

By the Committees on Health Policy; and Banking and Insurance;
and Senator Hays

588-04044B-14

20141580c2

A bill to be entitled
An act relating to the Workers' Compensation Cost Task Force; amending s. 440.13, F.S.; creating the Workers' Compensation Cost Task Force; providing for membership; providing duties; requiring the task force to submit a report to the Governor and the Legislature by a specified date; requiring the Office of Insurance Regulation to consult with the Workers' Compensation Cost Task Force to prepare a report; requiring the report to be delivered to the task force and the Legislature by specified dates; providing an expiration date; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (17) is added to section 440.13, Florida Statutes, to read:

440.13 Medical services and supplies; penalty for violations; limitations.—

(17) WORKERS' COMPENSATION COST TASK FORCE.—

(a) The Workers' Compensation Cost Task Force is created.

The Department of Financial Services shall provide administrative and staff support services relating to the functions of the task force. The task force shall organize by July 1, 2014. The task force shall be composed of the following 17 members:

1. The Chief Financial Officer, or his or her designee, who shall serve as chair of the task force.

2. An attorney who practices workers' compensation law,

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30 appointed by the Speaker of the House of Representatives.

31 3. The Insurance Consumer Advocate.

32 4. The Secretary of the Department of Health, or his or her
33 designee.

34 5. The employee member of the three-member panel, created
35 under subsection (12).

36 6. One member who represents a critical access hospital,
37 appointed by the Speaker of the House of Representatives.

38 7. One member who represents a rural hospital, appointed by
39 the President of the Senate.

40 8. Five members appointed by the President of the Senate
41 and five members appointed by the Speaker of the House of
42 Representatives which must each include:

43 a. A member of the Legislature;

44 b. An owner or representative of a hospital system that has
45 over 2,000 beds and provides services to a significant number of
46 workers' compensation claims;

47 c. An owner or representative of a business that employs
48 more than 500 employees;

49 d. An owner or representative of a business that employs
50 less than 25 employees; and

51 e. A representative from an insurance company that provides
52 workers' compensation insurance.

53 (b) Members of the task force shall serve without
54 compensation, but are entitled to reimbursement for per diem and
55 travel expenses pursuant to s. 112.061.

56 (c) The purpose of the task force is to analyze workers'
57 compensation costs. The task force shall review and analyze the
58 recommendations of the Three-Member Panel 2013 Biennial Report

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59 in the context of reducing workers' compensation costs. The task
60 force shall develop a report that includes its findings and
61 recommendations for legislative action regarding a new payment
62 methodology for hospital inpatient and outpatient reimbursements
63 in workers' compensation cases which will reward efficiency,
64 quality, and outcomes. The task force must address other factors
65 related to workers' compensation costs, including, but not
66 limited to, the volume of inpatient and outpatient services, the
67 number of accidents and workers compensation claims, fraud, the
68 cost per claim and treatment, and tort costs related to workers'
69 compensation care. The task force shall submit the report to the
70 Governor, the President of the Senate, and the Speaker of the
71 House of Representatives by January 15, 2015.

72 (d) The Office of Insurance Regulation, in consultation
73 with the Workers' Compensation Cost Task Force, shall prepare a
74 report analyzing the use of negotiated workers' compensation
75 premium provisions within retrospective rating plans. The report
76 shall examine the use of such provisions in neighboring and
77 competitive states, specifically as to savings in the actual
78 premium if a retrospective rating deviation is applied compared
79 to the standard workers' compensation premium, and as to the
80 potential inequity for Florida's employers due to the lack of
81 such authorization in this state. The report must examine the
82 potential savings to Florida's employers as a result of
83 implementation of negotiated premiums for employers that have
84 exposure in more than one state and an estimated annual
85 countrywide standard premium of at least \$250,000, \$500,000, and
86 \$750,000. This report shall be delivered to the task force for
87 approval by September 1, 2014, and the approved report shall be

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88 delivered to the President of the Senate and the Speaker of the
89 House of Representatives by November 1, 2014.

90 (e) This subsection shall be repealed June 30, 2015.

91 Section 2. This act shall take effect upon becoming a law.