

**Subject:** FAHU 2015 Legislative UpdateWeek 1

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## From FAHU Lobbyist, Rhett O'Doski

Week one of the 2015 Florida Legislative Session is in the books and it was an eventful start to say the least. After ceremonial opening day comments by the presiding officers, Speaker Crissafuli and President Gardiner, both chambers got to work on specific pieces of legislation ranging from health care, water issues, transgender bathrooms, resort casino's guns and evacuations.

One issue you may be hearing about is a bill filed by Senator Gaetz and Representative Harrison dealing with step therapy and prior authorization protocols (SB 784 and HB 863). As a tool, prior authorization is used to ensure that drug benefits are administered properly and that patients receive medication therapy that is safe, effective and affordable. Health plans utilize formularies and utilization review protocols to ensure proper delivery of medication. The legislation would add regulatory hurdles that would make it essentially impossible to employ these methods. The effects would inhibit any real ability to manage drug costs which in turn will raise costs.

The health plans are against this measure and actively fighting it. However, at the end of the day, if it were to pass, the carriers would load the increased costs to the rates and of course that cost is picked up by the consumer. FAHU is taking an active role in opposing both of these bills. On Thursday, Senate Bill 784 passed the Senate Banking and Insurance committee 11-0. Please be on alert for communications calling

for action to contact your local legislators in Tallahassee in the coming weeks on this important issue.

Below is a summary of the other issues discussed in week 1.

**KidCare, SB 294 by Senator Garcia/HB 829 by Representative La Rosa**

A bill that would extend health-care coverage to the children of legal immigrants received unanimous approval Wednesday from the Senate Health and Human Services Appropriations Subcommittee.

The measure would eliminate a five-year waiting period for lawfully residing immigrants to be eligible for KidCare. It would cover nearly 23,000 children.

This is the fourth year Garcia has sponsored the measure, which is backed by groups such as the United Way of Florida, the Florida Hospital Association, the Florida Conference of Catholic Bishops, the Florida Parent Teacher Association, Florida CHAIN and the Florida chapter of the American Academy of Pediatrics.

**Telemedicine, SB 478, by Senator Bean/HB 545 by Representative Cummings**

Would authorize emergency medical technicians, paramedics or health care practitioners to provide telemedicine services to Florida residents. The bill was unanimously passed through the Senate Health Policy Committee Feb. 17, 2015. Both bills are awaiting further action.

**Out of Network/Balance Billing, SB 516 by Senator Bean and HB 681 by Representative Trujillo**

This legislation seeks to eliminate unexpected consumer costs that can arise following emergency medical care by outlining that PPO's must work directly with medical providers to determine an agreeable payment amount for out of network care. Both bills are awaiting movement.

**PIP Coverage Exemption, HB 670 by Rep. Trujilo**

A bill relating to a personal insurance protection auto insurance coverage which would exempt those with health insurance from being required to carry PIP coverage. No Senate bill was filed by the deadline so we are just monitoring this issue to see what develops. Although there is no Senate bill filed, there are mechanisms to introduce the legislation through a proposed committee bill that would have to be generated by the Banking and Insurance Chair or Health Policy Chair and approved by the Senate President.

**Florida Health Insurance Affordability Exchange, SPB 7044 by Senator Bean**

Pointing to a need to provide affordable health care to low-income residents, Senate President Andy Gardiner, R-Orlando, sent a memo to senators touting a plan that would set up a new state "marketplace"

for insurance coverage. The memo was dated Thursday, the same day the Senate Health Policy Committee filed a 49-page bill to create what is called the Florida Health Insurance Affordability Exchange, or FHIX, program. The program would rely heavily on federal funds to offer private health insurance to hundreds of thousands of Floridians who do not qualify for Medicaid. The plan would be an alternative to expanding Medicaid under the federal Affordable Care Act. "Some say Florida should not expand the existing Medicaid program, and I agree," Gardiner said in the memo. "But we have the obligation to make coverage affordable and the opportunity to develop a consumer-driven approach --- one that provides access to high-quality, affordable health care coverage while promoting personal responsibility. We should develop options that uniquely suit the needs of Floridians. We should examine the opportunity for expansion and determine the best way to put in place conservative, free-market guardrails that will control the cost and growth of the Medicaid program for Florida's taxpayers." The Health Policy Committee will take up the proposal (SPB 7044) during a meeting Tuesday.

