

# EMPLOYER ADVOCATE

516 NORTH ADAMS STREET • P.O. BOX 784 • TALLAHASSEE, FL 32302 • PHONE (904) 224-7173 • FAX: (904) 224-6532

Volume 2 Number 2

June/July 1993

## In This Issue

President's  
Message ..... 2

What happened with  
workers' comp? ..... 3

They served the state  
well this session . . . . 6

Facing a bright health  
care future ..... 8

Florida's environment is  
becoming more friendly  
to business ..... 14



## Changes In Attitudes

**O**n February 2, the rapping of a gavel opened the 1993 Legislative Session, and no one really knew what to expect.

During his State of the State Address on opening day, Gov. Lawton Chiles presented an ambitious program of initiatives in health care, workers' comp, criminal justice and campaign financing. Senate President Ander Crenshaw (R-Jacksonville) vowed to pursue an agenda of limited objectives: no new taxes and a timely end to the session. House Speaker Bo Johnson (D-Milton) wholeheartedly of-

fered his support to the latter objective while giving the first a lukewarm reception. All three declared their intent to

*"Maybe . . .  
these new  
people don't  
know any  
better."*

*Senate President  
Ander Crenshaw*

work in a spirit of friendship and cooperation, a welcome change from the bitter and divisive atmosphere that hovered over last year's meetings. Crenshaw summed up the reigning mood: "I noticed everybody has this willingness to get along and work hard. Maybe that's because all these new people don't know any better."

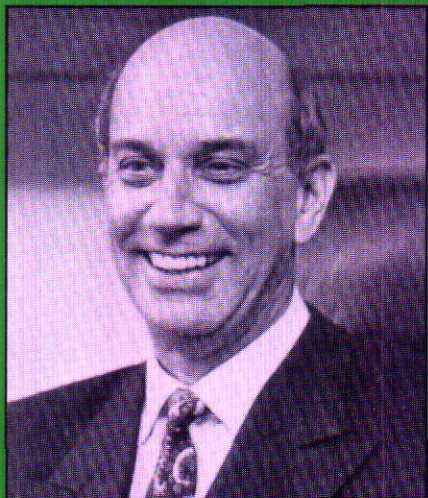
Passage of a budget is the only required item of business for the Legislature. Chiles made a request for \$630 million in new revenue, but separated it from his plan for tax reform. Taking a revenue-neutral approach, Chiles' plan closed a number of tax loopholes then used the money raised to reduce property taxes. Crenshaw responded to Chiles by insisting on allocating existing state resources in productive and cost-effective programs without raising taxes. He also asked for a constitutional amendment capping the growth of state revenues to bring an end to the ever-burgeoning level of government appropriations.

This year would pose the first test of the constitutional amendment requiring the budget to undergo a 72-hour waiting period before lawmakers put it to a final vote. That guideline, accepted by the vot-

*See Changes, page 12.*



## President's Message



# Interest In Florida

by Jon L. Shebel, President and Chief Executive Officer, Associated Industries of Florida

**D**emocracy is rarely a tidy process. After all, the right to disagree and express opinions is a habit born of freedom.

That is the nature of politics: confrontation and compromise bring about common solutions. But when people work at cross purposes for short-term or narrow objectives, the result is bad news for this state.

While past sessions have been marked by intransigent disregard of some serious problems facing the state, this year witnessed a new willingness on the part of special interests to drop inflexible convictions in favor of negotiated solutions.

That spirit of collaboration smoothed the way for Florida's landmark response to the health care crisis. It also was responsible for the early coalition between business and labor that crafted the workers' compensation reform package. Those reforms fell under an onslaught of opposition by the legal community, but during the final days of the session, the trial lawyers joined AIF, the AFL-CIO and others to iron out their differences.

When the governor brings the Legislature back in special session, the consensus of the coalition should make it possible to alter the uncontrollable and expensive

workers' comp system and thereby bring some long-awaited relief to employers.

This trend to solve disagreements through face-to-face negotiation is the best hope for our state. Compromise, a dirty word for environmentalists in past years, made progress possible this year. Charles Lee, a lobbyist for the Audubon Society, withstood virulent condemnation from reporters and grass-roots organizations who accused him of selling out. Lee nevertheless acknowledged the wisdom of necessity by remarking, "The real world of the Legislature is one where all of our environmental ideas cannot always be completely accommodated."

Much attention was directed toward controlling the influence of special interest money on the legislative process. What often is ignored in the debate are the strong-arm tactics of some (not all) legislators who withhold support of bills until they receive campaign contributions from interested parties.

For years, certain legislators ignored an inherent conflict of interest when they opened campaign accounts during the legislative session and solicited donations from lobbyists. The practice reeks of influence-peddling, but attempts to outlaw it failed during the session. Some elected officials, such as Rep. Jack Ascherl (D-New Smyrna Beach), have voluntarily chosen to take the high road by waiting until after the session to open their campaign accounts. As Ascherl says, "It's not good public policy before we make laws."

Tom Slade, the new chairman of the Republican Party, has also taken the initiative to reform campaign financing. As I told you in the last President's Message, leadership funds established by both parties have led to abusive practices. While contributions to candidates are subject to limits, not so with donations made to the

***That is the nature of politics: compromise and confrontation.***

parties. Once the money is received, top lawmakers decide who gets the funds, a potent tool for those intent on holding their power.

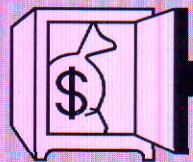
Upon taking over the GOP, Slade instituted an investigation into the matter of his party's leadership fund. After completion of the investigation, Slade announced he would keep a close watch on the money as it came in and take control as it went out. His action should reduce the domina-

tion of party "consultants" (aka sleaze artists) who exert a negative influence over campaigns and candidates.

When asked if the Democrats would follow suit, party director Linda Russell responded, "We're not into chest-beating to the degree the Republicans are." Apparently Russell equates voluntary adherence to ethical standards with foolish idealism. Upon further questioning about Slade's desire to limit the amount of money that can be contributed to a political party, Russell goes on to display the depths of her cynicism: "When political parties can't even the odds, trial lawyers, doctors and business interests will replace them." Russell appears to believe that a violation of the

integrity of our election process is redeemed when the action is perpetrated by a political party. Perhaps some day she will realize that abuse by a political party is just as offensive as abuse by any other hand.

Arguments over ethics aside, the 1993 Session was a good one for business and the state as employers got some help from traditional foes. With the easy prosperity of the 1980s giving way to a slow-down in growth in the 1990s, this trend toward cooperation is partly attributable to economic necessity. Human nature causes most of us to take the good times for granted, but now that the bills are coming due, reality is forcing everyone to take a wider view of what is best for Florida. For those of us who take part in the process of making public policy, 1993 offered some positive omens for our state's future.





