

Missouri Budget Project E-News Federal and State Policy Update March 22, 2010

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Federal issues

1. **Health care reform passes the House! Time to celebrate your hard work!**

After decades of inaction by Congress, the House passed historic legislation that will set us on the path towards comprehensive health care reform. The Senate still has work to do, and must pass the reconciliation bill that contains changes to the Senate health care reform bill that is on the President's desk.

Many, many thanks to all of you who have written and called members of our Congressional delegation. Your voices were heard!

Much hard work remains to be done. In addition to implementing the bill, we will have to defend efforts to repeal and/or nullify reform. Missouri is already in the mix of states seeking to nullify reform. See information below.

State issues

2. **While federal health care reform takes a step forward, Missouri takes a step backward**

Missouri took a step backward last week when the House passed a constitutional amendment, **HJR48 (Davis)** that seeks to “preserve the right of individuals to purchase health care directly”, but which is really an effort to nullify reform and stall progress in implementation. A similar constitutional amendment in the Senate, **SJR25 (Cunningham)**, was reported out of Committee and is at the top of the formal calendar in the Senate. This means it could be brought up as early as this afternoon.

PLEASE CALL YOUR SENATOR TODAY AND URGE HIM/HER TO VOTE NO ON SJR25. Senate contact information is at www.senate.mo.gov.

Suggested talking points:

- These constitutional amendments are in conflict with the U.S. Constitution. Federal health care reform, including requiring individuals to purchase health insurance, is constitutional under the Supremacy and Commerce clauses. Putting SJR25 on the ballot will lead to costly legal battles that will needlessly waste the state's limited financial resources.
- There is broad agreement that insurance rules that allow people with pre-existing conditions to be excluded from coverage, pay exorbitant premiums and deductibles, be denied coverage because of annual/lifetime limits etc. need to be changed. We can only provide affordable coverage for these individuals if we bring healthy people into the pool as well! (This is why piece meal coverage won't work!)
- Tremendous numbers of Missourians will benefit from the proposed federal health care reform. Missouri can do nothing comparable on its own. Seize this opportunity.

To read a fact sheet about SJR25, click here.

3. . The making of the budget – FY2011

The House Budget Committee voted on the budget bills late last Thursday, and sent them to the Rules Committee. This Committee will determine how much floor debate will be allowed on each bill. It is expected that the budget bills will be debated on the floor sometime this week, and will be considered by the Senate Appropriations Committee sometime next week. The constitution requires the General Assembly to pass a budget by May 7, one week before the session ends

The Budget Committee made about \$80 million in cuts, far less than the \$500 million that Governor Nixon estimated is needed. It appears that the Senate Appropriations Committee will have to make deeper cuts to balance the budget.

The H Budget Committee assumed that Missouri will get \$300 million in federal money (an enhanced Medicaid match) that has not yet been approved by Congress. We do not yet know whether the Senate will also assume the receipt of this money. If they do not – additional cuts will certainly have to be made.

In a parallel track, **HB16**, which re-appropriates money (mostly federal) that has not been spent, was heard by the Senate Appropriations Committee. Senators are looking at this money with an eagle eye, hoping to find ways to supplant general revenue with the funds. Most of the re-appropriated funds are earmarked for specific purposes, which limits flexibility in supplanting general revenue.

The Supplemental Appropriations bill, **HB2014**, passed the House and was sent to the Senate. Of particular note is that HB2014 calls for cutting the elementary and secondary education budget in the remainder of the fiscal year. The House members debated at length whether all districts should bear some of the pain of the cuts, or whether the “hold harmless” districts should also experience some cuts. The final vote exempted the “hold harmless” districts from the needed cuts. Last week the Senate Appropriations Committee said they would likely take up HB2014 this week, but no hearing has been set at this time.

4. “Rebooting Government” ideas to be considered

Senator Charlie Shields, President Pro Tem, announced last week that Senate work groups will discuss the suggestions submitted through the Rebooting Government web site on Tuesday, March 23. More than 7,800 suggestions have been offered. If you would still like to submit an idea, go to www.senate.mo.

All sessions are open to the public, and begin at 9 AM. A list of work groups, Chairs and locations follow.

- *Agriculture, Outdoors & Department of Natural Resources*, Senator Kurt Schaeffer, SCR1
- *Courts, Legal & Department of Public Safety Work Group*, Senator Matt Bartle, SCR2
- *Education*, Senator David Pearce, Senate Lounge
- *General Government & Office of Administration*, Senator Jim Lembke
- *Social Programs*, Senator Scott Rupp, Bingham Conference Room
- *Tax Structure*, Senator Tom Dempsey, Room 326, Senator Shield’s Office
- *Transportation*, Senator Bill Stouffer, Kirchoff Gallery
- *Retirement*, Senator Jason Crowell, Pershing Conference Room

The web site is an interesting way to generate public input about ways to address Missouri’s challenge in balancing its budget. It is unfortunate that the “rebooting” concept, which features “control, alt and delete” tactics, ignores the need for common sense, balanced approaches. These include taxing internet sales (the streamlined sales tax), closing tax loopholes, and finding ways to make the use of tax credits more transparent and accountable.

If you haven’t weighed in at the Rebooting Government web site, please go to www.senate.mo.gov.

5. Autism Bill passes Senate

SB618 (Rupp) was voted out of the Senate and sent to the House last Thursday. This bill will require private insurance companies to provide up to \$55,000 annually (per individual) for behavioral treatment for children/youth up to age 21 diagnosed with autism. The House version, passed earlier in the session, requires a lower amount of coverage, and covers young people up to age 18.

The Senate bill also contains a troubling provision that allows insurance companies from surrounding states to sell insurance in Missouri, even if they do not meet the standards required of Missouri companies. This opens the door for selling “limited benefits” policies, which might exclude the treatment for autism mandated in the bill. It allows out of state companies to cherry pick the healthiest Missourians weakens the regulatory authority of the Department of Insurance, handing that authority to surrounding states.

The House and Senate must pass the same version of the bill. Either the House needs to approve the Senate version, or a conference committee will have to iron out the differences in the bills.