

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

BANKING AND INSURANCE
Senator Richter, Chair
Senator Smith, Vice Chair

MEETING DATE: Wednesday, November 16, 2011
TIME: 8:30 —11:30 a.m.
PLACE: *Pat Thomas Committee Room, 412 Knott Building*

MEMBERS: Senator Richter, Chair; Senator Smith, Vice Chair; Senators Alexander, Bennett, Fasano, Gaetz, Hays, Margolis, Negron, Oelrich, and Sobel

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
		Discussion of Personal Injury Protection (PIP): The committee will receive testimony from stakeholders regarding potential PIP reform.	Discussed
Other Related Meeting Materials			

Non- Physician Owned Clinic Perspective On PIP Reform

Presented By:
Gary Brown, CEO Choice Medical
Centers

License Reform

- Clinics licensed under Chapter 400 and doctors licensed under Chapters 458,459 & 460 can bill and receive reimbursement through PIP.
- All other persons licensed under any other Chapter shall not be permitted to hire above their scope of license. This would prohibit lower level licensees from being reimbursed unless such licensees applies for clinic licensure under chapter 400.

Licensed Clinics Owning Attorney Referral Services

- Our Clinics do not participate in attorney referral services.
- Therefore, please defer to The Florida Bar on the issues of prohibited activities by attorneys.

Treating Patients based on Medical Condition vs. Treatment based on Insurance Benefits

- In our clinics, we are prohibited from interfering with the diagnosis and treatment of patients.
- All of our doctors are on salary with no financial interest in how the patients are treated.
- Our doctors are unaware of insurance limits or amounts billed. They only have access to electronic encounter forms which contain CPT codes.

Clinic Ownership

- AHCA has enacted excellent rules:
 - Convicted felons involved in fraud are prohibited from clinic ownership.
 - Required Level 2 FBI background screening of owners and all staff who come in contact with the patients.
 - A prospective clinic owner must provide a projected financial statement and demonstrate the source of funds, to provide minimal capital requirements.
 - Review of location leases and medical directorships, to ensure no “strawman clinics”.

Clinic Ownership Cont...

- All leases to be executed by an owner or corporative executive.
- Complete review of medical director’s agreement, and billing processes (initially and every two years)
- Inspection of equipment and certificates (every two years)
- Inspection of record keeping (every two years)

Clinic Ownership Cont...

- Additional Measures our Clinics take to ensure against fraud:
 - Encourage employees to report suspected improper activities.
 - Constant education to all employees regarding anti-fraud measures.
 - Routinely holding compliance training conducted by board certified healthcare attorneys for education of permitted activities and how to report improper activity.
 - Accreditation by JCAHO, insuring patient safety and proper record keeping of all prescribed and rendered services.

Clinic Ownership Cont...

- If a patient is treating and attempts to commit fraud or asks for money we:
 - Dismiss the patient
 - Withdrawal the claim from the insurance company
 - Report the activity to the insurance company's SIU and DOI
 - Diligently pursue collection efforts directly against the patient

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

11-16-11

Meeting Date

Topic PIP Bill Number _____ (if applicable)
Name BILL NEWTON Amendment Barcode _____ (if applicable)
Job Title EXECUTIVE DIRECTOR
Address 3006 W KENNEDY BLVD STE B Phone 813-877-6712
Street
City TAMPA State FL Zip 33609 E-mail BILLN@FCANLORG
Speaking: For Against Information
Representing FLORIDA CONSUMER ACTION NETWORK

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

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11/16/11

Meeting Date

Topic Florida PIP Workshop Bill Number _____ (if applicable)
Name James J. Pratt Amendment Barcode _____ (if applicable)
Job Title Florida Staff Counsel Director - GEICO
Address 500 N. Westshore Blvd. ste 850 Phone 813-373-7800
Street
City Tampa State FL Zip 33609 E-mail jpratt@geico.com
Speaking: For Against Information
Representing GEICO

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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11/16/11
Meeting Date



Topic PIP

Bill Number PIP workshop
(if applicable)

Name PAUL LAMBERT

Amendment Barcode _____
(if applicable)

