



Session 2019 Report

Week 5—April 1-5, 2019

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.

Legislators began filing their priority bills in late summer, and the deadline for filing member bills was the first day of the legislative session, Tuesday, March 4, 2019. The following summarizes the priority issues impacting BioFlorida to date. Throughout the next 60 days we will continue to keep you updated on these important issues.

Budget Update

House and Senate poised to begin budget conference

This week marks the halfway point of Session and the legislature is currently running on time to complete the budget process. On Wednesday of this week, both the House and Senate considered their proposed budgets on the chamber floor. The next step is for the two presiding officers to agree on allocations and then activate the conference process, which will begin again at the budget subcommittee level, to negotiate one Fiscal Year 2019-2020 budget. We will continue to keep BioFlorida members updated on the priorities as the budget process moves forward.

Biomedical Research

Chambers agree on level funding

BioFlorida supports the state's investment to seed research with the potential to lead to breakthrough treatments and expand the industry and Florida's economy. Both the House and Senate, as well as Governor DeSantis, have recommended level funding of biomedical research in their proposed budgets.

Economic Development

Senate funds Enterprise Florida, House eliminates state funding

The House and Senate have taken different approaches to funding Enterprise Florida, the state's official economic development organization. In the House's proposed budget, Enterprise Florida funding was cut as the chamber leaders have characterized incentives used to lure companies from other states as "corporate welfare." The Senate, however, has funded Enterprise Florida at \$16 million. This is the first step of the legislative budget process, and we anticipate that legislative leaders will find middle ground between these two positions.

Tax Package

Comprehensive draft bill in the House

On Tuesday, Ways and Means Chair Bryan Avila (R—Miami) released the first [draft](#) of the House's tax package. With a total fiscal impact of \$160.9 million, the tax package is centered on reducing the commercial leases tax and includes a three-day back-to-school sales tax holiday and a seven-day tax holiday on hurricane supplies. The Senate has not yet published a comprehensive tax package and is still moving individual proposals through the committee process.

Commercial Lease Tax Reduction

Florida is the only state in the nation with a tax on commercial leases and it has been a priority of the Legislature to reduce that tax. The House proposed language reduces the sales tax rate on the rental of commercial real estate from 5.7 to 5.35 percent beginning January 1, 2020. This is an estimated impact of a reduction in \$112.9 million dollars in paid taxes. The Senate has the proposal in a standalone bill, [SB 1112](#) by Senator Joe Gruters, and it reduces the tax from 5.7 to 4.2%.

Research and Development Tax Credit

Current Florida law authorizes a research and development tax credit against state corporate income taxes for certain businesses with qualified expenses. The maximum amount of research and development credits that may be approved by the Department of Revenue during any calendar year is \$9 million. [SB 750 Research and Development Tax Credit](#) by Senator Joe Gruters increases the annual limit on research and development tax credits on corporate income taxes from the base \$9 million to \$35 million. This increased limit will apply to the 2019 allocation for expenses incurred in 2018 and to all the taxable years after. The bill passed the Commerce and Tourism committee unanimously, and the Office of Economic and Demographic Research did a revenue estimating conference on the fiscal impact. This exercise did show that in 2018, the total requested amount for the research and development tax credit was \$68,067,382. There is no House companion, but the Senate could include the bill in a comprehensive tax package.

Policy Update

Prescription Drug Importation Program

Senate Bill Rescheduled in Appropriations Subcommittee on Health and Human Services for April 9/House Bills Placed on Calendar for Chamber Debate on April 10

[HB 19](#) by Rep. Tom Leek (R-Ormond Beach) and [SB 1528](#) by Senator Aaron Bean (R-Fernandina Beach) create a Canadian Prescription Drug Importation Program for Florida within the Agency for Health Care Administration. The legislation provides eligibility criteria for prescription drugs, for Canadian suppliers, and for importers under the program and requires the AHCA to request federal approval of the program. Further, the bills require the Department of Business and Professional Regulation to establish the International Prescription Drug Importation Program. The program implements the

initiative supported by Governor DeSantis and House Speaker Jose Oliva (R-Miami Lakes).