# Starting Over With Workers' Comp

**In 1978 and 1979, the *Miami Herald* published an exhaustive analysis of Florida's workers' compensation system, concluding:**

*"It is, as a result, a system that demands reform. Employers whose gross 1978 comp premium totaled a staggering \$779.8 million — most of which was passed on to consumers — are clamoring for relief. Insurance companies that reported net comp losses totaling \$205.1 million in the past five years are similarly insistent. State officials say sky-high comp rates are the single deterrent to recruitment of new industry."*

**C**hange the numbers and the same judgment could be drawn today.

Ask any employer who has laid off employees, delayed pay raises or increased prices who the culprit is and most of them will give one answer — workers' comp premiums. Florida companies are undercut on bids by companies in Georgia and Alabama where the costs of workers' comp are lower. Experts say 10 percent of the cost of a new home can be attributed to workers' comp. Last year a contractor was hired to repair the roof on the state capitol; almost 50 percent of the tax dollars spent on the project went to pay the contractor's comp premiums. The troubles of Florida's malfunctioning workers' comp system reverberate throughout our state's economy.

"It is, as a result, a system that demands reform." Today, the *Herald's* 14-year-old statement still holds water. In 1979, the Florida Legislature responded to the demand for reform by enacting an ingenious solution: they tied the amount of the benefits paid to injured workers to the loss of wages suffered as a result of injury. During the intervening years, however, this concept of wage loss has been rendered meaningless and costs have soared to levels unimaginable in 1979. Now the question is: what

happened to the system and how can it be fixed?

## The Crippling of Workers' Comp

The world's first workers' comp program was instituted by German Chancellor Otto von Bismarck in 1884. By 1908 every industrial nation except the United States had followed Bismarck's lead. Three years later Wisconsin passed this country's first workers' comp law; Florida began its program in 1935.

Prior to enacting a workers' comp law, employees had the right to sue their employers for damages in a court of law. Workers' comp instituted a no-fault system to protect workers in the event of on-the-job injuries and provide an automatic procedure for reimbursement for their losses.

The system is supposed to deal with legitimate injuries in a manner that benefits accident victims without compromising the employers' ability to pay for their employees' recovery. The routine and automatic nature of administration of the law, however, makes the system vulnerable to lawyers, health care providers, workers, insurance carriers and employers willing to manipulate it for their own advantage.

In 1991, attorneys for injured employees collected \$121 million in legal fees. That amount is accentuated by the tactics used by a few attorneys who drive up costs by dragging out cases and sending claimants to batteries of doctors for unnecessary testing and treatment, all with the hopes of finding providers who give claimants the worst diagnoses. These practices often result in payment of excessive benefits to claimants and reimbursement to doctors and lawyers for unwarranted services — with

*Continued on page 4.*



*From page 3.*

employers picking up the tab.

For some doctors, workers' comp patients represent the answer to their cash flow problems. Payment for treatment is guaranteed and for these doctors that surety can protect their practices against non-payment of bills. It can augment reductions in income that result from fee schedules negotiated with insurance companies or health maintenance organizations (HMOs).

The skyrocketing growth of health care in general also exacerbates the situation; the percentage increase in workers' comp medical costs is even higher than that of general medical costs.

***Last year,  
the state  
Workers'  
Compensation  
Fraud Task  
Force  
released a  
report that  
revealed the  
underpayment  
of premiums  
may be as  
high as \$52  
million.***

The workers' comp law is both voluminous and complicated. Since 1979, court cases dealing with the law have ended in conflicting verdicts that further complicate matters for employers who are faced with claims.

Judges responsible for deciding workers' comp cases have often taken an expansive view of the claimant's right to compensation, while ignoring the intent and practicality of the system. As a result, employers' hands are often tied when they try to protect their interests against dubious claims by employees who may be faking or exaggerating injuries.

Employers themselves, however, are not free of guilt. Workers' comp premiums are based in part on payroll and job classifications. Some employers misrepresent these numbers to avoid paying higher premiums.

Last year, the state Workers' Compensation Fraud Task Force released a report that revealed the underpayment of premiums may be as high as \$52 million. This means insurance companies must raise rates for all employers to compensate for the loss. At the AIF Property & Casualty Trust, every policy is audited in some fashion to ensure that each employer pays its share of premium. Otherwise, honest employers would unknowingly pay the difference in premium lost by the actions of those willing to commit fraud.

### **Rehabilitating The System**

The Florida Legislature passed reforms in 1990 to reduce costs, focusing on implementing savings by redefining

and decreasing the formulas for calculating wage-loss benefits. In 1991, the Legislature mandated a 25-percent rollback on workers' comp premi-

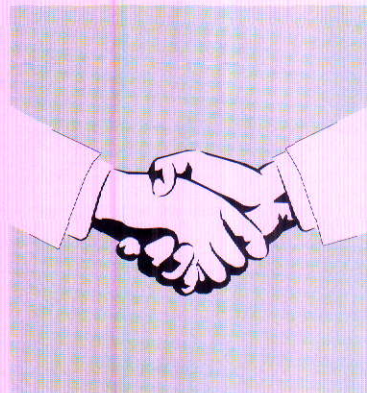
ums. As soon as the rollback period ended, rates jumped an average of 24.9 percent.

The 1990 and 1991 actions were stop-gap measures at best. Artificial rate freezes will only drive more carriers out of Florida, thereby forcing more small companies into the assigned risk pool, increasing their costs and the costs to other companies. And cutting benefits paid to employees can only go so far.

Right now, Florida employers pay almost \$4 billion a year for workers' comp insurance, but injured employees receive only 30 percent of that sum. The only cure for the system will come from reining in the cost of medical treatment and the waste engendered by fraud and manipulation of the system.

With that goal in mind, representatives of Associated Industries of Florida and the AFL-CIO began a series of meetings last year to draft a package of reforms they hoped would fix the debacle in workers' comp.

Soon, Ann Clayton, director of the Division of Workers' Compensation, joined AIF and the AFL-CIO in the process.



Gov. Lawton Chiles gave the coalition his wholehearted support, and when the 1993 Session began, Gov. Chiles presented the reform package to the Legisla-

ture as one of the key issues for lawmakers to address.

The governor's proposal included an array of revisions designed to halt the variety of systemic abuses and obstructions that drive the spiraling costs of workers' comp. Everyone involved in developing the proposal agreed there was no quick fix to the problem. Reforms would have to address the costs that drive increases—then be given time to work.

Under the current workers' comp system, employers and employees are the losers, while attorneys are quite satisfied with the status quo. So, it was no surprise when the legal community attacked the governor's proposal with vigor.

The Florida Academy of Trial Lawyers offered the strongest resistance, and convinced lawmakers in the House to destroy the proposal's framework. AIF denounced the package passed by the House and went to work in the Senate on a reform package.





but efforts there eventually stalled.

As the session drew closer to conclusion, the issue seemed dead. Chiles promised to call legislators back to Tallahassee later in the year if they did not enact a substantive package of reforms.

Then, four days before the end of session, workers' comp suddenly came back to life as

word spread that the House would take up a new workers' comp bill.

Since the new House proposal was sponsored by the representatives responsible for gutting the first bill, AIF acted immediately to kill it.

In the weeks after the House passed its stripped-down version of the workers' comp bill, AIF and the AFL-CIO negotiated with the trial lawyers to work out a compromise. On the same day the House unveiled its new proposal, the compensation coalition of business, labor, insurance and the trial lawyers reached agreement on its package.