Job Title General Counsel

Address 502 North Adams Street

Phone 850 224-9397

Tallahassee FL 32301
City State Zip

E-mail plambert@paul Lambert Law
.com

Speaking: For Against Information

Representing Florida Chiropractic Assn

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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11-16-11
Meeting Date



Topic PIP

Bill Number PIP Workshop
(if applicable)

Name Dr Chip Smith

Amendment Barcode _____
(if applicable)

Job Title Chiropractor

Address 555 Ave L NW

Phone 863-293-4249

Winter Haven, FL 33881
City State Zip

E-mail Dr H.G. Smith@
verizon.net

Speaking: For Against Information

Representing FL Chiropractic Assoc

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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11/16/11
Meeting Date

Topic P.I.P. Bill Number _____ (if applicable)
Name Dr. Richard R. Thacker, DO Amendment Barcode _____ (if applicable)
Job Title Physician osteopathic (PIP workgroup panel member)
Address 2270 Capital Medical Blvd Phone (850) 219 2342
Tallahassee Fla 32308 E-mail RRTDO@AOL.COM
City State Zip

Speaking: For Against Information
Representing FOMA AND FMA
Appearing at request of Chair: Yes No Lobbyist registered with Legislature: Yes No

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date

Topic PIP Bill Number _____ (if applicable)
Name Amy Peterson Amendment Barcode _____ (if applicable)
Job Title Leg Affairs Director
Address EOG Phone _____
City State Zip E-mail _____

Speaking: For Against Information
Representing EOG
Appearing at request of Chair: Yes No Lobbyist registered with Legislature: Yes No

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APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)



11/16/11
Meeting Date

Topic PIP

Bill Number NA
(if applicable)

Name CFO Jeff Atwater

Amendment Barcode NA
(if applicable)

Job Title CFO

Address The Capitol
Street
Tallahassee, FL 32399
City State Zip

Phone 413-2802

E-mail jeff.atwater@myfloridastate.com

Speaking: For Against Information

Representing CFO/DFS

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

11/16
Meeting Date

Topic PIP

Bill Number _____
(if applicable)

Name Bill Bell

Amendment Barcode _____
(if applicable)

Job Title General Counsel

Address 306 E College Ave
Street
Tallahassee FL 32301
City State Zip

Phone 222-2800

E-mail billbell@tha.org

Speaking: For Against Information

Representing Fla. Hospital Assn

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

11-10-11

Meeting Date

Topic PIP

Bill Number (if applicable)

Name Richard Tracker, D.O.

Amendment Barcode (if applicable)

Job Title Physician

Address 2007 Apalachee Parkway

Phone 878-73604

Street Tallahassee, FL 30301

E-mail

City State Zip

Speaking: For Against Information

Representing FL Medical Association / FL Osteopathic Medical Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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11/16/11

Meeting Date

Topic PIP

Bill Number (if applicable)

Name Gary Brown

Amendment Barcode (if applicable)

Job Title CEO, Choice Medical Centers

Address 2295 NW Corporate Blvd Ste

Phone 561-988-1022

Street Boca Raton FL 33431

E-mail gbrown@ppmsinc.com

City State Zip

Speaking: For Against Information 33431

Representing Choice Medical Centers

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

Nov. 16, 2011

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date

Topic FLORIDA PIP Workshop

Bill Number _____
(if applicable)

Name Bonny Gordon

Amendment Barcode _____
(if applicable)

Job Title SR. Counsel

Address 1 GEICO Plaza

Phone 301-986-2653

Washington, DC 20076
Street City State Zip

E-mail bgordon@geico.com

Speaking: For Against Information

Representing GEICO

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

11/16/2011

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date

Topic PIP Workshop

Bill Number _____
(if applicable)

Name Todd E. Copeland

Amendment Barcode _____
(if applicable)

Job Title Attorney

Address 338 N. Magnolia Ave

Phone (407) 999-8995

Orlando, FL 32801
Street City State Zip

E-mail toddsc@toddcopeland.com

Speaking: For Against Information

Representing FL. JUSTICE ASSOC.

