



RICK SCOTT
GOVERNOR

April 20, 2012

Secretary Ken Detzner
Secretary of State
Florida Department of State
R.A. Gray Building
500 S. Bronough Street
Tallahassee, Florida 32399

FILED
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TALLAHASSEE, FLORIDA

Dear Secretary Detzner:

By the authority vested in me as Governor of the State of Florida, under the provisions of Article III, Section 8, of the Constitution of Florida, I do hereby veto and transmit my objections to House Bill 5009, enacted during the 114th Session of the Legislature of Florida, since statehood in 1845, during the Regular Session of 2012 and entitled:

An act relating to health insurance benefits for state employees

This legislation authorizes the University of Florida to implement its own insurance program for its employees, their dependents, and other persons associated with the university, in lieu of participating in the State Employee Health Insurance Program. The bill continues to provide state funding of this alternative plan for current university employees and allows the university to charge actuarially indicated rates for all other participants.

The University of Florida contracted with Buck Consultants, Inc. to complete a report entitled "Report on the Feasibility of Establishing an Employee Health Benefits Plan for the University of Florida and Shands HealthCare Separate from the State Group Health Insurance Program." This report suggests that the university could realize significant cost savings or cost avoidances by implementing a university-only plan. Based on an analysis using the "best-guess" premium rates to cover its employees and dependents only and the enrollment data from January 2012, the university could save up to \$13.4 million annually. However, based on an analysis using premium rates including the cost of the subsidies for retirees, the university may achieve only minimal savings.

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I commend the University of Florida for seeking methods to be cost-efficient. However, I must balance the financial interests of the university against the financial interests of the other universities and state agencies participating in the State Employee Health Insurance Program. After a review of the Buck report and this legislation, I have concerns that the financial impacts on the State Employee Health Insurance Trust Fund have not been analyzed fully.

I encourage the University of Florida, as well as any other state university that may be interested in implementing a separate health insurance plan, to work with the Department of Management Services and the Office of Policy and Budget to determine whether separate plans are cost-efficient and, if so, to develop a fair and equitable transition plan that fully addresses the impacts on the universities, the state agencies, the employees, and Florida's taxpayers.

For the reasons stated above, I withhold my approval of House Bill 5009, and do hereby veto the same.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Scott". The signature is stylized with a large initial "R" and a long, sweeping underline.

Rick Scott
Governor