



SMARTER HEALTHCARE COVERAGE IN FLORIDA

The Florida Chamber's Plan for Making Florida More Competitive
by Bending the Cost Curve for Florida's Families and Job Creators

FLORIDA
CHAMBER
of Commerce

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MAKING FLORIDA MORE COMPETITIVE BY BENDING THE

Making Florida more competitive means making tough choices – putting the long-term security of Florida’s future ahead of short-term fixes. When it comes to fixing federal healthcare, we believe this situation is the proverbial making lemonade out of lemons. Like many of our partners, the Florida Chamber of Commerce remains significantly concerned about the growth of federal entitlements and the resulting erosion of our freedoms.

To be clear, the Florida Chamber opposes the traditional expansion of Medicaid. Only if an alternative plan, one that embraces private solutions with flexible steps to eliminate the \$1.4 billion cost shift on Florida families and caps Florida’s Medicaid budget at 32 percent, would we support the use of additional federal funds. Without these provisions, the Florida Chamber does not support the expansion of Medicaid.

The Florida Chamber’s Healthcare Task Force took a careful look at Florida’s situation and has recommended a seven point comprehensive plan for making Florida more competitive and to mitigate our concern over the growth of entitlements. The members of the task force deserve our thanks as they spent weeks hearing from experts, reviewing what competitor states are doing and deliberating over the right set of recommendations that makes Florida more competitive.

As Florida prepares to welcome six million new residents by 2030, Florida has an important opportunity to get healthcare coverage right. As lawmakers consider extending healthcare coverage to as many as one million uninsured Floridians, the Florida Chamber is continuing to play an integral role in helping reform our state’s healthcare system.

The Florida Chamber’s Plan for Smarter Healthcare Coverage is very simple:

- ▶ Eliminating the expensive cost shift on Florida’s families and businesses,
- ▶ Producing better health and economic outcomes for Florida, and
- ▶ Improving access to healthcare for uninsured Floridians.

Some believe expanding healthcare coverage is a simple ‘yes’ or ‘no’ solution. Some want Florida to accept more than \$50 billion in federal tax dollars without any promise of better outcomes and without eliminating the cost shift forced upon Floridians.

The federal government had an opportunity to make America more competitive by getting the Affordable Care Act right, instead they created a bureaucratic malaise that is taxing Americans and making our country less competitive.

The Florida Chamber believes Florida can and should do better.

CONSIDER FLORIDA’S SITUATION

The Affordable Care Act (ACA) has made health care coverage anything but affordable, and rates have risen substantially. The Florida Office of Insurance Regulation has projected that insurance plans under the ACA will increase 13.2 percent in 2015. In addition to rate increases, the ACA has created new regulatory burdens on businesses and raised taxes on nearly all wage earners to pay for subsidized health care coverage for the nation’s uninsured.

From 2003-2010, total premiums for family coverage across all states rose by 50 percent, and out-of-pocket and deductibles skyrocketed 63 percent, according to the Commonwealth Fund. In 2013, Floridians paid \$31 billion on health insurance premiums alone. The ACA was to have addressed these ever-increasing rates, but so far, it has actually increased costs.

The federal ACA provides tax credits and subsidies for individuals to purchase health insurance coverage through exchanges. However, for individuals below 100 percent of the Federal Poverty Level, there remains a gap in coverage.

To date, Florida leaders have chosen not to expand healthcare coverage. The federal governments perceived “all or nothing” policy on expanding coverage has been a major reason Florida has not accepted federal tax dollars to extend healthcare coverage.

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COST CURVE FOR FLORIDA'S FAMILIES AND JOB CREATORS

With the approval of the U.S. Department of Health and Human Services, 28 states have initiated some version of flexible healthcare solutions to meet their state's needs. Recently, the Florida Chamber urged U.S. Department of Health and Human Services Secretary Sylvia Mathews Burwell to reopen conversations with Florida's elected leaders, and work toward a Florida solution. Maximum flexibility to cover Florida's uninsured would help prevent a hidden tax of eight percent, or \$1.4 billion, forced onto families and small businesses.

Without a plan for smarter coverage, the gap of uninsured will grow and the cost will continue to shift. In fact, the federal government's decision to end funding for the \$2.9 billion Low Income Pool (LIP) will likely force an even more costly shift onto Florida's families and businesses.

Part of the concern with the approach to the ACA is that it uses other people's money – one pot representative of all taxpayer dollars. Unless the cost shift is eliminated, and better outcomes are produced, Florida's ability to be competitive greatly diminishes. The Florida Chamber's Plan for Smarter Healthcare Coverage will help ensure taxpayers benefit from expanding coverage instead of being punished by shifting even more costs of extended healthcare coverage to families and businesses.