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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11-16-11

Meeting Date

Topic AUTO INSURANCE / PIP

Bill Number NONE - WORKSHOP
(if applicable)

Name GLEN JED

Amendment Barcode _____
(if applicable)

Job Title ATTORNEY

Address 7771 N. FEDERAL HWY

Phone (561) 995-1966

Street

BOCA RATON, FL 33487

E-mail GGED@ELLISANDGED.COM

City State Zip

Speaking: For Against Information

Representing HEALTH CARE PROVIDERS

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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11/16/11

Meeting Date

Topic PPA Reform

Bill Number _____
(if applicable)

Name Allen McGlynn

Amendment Barcode _____
(if applicable)

Job Title State Counsel

Address _____

Phone 850-577-5602

Street

City State Zip

E-mail Allen.McGlynn.GDUT@StateFarm.com

Speaking: For Against Information

Representing State Farm

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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11/16/11
Meeting Date

Topic Insurance- PIP Reform
Name Maureen Hasselmann
Job Title Claim Section Manager

Bill Number _____ (if applicable)

Amendment Barcode _____ (if applicable)

Address _____
Street
City State Zip

Phone 407-462-7872

E-mail Maureen.hasselmann@ggen@statefarm.com

Speaking: For Against Information

Representing State Farm

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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S-001 (10/20/11)



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Budget - Subcommittee on Transportation, Tourism,
and Economic Development Appropriations,
Vice Chair
Reapportionment, Vice Chair
Banking and Insurance
Budget
Budget - Subcommittee on Finance and Tax
Communications, Energy, and Public Utilities
Criminal Justice
Governmental Oversight and Accountability
Rules

SENATOR GWEN MARGOLIS
35th District

November 16, 2011

Chair Richter,

Please excuse my absence from the Banking & Insurance Committee meeting. I am still home recovering from hip replacement surgery.

My Legislative staff will be in Tallahassee in my absence and should you need anything, please do not hesitate to contact them.

I look forward to seeing you at the next committee meeting.

Thank you again for your continued support and understanding.

Sincerely,

Gwen Margolis
State Senator

REPLY TO:

- 3050 Biscayne Boulevard, Suite 600, Miami, Florida 33137 (305) 571-5777
- 414 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5121

Senate's Website: www.flsenate.gov

MIKE HARIDOPOLOS
President of the Senate

MICHAEL S. "MIKE" BENNETT
President Pro Tempore

CourtSmart Tag Report

Room: KN 412 Case:
Caption: Senate Committee on Banking and Insurance

Type:
Judge:

