



FAIFA Session Dispatch (3/30/07)

2007 LEGISLATIVE SESSION

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LEGISLATIVE ACTION – WEEK #4

PIP/NO-FAULT AUTOMOBILE INSURANCE LEGISLATION --- SB 1880

>From the insurance perspective, by far, the spotlight this week was on PIP/No-Fault legislation. The Senate appears to be taking the lead. On Tuesday, the Senate Banking and Insurance Committee adopted Committee Substitute for SB 1880, introduced by the committee chairman, Senator Posey, to reenact the PIP/No-Fault Automobile Insurance Law, but with some new features.

In 2003, the Legislature repealed the Florida Motor Vehicle No-Fault Insurance Law to be effective October 1st of this year. This delayed repeal was intended to allow time for research and evaluation of what policy direction should Florida take relating to automobile injury-protection legislation. The bill:

- Reenacts Florida's No-Fault Law, but provides for future repeal on January 1, 2009;
- Allows insurers to limit amounts paid to providers using a cap of 200 percent of the Medicare fee schedule in effect at the time and for the region where the treatment, care, procedures or services are provided;
- If the treatment or services are not reimbursable under the Medicare fee schedules, insurers may limit amounts paid to the maximum reimbursable allowance under workers compensation;
- If the treatment or services are not reimbursable under either Medicare or workers compensation, they are not reimbursable by the insurer. However, this does not allow the insurer to apply any limit on the number of treatments or other utilization limits that apply under Medicare or workers compensation;
- Prohibits a provider from billing or attempting to collect from an insured any amount in excess of the fee schedule payment limit, other than amounts not covered by the insured's PIP coverage due to deductibles, coinsurance amounts, or maximum policy limits;
- Removes existing fee schedules for specified medical procedures; and
- If the law is reenacted, provides that it will take effect July 1, 2007, and shall apply to treatment, care, procedures, or service rendered or performed on or after that date.

FAIFA wants any PIP solution to **not** shift costs to private health insurers, which would cause upward pressure on health insurance premiums. The bill has been assigned to the Judiciary, General Government Appropriations, and Rules Committees for further hearings, but it has not been scheduled for its next hearing.

LIMITED INSURANCE LICENSES FOR TRAVEL PROTECTION --- HB 411 (SB 1678)

The House Jobs and Entrepreneurship Council passed Committee Substitute for HB 411 on Thursday. The Council amended the House bill to make it very similar to SB 1678, as amended. However, there is an additional provision at the end of the House bill that is not in the Senate bill. This provision adds a new subsection (5) to section 626.321, Florida Statutes that restricts sale of insurance policies and certificates for any limited class of business to those policies and

certificates offered by an authorized insurer in Florida or a Florida-eligible surplus lines insurer.

The bill has been referred to the Policy and Budget Council, but has not been scheduled for a hearing. The Senate bill is now in the Senate Regulated Industries Committee; it has not been scheduled for hearing.

**INCREASE FEES FOR INVESTMENT ADVISERS, DEALERS, AND ASSOCIATED PERSONS ---
SB 1100**

On Wednesday, the Senate General Government Appropriations Committee passed Committee Substitute for SB 1100 (no House companion) that amends s. 517.12, Florida Statutes, authorizing the Financial Services Commission to adopt by rule a \$50 increase, from \$200 to \$250, for investment firm registration, renewal, and late fees, and a \$30 increase, from \$40 to \$70, for an associated person's registration, renewal, or late fees.

The fees are collected to support the regulation of persons handling secured transactions as provided for under Chapter 517, F.S. The bill also increases fees for Canadian dealers and federal covered advisers, by \$50, from \$200 to \$250, for a notice filing fee and a notice renewal fee and increases by \$50, from \$200 to \$250, a late fee associated with the notice filing and renewal fees. The bill is now on the Senate Calendar.

MANDATES UPDATE

- HB 291 – Coverage for Mental and Nervous Disorders was passed with one amendment on Tuesday by the House Health Innovation Committee, and was advanced to the House Healthcare Council for further consideration; its Senate companion, SB 1894, has not received a committee hearing.
- SB 366 – Infant Eye Care was scheduled for its first hearing by the Senate Banking and Insurance Committee on March 27, 2007, but was not heard. The House Health Innovation Committee passed House Bill 833, the House companion to SB 366, with four amendments on Tuesday.
- Committee Substitute for SB 590 – HMO Contract/Subscriber's Rights was passed by the Senate on March 29, 2007. The House companion, HB 1001, is on the April 4, 2007, agenda for the House Healthcare Council.
- HB 849/SB 1836 – Prohibit Generic Substitute for Anti-Epileptic Drugs is scheduled for its first hearing by the House Health Innovation Committee on March 27, 2007, at 8:00 a.m.