Several key senators had helped prepare the way for the coalition proposal in the upper chamber, but at the last minute Senate President Ander Crenshaw announced that the Senate would not take up the new bill. Attention turned to the House, where a number of members had indicated their unhappiness with the bill their chamber had passed earlier in the session. Unfortunately,

***Business and labor have reached agreement with their primary foe, trial lawyers.***

time ran out for workers' comp, as the remaining hours of the regular session were consumed by debates on health care and the budget.

Despite the lack of results, significant progress was made toward the goal of workers' comp reform. The governor has repeated his intention to call a special session to address the issue. Business and labor

have reached agreement with their primary foe, the trial lawyers, who deserve recognition for their willingness to compromise.

Key legislators, who worked tirelessly during the regular session to promote the governor's package, have promised to keep pushing the issue. In addition, Crenshaw announced formation of a select committee on workers' comp that will be chaired by Sen. Toni Jennings, an Orlando Republican who runs a construction company and understands the issue from a business perspective. All these signs are helping build a sense of long-awaited optimism.

The *Miami Herald's* 1979 report on workers' comp observed: "The Florida Legislature, which all too often has been paralyzed by competing special interests struggling to protect their financial stake in the system, seems at last ready to comply with that demand."

Once again, the *Herald's* 14-year old prognosis holds true today.

## **The Workers' Compensation Reform Coalition Package**

- Controls increased health care costs by encouraging managed care, reducing over-utilization, adopting practice parameters, and streamlining the mechanisms used to resolve disputes about patient treatment.
- Improves delivery of services to injured employees by creating an Office of Employee Assistance, an Office of Employee Counsel, and a Workers' Compensation Labor Management Board.
- Raises benefit payments to workers by allowing the inclusion of concurrent wages, expanding the basis for calculating compensation benefits and increasing death benefits.
- Addresses systemic cost drivers by streamlining administrative procedures and enhancing the ability to quickly determine appropriate benefits.
- Encourages broader participation and competition in the marketplace by creating a new self-funding JUA.
- Enhances regulation of insurers, group self-insurers, individual self-insurers and employers by establishing financial safeguards and safety standards.
- Emphasizes re-employment assessments and vocational training in order to improve the injured employee's successful return to employment.
- Promotes consistency and efficiency in case law by setting up a Workers' Compensation Appeals Commission to hear appeals from judges of compensation claims.
- Strengthens provisions allowing the state to prosecute criminal violations of the workers' comp law.

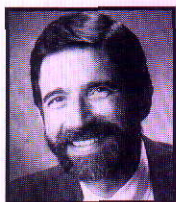
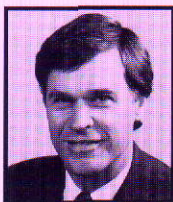


When the going got tough

# They Got Tougher ...

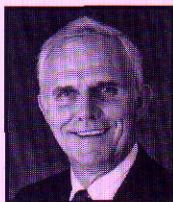
**D**uring session, it seemed like everything you read in the papers or watched on television focused on what legislators were doing wrong. In fact, many senators and representatives, including freshmen legislators, proved their mettle this session by sticking to what they believed in, what was good for the citizens of Florida.

**Senate President Ander Crenshaw:** Conducted the business of the Senate with fairness and kept it from splitting apart. Gave the green light to health care reform and guaranteed the reform bill would pass. Kept his pledge of no taxes.

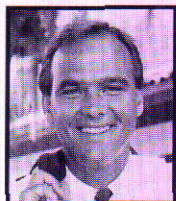


**Sen. Jim Boczar:** A freshman; stood up to leadership to try to force his "access to medical facilities" bill to a floor vote.

**Sen. Ginny Brown-Waite:** Stood up to radical environmental groups that proposed harsh packaging standards and product bans in Florida.



**Sens. W.D. Childers, George Kirkpatrick, Charles Williams:** The three Democratic senators who broke the logjam on health care in the Senate by voting for the Myers Amendment two days before adjournment. This vote eventually caused the Senate to agree on a health care package.



**Sen. Rick Dantzler:** Provided leadership on many environmental issues such as solid waste, streamlining and the DER/DNR merger. Brought all sides to the table to work for compromise, but always stood by his principles and guarded his constituents. Fought for more accountability to the public from water management districts.



**Sen. Al Gutman:** Led the way for Senate Republicans on health care reform. Allowed all interested senators to participate in health care committee meetings, thereby keeping ill will at a minimum.



**Sen. Robert Harden:** Played the watchdog in the proposed DER/DNR merger. Refused to let a bare-bones bill out of his committee.



**Sen. Betty Holzendorf:** Became the swing vote in the Senate because she wasn't willing to just go along with Democratic leadership on every issue.



**Sen. Ken Jenne:** A leader in many issues including workers' comp and health care. His willingness to vote for the health care reform bill, even though he thought the legislation could be stronger, guaranteed its passage.



**Sen. Curt Kiser:** Chaired the Senate Finance and Tax Committee with fairness, even though it was clear no taxes would pass.



**Sen. John McKay:** Was a leader in the health care debate and a catalyst for movement away from extreme positions toward the center.



**Sen. Doc Myers:** Provided the necessary leadership to pass SB 1000 against great odds. Kept up the fight under pressure from almost every newspaper in the state to kill the bill. Put aside personal feelings in favor of the good of the state when he helped create the health care bill.





**Sen. Gary Siegel:** Proved time and again that freshmen do make a difference. Almost passed a 25-cent increase in the cigarette tax.

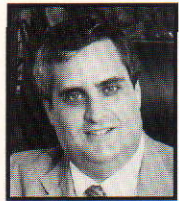


**Rep. Jimmy Charles:** Elected leader of the freshman class. Showed that freshmen can make a difference.

**Sen. Pat Thomas:** Without his leadership the Senate would have fractured. Stepped in on many issues to bring about final compromise. Was instrumental in passing the health care reform bill.



**Rep. Cynthia Chestnut:** Led the fight for welfare reform to make it a benefit rather than an entitlement.

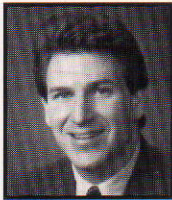


**Sen. Peter Weinstein:** Stood up for small business when he voted to kill a bill in the Senate Judiciary Committee that would have increased regulation on small businesses.

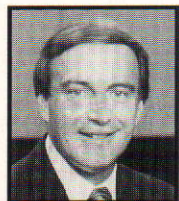


**Rep. John Cosgrove:** Provided leadership in the health care debate. Remained clear in his pursuit of health care and insurance reform, which would not have passed without him.

**Sen. Robert Wexler:** Never gave up his pursuit of a workers' comp reform bill. Was the catalyst for compromise among diverse special interest groups. Worked tirelessly for compensation reform.



**Rep. Miguel De Grandy:** Led the Cuban-American Caucus, giving it a strong voice in the House.

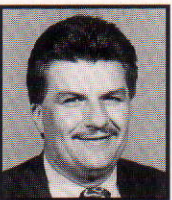


**House Speaker Bo Johnson:** Led the House through many intense debates. Passed major pieces of legislation for the good of the state and negotiated compromises with the Senate.

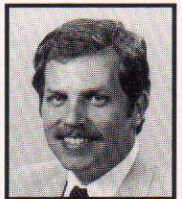


**Rep. Willye Dennis:** Never intimidated by the legislative process. Showed she came to Tallahassee to represent her constituents when she debated in favor of passing a price-gouging measure just weeks after being sworn into office.