Started: 11/16/2011 8:36:22 AM
Ends: 11/16/2011 11:31:11 AM Length: 02:54:50

8:36:26 AM Meeting called to order
8:37:09 AM Roll call.
8:37:33 AM Quorum.
8:37:41 AM Opening remarks by Chairman Richter.
8:42:35 AM Angela Peterson, Legislative Affairs Director, Executive Office of the Governor recognized to present.
8:43:04 AM Governor committed to keeping cost of living down.
8:43:59 AM Four key issues to be addressed to reign in insurance costs.
8:44:10 AM First issue is fraudulent claims.
8:44:24 AM Second issue is litigation reform.
8:44:34 AM Third issue is provider reform.
8:45:05 AM Fourth issue is accountability.
8:46:37 AM Chairman Richter recognizes CFO Atwater to present.
8:46:51 AM CFO Atwater makes comments regarding PIP.
8:47:16 AM CFO Atwater agrees with 4 points addressed by governor's office.
8:48:14 AM Need bold change.
8:48:22 AM Rates are approved by Office of Insurance Regulation (OIR).
8:48:53 AM OIR uses specific audited data from insurance companies.
8:50:13 AM No isolated to a geography or profiled driver.
8:50:25 AM CFO Atwater provides example of increase in premiums.
8:51:10 AM 880 people arrested for fraud (PIP) or related to PIP fraud through Sept. 30, 2011.
8:51:50 AM Florida has 4 of the top 5 fraud cities in the nation, only behind New York City.
8:54:53 AM Litigation is a factor: 36000 cases a year ago. Through August 2011 there is a substantial increase.
8:57:16 AM Believe we can and should save PIP.
8:57:40 AM Legislation should require that rates should come down.
8:58:56 AM Chairman Richter poses question to CFO Atwater regarding arrests.
8:59:15 AM CFO Atwater responds.
9:01:00 AM Senator Negron recognized.
9:01:35 AM CFO Atwater responds.
9:02:36 AM Senator Bennett poses question to CFO Atwater regarding phantom billing.
9:02:55 AM CFO Atwater responds.
9:04:32 AM Senator Sobel recognized.
9:05:02 AM CFO Atwater responds.
9:05:34 AM CFO office could use more prosecutors, more equipment/technology, and investigators.
9:06:07 AM As well as some policy changes.
9:06:54 AM Senator Hays recognized.
9:07:21 AM Senator Hays asked for information regarding licensed providers that have been convicted of fraud.
9:08:19 AM How much utilization (defensive medicine) is rolled in?
9:08:40 AM CFO Atwater responded and said he would try to get the other supporting information.
9:08:54 AM Senator Gaetz recognized.
9:09:18 AM Is there a state that has the regulatory framework in place already? How would you characterize their framework?
9:09:39 AM CFO Atwater responds.
9:09:51 AM There are only 10 states who continue to provide PIP, so not really a model out there. Can provide a model of data.
9:10:38 AM Can look at other states and pull something together.
9:10:54 AM Senator Gaetz asks follow-up question.
9:11:58 AM CFO Atwater responds.
9:12:44 AM Senator Smith recognized.
9:12:53 AM Senator Smith poses question regarding unlicensed medical facilities.
9:13:11 AM CFO Atwater responds.
9:14:52 AM Chairman Richter asks question regarding exempting of clinic(s).
9:15:13 AM CFO Atwater says he does not know and would defer to someone who does.