### **Senate Begins to form plan on Medicaid Expansion**

Sen. Aaron Bean, R-Fernandina Beach, said it's time for Florida lawmakers to consider their options as they relate to Medicaid expansion, according to James Rosica of [The Naples Daily News](#).

His comments came a day after Senate President Andy Gardiner said he wants to "start the discussion" on Medicaid expansion.

Bean agreed. "We just want to ... start having a conversation," he said. "We've got conservative friends in the House of Representatives. I understand where they are, so we've got to come up with what we can do."

Hanging in the balance is the fate of access to health care for more than 1 million "working poor" Floridians, those still considered needy but making just enough to put them over the poverty line.

Bean's Health Policy committee heard several presentations, including one from officials in Indiana March 4, 2015. There, Republican Gov. Mike Pence opted to use federal money to expand health coverage to about 350,000 uninsured residents.

Bean wasn't sure what a Florida Medicaid expansion will look like, but suggested it may cherry-pick recent ideas and those from the last few years.

Healthy Indiana Plan 2.0, for instance, includes co-pays and work requirements, previously disfavored by the feds, but OK'd for that state's expansion.

It also requires something similar to a health savings account, called a Personal Wellness and Responsibility, or POWER, account.

### **Have The Wheels Already Come Off in Week 1?**

The Florida Senate is at a standstill when it comes to building the state budget, Senate Appropriations Chairman Tom Lee said March 5, 2015, according to Kathleen McGrory of The Times/Herald Tallahassee Bureau.

The reason: uncertainty over the future of the Low Income Pool program, a \$2 billion federal-state program that helps Florida hospitals that treat large numbers of uninsured, under-insured and Medicaid patients.

"Until we get some clarity to this picture on how we are going to address healthcare and unreimbursed care in the state of Florida, we are not going to be allocating large chunks of resources to any of the priorities, including individual member priorities," Lee said.

State economists are expected to give revised estimates of General Revenue March 10. The chambers use that estimate in determining how much money to allocate to each budget category, whether it's health care or education. That is the step before subcommittees begin their work of piecing together a plan of how to spend it.

The House is taking a different approach to the LIP situation.

"We are going to move forward thinking that we are getting the money because that's where the evidence is," House Appropriations Chairman Richard Corcoran, R-Land O'Lakes, said after Thursday's floor session.

Corcoran said he had spoken with hospital executives who "seem to believe that the funding will be there." "We were in this exact situation last year," he said. "It wasn't until the second week of April that we knew we were getting the LIP money, and we were fine."

### **Governor Scott weighs in on King v. Burwell**

As the U.S. Supreme Court hears arguments in *King v. Burwell*, a case that will decide whether health insurance subsidies can be offered in states without their own exchanges, Gov. Rick Scott is going on the offensive against President Barack Obama. In an editorial published by [Politico Magazine](#), Scott chastises the president for staying silent on what the White House will do if the subsidies are struck down.

In his op-ed, Scott assumes that because the president has been silent on what the federal government might do in the event that SCOTUS rules against his administration, "that the White House wants 34

states to set up state exchanges if they lose at the Supreme Court.”

But Scott says that’s troubling because “state exchanges are collapsing under their own weight throughout the country,” citing some recent high-profile failures in Oregon and California. Scott suggests that if the subsidies are revoked, Obama should use the \$5 billion in federal dollars currently going to insurers for holding policies to pay an individual’s insurance premium directly, thus in his words spurring more competition.

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