**Rep. Dave Bitner:** A freshman; took on the most controversial issue of the session when he filed the workers' comp reform bill and never backed down.



**Rep. Ben Graber:** A physician, Dr. Graber led the way for health care reform. A brilliant political strategist and a man of his word. Brought all sides together in the health care debate and was a deciding force in passage despite opposition from his professional association.

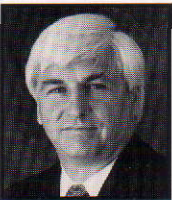


**Rep. Elaine Bloom:** The first woman to serve as speaker pro-tem. Paved the way for future women leaders.

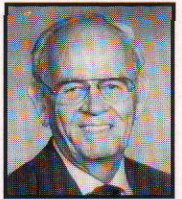


**Rep. Lars Hafner:** Provided rock-solid leadership to pass the solid waste bill. Took a bill that was mired in controversy for years and steered its passage. Was always fair and honest, and never favored any interest group.

**Rep. Allen Boyd:** Tireless advocate for jobs, employers and the economy. Pivotal in the workers' comp and environmental debates.



**Rep. Bert Harris:** Provided leadership to pass a private property rights bill despite strong opposition from most state newspapers. Catalyst for signing almost 50 co-sponsors on the bill. Can be credited with turning the tide toward property owners.



**Rep. Mary Brennan:** Never gave up her support of the environmental measures she believes in, even in the face of harsh opposition.



**Rep. Jim King:** Provided leadership on a number of issues including the ADF, solid waste and health care. King is one reason the ADF is no longer a permanent food tax.

*See Legislators, back page.*



# Florida Finally Stops Bickering About Health Care

*Major players in the health care debate this session were on hand at the bill signing ceremony April 29.*



**O**n April 2, 1993, the Florida Legislature passed this country's first comprehensive health program.

The new plan of action is drawing national attention, as well as the interest of President Bill Clinton and Hillary Rodham Clinton, who consider it a likely model for the federal response to the health care crisis.

To help you understand the basic concepts behind Florida's health care initiative, we talked to AIF's Vice President and General Counsel Jodi Chase. Chase played a leading role in the development of Florida's plan and helped direct its journey from the beginning.

**Employer Advocate:** We have been trying to do something to get control of costs in the health care system for a while now. How did it happen that this year all of the forces came together and agreed on reform?

**Chase:** I think it's been a long time coming; it's been building over the last three or four years. I think finally employers were able to exert their influence over providers, and since employers are the customers, we were able to convince our suppliers, who are doctors, hospitals and insurance companies, that we have a real problem with their product and we're not happy with it any more.

They responded to their customers. I think that the pressure employers have been putting on providers over the last few years really brought this to a head. In addition to that, we have politics in the background of this. By that I mean people were afraid of what the Clinton plan

might look like. They wanted to have a Florida plan before they had a Clinton plan.

**EA:** Are you pleased with the plan?

**Chase:** Yes. I'm very pleased with the plan. I think it gives employers a chance to exert control over the health care market, just as we would take control of the widget market or any other supplier. It is very exciting because it is health care reform without taxation or mandates.

**EA:** As I understand, Gov. Chiles started from the standpoint that he wanted a government model — either pay-or-play or a Canadian-style plan — or he leaned in that direction. Why did he do an about-face so we now have this model based in the private sector?

**Chase:** I think it was two things. First of all, I think he realized when his tax package didn't pass the year before this legislative session, that the private sector doesn't have the money out there to pay for health care. He couldn't do a government-run system because he could never find the tax money to support it. I think that was the first reason.

I think the second reason was the governor really believes that this is the only way to make it work. Government can't run every aspect of our lives and government can't force prices down, but buyers can force prices down if we have some competition in the marketplace. My sense is that he really believes that because that is the essence of the bill he designed.

**EA:** Describe how the new plan will work.

**Chase:** Well, it's going to be a delivery system controlled by customers rather than suppliers. Employer purchasers primarily, and government purchasers, will get together in purchasing groups, called Community Health Purchasing Alliances or CHPAs.

What will happen in these purchasing groups is that partnerships called AHPs (Accountable Health Partnerships) will form in the community. They will be formed by hospitals, doctors, home



health care agencies and all different kinds of health care providers coming together with insurance companies.

The AHPs will come to these community purchasing groups and they will present their products. They will say, "Here is what our health care plan is, here is how much we charge, here are our outcomes, here is our utilization, here is our customer satisfaction. Look, we can prove to you that we'll give you a better product than the guy next door."

Then these Community Health Purchasing Alliances will take all this information and give it to their members. The members will then make a choice of which product they want to buy. They'll say, "Okay I have decided I have \$5 I want to spend, and I want the best value for my money. I want the one that has the highest customer satisfaction."

The employers will make the choice of which plans they want their employees to choose from based on whatever criteria the employer wants to use.

**EA:** What is going to happen in the medical profession?

**Chase:** Well, the medical profession is going to change a lot. They are going to have to become responsive to their customers. What will end up happening is that you will have a group of doctors who will sit down just like a business person does and they will say, "Okay, how many customers do we have now? We don't have the volume we used to have, so we must be doing something wrong. The market is going to our competitors."

They will have to decide why the market is going to their competitors. If doctors try to make up the volume in the number of patients by increasing the volume of their procedures — the number of procedures — that could have a very bad effect. But these alliances are going to keep track of that utilization. They are going to tell employers whether a group of doctors is over-utilizing and making up volume on extra testing of their employees. I think employers are going to be smart enough to drop that coverage

and say, "I won't go to doctors who are doing that." Doctors are going to have to become responsive to a market.

**EA:** What is the benefit to employers to get involved and to employees or consumers to take more control over their own health?

**Chase:** The incentive for the employer is that if you belong to one of these CHPAs, your costs are going to be lower because that is where all the good deals are going to be. It is like belonging to a Sam's Warehouse. The prices are lower at Sam's, but you have to be a member of Sam's. That's the theory with these CHPAs.

The incentive for employees is that they will have health insurance. Also, built into this law — it's really a very well-designed law, and the governor deserves a lot of credit for it — built into this law are mechanisms to bring individual responsibility down to the employee.

Health care theorists say one reason health care costs have gone up so much is because individual patients are not responsible for what they buy because they don't pay any of the costs. This health care plan requires that the employee pay some of the cost.

The employee will have a choice of which health care plan to buy. The employer has to give them a choice. The only mandate in the whole law is that the employer has to give employees a choice. If the employee chooses a more expensive plan than what the employer feels it should pay, the employee can buy it, but will also have to pay for it. If employees want a fee-for-service indemnity plan where they can go to any doctor, any specialist, any time and have anything covered, then they have to pay for it.

I think there is a lot of incentive for employees — individuals — to help bring down health care costs, because for the first time they are going to be paying for part of it, and it's going to be their choice what kind of service they want, and what they want to pay for.

**EA:** It seems there's more of an emphasis on preventive care as opposed to later, more costly care.

**Chase:** Yes, a lot of that will come later when they do the uniform benefit plan; when they decide what the floor is, what the basic kind of health care benefit plan everyone in the state has to have. It's more of a managed care program emphasizing primary care. By that we mean having people go to see the doctor before they get so ill they end up in an emergency room requiring costly care.