9:15:25 AM Senator Alexander recognized.
9:15:48 AM Senator Alexander poses question about relationship between lawyer referral groups and clinics.
9:16:31 AM CFO Atwater responds.
9:19:23 AM Senator Alexander asks follow up question.
9:19:41 AM What are you seeing in amount of legal costs compared to costs related to injuries?
9:20:22 AM CFO Atwater responds.
9:20:45 AM There is a trend line showing litigation is moving rapidly.
9:21:48 AM Has repeatedly asked insurance industry for information to support litigation as a cost driver.
9:23:20 AM Senator Bennett recognized.
9:24:00 AM Problems at both ends of the spectrum.
9:24:46 AM CFO Atwater responds.
9:25:37 AM Senator Fasano poses question to CFO Atwater.
9:25:48 AM Why are we forcing people to have PIP when they have medical insurance?
9:26:16 AM CFO Atwater responds.
9:27:11 AM Legitimate conversation to ask if you have medical coverage can you waive PIP.
9:27:36 AM Chairman Richter asks CFO Atwater to give specific proposals or needs to staff so they can assist.
9:29:10 AM Bill Bell, General Counsel, Florida Hospital Association, recognized to present.
9:29:40 AM Supports mandatory PIP coverage.
9:30:32 AM Vitality important to keep some type of coverage because over 1/3 of the patients have no other coverage.
9:31:20 AM If PIP repealed financial shift would occur and burden would be placed on hospitals.
9:31:37 AM Support increase of \$10,000 PIP limit for at least emergency room visits.
9:32:09 AM Hospital costs have risen, but PIP has remained the same.
9:33:09 AM \$5000 reserve for physicians and this was designed to encourage on call doctors to come in.
9:33:41 AM Are there any issues with timely payments for hospitals? Disputes are often over amounts paid.
9:34:11 AM Can hospitals recognize when people are trying to lay out a fraudulent claim?
9:35:10 AM Chairman Richter makes statement to Mr. Bell regarding suspicious activity report.
9:35:38 AM Is there any mechanism whatsoever that hospitals can or can recommend to report suspicious activity.
9:36:09 AM By statute there are some instance where hospital has to make some reports to officials.
9:36:33 AM Senator Smith asks if there is a median amount for an auto accident.
9:36:55 AM Mr. Bell says is about \$4,700 in emergency room; life threatening as inpatient is closer to \$87,000.
9:37:40 AM Senator Oelrich makes statement regarding increase in PIP.
9:38:23 AM Mr. Bell says increase should be set aside for emergency care.
9:38:38 AM Senator Hays recognized.
9:39:02 AM Chairman Richter responds.
9:39:16 AM Senator Hays follows up.
9:39:33 AM Mr. Bell responds.
9:40:05 AM Senator Hays responds.
9:40:19 AM Senator Smith recognized.
9:40:49 AM Mr. Bell responds.
9:41:15 AM Senator Smith responds with follow up question regarding soft tissue injuries.
9:41:34 AM Mr. Bell responds.
9:41:39 AM Senator Sobel asks question regarding reasons for litigation.
9:41:56 AM Mr. Bell responds.
9:42:13 AM Senator Sobel asks how much it takes hospitals to litigate these claims?
9:42:34 AM Mr. Bell says he does not have the information but can get the information.
9:43:01 AM Chairman Richter recognizes Dr. Thacker.
9:43:11 AM Richard Thacker, M.D., FL Medical Assoc. & FL Osteopathic Medical Assoc., begins presentation.
9:44:52 AM Need to keep PIP benefit, needs to be increased.
9:45:01 AM Reform requires scapel not a hatchet.
9:46:22 AM Providers license is at risk during fraudulent claims.
9:47:44 AM Upwards of 30% of people in Florida are not insured and another 20% are under insured.
9:50:12 AM Presents findings from workgroup he sits on.
9:53:28 AM Fraud is about repetition, redundancy and over utilization.
9:55:11 AM Does not feel it cannot be done.
9:55:44 AM Chairman Richter recognizes Senator Negron.
9:56:29 AM Do you see insurance companies not making timely payments or partial payments? Is there a problem?
9:56:50 AM Dr. Thacker responds. It's becoming a problem.
9:56:38 AM Senator Negron - how often do you make follow up referrals?
9:58:58 AM Dr. Thacker responds.
9:59:26 AM In his case, more referrals would be to a physical therapist versus a massage therapist.
9:59:51 AM Senator Gaetz recognized.
10:00:53 AM What would be the therapeutic consequences if we say we're not covering massage therapy under PIP?