DID YOU KNOW:

- ▶ **Floridians pay an additional \$1.4 billion in hidden healthcare taxes to cover healthcare received by the uninsured.**
- ▶ **Insured Floridians pay about \$2,000 for every hospital stay to cover the cost of the uninsured.**
- ▶ **Florida ranks second with the highest number of uninsured – 3 million.**

“The Florida Chamber is focused on making Florida more competitive and bending the cost curve for Florida's families and job creators.”

– MARK WILSON
PRESIDENT AND CEO
FLORIDA CHAMBER OF COMMERCE



THE FLORIDA CHAMBER'S PLAN FOR SMARTER HEALTHCARE COVERAGE

The Florida Chamber's Plan for Smarter Healthcare Coverage is a cost efficient, sustainable healthcare model that provides coverage to the uninsured and eliminates the cost shift on Floridians. Our priority areas of focus include:

1 SMARTER COVERAGE

Reduce and eliminate the cost shift on Florida's families and small businesses by addressing the cost equation. By putting solutions in place that will reduce health care costs, and not simply alter the funding mechanisms, we can build on Florida's quality of life and business friendly atmosphere by covering more of Florida's uninsured. Additionally, personal accountability guidelines will reduce entitlements and increase a stronger commitment by all toward better health. To achieve these goals, Florida should:

- ▶ As a requirement of expanded coverage, the Florida Chamber Healthcare Task Force believes Florida should limit the overall financial impact on the Medicaid budget to no more than 32 percent, and provide healthcare coverage for a maximum number of uninsured Floridians in a manner that facilitates an expeditious end to the cost shift and immediately allows for "flow through" savings to employers. Job creators should see an immediate benefit in lower premiums to pass along to their employees.
- ▶ Allow private insurance solutions and continue to ensure a managed care model is implemented for those eligible.
- ▶ Address the medical costs of the state's most needy and the prison population.
- ▶ Conduct an annual performance review to measure quality of care, cost containment and efficiency.

2 HEALTHCARE DELIVERY SYSTEM AND MEDICAL PROFESSIONAL CAPACITY

Ensure Florida's healthcare delivery system has the capacity to respond at a high level of quality and meet the needs of Floridians.

- ▶ Allow telemedicine to serve as an alternative healthcare delivery system to increase capacity, deliver high quality of care and control costs.
- ▶ Increase the capacity and number of medical professionals by allowing nurse practitioners and physician assistants to practice to their fullest potential.
- ▶ Help decrease Florida's growing need for physicians by expanding medical residency positions and providing targeted training in key health education programs to ensure an adequate supply of allied health professionals.

3 LAWSUIT ABUSE REFORM — A MAJOR COST DRIVER

When it comes to lawsuit abuse, billboard trial lawyers are exploiting Florida's broken legal system and forcing families to pay approximately \$3,400 in lawsuit abuse "taxes" each year. The Florida Chamber believes that to attract and retain the best medical professionals, we must improve on Florida's bottom 10 legal climate and prevent meritless lawsuits and penalties that deter doctors from entering the medical field.

- ▶ Oppose attempts to increase medical liability lawsuits, including those based on the false premises related to the patient compensation system.
- ▶ Encourage a statutory fix to a medical malpractice law recently overturned by the activist Florida Supreme Court.
- ▶ Close the phantom damages loophole which unfairly allows juries to pay a plaintiffs' inflated healthcare costs.

4 WORKERS' COMPENSATION — A MAJOR COST DRIVER

Ensuring Florida's workers' comp system is fair and not inflated by trial lawyer tactics and other unnecessary costs will help lower the cost of doing business in Florida. The Florida Chamber's workers' comp reforms have resulted in a 57 percent savings over the last 10 years. To keep rates low, the Florida Chamber supports:

- ▶ Implementing a new phased-in fee schedule for inpatient, outpatient and ambulatory center services.
- ▶ Mitigating court decisions that put Florida's workers' comp system at risk.

5 HEALTHCARE FRAUD — A MAJOR COST DRIVER

Eliminating healthcare fraud and abuse will lower total healthcare costs. The Florida Chamber supports innovative practices and technologies to combat the billions of dollars wasted each year in healthcare fraud and abuse.

6 STEP THERAPY AND PRIOR AUTHORIZATION

The Florida Chamber opposes current legislation that would undermine the use of prior authorization and step therapy protocols in Florida. These policies were enacted to enable patients to receive safe and high-quality prescription drugs as well as control the usage and costs. Unless a smarter solution or a compromise position can be reached, the financial impact of such a policy would likely dramatically increase drug costs which, in turn would be borne by employers and families in higher premiums.

7 MEDICAID MANAGED CARE

The Florida Chamber does not support efforts to undermine the tenets of the managed care model – including the so-called 'any willing provider' provision.

"Healthcare accounts for an estimated one-seventh of Florida's economy – a figure that equals more than \$100 billion."

– DR. JERRY PARRISH
CHIEF ECONOMIST
FLORIDA CHAMBER
FOUNDATION

JOIN THE FLORIDA CHAMBER'S HEALTHCARE ALLIANCE

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