**EA:** Doesn't the success of this plan depend on employers who don't currently have insurance policies being willing to buy them? As health insurance has gotten more and more expensive, in a lot of ways it has come to be regarded as a luxury. Isn't there going to have to be some switch there; not thinking of it as a luxury, but thinking of it as a necessity?

**Chase:** Yes, health care is a necessity. Also, another thing you have to remember is that employers don't have to be the ones to buy it. Their employees can buy it. What employers have to do is say, "Okay, I'm going to give my employees the chance to buy it. I'm going to let my business be a group, and as a group we're going to join a CHPA."

The law regarding small group health insurance purchasing has also been changed in this bill. The new law says that even if my spouse is sick, even if my spouse has a pre-existing condition or cancer or something like that, no one in my business can be turned down. It used to be that if you had a small group of 10 employees, and one of those employees had a spouse with a heart condition, then no one in the group could get health insurance. Now there are no barriers to small groups getting health insurance. These CHPAs give employers the chance to take their groups and join the CHPAs so their employees have a chance to buy health insurance.

**EA:** If we're going to be bringing in all  
*Continued on next page.*



## Florida's Vision For A Healthy Future

**T**he 1993 Legislative Session began on a cool, clear day in February with Gov. Lawton Chiles delivering his State of the State Address to a packed chamber of lawmakers, officials and lobbyists. Among the proposals he outlined was an ambitious and comprehensive program to reform Florida's troubled health care system.

The formation of Chiles's landmark plan was guided by Doug Cook, director of the Agency for Health Care Administration. To develop the program, Cook relied on the knowledge and experience of leaders in business, government, health care and the insurance industry, and a wide-ranging examination of successful programs in communities across the nation and throughout the world. The final product acknowledged that provid-

ers, consumers, purchasers and payers must all contribute to the solution.

The centerpiece of the package is the division of the state into 11 regional purchasing compacts, called Community Health Purchasing Alliances (CHPA). The CHPAs will be structured as private, non-profit organizations chartered by the state to act as a sort of farmers' market for small groups that want to buy insurance. The package includes provisions for formation of Accountable Health Partnerships (AHPs) that will be certified by the state to offer managed care programs. Certification will be based on such standards as the AHP's ability to provide necessary data, manage care and meet solvency requirements.

Each CHPA will put together a list of the AHPs operating in its district, including data on prices and customer satisfac-

tion with the quality and outcome of care. The theory behind the CHPAs is that by giving this data to members, they will be able to make knowledgeable choices. Doctors and hospitals will no longer control supply and demand. Those AHPs and providers who perform efficiently and provide the highest measure of quality at the best price will profit.

Full membership in the CHPAs, while strictly voluntary, will be limited to groups of one to 50 individuals. Larger groups will be permitted to join the CHPAs as associate members to share access in the data collected by the alliances, although they will not be eligible for participation in the AHPs. They can choose to form their own coalitions and will retain their ability to negotiate

*Continued on next page.*

*Continued from page 9.*

the people who were previously considered bad risks — because they were sick and had costly medical bills — won't costs rise?

**Chase:** Initially, costs will rise, but not for the reasons you gave.

Those people who are bad risks, there is a reinsurance pool for them. In other words, insurance companies will buy insurance to cover those with potentially high losses. They won't be mixed in with healthy people.

That is not going to cause the cost to go up, but costs will go up because we now have this thing called community rating. Everybody is going to have the same rate — you will be rated the same as your neighbor based on age, gender, smoking, things like that. No longer will rates be based on claims experience or health. If you've had a lot of claims, it's not going to increase your premium.

So, initially, in order to spread the risk out, some people's premiums will go up — young, healthy people's premiums will go up and the less healthy people, their premiums will go down. That will also even out over the long run.

But the most important thing to remember is that even though costs may go up a little bit, for the first time this insurance is going to be available to those people. It used to be that you couldn't even buy health insurance if you were a small group; if you had health insurance in a small group you couldn't keep it. Sure, it may cost you more, but your price is going to be stable and it's not going to go up 100 percent or 200 percent a year, and your policy isn't going to be canceled based on your health.

And, once you satisfy your pre-existing condition limitation once, you'll never have to satisfy it again. You can switch jobs, you can switch carriers, and you will never be turned down for health insurance again. Even if the price is a little higher, you'll be able to get it for the first time, and that is important.

**EA:** Do you think this system is going to work?

**Chase:** Yes.

**EA:** Why?

**Chase:** Because it's just like any other purchasing system. If I'm a plumber and I want to buy plumbing fixtures, I buy them from the plumbing fixture manufacturer that delivers the best service, the best product and the lowest price. The reason I can do that is because I know who the manufacturers are and I know what the prices are on the services.

You don't know that in health care. This health care reform is going to bring you that information. You will start purchasing health care like you purchase anything else. It can't help but work. Look at what happened to K-Mart when Wal-Mart came into the market. To me, this is a K-Mart/Wal-Mart kind of a system. I think it can't help but work.

**EA:** Is there anything we didn't cover?

**Chase:** Join your local CHPA.



*Continued from page 10.*

discounts directly with providers or insurance companies.

The details of the governor's plan were mostly met with approval, but not everyone was happy. The resistance ranged from liberal opponents, who felt the plan did not include effective cost control provisions, to doctors, who felt the cost control provisions were too harsh.

The House passed the reform package within the first month. The measure, however, stalled in the Senate as Republicans tried to negotiate a watered-down version. Compromises were reached then fell apart as the upper chamber remained in a stalemate, split along party lines.

As the session moved into its final week, Chiles and the Senate still had not reached agreement on a health care reform package.

Finally, on the next-to-the-last day of the session, the governor and Senate Republicans compromised on a health care package that would grant local control over the alliances. The bill moved to the Senate floor, but quickly fell apart under an onslaught of amendments offered by a few powerful senators seeking to satisfy constituents. The Senate passed the amended bill which Chiles quickly denounced as a bill full of "garbage."

Chiles took a hard line and repeated his threat to bring the Legislature back into special session if health care reform was left unfinished. He promised to take his argument to the people in a campaign against the individuals who were thwarting his efforts. Senate President Ander Crenshaw, who was also dissatisfied with the bill passed by the upper chamber, worked behind the scenes with House leadership to revive a clean comprehensive package of legislation. The strategy worked.

Around 9 p.m. on the final day, Crenshaw announced that the Senate was ready to take up the compromise plan he developed in cooperation with Chiles and the leadership of the House. Four hours later the battle ended as the Senate voted to give Florida a new start in delivery of health care.

***The Senate passed the amended bill which Chiles denounced as full of "garbage."***

At AIF, we believe Florida has found the best solution, but once the program goes into effect we have no doubt suggestions for repairs will begin. Actually, they've already started. For instance, the bill requires CHPA employer members to offer their employees a choice among coverage options. Some critics of this provision claim that, given the choice, most employees will select the more expensive indemnity plan over the less expensive HMO, thereby taking away the employer's ability to control its premium costs. This argument ignores the law's

stipulation that employers select the level of premium they will pay. If an employee selects a higher-priced option, the employee pays the difference between the employer's contribution and the actual policy cost. In fact, the employer is not required to pay for any portion of the premium.

