



Session 2017 Report

Week 1—March 6-10, 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.

Legislators began filing their priority bills for in November following their election and swearing-in, and the deadline for filing member bills was the first day of the legislative session, March 7, 2017. 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.

Policy Issues

Economic Development

During legislative committee weeks, [House Bill 7005](#) was introduced as a committee proposal to eliminate economic development and incentive programs—this includes programs such as Enterprise Florida, The Institute for Commercialization of Public Research, Visit Florida, The Florida Film Office, and approximately 20 other incentive programs totaling \$289 million. It was heard in committee during BioFlorida Day and several attendees were able to attend and the group watched the debate. While the fight over these funds is less than 1/10 of 1% of the state's \$82.3 billion budget, Speaker Corcoran has made it clear that it is a top priority for the House to pass—he is philosophically opposed to using taxpayer dollars for economic development.

During the first week of session, the bill was heard in its final committee of reference, the Rules and Policy Committee, and passed 15-3. Following that, it was put on the Special Order for the House floor, the sponsor; Rep. Paul Renner, answered questions on economic development by the members. Of particular note, Rep. Lori Berman cited the direct connection between incentives supporting the biotech industry. The bill will be heard on Third Reading on the House floor on Friday afternoon, March 10, 2017. Upon final passage, the bill will then be sent over to the Senate for consideration. The Senate does not share the same philosophical perspective as the Speaker. There are a couple of proposed Senate bills that address accountability and transparency in incentive programs such as [SB 1076 “Government Support Organizations”](#) by

Senator Passidomo and [SB 1110 “Economic Development”](#) by Senator Jeff Brandes. Both of these bills have been introduced and referred but not yet put on a committee agenda.

Biomedical Research

BioFlorida supports the state’s investment in biomedical research that can lead to breakthrough treatments and expand the industry and Florida’s economy. Governor Scott has recommended level funding of these priorities; the legislature has had initial presentations from the agencies as they begin building budgets at the subcommittee level and there have been favorable signs for these budget priorities. Over the next several weeks, as the subcommittees roll out their budget recommendations, we will continue to provide updates.

Patient Access

There are several bills BioFlorida is monitoring that address patient access issues, BioFlorida is monitoring these bills as potential vehicles for price transparency language:

- “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 has been referred but not yet placed on an agenda; HB 589 has passed the first committee of reference unanimously and now has one remaining committee hearing.
- “Consumer Protection from Nonmedical Changes to Prescription Drug Formularies” [HB 95](#) by Representative Ralph Massullo and [SB 182](#) by Senator Debbie Mayfield: this 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. HB 95 passed unanimously from the first of three committees; and SB 182 has passed two committees unanimously and has two remaining committees.
- “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. Both bills have been filed and referred to committees, but not yet placed on an agenda.

Tax Incentives

With approximately 3,000 bills filed, there are numerous proposals on tax breaks and incentives; including rolling back the tax on commercial leases, abolishing the insurance industry tax incentive, eliminating taxes on diapers and feminine products, repealing the tax on renewable energy sources, and the annually proposed sales tax holidays such as “Back to School.” Over the next several weeks, state economists will “score” these bills for a fiscal impact. Then these individual proposals will begin to move through the committee process and then some will ultimately folded into each chamber’s “tax package” proposal. It is too early in the process to

determine which proposals make the final cut, but it will be largely based on each proposal's individual fiscal impact and how those add up to the larger total the presiding officers will allocate for the entire tax package.

Enterprise Florida Leadership Changes

Chris Hart IV resigned from his position of CEO of Enterprise Florida, Stan Connally (Vice Chairman of the EFI Board of Directors) nominated Mike Grissom to serve as interim CEO. He had currently been serving in the role of executive vice president of the economic development agency. Prior to joining Enterprise Florida, Grissom served as a senior director at the Florida Chamber of Commerce and executive director of the Republican Party of Florida. He also held positions in the offices of Governor Rick Scott and Attorney General Bill McCollum.

Budget Update

Many of BioFlorida's priorities revolve around the state budget. Governor Scott unveiled his 2017-2018 ["Fighting for Florida's Future" budget recommendations](#) on January 31. The legislature can consider these recommendations as they allocate the budget during Session. Big picture, the Governor's total recommendations is \$83.4 billion. Some highlights of the Governor's recommended budget include \$618 million in tax cuts which include a decrease in the commercial lease tax by \$454 million; Florida is currently the only state that has a tax on commercial leases. The tax proposal also increases the corporate tax exemption from \$50,000 to \$75,000. Governor Scott also recommended \$85 million in economic incentives including Quick Action Closing Fund, the Qualified Targeted Industry Tax Refund, Defense Contractor Tax Refund and Brownfield Redevelopment Tax Refund. Additionally, the proposal includes \$119 million for economic development public-private partnerships, including \$23.5 for the operations of Enterprise Florida and \$1 million to continue Target Sector Trade Grants and Export Marketing Plan to help maintain Florida's preeminent position as the economic gateway to Latin America and the Caribbean. Finally, the Governor has included continued level funding for biomedical research for programs such as King, Moore, and Bankhead-Coley research programs as well as the Florida Consortium of National Cancer Institutes Centers Program and the endowed chair of cancer research.

Governor Scott's budget recommendations, as well as the individual agency recommendations filed in October, will be part of the budget conversation over the next several weeks. The House and Senate appropriation subcommittee chairs will meet, prepare, and present their budget recommendations. This will begin the legislative component of the budget process as it moves from the subcommittee level to the full appropriation chairs and then to the budget conference process. We will continue to keep BioFlorida members updated on the priorities as the budget process moves forward.

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 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.