

**THE FLORIDA ALLIANCE FOR  
RETIRED AMERICANS, INC.**

**LEGISLATIVE REPORT**



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## **Florida Successful with New Health Care Laws**

**Florida's Republican leaders have fought the Affordable Care Act at every turn, banning navigators from county health departments, offering no state dollars to boost outreach efforts to 3.5 million uninsured and leading the fight to repeal the law. Yet the state has emerged as a tale of what went right with President Barack Obama's health care overhaul.**

More than 983,000 Florida residents had been enrolled through the federal marketplace through the end of March, putting Florida on pace to exceed the federal government's initial projections.

The numbers are impressive for a state where Republicans control the governor's mansion and both houses of the Legislature. By comparison, Republican-leaning Texas has enrolled 295,000 through the federal site, even though its population is about one-third larger than Florida's.

Florida's success is partly because of infrastructure created in the swing state by Democratic-affiliated groups during the last three presidential elections, along with continued investment by the Obama administration and nonprofit advocacy groups in the diverse state that will likely be competitive in November's midterm election.

Groups helping customers enroll in ACA-related health plans have used many of the same people who ran Obama's presidential campaigns, giving them five years of deeply-entrenched relationships in communities, data to pinpoint the uninsured and veteran volunteers to track them down. The state narrowly went for Obama in 2012.

The successes and failures of the Affordable Care Act also carry more political weight in a battleground state such as Florida where the new law will fuel election campaigns for both Republicans and Democrats, said Democratic strategist Screven Watson.

"(The Republicans) are going to use Obamacare as a hammer over the Democratic candidates in November," he said, adding that if Florida's enrollment numbers were dismal, it could have big implications in 2016.

"When you're talking presidential elections, if you have Florida you win," he said.

Florida's Republican leaders chose not to spend any state money marketing the new health plans to millions of uninsured, so the work was supported by \$20.5 million in federal grants plus manpower from the nonprofit organization Enroll America.

Florida residents have also been reached by federally funded TV, radio and digital ads. About \$52 million has been spent in the past three months on the ads in Florida and the other 28 states relying on the federal marketplace, said Julie Bataille, spokeswoman for the Centers for Medicare and Medicaid Services. The agency has repeatedly declined to provide a state-by-state breakdown of how taxpayer dollars are being spent on ads.

Elsewhere, enrollment results have been mixed in other states that were closely contested in the 2012 presidential election and now rely on the federal exchange. North Carolina has already beaten the initial federal projections for enrollment by the end of March, while Virginia and Wisconsin appear on track to meet the projection. Ohio is falling short of projections.

Enroll America is active in 11 states including Texas, Arizona and Georgia. But the group has claimed a stronghold in Florida, with 40 staff and nearly 5,000 volunteers compared to 38 staff and about 3,000 volunteers in Texas.

## Nearly 1M Floridians Enroll

Nearly 1 million Floridians signed up for a health insurance plan through the federally-run Health Insurance Marketplace during the first open enrollment period, according to numbers from the **U.S. Department of Health & Human Services**.

Among the states using the federal government's exchange -- **healthcare.gov** -- **Florida had the highest number, with 983,479 enrolled**. Federal health officials said they don't have data yet on how many people have paid their plan premiums; that information is expected later this year.

Across the country, more than 8 million people enrolled in plans through federal- and state-based exchanges created under the Affordable Care Act.

"We were able to get so many covered because of an unprecedented outreach and enrollment effort that focused on some of our most vulnerable and under-insured populations," HHS Secretary Kathleen Sebelius said.

Enrollment numbers surged in the final weeks in Florida, said Julie Bataille, a spokeswoman for the Centers for Medicare & Medicaid Services.

"When individuals saw what the Marketplace offered for them and the fact that they could now afford to purchase coverage that made a difference for themselves and their families, that was the best point of information that made people understand what this was all about and helped them to then share that with others across the state," Bataille said.

She also credited the success of Florida's enrollment to on-the-ground outreach efforts, in-person navigators and application counselors, and Sebelius' many visits to cities around the state.