Many of the questions and doubts about Florida's health care initiative arise from the unknowns. Will managed competition work on such a large scale? How will the plan work when it is actually set in motion later this summer? And, most importantly, will the spirit of cooperation that gave birth to the plan allow it to be implemented or will disharmony cause its failure?

The answers to all these questions will come in time. To a certain degree, the Florida initiative is a civic project; it's success depends on support and cooperation from every citizen of our state. Without the help of every link in the chain, the plan will fail. Providers must pursue the means to quality care at a reasonable cost. The AHPs must meet the need for affordable and competitively priced policies. Groups must buy the policies. Government must give the reforms time to work. And everyone must take responsibility for their own physical well-being.

None of us can forget that this reform effort originated with a lofty goal: to provide every Floridian access to health care by 1995. The process toward reaching that goal has just begun. Getting there will depend on every one of us.

## Florida's Plan

**Community Health Purchasing Alliances:** Divides the state into 11 regions with one CHPA in each. Each CHPA is run by a 17-member board (11 employers, three employees and three representatives from state/local government), whose members must reside in the area served by the CHPA. Original board members will serve until 1995.

Membership is voluntary and open to small businesses (1-50 people), Medicaid recipients and state employees. To assure no provider is unfairly locked out, CHPAs must offer indemnity plans, HMOs and PPOs. To prevent AHPs from importing their own networks, the bill requires AHPs offer local providers at least 60 percent of the available positions in any network created after July 1, 1993.

**Agency for Health Care Administration:** AHCA will not become a separate department, but its powers will be expanded. In July 1993 it will assume administration of the state Medicaid program. Next year, all health care professional regulatory boards will move to AHCA.

AHCA will certify and decertify CHPAs and provide them with start-up funds. It will also establish a standardized data collection system through a committee of health purchasers, providers, consumers, HMOs and insurers.

**MedAccess:** Created to expand access to health care to people with incomes below 250 percent of the federal poverty level. The state will seek a federal waiver granting the power to link eligibility to the income requirement. Medicaid fee schedules will govern compensation paid to providers.

**Insurance Reforms:** Will affect small employers inside and outside the CHPAs. Require HMOs and insurers apply modified community rating with adjustments for age, gender, family composition, tobacco use and geographic location. All policies are guarantee issue. A committee will propose basic and standard benefit packages; carriers may offer more limited plans if an employer refuses the basic and standard plans. Benefit riders may be attached to standard plans.

**Practice Parameters:** The bill expressly requires that practice parameters focus on cost-effectiveness as well as quality of medical care. The boundaries will be based on hospital outcome data and nationally developed practice guidelines. AHCA will set up a commission to develop standards and methods for the collection and analysis of hospital patient outcome data.



## Changes, from page 1.

ers during the last year's election, was intended to allow public scrutiny of the budget and, in the end, would delay adjournment of the Legislature by two days.

The 72-hour waiting period did cause both chambers to begin developing their budget proposals earlier than usual; five weeks into the session the House and Senate approved their respective budget documents. The House proposal relied on \$280 million in new taxes, which would be raised by subjecting larger subchapter S corporations to the 5.5-percent corporate income tax and extending the six-percent sales tax to a variety of computer services. AIF opposed the computer services tax, arguing it would discourage relocation of high-tech, high-wage industries to Florida.

In the Senate, Finance, Taxation and Claims committee chairman Curt Kiser (R-Dunedin) refused to consider any tax proposals. Meanwhile, Department of Corrections officials warned that by October the state would run out of low-risk criminals to release in order to relieve prison overcrowding. Analysts estimated \$1.4 billion was needed to keep current Florida prisoners behind bars. Sen. Bob Wexler of Boca Raton, the Democratic chairman of the Criminal Justice committee who cheered on attempts to raise taxes in the Senate, received help from a strange quarter. Freshman Sen. Gary Siegel (R-Altamonte Springs), defying his party's leadership, proposed a 25-cent increase in the tax on packs of cigarettes to fund prison construction.

***"It will make us far more accountable, at least those of us who will take the time to read it."***

***Rep. Art Simon  
(D-Miami)***

The question of taxes for the corrections system merely deflected attention from the real culprit in the disparity between the House and Senate budgets: spending for education. The issue would prove a sticky one right up to the end, even after Chiles and the House Democrats backed off on their new tax position.

Their about-face would come during the sixth week of the session, when HRS reported a computer foul-up that caused an over-estimation in projections for Medicaid spending in the 1993-94 fiscal year. The revised calculations freed up approximately \$170 million in revenue. Then an improved economy and the rollover of the Lotto jackpot boosted the revenue forecast by almost \$700 million. When all was said and done, these gains killed the tax increases proposed by the governor and House Democrats.

As the session went on, the problems with the HRS computer would flare into a major controversy, with questions arising as to whether the administration withheld information on the discrepancies to

improve the chances of the governor's tax plan.

In the meantime, Siegel's cigarette tax surprised most statehouse observers with its endurance; the idea gained momentum, drew support from the governor, and was bandied about through the closing days. House and Senate budget conferees, however, rejected the idea and proposed bond sales to finance construction of 6,500 prison beds. Fees paid by parolees to cover their supervision costs would be used to back the bonds. Chiles derided the plan, claiming that lawmakers were "robbing Peter to pay Paul."

Another movement was afoot to increase the gas tax by 10 cents, thereby raising \$700 million a year for road construction. State transportation officials estimated the tax would cost the average Florida motorist \$50 more a year. The gas tax represented a key feature in the rewrite of the state's 1985 Growth Management Act, which required that sufficient expansion of necessary public works, such as roads and water and sewer lines, be made before development occurred.

During the last week, the gas tax finally gained passage after it was lowered to a nickel per gallon to be levied at the option of each county, while the cigarette tax fell to defeat on the Senate floor. The budget conferees reached agreement on the level of education funding but stalled over the formula for allocating the dollars. The House wanted to give each county an equal percentage in-

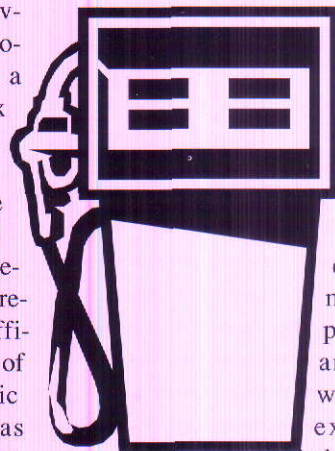
crease — about 3.6 percent in per-pupil allocation. The Senate, with the backing of education officials, argued such an approach ignored the cost differential between counties, some of which were growing, others of which were not. The Senate proposed distribution based on the standard financing formula, while guaranteeing every district a minimum increase of 2.5 percent. During the late hours of Wednesday, March 31, the stalemate ended in a compromise that adopted the Senate's approach but raised the minimum increase to 2.94 percent.

On Thursday, April 1, the budget was finalized and the clock started ticking on the 72-hour cooling-off period, which meant the session had to be extended until Sunday. The rare Sunday meeting was a necessary formality.