10:01:32 AM Dr. Thacker responds.
10:02:49 AM Massage therapy is probably over utilized. Regulation may be difficult.
10:03:25 AM Chairman Richter poses question regarding examination under oath.
10:04:34 AM Dr. Thacker responds.
10:05:30 AM Chairman Richter poses follow up question.
10:05:53 AM Dr. Thacker responds you can do it through licensure and you should hold people accountable.
10:06:32 AM Senator Sobel recognized and asks question regarding electronic claims.
10:07:26 AM Dr. Thacker responds most of it is still paper trail for auto claims.
10:07:45 AM Senator Oelrich recognized.
10:07:57 AM Does the Florida Medical Assoc. or Osteopathic Medical Assoc. have a position as to whether a massage is a medically recognized service.
10:08:31 AM Dr. Thacker responds "it can be."
10:08:49 AM Paul Lambert recognized.
10:09:15 AM Eight specific proposals to share.
10:10:53 AM Close the loop hole in clinic licensure statute.
10:11:07 AM When healthcare provider gets license, make it limited to one location.
10:11:28 AM Make health care providers list all places of service.
10:11:48 AM Suspend or revoke licensure of those who fraudulently file clinic papers.
10:12:09 AM Immediately suspend false clinic practices.
10:12:23 AM Report patient brokering and immunity.
10:12:32 AM Require DFS to provide a provider friendly method to report fraud.
10:12:50 AM Require DOH to provide investigators, training, and prosecution of fraudulent claims, doctors, etc.
10:13:58 AM Chairman Richter poses question.
10:14:24 AM Senator Oelrich asked if the list could be shared with members.
10:14:36 AM Senator Oelrich asked if there was any mention of lawyers in the list.
10:14:51 AM Chairman Richter says we will get to that issue.
10:15:00 AM Dr. Chip Smith (chiropractor) recognized.
10:17:00 AM Sometimes factors weigh into making diagnosis for PIP claims (gender, age, previous injuries, etc.).
10:18:36 AM Speaks to treatment for soft tissue injuries.
10:19:48 AM Chairman Richter makes statement to Dr. Smith.
10:20:11 AM Dr. Smith responds that in his town, there are 2 major medical facilities, and PIP injuries are not treated.
10:20:51 AM Chiropractors are one of the main stages for treating PIP injuries.
10:21:11 AM Senator Gaetz recognized.
10:21:30 AM Is there therapeutic justification for the explosion of massage therapy claims?
10:21:58 AM Dr. Smith replied he is not able to answer that question.
10:22:13 AM Senator Gaetz asks follow up.
10:22:47 AM Have you increased your referrals to massage therapists?
10:22:55 AM Dr. Smith says he does use massage therapists and they do provide treatment for soft tissue injuries.
10:23:17 AM Senator Negron asked if he has massage therapist in his office.
10:23:31 AM Dr. Smith responds he does not have any massage therapists in his practice.
10:23:48 AM Senator Negron asks follow up question regarding reasonableness of care.
10:23:57 AM Dr. Smith states there is research that speaks to ranges of care.
10:24:26 AM Senator Negron states 1 is too few, 1000 is too many during a six month time period.
10:24:44 AM Dr. Smith says there is a range depends on case. You may see a patient for 3-4 months.
10:25:32 AM Sometimes you may see them every day for the 1st week, and then based on medical necessity, varies.
10:26:05 AM Dr. Smith replies 25 to 50 to 60 visits would be a fair range.
10:26:27 AM Gary Brown, Choice Medical Centers, recognized.
10:27:50 AM Exemptions should not allow non qualified providers to employ doctors and osteopathic doctors.
10:29:31 AM Their doctors are not privy to insurance limits, etc. They are free to practice medicine.
10:29:50 AM Cannot employ any convicted felon who is convicted of fraud nor can they be an owner.
10:30:35 AM Level II background investigation conducted on all employees.
10:30:48 AM Prospective owners must provide financial background information.
10:31:10 AM Location leases and medical directives are reviewed (no straw men in process).
10:31:36 AM All of leases are executed by an owner of the company.
10:31:49 AM Complete review of medical billing, record keeping, etc. is completed by an AHCA representative every two years.
10:32:24 AM Encourages employees to report suspected fraud. Hold company compliance training.
10:33:06 AM If a patient requests scheme or fraud, they report to insurance company, dismiss patient and seek payment.
10:34:12 AM Chairman Richter poses question to Mr. Brown.
10:34:45 AM Mr. Brown says he doesn't understand why clinics would self-exempt.
10:35:23 AM Chairman Richter asks if Mr. Brown is required to report fraudulent activity. What response do you get?
10:35:49 AM Mr. Brown responds.

