

# NAIFA-FLORIDA

## 2020 LEGISLATIVE AGENDA

### 1. SUPPORT INCENTIVES FOR PRIVATE HEALTH COVERAGE FOR MEDICALLY NEEDY

The Florida Medically Needy Program maintains close to 30,000 Floridians at a cost to the state of over \$600 million. Medically Needy recipients must meet significant monthly deductibles, oft-times thousands of dollars a month, to qualify for coverage under the program. These citizens regularly meet that huge deductible by seeking care in emergency rooms and other high cost environments...knowing they will never be able to pay those deductible amounts. After the deductible, the Medically Needy Program pays the costs for treatment above the unrealistic and huge monthly deductibles. Consumers, agents, and navigators that work on the Federal Exchange wrongly believe that when the Exchange asks if the consumer is on Medicaid, they must answer “yes.” That answer means that they will be ultimately offered coverage on the Exchange, but will not qualify for any subsidies. CMS has published guidance that participants in the Florida Medically Needy Program should answer “no” they are not covered by Medicaid. This “no” answer will allow them to get a quote that includes the subsidies.

Support incentives to move medically needy recipients to private health plans.

### 2. SUPPORT JIMMY PATRONIS ADJUSTER REFORMS – SB 1492/HB 1137

HB 1137 by Representative Clemons and SB 1492 by Senator Wright contains a common-sense solution being sought by CFO Jimmy Patronis. The bill would require insurance companies to notify the policyholder that they are sending a different adjuster to review the claim. The bill requires the licensed adjuster to provide their name, license number and contact information to the policyholder, as well. The bill also requires that the agent be notified of the change in adjuster, and the adjuster contact information, so that the agent can help communicate with the policyholder. Public adjusters do not work for the insurance company, and often delay claims and thwart the claims process. Currently a consumer has 3 days to cancel a contract with a public adjuster. These bills increase that timeframe to 7 days for claims, and 30 days for claims caused by state of emergency such as a hurricane. Lengthened times to cancel public adjuster contracts is a strong consumer protection.

Support HB 1137 by Representative Clemons and SB 1492 by Senator Wright provisions to educate consumers on adjuster status.

### 3. OPPOSE EFFORTS TO WEAKEN DRUG COST CONTAINMENT IN HEALTH PLANS

Numerous bills have been filed this session to weaken, regulate, or eliminate the ability of “Prescription Benefit Managers” (“PBM”). The role of a PBM is to serve as an intermediary to negotiate volume and other discounts on prescription drugs. These discounts and other incentives ultimately reduce the payments health insurers must make for costly drugs, and those savings are reflecting in lower rates for health insurance costs for consumers. Weakening PBMs, or forcing them to pay higher prices or allow all pharmacies and drug manufacturers to participate, eliminates the ability to negotiate lower prices, and will cause health insurance rates to increase. These bills are strongly supported by pharmacies and drug manufacturers that are attempting to thwart the medical cost containment achieved by health plans. NAIFA is working to find transparency language that would require drug manufacturers, pharmacies and PBMs to all be more transparent in how they price their programs and products.

Oppose SB 1338/HMR 20-02, HB 961/SB 1682/SB 1444.

#### **4. OPPOSE PRIOR AUTHORIZATION & STEP THERAPY – SB 820/HB 373**

NAIFA-Florida continues to oppose all of the legislative efforts that continue to erode health insurers' and HMOs' ability to manage costs. Advancing technologies and inflationary pressures keep health care costs on the rise. Insurers and HMOs are expected to implement cost containment measures to keep coverages affordable. Every year, however, there is proposed legislation that would hamstring these cost containment measures. One such example is the imposition of additional mandated coverages or the inhibiting of cost containment protocols such as prior authorization or drug step therapy.

There are several bills this year that have such requirements imposed. One example of this is HB373 by Representative Massullo which prohibits policies from requiring an insured to fail to successfully respond to a drug or drugs for stage four advanced, metastatic cancer prior to the approval of a drug prescribed by his or her physician. The bill requires insurers to provide access to a clear and convenient process to request a step therapy override determination which must be made easily accessible on the health insurer's website. The health insurer must provide a prescription drug for treatment of the medical condition at least until the step therapy exception determination is made. It also sets conditions for when step therapy overrides are to be granted expeditiously. Prohibits retroactively denying claims for insured ineligibility if at any time, if the health insurer granted a prior authorization request. Prohibits imposing additional prior authorization requirements on procedures during the perioperative period of another procedure. The Senate companion for this bill is SB 820 by Senator Harrell.

As worthy as some of these coverages and other provisions may seem from a social perspective, they place significant upward pressure on health insurance rates. The marketplace is already at the point where many question the affordability of health coverage, and eroding the insurers' and HMOs' ability to contain costs simply worsens an already difficult situation.