**Here is a look** at Florida's enrollment numbers by gender, age, tax subsidy use and plan type (Bronze, Silver, Gold or Platinum). Nearly three-quarters selected a Silver plan, and 91 percent of enrollees qualified for tax subsidies to help them pay for a plan.

**PROFILE OF AFFORDABLE CARE ACT COVERAGE EXPANSION ENROLLMENT  
FOR MEDICAID / CHIP AND THE HEALTH INSURANCE MARKETPLACE  
10-1-2013 to 9-30-2014**

Florida

**GENERAL INFORMATION:**

Marketplace Type: FFM  
 Medicaid Expansion Status: Not Expanding Medicaid

**AFFORDABLE CARE ACT ENROLLMENT TOTALS:**

Marketplace Plan Selections:*	983,775
Change in Medicaid/CHIP Enrollment:**	223,056

**CHARACTERISTICS OF MARKETPLACE PLAN SELECTIONS:**

By Gender:	Number	% of Total	By Financial Assistance Status:	Number	% of Total
Female	538,130	55%	With Financial Assistance	893,655	91%
Male	<u>445,349</u>	<u>45%</u>	Without Financial Assistance	<u>90,120</u>	<u>9%</u>
<i>Subtotal With Known Data</i>	<u>983,479</u>	<u>100%</u>	<i>Subtotal With Known Data</i>	<u>983,775</u>	<u>100%</u>
<i>Unknown</i>	296	N/A	<i>Unknown</i>	N/A	N/A

  

By Age:	Number	% of Total	By Metal Level:	Number	% of Total
Age < 18	43,226	4%	Bronze	125,632	13%
Age 18-25	123,363	13%	Silver	722,696	73%
Age 26-34	142,662	15%	Gold	54,694	6%
Age 35-44	179,028	18%	Platinum	67,212	7%
Age 45-54	248,623	25%	Catastrophic	<u>15,102</u>	<u>2%</u>
Age 55-64	240,028	24%	<i>Subtotal With Known Data</i>	<u>983,775</u>	<u>100%</u>
Age 65	<u>6,844</u>	<u>1%</u>	<i>Standard Dental</i>	193,092	N/A
<i>Subtotal With Known Data</i>	<u>983,774</u>	<u>100%</u>	<i>Unknown</i>	N/A	N/A
<i>Unknown</i>	N/A	N/A			
Ages 18 to 34	266,025	27%			
Ages 0 to 34	309,252	31%			

Notes: \* Marketplace data represent the cumulative number of individuals Determined Eligible to Enroll in a plan through the Marketplace who have selected a plan from 10-1-13 to 9-30-14, including Special Enrollment Period-related activity through 4-13-14 (with or without the first premium payment having been received directly by the Marketplace or the issuer) excluding plan selections with unknown data for a given metric.

\*\* Medicaid/CHIP data are state reported and represent the difference between March 2014 enrollment and Pre-ACA Monthly Average Medicaid and CHIP Enrollment (July-Sept 2013). Not all changes in enrollment may be related to the Affordable Care Act. Because these data are state-reported, detailed questions about the Medicaid/CHIP data should be directed to the states.

Sources: ASPE Marketplace Summary Enrollment Report and CMS March Medicaid/CHIP Enrollment Report

## The Health Care Reform War Without End

The battle over Obamacare is running into overtime, with risks for both parties and the country. In the 1936 election, one year after President Roosevelt signed the law creating Social Security, his Republican opponent Alf Landon called it a "cruel hoax" and promised to repeal it.

Landon won just two states—and, four years later, Republican nominee Wendell Willkie ran on *expanding* Social Security. Although congressional Republicans continued guerrilla warfare against the program into the 1950s, the prospect of full-scale repeal sank with Landon.

In 1964, Republican presidential nominee Barry Goldwater staunchly opposed the creation of Medicare, the health program for the elderly proposed by President Johnson. But after Johnson routed Goldwater and then pushed Medicare through Congress in 1965, opposition collapsed. By 1968, Republican presidential nominee Richard Nixon accepted it as settled law.