10:36:19 AM Senator Oelrich asks about employees breakdown.
10:36:37 AM Mr. Brown says he has 7 MDs, 2 DOs, radiologists, 3 PA's, 18 medical assistants and administrative staff.
10:37:26 AM Senator Oelrich asks if the facilities are emergency related or clinic related.
10:37:45 AM Mr. Brown says they can handle post-emergency room visits (fractures, etc.).
10:38:28 AM More cost effective than emergency room. Equipped to handle some emergencies.
10:38:50 AM Emergency rooms are equipped to stabilize patients.
10:39:17 AM Senator Oelrich asks if he has a chiropractor employed?
10:39:36 AM Mr. Brown says he does provide some chiropractic therapy to patients.
10:40:02 AM Senator Oelrich asked follow up question.
10:40:11 AM Mr. Brown responded.
10:40:22 AM Senator Gaetz recognized.
10:40:47 AM Mr. Brown responds.
10:41:47 AM Limiting clinic ownership to those who fall under 458, 459 and 460, electronic billing are two top issues.
10:42:58 AM Third part would be to have substantial penalties for people who are practicing fraud.
10:43:20 AM Senator Negron recognized.
10:44:06 AM Mr. Brown responded that he has no problem with billing and has to hire attorneys from time to time.
10:44:29 AM Senator Negron asked follow up question regarding filing of suit.
10:44:44 AM Mr. Brown responded that a demand must be filed in order to get paid.
10:45:08 AM Some carrier you have to file suit.
10:45:32 AM Senator Negron asks follow up question that we should not allow non-physicians to own clinics - rationale?
10:46:10 AM Mr. Brown responded that his model is probably the safest because the physician is not aware of any admin service
10:46:42 AM Far more rigorous licensing and review required.
10:47:40 AM Chairman Richter recognizes Senator Bennett.
10:48:05 AM Senator Bennett asks question regarding electronic filing, demand letters, etc.
10:49:24 AM Mr. Brown would support legislation that would require insurance company to provide electronic claim filing.
10:50:08 AM Senator Sobel recognized.
10:50:48 AM Mr. Brown states his company's policy is to not settle claims because they have fee schedules. Almost always wins
10:51:14 AM or if patient engages in fraud.
10:51:25 AM Senator Sobel asked about percentage of budget for fees.
10:51:41 AM Mr. Brown states its very little.
10:52:41 AM Senator Sobel asks follow up question - does anyone ask "What is the plan?"
10:53:48 AM Mr. Brown responds.
10:54:09 AM Senator Smith recognized.
10:54:48 AM Mr. Brown stated demand letter gives extra time to pay.
10:55:32 AM Senator Smith asks follow up question.
10:55:59 AM Mr. Brown stated they routinely have to send out the demand letter on the 31st day.
10:56:25 AM Senator Alexander recognized.
10:57:51 AM Mr. Brown responds to Senator Alexander's question.
10:58:43 AM Senator Alexander asks follow up question.
11:00:56 AM Mr. Brown responds.
11:02:23 AM Chairman Richter makes statement regarding next group of presenters.
11:03:08 AM Jim Pratt, Director, Staff Counsel for GEICO recognized to present
11:04:45 AM Fraud prevention is number 1 objective - most effective tool is examination under oath
11:05:12 AM Believes statutory provision for examination under oath is single greatest tool
11:05:54 AM Would like to examine provider under policy
11:06:29 AM Attorneys fees drive PIP (fee multiplier)
11:07:05 AM Advocate abolishing fee multiplier and cap on attorneys fees
11:07:43 AM Provide reform and utilization review (billings for excessive treatment/modalities)
11:09:19 AM Exemption on clinic licensing
11:10:11 AM Bonny Gordon, Senior Counsel, GEICO, recognized.
11:10:39 AM Maureen Hasselman, State Farm insurance, recognized.
11:11:52 AM 83 investigators dedicated to (75 to PIP, 8 to homeowners) fraud investigations
11:14:31 AM 106% increase in PIP claims
11:18:28 AM Senator Negron recognized.
11:20:57 AM Mr. Pratt responds.
11:21:18 AM Senator Negron asks how many claims results in demand letter being sent?
11:21:33 AM Mr. Pratt responds he does not know the number.
11:21:43 AM Senator Negron - what is the typical attorney's fee (average fee) for defense counsel?
11:22:04 AM Mr. Pratt responds most cases are resolved prior to a court hearing.
11:22:40 AM Senator Negron: What is average plaintiff's fee in PIP cases?

11:22:57 AM Alan McGlynn recognized to respond.
11:25:08 AM Chairman Richter makes statement regarding workshop and each component.
11:25:56 AM Chairman Richter asks each party to come back next committee meeting to continue addressing PIP concerns.
11:26:57 AM Senator Negron recognized.
11:27:03 AM Mr. McGlynn recognized.
11:27:42 AM Senator Negron asked follow up question.
11:28:21 AM Senator Bennett recognized.
11:29:16 AM Chairman Richter makes statement.
11:29:38 AM Senator Smith recognized.
11:30:14 AM Alan McGlynn makes statement.
11:30:52 AM Chairman Richter makes closing comments.
11:31:04 AM Meeting adjourned.