The waiting period allowed lawmakers only two options — accept or reject the budget — because any amendments made to the plan would force another 72-hour waiting period. As expected, both chambers approved

the document. Some members criticized the 72-hour postponement, but Rep. Art Simon (D-Miami) summed up the majority sentiment: "It will make us far more accountable, at least those of us who will take the time to read it."

The inception of the 72-hour waiting period was just one positive moment among many in the 1993 Session. More than 150 years ago, a French nobleman traveled across America, observing the





country's citizens and its infant form of governance. Upon his return to France, Alexis de Tocqueville published his observations in his classic *Democracy in America*. According to Tocqueville, the tyranny of the majority represented the greatest threat to the long-term success of the American experiment.

In years past, it sometimes appeared that the greatest threat to the practice of democracy in Florida came, not from a majority in power, but from a lack of one. Progress on important issues stalled in the hard-line battles between factions and interest groups. Some long-term members of the Legislature displayed more concern over the trappings of privilege than the interests of the state.

The legislative session of 1993 saw a turning of the tide. The somewhat cluttered and clogged channels of authority received an invigorating trans-fusion from the new arrivals to both chambers. Freshmen legislators usually display docile obedience to their parties' leadership. This rookie class chose to challenge the leadership on a number of occasions. Siegel's break from his GOP colleagues' adamant position against new taxes provided just one instance of their declaration of independence. Another came just four weeks into the session, when the freshmen held a bipartisan press conference during which they demanded campaign reform to end the mudslinging and misconduct of past elections. Rep. Dean Saunders (D-Lakeland) told reporters, "We don't like the way you do business."

One of those methods of doing business backfired on veteran legislators who tradi-

tionally use the complexities of parliamentary procedure to tie up progress on bills sponsored by the new lawmakers. Freshman Rep. Mimi McAndrews (D-West Palm Beach) used the same tactics to gently remind her fellow lawmakers that time in office does not a legislator make. She slipped an amendment into a bill requiring that leadership positions and coveted parking spaces be granted to freshmen. The House unwittingly passed the bill. When the joke was discovered McAndrews allowed the amendment to be withdrawn.

Newcomer Sen. Jim Boczar (D-Sarasota), made an extraordinary challenge to Rules chairman Toni Jennings (R-Orlando), to get one of his bills on the calendar during the last day of the regular session. While the maneuver failed in the end, it gave final proof to the determination on the part of the Class of '92 to pursue its agenda with or without the approval of the powers that be.

The independence of the Class of '92 provided just one interesting sideshow to the business of the Legislature this year. The 20-20 party split in the Senate chamber accentuated the old arguments between the governmental activism of liberals and the laissez faire principles of conservatives. Crenshaw displayed impressive qualities of leadership, holding the two sides of the upper chamber together. A comparison between the acrimony and stalemate of the 1992 Senate and the constructive atmosphere of the 1993 body gives testimony to the accomplishments of Crenshaw and Johnson.

Crenshaw also deserves credit for avoiding the political expediency of stonewalling health care reform. Crenshaw,

an undeclared candidate for the 1994 gubernatorial race, could have chosen ambition over duty to halt progress on the issue, thereby dealing a blow to his possible opponent, Chiles. Both men put aside their political aspirations to negotiate on the issue and reach a settlement filled with great promise for Floridians.

Chiles proved himself a friend to business during the session. While AIF opposed his plan to increase taxes, we applauded his leadership in the fight for health care and workers' comp reforms. These two items constitute a huge hidden tax on business and stifle economic growth.

Progress on the health care front was made possible by a new openness among business,

insurance and health care providers. That partnership extended to workers' comp, but advances on that issue were halted by the legal community. Toward the end of the session, the lawyers joined the other interested parties to work out their differences, but the breakthrough came too late to allow passage of a reform bill.

Chiles has promised to bring the Legislature back in session later this year to undertake the business of workers' comp. Right now rumors are floating that the workers' comp special session will be scheduled in late summer or early autumn. AIF is working with the governor's office to convene the Legislature at an earlier date, since, to be effective, the reforms should be in place before next year's rates are filed.

In addition to a special session on workers' comp, the governor plans to call lawmakers back to Tallahassee to address criminal justice reform. The lack of progress during the regular session on these two big items, as well as some others, caused a few onlookers to characterize this as a do-nothing Legislature. Their criticism should not detract from the achievements of the 1993 Legislature. Passage of the landmark health care act represents a major triumph for the people of this state. The accomplishment owes much to the prevailing attitude of harmony engendered by both the leadership and the rank and file members.

Judging the caliber of a legislative session by the number of bills passed is not wise. The substance of the work done and the manner in which it was done provide the measurements of success for this year's legislative session.

***Freshman  
Rep. Mimi  
McAndrews  
(D-West Palm  
Beach)  
slipped an  
amendment  
into a bill  
requiring that  
leadership  
positions and  
coveted  
parking  
spaces be  
granted to  
freshmen.***



# Florida's New, Business Friendlier Environment



by Martha Edenfield, Esq.  
of counsel to Akerman,  
Senterfitt & Eidson, P.A.

**F**or a long time, Florida's environmental regulations have been perceived as unfriendly to business.

Examples abound of businesses and industries that have pulled up stakes and moved out of Florida, often to nearby southern states. Georgia and South Carolina reputedly work closely with companies on environmental and other issues to facilitate relocation out of over-regulated Florida into the more business-friendly atmospheres of their states. It is a recurrent rumor that luring businesses out of Florida is an official strategy for the economic development of our neighboring states.

AIF has long advocated a better system of regulation. The people of Florida will be the eventual losers if Florida does not improve its business climate. No one wants to spoil the state's resources and beauty, but taking the environmental position to extremes, no one would be able to build homes or drive cars.

Further, Florida, because of its location and resources, has entered into a global market — not only do Florida businesses compete with other states, they must compete with nations such as Germany, Mexico and Japan for our business — nations that often provide government subsidies to industries or have less-stringent environmental regulations.

Not only do Florida businesses get no help from the state, environmental regulations are an actual hinderance to operating and doing business in this state. Although there have been watershed legislative acts

such as the Warren Henderson Wetlands Act, the Solid Waste Act and the Growth Management Act, these generally have not been the problematic elements of environmental regulation. Rather, for the most part, it seems that environmental activists and agencies have slowly added layers of reviews and standards until we now have a morass of regulation even the agencies and environmentalists cannot comprehend.

## Some examples of duplicative jurisdiction and regulation:

- Agency jurisdictions often overlap. Developers apply to DER, DNR, water management districts, the Environmental Protection Agency and the Army Corps of Engineers for wetlands, dredge and fill, stormwater and discharge permits. Each permit is appealable separately and may require a full hearing before a hearing officer. That may mean hiring experts, providing witnesses and taking the case to trial. And the burden is on the applicant. Not only is this system financially burdensome, the length of time it takes to jump through the regulatory hoops often makes projects impracticable.
- The Department of Community Affairs, also known as the "agency out of control," has required local gov-

ernments adopt standards stricter than those authorized by statute or rule for the regulatory agencies.