[HB 7073](#) introduced by the House Health Quality Subcommittee is linked to HB 19, and authorizes the Board of Pharmacy and DBPR to charge fees relating to the new permits.

Bait & Switch

House Bill Postponed in Commerce on April 4/Senate Bill Scheduled in Health Policy on April 8

[SB 1180](#) by Senator Debbie Mayfield (R-Vero Beach) and [HB 1363](#) by Rep. Jay Williamson (R-Pace) amend the Florida Insurance Code to provide additional consumer protections by prohibiting a health insurer or a health maintenance organization (HMO) from removing a covered prescription drug from its formulary except during open enrollment with some limited exceptions. The legislation also prohibits an insurer or HMO from reclassifying a drug to a more restrictive tier, increasing the out-of-pocket costs (e.g., copayment, coinsurance, or deductible) of an insured, or reclassifying a drug to higher-cost sharing tier during the policy year.

Prior Authorization

No movement

[HB 559](#) by Rep. Ralph Massullo, MD (R-Beverly Hills) requires a health insurers to provide access on its website to the plan's current prior authorization requirements, restrictions, and forms. The bill requires a health insurer to expeditiously grant step therapy override determination requests under certain circumstances and requires health insurer to authorize coverage for prescription drugs if certain conditions are met.

Immunization Registry

No movement

[HB 213](#) by Rep. Ralph Massullo (R-Lecanto) and [SB 354](#) by Senator Bill Montford (D-Tallahassee) eliminate unnecessary paperwork for physicians' offices by making it more convenient for parents to comply with school immunization rules. The bills require health care providers to report into the DOH SHOTS database any immunizations administered to children and college or university students, 18 to 23 years of age, at a college or university student health care facility. Automated data uploaded from existing automated systems is an acceptable method for updating immunization information in the immunization registry. The House bill was amended to require a parent or college student to submit a form to the health care practitioner or entity providing the immunization or to DOH to opt-out of the immunization registry, require DOH to remove all records and identifying information of the child or student who has opted out of the registry, and clarify that a parent may request to opt out of the registry for a child from birth through age 17, and a college student, aged 18 to 23, may request to opt out.

Telehealth

House Bills Scheduled for Chamber Floor on April 10

[HB 23](#) by Rep. Clay Yarborough (R-Jacksonville) authorizes Florida licensed health care professionals to use telehealth to deliver health care services within their respective scopes of practice. The bill also authorizes out-of-state health care professionals to use telehealth to deliver health care services to Florida patients if they register with the DOH or the applicable board, meet certain eligibility requirements, and pay a fee. A registered telehealth provider may use telehealth, within the relevant scope of practice established by Florida law and rule, to provide health care services to Florida patients, but is prohibited from opening an office in Florida and from providing in-person health care services to patients located in Florida. The bill also establishes standards of practice for services provided using telehealth, including patient examination, record-keeping, and prohibition on prescribing controlled substances for chronic malignant pain. Additionally, the House bill creates a tax credit for health insurers and health maintenance organizations (HMOs) that cover services provided by telehealth and was amended to add clinical labs to the list of providers who could provide telehealth services.

[HB 7067](#) by the Health Quality Subcommittee requires DOH or the applicable regulatory board to charge a \$150 registration fee for out-of-state health care professionals seeking to provide health care services using telehealth to Florida residents. The bill also creates a biennial registration renewal fee of \$150 for those providers.

[SB 1526](#) by Senator Gayle Harrell (R-Stuart) prohibits Medicaid managed care plans from using providers who exclusively provide services through telehealth to achieve network adequacy, prohibiting a telehealth provider from using telehealth to prescribe a controlled substance, and prohibiting a health maintenance organization from requiring a subscriber to receive services via telehealth. The Senate version of the legislation requires that that insurers and HMOs reimburse health providers for telehealth services as they would if the services were provided face-to-face, but it does not contain tax breaks for health insurers and HMOs.

In addition to these issues and budget items, BioFlorida is monitoring approximately 100 pieces of legislation on behalf of its members. More information will be forthcoming on budget-related issues as the budgeting process begins in the few weeks. The 2019 BioFlorida Government Affairs Priorities can be [found here](#), and the complete Legislative Tracking Report [here](#).

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@mhdfirm.com.