Although the skirmishing around Social Security offers some parallel, the struggle over health reform is burning longer and hotter than the scuffling over any previous expansion of America's safety net. It was emblematic earlier this week that just hours before President Obama announced that the Affordable Care Act had exceeded its original enrollment goal of 7 million, Rep. Paul Ryan for the fourth consecutive year released a House Republican budget that would repeal the law.

Factors from increased polarization in Congress to the widening racial, generational, and geographic divergence in each party's coalition explain this persistence. More important are the consequences. This elongated conflict is exposing each side to unpredictable political risks and denying the country a meaningful debate over addressing the law's inevitable flaws and miscalculations.

Ryan's defiant budget—coming immediately after the rush that produced more than 7 million enrollments on the health care exchanges, plus at least another 4 million sign-ups under Medicaid—captured how much momentum the repeal cause retains in the GOP. How far apart are the two sides? Ryan's plan would not only undo the insurance expansions under

Obamacare but also impose further sharp cuts on Medicaid, eventually eliminating existing coverage for an additional 15 million to 20 million people.

The skirmishing will only intensify if Republicans win the Senate this fall (even if Obama can still block any repeal legislation with his veto). And that in turn would increase pressure on the 2016 GOP presidential contenders to campaign on repealing the health law (as Mitt Romney did in 2012). As Ben Domenech, a leading young conservative analyst, wrote this week, "The Republican Party is wedded to the repeal of Obamacare for the foreseeable future. There will not be a single viable candidate in 2016 who is not in favor of repeal or avoids the challenge of putting forward a health care policy designed to replace Obamacare should they be elected."

While the late sign-up crush has improved overall attitudes toward Obamacare, the risk for Democrats in this war without end is that many Americans will blame the law for every glitch in the health care system. That danger is evident in surveys showing that most Americans, particularly whites, view Obamacare more as a transfer program for the poor than something that will help them personally. Likewise, a recent survey by Democrat Peter Hart and Republican Bill McInturff found that while two-thirds of Americans say the law has not affected their quality of care, nearly half believe it is increasing their costs. Combined with ideological resistance, such attitudes will threaten Democrats this fall in red-leaning congressional districts and in key Senate races, despite the improved enrollment picture.

But these extended hostilities also risk locking Republicans into a demand for repeal that could appear unrealistic and dogmatic by 2016. Health care is such a charged subject that the law may never enjoy preponderant public support. But as more patients and providers rely on it, the institutional resistance to repeal will almost certainly rise. Theda Skocpol, a Harvard University professor of government who studies the social safety net, says that compared with Social Security, which didn't provide large-scale benefits for decades, Obamacare is "actually moving much faster" to create constituents who gain from it. Her view is that the law already is "not repealable." By the time a Republican president could pursue repeal, Skocpol says, "it will be woven into the life of people, families, and businesses."



Like the program itself, the political consequences of the health care law are complex and precariously balanced. Compared with Social Security or Medicare, Obamacare more explicitly creates losers (such as healthy people previously advantaged by an individual insurance market that excluded the sick) as well as winners. It transfers resources from old to young by slowing Medicare spending to fund subsidies for the working-age uninsured—and in the opposite direction by requiring healthy young people to buy robust coverage that restrains premium costs for those older and sicker.

A course of treatment this intricate inevitably requires reassessments and re-calibrations. That's not possible now: Congress can't wield a scalpel while Republicans are still clamoring for the guillotine. But the late enrollment surge, even if it hasn't yet guaranteed the law's survival, has measurably increased the odds that the debate over Obamacare will gradually shift from ending to mending it.



## **“The Other NRA”**

A majority of the Senate recently voted to raise the minimum wage to \$10.10 per hour recently, yet the bill failed to clear the 60-vote hurdle necessary for passage -- thanks in no small part to the political power of the National Restaurant Association, the restaurant industry's trade association.

For years, the "Other NRA" has flexed its political muscle to keep wages low and to freeze the tipped minimum wage at just \$2.13 per hour. Plus, thanks to non-stop NRA lobbying, the House last month passed a bill changing the threshold for employer-provided coverage under the Affordable Care Act to deny health care to employees who work 30 hours per week.