- Water management district permits for the management and storage of surface water, permits under the Power Plant Siting Act and the Hazardous Waste Siting Act and coastal construction projects are all appealable to the governor and

Cabinet. While the appeals process was originally intended to bring an independent and fair-minded body into the proceedings, appeals have turned into political media circuses.

Examples of the uses and abuses of the current system to delay, hinder and prevent business and industrial projects from going forward are numerous. Even this session, we have seen attempts to punish Florida industry and consumers with product bans if certain packaging standards are not met.

Where will this all end? Fortunately, the Florida Legislature and the governor have acted to improve the situation. In 1992, Partners for a Better Florida was established. After a year of meetings, Partners

for a Better Florida findings have led to many recommendations that will create a favorable atmosphere for business and industry in Florida without sacrificing the state's natural resources.

*It is  
a  
recurrent  
rumor that  
luring  
businesses out  
of Florida is  
an official  
strategy for  
the economic  
development  
of our  
neighboring  
states.*

## This session:

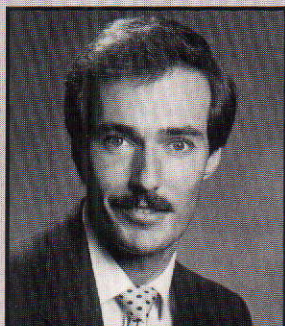
- Passage of the environmental streamlining bill, which combines the dredge and fill permits and management of storage of surface water permits at the water management district levels, will decrease overlapping and duplication of regulation. There is still a point of entry for permit challenges, but all will benefit by the orderly execution of decisions. Applicants can put the resources being used to fight litigation and



## Executive VP Will Be Missed

Richard M. "Dick" Davis passed away April 18, 1993, in Tallahassee. He was 38.

Dick came to Associated Industries of Florida a decade ago as vice president and general counsel, and upon his death was serving as executive vice president for legal and governmental affairs.



Dick was, without a doubt, one of our brightest and most popular staff members. For a decade, his loyalty, dedication, intelligence and wit were instrumental in moving the programs of the association forward on behalf of our members.

Several years ago, when it became necessary to divert most of the resources of the association to survival, Dick was, for an entire legislative session, our only lobbyist in the halls representing all the interests of the membership; an unbelievable task. Throughout this period, as with his entire career with AIF, Dick simply performed in a superb manner without any complaint. This was the way he lived his entire life. Although seriously ill for a number of years, and almost totally incapacitated during recent months, he continued to stay in contact with members of the staff and to perform the duties that he could on behalf of the association.

Dick will be sorely missed by all of us on both a personal and professional basis. As we all view the daily news, it becomes more and more obvious that crazy events are taking place in our world on almost an hourly basis. I am sure that all of us still believe there are a "few good men and women" left — Dick was definitely one of those "few good men."

## Associated Industries of Florida

### EMPLOYER ADVOCATE

516 North Adams Street • P.O. Box 784  
Tallahassee, FL 32302  
(904) 224-7173

The *Employer Advocate* is published bi-monthly to inform subscribers about issues pertinent to Florida's business community. Articles are written by AIF staff and solicited from other knowledgeable professionals.

#### Executive Editor

**Jon L. Shebel**

AIF President and Chief Executive Officer

#### Editor

**Peter J. Breslin**

Vice President, Corporate Communications

#### Managing Editor

**Ann D. Bledsoe**

Information Specialist

#### Contributing Writers

**Jodi L. Chase**

Vice President and General Counsel

**Jacque Horkan**

Information Specialist

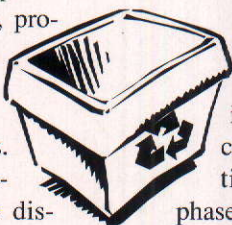
*Line art in this publication is copyrighted and used courtesy of New Vision Technologies, Inc. All rights reserved.*

stalling tactics to better use. Environmentalists and agencies can transfer the resources spent on litigation toward better enforcement of existing permits.

- The DER/DNR merger holds great promise for helping create a more user-friendly environmental agency. One administrative head, one legal department and streamlined permitting will most certainly result in less duplication and delay.
- The Job Siting Act attempts to expedite the permitting

process for targeted industries.

- The Solid Waste Act places responsibility for packaging on industry, providing a forum for the packaging industry to help establish standards. Further, the bill creates the advance disposal fee to provide incentives for manufacturers and creates markets for recycled and recyclable commodities. This is truly a case of taking a "carrot" approach



to litigation rather than using a "stick" as punishment.

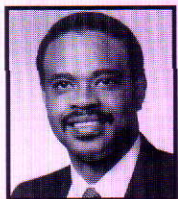
- The ELMS III bill takes a reasonable approach to fixing some problems of the Growth Management Act by providing for reasonable exceptions to transportation concurrency, the phase-out of DRIs in certain situations, and requiring that the DCA cannot force local governments to exceed state regulatory standards in adopting comprehensive plans.

Gov. Chiles vetoed the Private Property Rights Act in early June. He established his own commission to recommend solutions to the Legislature and himself to resolve the conflict between property owners and the government.

Florida business has a long way to go, but the strides made over the past two years go a long way toward balancing Florida's environmental regulations. The environment and economy will each benefit, making Florida both a beautiful and a prosperous state.



**Legislators, from page 7.**



**Rep. Al Lawson:** Led the House Black Caucus and gave it a powerful voice. Was not afraid to stand up to leadership on important issues.

**Rep. John Long:** Always fair in leading the House Appropriations Committee. Didn't try to influence votes on substantive issues, such as solid waste, for fiscal reasons.



**Rep. Sandra Mortham:** Led the House Republicans in battles over taxes, appropriations, workers' comp, health care and other issues.

**Rep. Ken Pruitt:** Consistently put aside personal glory in favor of passing meaningful bills. Worked endlessly for issues he believed in and never got scared away or tried to grab the spotlight. Tireless advocate for jobs and the economy. Helped pass the private property rights bill.



**Rep. Hurley Rudd:** Allowed his subcommittee chairmen to be leaders in passing bills in their subcommittees. Helped protect and pass the solid waste bill.



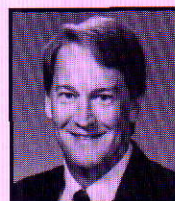
**Rep. Dean Saunders:** Proved freshmen can make a difference. Passed a vital anti-crime bill.

**Rep. Debbie Wasserman Schultz:** Also proved freshmen can make a difference. Passed a gender-balance bill even though the governor opposed it.



**Rep. Dave Thomas:** Instrumental in forming the health care reform act. A physician, Dr. Thomas faced opposition from his professional association, but fought for fair health care reform nonetheless.

**Rep. Tracy Upchurch:** A freshman leader. Not afraid to help the governor pass a controversial amendment to the health care bill even though it might have put his own bills at risk. Provided the catalyst to move insurance reform out of the House in a format acceptable to the governor.



**Rep. Peter Rudy Wallace:** A statesman who provided outstanding leadership. Supported the will of the House and stood up to extreme hometown pressure to use political muscle for pork-barrel politics. This paved the way for a critical compromise and passage of the solid waste bill.

**Associated Industries of Florida**

516 North Adams Street • P.O. Box 784 • Tallahassee, FL 32302



BULK RATE  
U.S. Postage  
PAID  
Tallahassee, FL  
Permit No. 119