



Session 2017 Report

Week 9 of the Regular Session—May 1-5 and extended to May 8, 2017

Following is a summary of the priority issues impacting BioFlorida. This update accompanies the detailed BioFlorida legislative tracking report that includes over 100 bills impacting the life sciences industry.

**Please join us for an end-of-session wrap up call, Thursday, May 11 at 2pm EST.
Conference line: (641) 715-3580 | Code: 617-363**

Process and Timing

Budget published, Legislature returned for a final vote

Extension - A word that one never wants to hear when describing the legislative session. After months of interim legislative meetings and the long hours of the 60-day regular session, Friday, May 5th was the scheduled conclusion of the 2017 Legislative Session. However, budget deliberations took longer than anticipated thus extending the legislative session until Monday, May 8th. The legislature's work on substantive legislation concluded late on Friday, and Monday's work was exclusively on the state budget.

The press and various political observers already weighed in on the successes and failures of the 2017 Legislative Session. The stage now turns to Governor Scott as he contemplates which bills he will veto and, more importantly, whether he will veto the proposed budget, or any portions thereof. When these actions conclude legislators will focus on summer fundraising and preparations to start the legislative process all over again. Legislative committee meetings are expected to start in September and the 2018 Legislative Session will begin on January 9th 2018.

Policy Issues

Economic Development

Funding comes with a price: accountability and transparency

In order to make Florida more competitive with other states, BioFlorida supports the infusion of funds and creation of tax incentives to support existing companies and to attract more life sciences companies to the state. This includes the Institute for Commercialization of Public Research, which funds start-ups and helps investors and entrepreneurs identify new investment opportunities based on technologies developed through publicly-funded research.

Throughout the Session, House and Senate have taken very different positions on economic development. Because of the significant fiscal impact of economic development programs, and based upon the disparate positions of the House and Senate, these issues became a major part of the budget conference process. Both chambers have agreed on a deal, they have funded Enterprise Florida at \$16 million for operations and \$24.3 million for specific economic development tools and included with it some policy regarding transparency and accountability. See the budget chart below for more information.

Patient Access

Only HB 589 passes

There are several bills BioFlorida is monitoring that address patient access issues, BioFlorida is monitoring these bills as potential vehicles to establish drug price controls or burdensome “drug price transparency” reporting requirements for manufacturers.

- “Prescription Drug Price Transparency” [SB 888](#) by Senator Aaron Bean and [HB 589](#) by Representative Clay Yarborough: the bill requires the Department of Health and the Attorney General’s office to post the cost of the top 300 drugs at pharmacies in order to allow consumers to engage in their healthcare purchases. SB 888 passed all three committees unanimously. HB 589 unanimously passed off the House and Senate floor and will now go to the Governor.
- “Consumer Protection from Nonmedical Changes to Prescription Drug Formularies” [HB 95](#) by Representative Ralph Massullo and [SB 182](#) by Senator Debbie Mayfield: this bill, also known as the “bait and switch” bill, provides additional consumer protections by prohibiting an insurer or a health maintenance organization (HMO) from removing a covered prescription drug from its formulary except during open enrollment with some limited exceptions. Both bills did not pass.
- “Health Insurer Authorization” [HB 877](#) by Representative Shawn Harrison and [SB 530](#) by Senator Greg Steube: this “step therapy” legislation requires a utilization review entity or health insurer to make current prior authorization requirements, restrictions, and forms accessible in a specified manner. The bill specifies the requirements for a utilization review entity or health insurer that implements a new prior authorization requirement or that amends an existing requirement or restriction and requires a plan to publish on the plan’s website and provide to an insured a written procedure for requesting a protocol exception. SB 530 passed the Senate, but not House, therefore, the bill died.

Tax Incentives

Passed: Relief for the commercial lease tax and an increase in R & D credits

BioFlorida supports tax reductions that benefit the life sciences industry. The House and Senate took different approaches to building a tax package. The House heard one standalone bill that bundled \$296 million in tax relief and that passed off the floor unanimously. The Senate moved several stand-alone tax relief bills through the committee process. During the budget negotiations, a final agreement was reached and the [tax package](#) includes various reductions including:

- Permanent reduction in the sales tax charged on commercial leases (from 6% to 5.8%), currently, Florida is the only state that has this tax on businesses, and
- Increases the amount of Research and Development Tax Credits that may be taken against the Corporate Income Tax from \$9 million to \$18 million.