This is thanks in no small part to the Other NRA's super-sized political giving. According to an analysis by the Restaurant Opportunities Center United, the \$683 billion industry's trade association itself has poured \$12.6 million directly into federal politicians' campaign coffers since 1989. NRA member organizations have chipped-in around \$51 million more: McDonald's, for example, has given \$5.8 million to federal politicians, Darden (parent company of Olive Garden, Red Lobster, and Capitol Grille) \$5.6 million, and Wendy's \$2.3 million. The biggest spender is NRA member Walt Disney; the creator of Mickey Mouse and Donald Duck disclosed \$14.1 million in contributions since 1989.

The NRA has also spent millions on the state level. It has worked with the American Legislative Exchange Council (ALEC) to quash local efforts to enact paid sick leave ordinances -- in Oklahoma, for example, the state NRA affiliate worked with Governor Mary Fallin (an ALEC alum) to crush both paid sick leave ordinances and minimum wage ordinances in one fell swoop.

Notably, as the restaurant industry pours tens of millions into politics and fights to keep wages low, it has seen five solid years of record-breaking profits and growth: The industry is expected to increase its profits by \$24 billion in 2014, and hit \$683 billion in sales.

### **Super-Sized Political Giving**

For decades, the NRA's political spending has bought it mountains of influence.

In the 1990s, it served up enough campaign contributions to persuade Congress to set the minimum wage for tipped workers at just \$2.13 an hour. This archaic provision means that big restaurant chains have managed to shift responsibility for paying their workers onto us, the consumers.

That's not the only avenue through which the NRA's political spending leads to a public dunning. Thanks to an abysmally low minimum wage for tipped workers at restaurants like Olive Garden and non-tipped workers at McDonald's and Wendy's, nearly 60 percent of the \$600 billion restaurant industry's employees are low-wage workers -- meaning they are twice as likely to be on public assistance as the rest of the population. The National Employment Law Project estimates that the public assistance provided to fast-food workers costs taxpayers at least \$3.8 billion a year. Taxpayers fund McDonald's employees to the tune of \$1.2 billion a year in public assistance. The majority of restaurant workers are adult women, many with kids to support.

While moms and kids are struggling, restaurant CEOs are enjoying eye-popping salaries subsidized by the taxpayers. According to a report from the Institute for Policy Studies, big restaurants have exploited a tax loophole to write off more than \$200 million in executive "performance pay" over just the past two years. In other words, we as consumers are not only stuck with paying restaurant workers' wages, but we as taxpayers are stuck subsidizing the industry's profits with public assistance programs for their underpaid employees and corporate welfare for their overpaid CEOs.

### **A Side of Revolving-Door Lobbying and a Dash of Front Groups**

The NRA's political giving is served with a side of influence-peddling. Between 2008 and 2013, the NRA more than doubled its count of registered lobbyists, from 15 to 37. At least 27 of the NRA's lobbyists have come through the "revolving door," meaning they jumped from Congressional jobs to lobbying gigs, and then play off their contacts inside the government to advance the restaurant industry's interests. What's more, the NRA's top member companies -- Darden, YUM! Brands (parent of Taco Bell, KFC, and Pizza Hut), Walt Disney, McDonald's, Marriott,

Sodexo, Aramark, Starbucks, and Coca-Cola -- added another 127 registered lobbyists last year. That's a lot of lobbying power.

In addition to its own paid lobbyists, the industry employs a crew of surrogates to do its dirty work in the public sphere. Salon just reported that the NRA is meticulously tracking the activities of fast food worker advocates and worker advocacy organizations. Salon reports that the Other NRA approved an "*additional*" \$600K to attack ROC United, a small, New York based nonprofit ROC. The Other NRA also appears to back groups like ROCexposed.org (a front group linked to notorious astroturf flak Richard Berman), as well as prominent economists like Douglas Holtz-Eakin who push anti-minimum wage rhetoric.

