

STORAGE NAME: h2157a.ft
DATE: April 16, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
FINANCE AND TAXATION
ANALYSIS**

BILL #: HB 2157
RELATING TO: Special Disability Trust Fund Privatization Commission
SPONSOR(S): Rep. Goodlette
COMPANION BILL(S): SB 2196 (s)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) FINANCE AND TAXATION YEAS 15 NAYS 0
 - (2)
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

The Special Disability Trust Fund Privatization Commission was created by the Legislature in 1998. In the last year, problems have emerged with this legislation. Under current law, when the Special Disability Trust Fund Privatization Commission contracts with an administrator to handle a claim, and chooses to contract with a qualified entity to assume the reimbursement obligation, said administrator and the qualified entity may not be affiliates nor may they have a financial or contractual agreement. The bill is intended to solve the problems that have emerged by removing this prohibition.

This bill has no fiscal impact.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Under current law, when the Special Disability Trust Fund Privatization Commission contracts with an administrator to handle a claim, and chooses to contract with a qualified entity to assume the reimbursement obligation, said administrator and the qualified entity may not be affiliates nor may they have a financial or contractual agreement.

B. EFFECT OF PROPOSED CHANGES:

This bill would remove the above prohibition, allowing the administrator and the qualified entity to be affiliates or to have a financial or contractual relationship.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

- b. Does the bill directly affect the legal rights and obligations between family members?

N/A

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

- (1) parents and guardians?

N/A

- (2) service providers?

N/A

- (3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Section 440.49(13), F.S.

E. SECTION-BY-SECTION ANALYSIS:

Section 1 would allow the Special Disability Trust Fund Privatization Commission to contract with an administrator to handle a claim, and with a qualified entity to assume the reimbursement obligation, even if said administrator and the qualified entity are affiliates or have a financial or contractual agreement.

Section 2 provides an effective date.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

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1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

The bill would eliminate one barrier to becoming a qualified entity or an administrator under this section.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

N/A

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

One amendment was passed by the Committee on Finance and Taxation. This strike-everything amendment:

- Removes the role of the administrator and divides its contemplated duties between the Department of Labor and the qualified entity.

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- Provides for a disinterested party review if the qualified entity disagrees with the Department's approval of a claim.
- Gives jurisdiction to a judge of compensation claims if the qualified entity denies reimbursement of fails to pay a claim within 26 weeks of submission.

VII. SIGNATURES:

COMMITTEE ON FINANCE AND TAXATION:

Prepared by:

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