



HPCA LEGISLATIVE UPDATE

February 12, 2010

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President Obama Calls for Bipartisan Health Care Reform Summit

President Obama has called for a bipartisan health care reform summit to be held on February 25. The meeting is expected to be televised and will bring together members from both parties to discuss action moving forward.

Speaking on behalf of the administration this week, Secretary of Health and Human Services Kathleen Sebelius held a press conference to discuss health care reform and told reporters that President Obama is willing to “add various elements” to health care legislation suggested by Republican lawmakers during the proposed summit. But she said he won’t change the entire plan and he is “absolutely not” hitting the reset button on the legislative process.

Obama’s refusal to start at square one has upset several Republicans, who have started to question whether or not they will attend the summit, unless the option to start over is on the table. Obama has hinted that he may be open to rebooting the process, but doesn’t want Congress wasting another year of partisan tactics and bickering only to end up in the same place.

Sebelius said that the president views the bipartisan meeting as a needed pivot to move reform forward. Asked if the president will expedite the legislative process following his various sit-downs with congressional Republicans, she replied “I certainly think so. I think he sees this as a step to actually accelerating the process forward. He wants to move forward. He wants a bill at his desk and he sees this as kind of closing the loop and let’s go.”

Meanwhile, in Congress, with nearly all of Washington, D.C. “closed” because of back-to-back blizzards, relatively little, if any, progress has been made on health care reform. House lawmakers leaving a Democratic Caucus meeting last week said they’re waiting for signals from the Senate on health reform before deciding on a strategy, even as they prepare for stand-alone votes on one or more small-scale provisions. They said they’re taking time off from health care reform discussions to reconnect with the public and find out what measures can pass the House and Senate.

Senate Finance Committee Chair Max Baucus (D-MT) told reporters following a budget hearing that it will be more clear “in the next couple days” on whether health reform could move through reconciliation.

Speaker of the House Nancy Pelosi (D-CA) announced that she wants to move forward with smaller, more manageable portions of health care reform next week with a repeal of anti-trust exemption for health insurers.

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Senate Focuses on Jobs bill; Reid Stuns Senate, W.H. Late Thursday

Turning its attention away from the health care reform debate, the Senate Finance Committee released its draft “jobs” bill on Thursday only to have most of it declared “dead” hours later by Senate Majority Leader Harry Reid. Senate Finance Committee Chairman Max Baucus (D-MT) and Senate Finance Committee Ranking Member, Senator Chuck Grassley (R-Iowa) had been working together for weeks, reportedly with Senator Reid’s blessing and frequent involvement, crafting a bipartisan package.

The draft “jobs” bill is an economic stimulus-style package and Senators Baucus and Grassley included a handful of health care provisions and extensions in their bill. These provisions included:

- A provision that would have delayed through September 30, 2010 a 21 percent Medicare payment cut for physicians.
- A provision that would ensure Critical Access Hospitals are paid 101 percent of costs for all outpatient services they provide, regardless of the billing method elected.
- Language to address an issue involving physician eligibility for the health information technology incentive payments included in the stimulus bill, the American Recovery and Reinvestment Act of 2009.
- A “rural extenders” package that would have continued important rural add-on payments for services provided under the Medicare program.

Senator Reid’s decision to move forward with his own, narrowed-down proposal reportedly surprised many Senators and the White House, which had released a statement supporting the Baucus-Grassley bill just before Reid made his announcement. It was reported that Senators Baucus and Grassley did not know of Reid’s decision when they unveiled their bill on Thursday.

Jill Kozeny, spokesperson for Senator Grassley said, “Senator Reid’s announcement sends a message that he wants to go partisan and blame Republicans when Senator Grassley and others were trying to find common ground on solutions to help get the economy back on track and people back to work. Senator Reid did this just as Republican senators were saying they liked things in the Baucus-Grassley draft, which would have prevented billions of dollars in tax increases and offset any spending. The Majority Leader pulled the rug out from work to build broad-based support for tax relief and other efforts to help the private sector recover from the economic crisis.”

After Reid’s announcement, the bill now includes four components: tax credits for employers who

hire new workers; a provision allowing businesses to write off the cost of capital investments; Build America Bonds, which allow state and local governments to lower their borrowing costs; and a one-year extension of funding for transportation programs in the Surface Transportation Act.

Congress is scheduled for a week-long recess beginning February 12. Reid said the Senate would take up the revised jobs bill when lawmakers return to Washington after the Presidents' Day recess.

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State Government Reorganization Bill Moving Quickly

In an effort to find savings and efficiencies during a tight budget year, the legislature is considering a government reorganization bill, [Senate File 2088](#). The legislation incorporates ideas from a consultant hired by the Governor to suggest ideas for efficiencies as well as recommendations from a legislative interim committee. Savings estimates have ranged from \$60 million to \$300 million during the legislative process.

The Senate approved SF 2088 February 1 on a 35-15 vote. The House was debating the legislation, as this edition of the *Legislative Update* went to press, trying to move through more than 100 amendments filed on the legislation. Originally, of concern for hospices, the legislation contained a very broad and expansive state false claims act division. However, the House has amended the bill to mirror the federal false claims act which is much more palatable to the provider community.

Once the House approves SF 2088, it will need to go back to the Senate for their consideration of the House amendments. Legislators are eager to send the bill to the Governor and get a final fiscal estimate on the bill which will assist them in developing budget targets for state fiscal year 2011.

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Governor Releases Budget Proposal

Governor Chet Culver unveiled his FY 2011 budget proposal on January 27, a plan that reduces overall spending from the original FY 2010 budget passed last year but increases spending by \$72 million above the current budget (after the governor's 10 percent budget cut last December).