Another example of restaurant industry astroturf is the Employment Policies Institute, which poses as a "think tank" and commissions reports and runs ads and op-eds opposing minimum wage hikes. But EPI is run out of the offices of Berman & Co., Berman's PR firm, which represents the restaurant industry -- although over 80 percent of journalists fail to disclose those ties. Other Berman projects also advance the restaurant industry's agenda: front groups like the "Center for Consumer Freedom" have fought for years against indoor smoking bans and nutrition labeling requirements, which the industry has long opposed.

### **NRA "Made a Huge Difference" In Blocking State Minimum Wage Increases**

And that's just on the federal level. The NRA and its state chapters have given millions more to state and local candidates, and spent countless millions more on state-level lobbying. And in recent years, the NRA has been at the forefront of the push back against state and municipal efforts to enact their own minimum wage increases and paid sick day requirements.

Last June, the NRA boasted that its state chapters "made a huge difference" and "played an active role" in blocking higher wage laws in over a dozen states. And, it has been the biggest opponent of paid sick day laws in states across the country -- it has even pushed a bill at ALEC to prohibit local governments from requiring employers provide paid sick days to their workers, which has since spread across the country.

Most recently, the Oklahoma NRA affiliate helped push SB 1023 to crush local efforts to guarantee a fair wage and paid sick days in that state; it was signed into law in April by Governor Mary Fallin, an ALEC alumni who gave the keynote at ALEC's Spring meeting last year.

Despite broad popular support for an increase in the minimum wage among both Democrats and Republicans, the Other NRA has managed to stick a fork in the measure in the U.S. Senate for now. Stay tuned, however. Advocates are planning more street heat this summer and during the fall election cycle to convince Congress that America needs a raise.

### **Reflecting back in time**

The minimum wage during 1974 was \$2. In 2014 dollars that would be \$10.08. Instead of receiving a 39 percent increase, the minimum wage workers would receive an increase equivalent to 1974 minimum wage.

In 1960 the CEO salary to average worker salary ratio was 20-to-1. In 1980, it was 42-to-1. In 2000, it was 120-to-1. In 2012, it was 350-to-1.

The CEO's salaries are not based on performance or even on the stock market. Increases in CEO salaries have been twice as much as increases in the stock market. It does appear that the rich capitalist CEOs are making millions while their minimum wage employees are living in poverty.

Why are the CEOs worthy of such high salaries, but minimum wage workers are not worthy of the amount that was paid as minimum wage during 1974? Increasing the minimum wage isn't "emotional fairness," it's just fairness.

## **FL Medicare Billing Raises Red Flags**

When Florida doctors and other health providers billed Medicare for nearly 19 million office visits in 2012, they asked for the top fee less than 5 percent of the time.

But about 160 medical providers claimed nearly all of their visits for established patients merited the highest rate on a 1 to 5 scale, according to an analysis of Medicare data by ProPublica. Another nearly 425 providers - including doctors, nurse practitioners and physicians assistants billed at least half their office visits at that rate.

One psychiatrist, who charged all his 1,415 office visits by Medicare patients in 2012 at the most expensive level. He saw each of those 188 patients an average of more than seven times and said each visit required the most complex, time-consuming care for which Medicare will pay.

While many patients complain their doctors don't spend enough time with them, experts say heavy billing at the highest rate should at least raise red flags as pressure mounts to rein in waste in the public insurance program for seniors and the disabled.

Medicare typically reimburses physicians about \$100 or more for the most expensive "level 5" office visit. By contrast, a more typical level 3 office visit, typically about 15 minutes, is reimbursed at about \$50.

According to a professor and health policy expert at the University of South Florida, said billing codes should reflect the complexity of a patient's treatment and the amount of time required from the provider. The level 5 code typically involves 40 minutes of face time with the patient.

Patients should pay attention to codes on their Medicare statements, he said.

Experts, however, said that it was unbelievable that an urgent care doctor would never see patients with minor ailments. Other urgent care centers in the region, including some run by emergency specialists, have lower proportions of level 5 visits, ProPublica's analysis showed. According to a person who teaches medical billing and has written textbooks on the topic. "Even an emergency room in a hospital, not everybody is a level 5."