Oppose HB 373 by Representative Massullo and SB 820 by Senator Harrell.

#### **5. GENETIC TESTING FOR LIFE, LONG-TERM CARE AND DISABILITY INSURANCE – SB 1564/HB 1189**

SB 1564 by Senator Stargel and House Bill 1189 by Representative Sprowls removes the exemption for life, disability and long-term care carriers from the prohibition on use of genetic information in the issuance of life insurance policies. Provides that life, disability, and long-term care insurers may not require or solicit genetic information, use genetic test results in the absence of a diagnosis of a condition related to genetic information, or consider a person's decisions or actions relating to genetic information, or consider a person's decisions or actions relating to genetic testing in any manner for any insurance purpose. The life insurance industry should not be allowed to conduct a genetic tests on any policyholder or applicant. However, if an applicant has a genetic test in their medical file, life insurers ought to be able to obtain the results of that test, and use actuarial principles to underwrite policies.

NAIFA-Florida is neutral and is closely monitoring this important issue.

**6. ADVISORS STOPPING FINANCIAL EXPLOITATION OF SENIORS – SB 1672/HB 813**

SB 1672 by Senator Broxson and HB 813 by Representative McClure allow a dealer or investment adviser to delay a disbursement or transaction of funds or securities from an account of a specified adult or an account for which a specified adult is a beneficiary or beneficial owner for if the dealer or investment adviser reasonably believes in good faith that financial exploitation of the specified adult has occurred, is occurring, has been attempted, or will be attempted in connection with the disbursement or transaction. The hold would last for up to 15 days, with an additional extension of 10 days, or longer if ordered by a court. Advisors would notify the Department of Children and Families of the suspected exploitation. The “hold” period would give time to investigate the potential exploitation, while safeguarding seniors’ assets. Most important, Advisors would maintain immunity against civil liability if they prove by a preponderance of the evidence a reasonable belief for placing the hold existed.

Support SB 1672 by Senator Broxson and HB 813 by Representative McClure.

**7. SUPPORT THE REPEAL AND REPLACEMENT OF PIP – SB 378/HB 771**

SB378 by Senator Lee repeals PIP and replaces it with financial responsibility requirements for liability for damages that result from accidents arising out of the ownership, maintenance, or use of a motor vehicle as follows:

- \$25,000/\$50,000 bodily injury
- \$10,000 property damage

The bill requires mandatory med pay offers of \$5,000 and \$10,000 with no deductible and an additional \$5,000 death benefit. The bill also sets a maximum Med Pay deductible at \$500.

The bill also contains named driver exclusion language that would allow private passenger motor vehicle policies to exclude named drivers from certain coverages if specifically excluded by name on the declarations page or by endorsement and specifies when a named driver cannot be excluded. The House companion to the Senate bill is HB 771 by Representative Grall and has the same coverage limits as the Senate bill.

NAIFA supports repealing PIP and not requiring mandatory medical payments coverage for drivers only if the bill is amended to include reforms that are made to avoid bad faith lawsuits.

**8. CLARIFYING NAMED DRIVER EXCLUSION IN AUTOMOBILE COVERAGES – SB 378/HB 771**

SB 378 by Senator Lee and HB 771 by Representative Grall make clear how a named driver can be excluded from private passenger motor vehicle policies. The excluded driver must consent in writing to being excluded, and must be listed as such on the declarations page. Coverages excluded can include property damage liability, bodily injury coverage, uninsured motorist coverage, any coverage the insured may not be required by law to purchase. A private passenger policy may not exclude coverage when the excluded individual is injured while not operating a motor vehicle, the exclusion is unfairly discriminatory, or the exclusion is not approved in the underwriting rules filed with the Office of Insurance Regulation. Many times agents find it difficult to find affordable insurance coverages when a member of the family

has a DUI conviction or other serious set of infractions, and this language will clarify how that family member can be excluded from a policy, making auto insurance more affordable for the remaining insureds.

Support named driver exclusion provisions of SB 378 and HB 771.

**9. OPPOSE ADDITIONAL HEALTH COVERAGE MANDATES**

NAIFA-Florida continues to oppose adding mandated benefits or mandated providers in the health insurance/ HMO market. Rising costs of health insurance and increasing numbers of people choosing or being forced to go without health insurance coverage require that insurers and HMO's be allowed to offer basic major medical coverages without requiring expensive mandated benefits. Mandated coverages in the admitted market raises the differential in cost between the admitted and the self-insured ERISA market, where fewer protections for policyholders exist. Numerous bills adding even more mandated coverages have been filed, and as worthy as these coverages are from a social perspective, they place significant upward pressure on health insurance rates, causing more people to choose to go without coverage.

Oppose all health coverage mandates.