The tax package was passed out of both chambers on Monday, May 8, 2017.

Medical Marijuana

Legislation failed to pass

On May 4th, Senator Rob Bradley (R-Fleming Island), the sponsor of the Senate’s medical marijuana bill, [SB 406](#), offered a late-filed 70-page “delete-all” amendment to [HB 1397](#) and passed the bill by a vote of 31 to 7, however, the House bill was never taken up on the chamber floor, and therefore the bills died in the last hours of session.

Budget Update

The budget process plays a significant role in many of BioFlorida’s priorities. Below is a chart of the budget priorities BioFlorida is tracking, please let us know if you have any questions or concerns.

Issue	2017 General Appropriations Act SB 2500 amendment 764844
James and Esther King Biomedical Research Program	\$10 million
Bankhead & Coley Cancer Research Program	<p>\$12 million</p> <p>From the funds in Specific Appropriation 451, \$500,000 from the Biomedical Research Trust Fund is provided to maintain the statewide Brain Tumor Registry Program at the McKnight Brain Institute (recurring base appropriations project).</p> <p>From the funds in Specific Appropriation 451, \$2,000,000 in nonrecurring funds from the Biomedical Research Trust Fund is provided to the Bankhead-Coley Cancer Research Program for the Live Like Bella Initiative to provide competitively awarded grants for</p>

	pediatric cancer research. This funding is contingent on SB 2514, or similar legislation, becoming law. \$10 million
Florida Consortium of National Cancer Institutes Centers Program	\$62.2 million Funds in Specific Appropriation 453 are provided for the Florida Consortium of National Cancer Institute (NCI) Centers Program established in section 381.915, Florida Statutes. Cancer centers are eligible for Tier 1, Tier 2 and Tier 3 designation to participate in the Florida Consortium of National Cancer Institute (NCI) Centers Program as follows: H. Lee Moffitt Cancer Center and Research Institute is eligible for Tier 1 designation as a NCI-designated comprehensive cancer center; and the University of Miami Sylvester Comprehensive Cancer Center and the University of Florida Health Shands Cancer Hospital are eligible for Tier 3 designation in the Florida Consortium of NCI Centers Program.
Endowed Chair of Cancer Research – Mayo Clinic	\$2 million Funds in Specific Appropriation 455 are provided to the Mayo Clinic Cancer Center of Jacksonville to fund an endowed cancer research chair pursuant to section 381.922(4), Florida Statutes.
Ed and Ethel Moore Alzheimer’s Disease Research Program	\$5 million Funds in Specific Appropriation 456 are provided for the Ed and Ethel Moore Alzheimer’s Disease Research Program established in section 381.82, Florida Statutes.
Enterprise Florida	\$16 million for operations HB 5501 Conference Report outlines new language on Enterprise Florida.
Economic Development “Tools”	\$24.3 million Funds provided in Specific Appropriation 2226E are provided to make payments and tax refunds in Fiscal Year 2017-2018 for the following programs: Qualified Target Industry (QTI) Business Tax Refund; QTI Tax Refund - Brownfield Redevelopment Bonus; Brownfield Redevelopment Tax Refund; High-Impact Business Performance (HIPI) Grant; and Qualified Defense Contractor and Space Flight (QDSC) Business Tax Refund. Payments may only be made for projects that meet the statutory eligibility requirements. Funds may not be released for any other purpose and may only be disbursed when projects are certified to have met all contracted performance requirements. Funds provided in Specific Appropriation