The issue of charging for office visits illustrates the kind of pressures faced by practices that don't perform lucrative procedures. Such practices can survive only if they have enough patients or use the highest codes they can justify.



## **Gov. Scott Spares Most Projects In \$77 Billion Budget**

With his lightest veto touch since taking office, Gov. Rick Scott signed a new \$77 billion state budget into law Monday, while eliminating \$69 million in state spending.

This year's low-key budget signing which didn't include a public ceremony contrasted with Scott's first year in office, when he traveled to the GOP-stronghold of The Villages retirement community and announced the veto of \$615 million in spending. "The special interests in Tallahassee probably aren't happy to hear that well over a half a billion in spending has been lined out of the budget," said Scott then.

On Monday, June 2nd, Scott offered a more muted message. "It is our responsibility to be good stewards of taxpayer funds and that is why I have vetoed special legislative projects totaling \$68.9 million," he said in his budget letter.

The budget vetoes fell below the \$143 million he knocked out in 2012 and was less than one-fifth of last year's \$368 million in vetoes.

Rather than touting an aggressive use of his veto power, Scott played up the "strategic investments" in the new budget, which takes effect July 1, including more money for education, funding for the Everglades and child-protection services. He cited the lack of a tuition increase. And he underlined the \$500 million in tax cuts, including nearly \$400 million in reduced motorist fees.

"These tax cuts will ensure that Floridians can keep more of their hard-earned money and pursue their dreams in our state," Scott said.

The governor's pivot on his budget message has a lot to do with his warmer relationship with legislative leaders as well as his bid for re-election this fall. Republican lawmakers gave Scott nearly everything he asked for in the election-year budget, and Scott seems to have reciprocated by using his line-item veto power judiciously.

Senate Budget Chairman Joe Negron, R-Stuart, said the \$77 billion budget the largest in state history represents "a conservative spending, saving and investment strategy" that won bipartisan support in the Senate. He cited the

\$3 billion in budget reserves as well as the \$500 million in tax cuts as shared goals with the governor on the "responsible stewardship of limited taxpayer dollars."

Although the majority of Democrats in the Legislature supported the budget, Florida Democratic Party Chairwoman Allison Tant said the new budget was "packed with hundreds of millions in pork-barrel spending and taxpayer giveaways."

She cited per-student funding in the public school system as still lagging behind 2007 levels and noted the cut in Bright Futures scholarship funding. Tant also underscored the budget's failure to expand Medicaid, denying health care access to "nearly 1 million Floridians."

## CONSERVATIVE SUPPORT

Despite the lack of vetoes, Scott's budget decision drew praise from some conservative groups, including the Americans for Prosperity. Chris Hudson, AFP's state director, said his group applauded the budget based on the tax cuts, budget reserves, efficiencies in state government operations as well as Scott's efforts to continue to reduce overall state debt.

"Gov. Scott has continued to fulfill the promises he made to Floridians when he was elected, by cutting taxes, trimming the fat in state government and working to push Florida's economy to be the best in the nation," Hudson said.

## BIGGEST CUTS

The largest projects vetoed by Scott was \$3.25 million for a science center and laboratory at Stetson University and the same amount for a park in Broward County. Other vetoes were spread across the state, including \$2 million for the Miami SkyRise observation tower project, \$123,000 for a dog park in Jacksonville and \$1 million for land acquisition at Gasparilla Island State Park.

Scott vetoed three projects in Sarasota County: \$250,000 for the Sarasota fairgrounds, \$1 million for the Circus Arts Conservatory and \$1.6 million in renovation money for the Hamilton student center at New College of Florida.

Florida TaxWatch, a government watchdog group aligned with Florida businesses, had called for \$121 million in vetoes. The organization said Monday that Scott's veto list included 23 of the projects on the group's "turkey report," representing \$14 million in spending.

"TaxWatch provides the budget turkeys to the governor to ask that he determine the projects are valuable," said Kurt Wenner, a TaxWatch vice president for research. "We hope that appropriations appearing in the turkey report that were not vetoed are ultimately in the best interest of the taxpayers who are required to pay for them."

