

To: Healthcare Reform Educational Task Force Members

From: Robert Kessler, Chair
Claire Miley, Vice Chair

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Florida Healthcare Reform Briefing

By Monica Rodriguez and James M. "Chet" Barclay*

Projecting a deficit of close to \$6 billion for the next fiscal year, Florida faces the worst economic recession in recent memory. The state's budget is down \$2.1 billion for fiscal year 2007-2008. A special budget-cutting legislative session is expected in January 2009 because the state is constitutionally required to maintain a balanced budget. As a result, most legislative initiatives for the 2009-2010 regular legislative session are expected to focus on ways to plug the financial gap while cutting programs. Tort reform is not expected to be addressed in the upcoming regular legislative session.

Medicaid

Proposals for Medicaid cuts are staggering. The state is looking at cutting all optional Medicaid programs. Reimbursements to hospitals, doctors, and nursing homes are expected to be cut by at least 7.5%. The federal government is looking at several options that may funnel Medicaid dollars into Florida, which may slightly alleviate the situation.

Raising Revenues

For the first time in recent memory the Republican administration is strongly considering an increase in taxes. Tax increases being discussed include so-called sin taxes. Many in the healthcare industry are lobbying to increase the cigarette tax by \$1 a pack. That should generate about \$1 billion in revenue. Most believe that if an increase in this tax would pass it would not be more than \$.50 a pack.

Low Income Pool/Upper Payment Limits

The federal waiver that established the Low Income Pool (LIP) in Florida expires next year. As a result the legislature will be considering whether to maintain the current LIP program, go back to an Upper Payment limit model, or a hybrid of both.

Scope of Practice Issues

Scope of practice issues in the legislature are expected again this year, but are expected to encounter substantial resistance by organized healthcare professional associations.

**We would like to thank Monica Rodriguez, Esquire, and James M. "Chet" Barclay, Esquire (Akerman Senterfitt, Tallahassee, FL) for providing this summary.*

The Healthcare Reform Educational Task Force is a joint endeavor of the Healthcare Liability and Litigation; Hospitals and Health Systems; In-House Counsel; Payors, Plans, and Managed Care; Physician Organizations; Regulation, Accreditation, and Payment; and Teaching Hospitals and Academic Medical Centers Practice Groups.

Member benefit educational opportunity:
[Teleconference](#) on industry, hospital, and physician codes of ethic and financial conflict of interest policies (January 22, 2009).

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