	<p>2226E from the Economic Development Trust Fund represent local matching funds. The Department of Economic Opportunity must provide monthly reports, within 10 business days after the end of each month, to the Governor’s Office of Policy and Budget, the chair of the Senate Appropriations Committee, and the chair of the House Appropriations Committee regarding all escrow activity relating to the Quick Action Closing Fund and the Innovation Incentive Fund programs. Such report must include information regarding any funds and interest earnings returned to the appropriate fund in the state treasury, and the anticipated payment date(s) of all funds held in escrow. The Department of Economic Opportunity shall provide monthly reports to the Governor’s Office of Policy and Budget, the chair of the Senate Appropriations Committee, and the chair of the House Appropriations Committee on the status of economic development programs administered by the department under section 288, Florida Statutes.</p>
Tax Incentives	<p>The House and Senate heard and passed HB 7109 “Relating to Taxation.” The bill has many tax decreases and exemptions including:</p> <ul style="list-style-type: none"> • Permanently lowers the sales tax charged on commercial leases, from 6% to 5.8%, • Raises the research and development tax credit from \$9 million to \$18 million.
Institute for the Commercialization of Public Research	<p>\$5.5 million The funds in Specific Appropriation 2226F are provided for funding an appropriations project related to HB 3513.</p>
<p>Additional Biomedical Research Funding</p> <p>(This is a general list, if any BioFlorida member has a specific inquiry please reach out.)</p>	<p>\$2,750,000 From the funds in Specific Appropriation 454, \$1,900,000 in nonrecurring funds from the General Revenue Fund is provided for the purpose of supporting activities in relation to biomedical research through the Florida Drug Discovery Acceleration Program at Torrey Pines Institute for Molecular Studies (HB 2143).</p> <p>From the funds in Specific Appropriation 454, \$100,000 in nonrecurring funds from the General Revenue Fund is provided to Torrey Pines Institute for Molecular Studies as a designated center within the Chemical Biology Consortium in the NCI Experimental Therapeutics (NExT) Program by the National Institutes of Health to address unmet needs in therapeutic oncology conducted in response to the health needs of Florida’s citizens (HB 2549).</p> <p>From the funds in Specific Appropriation 454, \$750,000 in nonrecurring funds from the General Revenue Fund is provided for</p>

the Coalition for Medicinal Cannabis Research within the Moffitt Cancer Center to conduct medical cannabis research. This funding is contingent on SB 406, or similar legislation, becoming law (Senate Form 2164).

\$10,946,930

The funds in Specific Appropriation 140 shall be transferred to the H. Lee Moffitt Cancer Center and Research Institute to support the operations of this state university system entity. Funds in Specific Appropriation 140 may be transferred to the Agency for Health Care Administration and used as state matching funds for the H. Lee Moffitt Cancer Center and Research Institute to adjust the Medicaid inpatient reimbursement and outpatient trend adjustments applied to the H. Lee Moffitt Cancer Center and Research Institute and other Medicaid reductions to its reimbursements up to the actual Medicaid inpatient and outpatient costs. In the event that enhanced Medicaid funding is not implemented by the Agency for Health Care Administration, these funds shall remain appropriated to the H. Lee Moffitt Cancer Center and Research Institute to continue the original purpose of providing research and education related to cancer.

From the funds provided in Specific Appropriation 140, \$370,000 in nonrecurring general revenue is provided to the Coalition for Medicinal Cannabis Research and Education Board within the H. Lee Moffitt Cancer Center and Research Institute (Senate Form 2164).

\$1 million

The funds provided in Specific Appropriation 2373A are nonrecurring and shall be transferred to the University of Miami - Sylvester Comprehensive Cancer Center for the purpose of Firefighter Cancer Research. The funds shall be utilized to: expand firefighters access to cancer screenings across the state; enable prevention and earlier detection of the disease; identify exposures that account for increased cancer risk; and field test new technology and methods that measure exposure in the field. The University of Miami - Sylvester Comprehensive Cancer Center shall develop a report on cancer research outcomes and cancer mitigation efforts being examined. The report shall be submitted to the President of the Senate, the Speaker of the House of Representatives, the Chief Financial Officer, and the Governor by June 15, 2018 (HB 3433).

\$2,031,780 FAU “Drug Discovery and Translational Research Participation with Scripps Florida”

Confirmations

Several executive branch appointments are subject to confirmation by the Senate. Dr. Celeste Philip's confirmation to the role of Florida's Surgeon General (head of Department of Health) has been moving through the committee process. Dr. Philip has served in various roles at the Department of Health since 2008. On Friday, May 5, Dr. Philip was confirmed as the state's Surgeon General.

In addition to these issues and budget items, BioFlorida is monitoring approximately 100 pieces of legislation on behalf of its members. The 2017 BioFlorida Government Affairs Priorities can be [found here](#), and a complete legislative tracking list is attached.

If there is anyone who is interested in joining the BioFlorida Government Relations Committee please email admin@bioflorida.com. The Government Relations Committee helps address the legislative priorities and goals of BioFlorida and also formulates advocacy positions in support or opposition of proposed legislation.

We hope this brief legislative update is helpful. If you have any questions about specific bills or the budget process, please email Alli Liby-Schoonover at Allison.LibySchoonover@metzlaw.com.