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COMMISSIONER OF
AGRICULTURE

OFFICE OF INSURANCE REGULATION

MICHAEL YAWORSKY
COMMISSIONER

January 17, 2025

The Honorable Ben Albritton
President, The Florida Senate
409 The Capitol
404 South Monroe Street
Tallahassee, FL 32399

Dear President Albritton:

Section 440.13(12)(j)4, Florida Statutes, requires the Three-Member Panel to submit recommendations to the President of the Senate and the Speaker of the House on methods to improve the workers' compensation health care delivery system. I appreciate the opportunity to provide you with the 2025 Three-Member Panel Biennial Report.

This report contains a single recommendation relating to legislative ratification of the statutory maximum reimbursement allowances. This issue has been mentioned or presented in previous editions of Biennial Reports and continues to warrant legislative review.

If you have any questions regarding this report, please call me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Yaworsky".

Michael Yaworsky
Commissioner, Office of Insurance Regulation
Three-Member Panel Chairman

Cc: Ms. Tamela Perdue, Panel Member
Mr. Jason Robbins, Panel Member

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COMMISSIONER

January 17, 2025

The Honorable Daniel Perez
Speaker, House of Representatives
420 The Capitol
402 South Monroe Street
Tallahassee, FL 32399

Dear Speaker Perez:

Section 440.13(12)(j)4, Florida Statutes, requires the Three-Member Panel to submit recommendations to the President of the Senate and the Speaker of the House on methods to improve the workers' compensation health care delivery system. I appreciate the opportunity to provide you with the 2025 Three-Member Panel Biennial Report.

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Sincerely,

Michael Yaworsky
Commissioner, Office of Insurance Regulation
Three-Member Panel Chairman

Cc: Ms. Tamela Perdue, Panel Member
Mr. Jason Robbins, Panel Member

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2025 EDITION



THREE-MEMBER PANEL

Biennial Report

Presented January 14, 2025

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INTRODUCTION

Section 440.015, F.S., states the legislative intent of Florida's Workers' Compensation Law. Numerous directives are contained in this section:

- The law is to be interpreted to ensure the quick and efficient delivery of disability and medical benefits to an injured worker and to facilitate the worker's return to gainful employment at a reasonable cost to the employer.
- An efficient and self-executing system, which is not an economic nor an administrative burden, must be created.
- The department shall administer the Workers' Compensation Law in a manner which facilitates the self-execution of the system and the process of ensuring a prompt and cost-effective delivery of benefits.

The Legislature enacted Senate Bill 108 in 2002 and included a charge to the Three-Member Panel, in subsection 440.13(12)(e), F.S., to assess the adequacy of medical reimbursement, access to care, and other aspects of the health care delivery in Florida's workers' compensation system. The Three-Member Panel is a statutorily created panel that includes the Chief Financial Officer, or his or her designee and two other members. The additional two members are appointed by the Governor, who by employment or affiliation represent employer and employee interests, respectively. Presently, the Insurance Commissioner serves as the Chief Financial Officer's designee.

Beginning in 2003 and biennially thereafter, the Three-Member Panel has presented to the Speaker of the House of Representatives and to the President of the Senate, a report on ways to improve the Florida workers' compensation health care delivery system. Over the years, the reports have offered recommendations in a number of areas where regulatory efficiencies might be realized and where impediments to cost containment and access to care could be abated or eliminated. Each of those reports can be accessed via the Division of Workers' Compensation website at www.myfloridacfo.com/Division/wc.

The 2025 Biennial Report focuses on a single but prominent issue of legislative ratification.

LEGISLATIVE RATIFICATION OF THE REIMBURSEMENT MANUALS

CURRENT SITUATION:

Under the provisions contained in subsection 440.13(12), F.S., the Division of Workers' Compensation is tasked with presenting draft recommendations to the Three-Member Panel regarding maximum reimbursement allowances within the Hospital Reimbursement Manual, and the Ambulatory Surgical Center Reimbursement Manual.

The Three-Member Panel then receives public comments on the suggested maximum reimbursement allowances. After the Three-Member Panel has received the public comments, they will either adopt the recommendations, amend the recommendations, or elect not to adopt them. The adopted recommendations from the Three-Member Panel will then be incorporated within the appropriate reimbursement manuals.

The Three-Member Panel does not fall under the definition of "agency", as defined in section 120.52, F.S., and therefore is not subject to the ratification requirements provided in section 120.541(3)(a), F.S. However, in order to take effect, the reimbursement manuals containing the adopted maximum reimbursement allowances must be codified in rule by the Division of Workers' Compensation, and the Division *is* an "agency", which is subject to the ratification requirements of section 120.541, F.S. While the legislative ratification process is an opportunity for stakeholders to provide feedback outside of a rule hearing, the Three-Member Panel meets in the sunshine, and the reimbursement manual adoption process provides ample opportunities for system stakeholders to provide comments associated with the proposed rules incorporating the reimbursement manuals. Opportunities for stakeholder feedback continue through-out the Division's rulemaking process.

Medical costs continue to represent the majority of the total workers' compensation costs in Florida. Currently, these medical costs comprise 70% of the total claim benefits paid. Any update to the proposed reimbursement policy or fee schedules contained in the updated reimbursement manuals might prompt the requirement for legislative ratification unless the changes to the reimbursement values result in cost savings to employers.

The following charts reflect the historical timeline associated with the ratification attempts for each of the reimbursement manuals.

Ambulatory Surgical Centers Reimbursement Manual, 69L-7.100, F.A.C.

Ratification Year	Edition	Effective Date	Notes	Overall Cost Impact
2016	2015	1/1/2016	Ratification not required	-0.1%, -\$3 M
2017	2016	Not ratified	2015 edition remains in effect	+0.6%, \$22 M
2018	2017	Not ratified	2015 edition remains in effect	+1.1%, \$40 M
2019	2018	Not ratified	2015 edition remains in effect	+1.5%, \$66 M
2020	-----	-----	2015 edition re-adopted by 3MP	-----
2021	-----	-----	2015 edition remains in effect	-----
-----	2020	7/1/2023	2020 edition currently in effect	-0.4%, -\$15M

Hospital Reimbursement Manual, 69L-7.501, F.A.C.

Ratification Year	Edition	Effective Date	Notes	Overall Cost Impact
2015	2014	1/1/2015	Ratification not required	-1.0%, -\$29 M
2017	2016	Not ratified	2014 edition remains in effect	+2.2%, \$80 M
2018	2017	Not ratified	2014 edition remains in effect	+2.2%, \$80 M
2019	2018	-----	2014 edition remains in effect	+1.6%, \$70 M
2020		-----	2014 edition re-adopted by 3MP	-----
2021	-----	-----	2014 edition remains in effect	-----
-----	2020	5/25/23	2020 Edition is currently in effect	-0.6%, -\$23 M -2.6%, -\$100 M

The limitations within Chapter 120, F.S., related to the requirements of ratification, restricts the Division’s ability to annually update the adopted schedules of maximum reimbursement allowances for hospital inpatient care, hospital outpatient care, and ambulatory surgical centers.

POLICY RECOMMENDATION:

To promote the self-execution of the workers’ compensation system, the Legislature should exempt all reimbursement manuals from legislative ratification.