The governor calls for \$180 million in increased Medicaid spending to cover utilization growth. While the governor does not call for additional Medicaid provider payment reductions, his budget proposal sustains the 5 percent Medicaid cuts imposed on most Medicaid providers last December.

The governor's proposal marks the beginning of serious budget negotiations between the executive and legislative branches. The nonpartisan Legislative Services Agency has already indicated that the governor may have overestimated the impact of many savings initiatives and some of his ideas, such as using money from the Road Use Fund and taking \$254 million from Iowa's "rainy day" savings fund, have been met with opposition from several key lawmakers. State Auditor David Vaut released a report criticizing the Governor's budget proposal for not meeting the requirements of Iowa law.

With the General Assembly scheduled to adjourn at the end of March, budget discussions will begin and will likely dominate legislative discussions over the next 6 ½ weeks.

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Senate Human Resources Committee Approves Health Care Reform Proposal

In what is now the third installment of health care reform legislation for Iowa, the Senate Human Resources Committee approved [Senate File 2092](#), which expands the IowaCare program from 200 percent of the federal poverty level to 400 percent of the federal poverty level, with subsidized premiums up to 300 percent of the federal poverty level.

The legislation also envisions expanding primary care to IowaCare members through the state's 16 designated Federally Qualified Health Centers (FQHCs) and would allow Iowa Medicaid to contract with and designate hospitals as regional IowaCare centers.

Funding for the legislation is unclear as the only specific funding source mentioned leverages certified public expenditures from the University of Iowa Hospitals and Clinics (UIHC), which expects to raise approximately \$16 million to be split between payment to UIHC physicians for their services and expansion of the program.

Unfortunately, the legislation does not address the program's limited benefit package which does not include prescription drugs, ambulance, durable medical equipment, home health, or hospice care. The House does not have a companion bill, but once the Senate passes SF 2092, HPCAI expects major modifications to the bill.

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Legislature Reaches First Funnel

February 12 marks the first legislative "funnel" date of the 2010 General Assembly, the date by which bills must be approved by either a Senate or House committee in order to remain viable for debate (exceptions are made for appropriations, ways and means and leadership bills). As the Legislature changed its rules to shorten the legislative session by 20 days, this deadline is much earlier than normal.

It's important to note that even bills that do make it through the first funnel deadline will not necessarily be in their final form and there is still much advocacy work to be done to ensure legislators include (or exclude) language that aims to satisfy Iowa hospices and the HPCAI legislative agenda.

The official second funnel date is March 5. On that date, bills that have not passed out of a committee in the opposite chamber (House bills in Senate committees, Senate bills in House committees) will be eliminated from debate (with the same exceptions as the first funnel). With the abbreviated schedule, the last scheduled day of the 2010 legislative session is March 31.

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HPCAI Legislative Day Registration Still Available

The 2010 HPCAI Legislative Day will be held Tuesday, March 9. The day will begin at 11:00 am at the HPCAI offices at 100 E. Grand Avenue. Attendees will learn more about the legislative process, get an update on legislative activities impacting hospice and palliative care in Iowa and hear from a legislator. Following a complimentary lunch, participants will head to the Capitol to visit with their own legislators.

For more information regarding HPCAI Legislative Day, please contact Shannon Strickler or Becky Anthony at 515.243.1046. Click here to [register](#). A brochure for the event can be viewed [here](#).

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Are You Attending Hill Day in April?

This year's Hill Day will be a two-day event, held on April 20 and 21 in conjunction with NHPCO's 25th Management and Leadership Conference in Washington, DC.

If you're registered to attend, please also let HPCAI know in advance so we can communicate with you directly prior to April. Some of HPCAI's Board current and former board members are planning to participate. If you're registered, contact Amber Watters at HPCAI at wattersa@ihaonline.org or 515/243-1046, ext 361.

Registration is free to MLC attendees and \$149 to those not attending the conference. To learn more, visit the [NHPCO Web site](#).

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State Bill Summaries:

- **Alzheimer's Disease Resources** – ([Senate Study Bill 3092](#)) Relates to Alzheimer's disease and related disorders and the role of the department of public health in collecting data concerning Alzheimer's disease and providing resources and services to persons suffering from the disease. (*Senate Human Resources Bill*).
- **Assisted Living Occupancy Exemption Criteria** – ([Senate Study Bill 3221](#)). Relates to criteria for exemptions from admission or discharge requirements for assisted living programs that exceed their occupancy criteria. (*Senate Human Resources Bill*).
- **Cancer Screening Coverage** – ([Senate File 2061](#)). Requires that certain health insurance policies provide coverage for preventive screenings and services for colorectal cancer. (*Senate Commerce Bill*).
- **Cancer Treatment Coverage II** – ([House File 2075](#)). Requires health benefit coverage for certain cancer treatment delivered pursuant to approved cancer clinical trials and providing an applicability date. (*House Commerce Bill*).
- **Charity Registration** – ([Senate Study Bill 3191](#)). Relates to charitable solicitations by providing for registration requirements, providing for fees and appropriations and imposes penalties. (*Senate Commerce Bill*) (*Companion to House Study Bill 687*).

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HPCAI Calendar

- **March 5**
Social Work Peer Group Conference
Bessie Myers Auditorium, Mary Greeley Medical Center
- **March 9, 11:00 a.m. – 2:00 p.m.**
HPCAI Legislative Day
HPCAI Offices and Capitol
- **November 2 – 3**
HPCAI Fall Conference

Scheman Building, Iowa State Center, Ames

To add items to the HPCAI Calendar, send information to [Stacey Nay](#).

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