payments for patient care, removing a $48.9 million cost.

The committee also adopted an amendment that effectively "de-funded" the implementation of a Joint Underwriting Association. The JUA is supposed to act as an insurer of last resort, subsidized by carriers who pay a fee into the state organized pool.

Chairman Horne, who has done yeoman's service on behalf of this bill, told the committee that he would attempt to find the dollars necessary for the quality of care reforms in the House and Senate budget conference negotiations.

The tort reforms so critical to reform of the nursing home care system escaped unscathed by the committee.

General revenue is actually a relatively small slice of the budget expenditure pie for Florida. Many of the expenditures by the state are trust funded, designated for a specific purpose and cannot be shifted about without an act of law. Medicaid is funded out of a mix of state and federal dollars. The state Medicaid dollars come out of general revenue. Nursing homes are funded out of the Medicaid monies. If there is a crisis in nursing home care, if homes are going under, it is the state, and the dollars in general revenue that must pick up the slack. "Picking up the slack," can mean, as it does this year*, that a tax cut is in doubt*.

A squeeze of a billion dollars in the Medicaid dollars, such as we have this year, can have an enormous ripple effect throughout the budget, the state's tax policy and ultimately, the business community. We pay the taxes. AIF supports the nursing home care reform legislation for that reason.

In the House, the Council for Ready Infrastructure postponed consideration of its nursing home bill, HB 1879 by the Elder and Long-Term Care Committee.

OTHER ISSUES

- Efforts continue to rewrite the state's growth management law. This enormously complex issue has been under consideration and debated since the January, 2000 and it remains to be seen if the legislature will be able to come up with a proposal satisfactory to all.

- The House and Senate have named their budget conferees, those designated to negotiate and reach agreement over the differences between their respective budgets. A key issue is the chambers' differences over tax cuts. The Senate has proposed no tax cuts. The House budget contains $300 million in tax cuts.

- It appears likely that a curious law restricting container sizes on alcoholic beverages will finally be repealed this year. SB 202 by *Sen. Tom Lee (R-Tampa)* repeals the restrictions on what size containers of alcoholic beverages can be sold in Florida. Sen. Lee was amazed to find out there was such a law when he entered the legislature and has worked to repeal it. If you ever wondered why specialty or import beers were in short supply in Florida, now you know – it was actually illegal. SB 202 is on the Senate Special Order Calendar and will almost certainly be passed.

This report was prepared by Curt Leonard, Manager – Governmental Affairs at Associated Industries of Florida (AIF) and Jere Moore, AIF Reporter. Please send your comments or suggestions to us at aif@aif.com or call the Governmental Affairs department at (850)224-7173.

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