

# The LRHA Policy Corner

## **STATE ACTION ITEMS:**

### ***\*The Governor's Call***

The EXTRAORDINARY SESSION convened on February 6 and will adjourn on the 17<sup>th</sup> of this month.

- During this session, the primary issues will revolve around levee protection.
- Of the 41 call items, one does in fact address an area of healthcare and that is # 39 - as listed below:
  - *ITEM NO. 39: To provide relative to coverage for persons retired from a city or parish public school system on or before January 31, 2006, who participated in the private contracts of insurance or self-funded program of group health insurance provided to their retirees by that system.*

### ***\*On February 6, in conjunction with the Extraordinary Session, Governor Blanco addressed the State Legislature at the Morial Convention Center in New Orleans***

In her speech, the Governor expressed the outrage of many Louisiana citizens who are upset that the state's recovery from Katrina and Rita is not receiving more federal attention. Below you will find a summary of the Governor's major talking points:

- 1) The state is only receiving 54% of the block grant funding, even though Louisiana suffered 75% of the housing damage from Katrina and Rita
- 2) A way to compensate the state fairly for these damages would be for Louisiana to receive a higher portion of the royalties from off-shore oil and gas leases
- 3) Currently, Louisiana receives 100% of the royalties up to 3 miles off the coast, but Florida and Texas receive 100% of the royalties up to 9 miles off their coast
- 4) The state will hold up the sale of off-shore oil and gas leases if adjustments were not made - Money from those adjustments would go to comprehensive hurricane protection and a coastal restoration system.
- 5) Will support the consolidation of all local levee boards
- 6) Touched on the creation of a Louisiana Housing and Land Trust Authority that will aid in people returning to the state
- 7) Plans on utilizing the \$7.7 billion LA is receiving from Congress (1.5 billion dollars in FEMA mitigation funds and 6.2 billion dollars in Community Development Block Grant funds) for repairing and rebuilding houses, schools, bridges, hospitals, utilities and sewerage and water systems
- 8) Reorganize New Orleans government for efficiency and accountability
- 9) Establish the Louisiana Recovery Authority by law
- 10) Protect the fundamental voting rights of LA citizens
- 11) Elevate the Director of the Office of Emergency Preparedness to a position that reports directly to the Governor's Office

- 12) Reform the New Orleans public school system
- 13) Shrink the state budget
- 14) Improve the hurricane protection system, and enact the first-ever statewide building codes

### **FEDERAL ACTION ITEMS:**

#### ***\*Bill to aid healthcare providers – State legislature's big cuts to Medicaid erased***

- Hospitals, nursing homes and other Louisiana healthcare providers that had their budgets slashed in November will get some much-needed financial relief from The Deficit Reduction Act, a budget bill that cleared Congress just last week, on Wednesday, February 1.
- The Deficit Reduction Act now heads to President Bush's desk after the House approved it in the 216-214 vote.
  - Contains \$2 billion for relief for the hurricane-ravaged Gulf Coast, about half of which will go to Louisiana.
  - The money will allow the state Department of Health and Hospitals to restore \$201 million in cuts to the state's Medicaid program that the state Legislature approved in November.
  - It also will allow private hospitals to be paid for some of the care they've delivered to uninsured patients since Hurricane Katrina struck Aug. 29.

#### ***\*Revisions to Drug Program Fail in Senate***

- A Medicare prescription drug benefit amendment made it to the Senate floor on Thursday, February 2, 2006, but failed in an attempt to give seniors more time to enroll.
  - Democrats Bill Nelson of Florida and Jeff Bingaman of New Mexico proposed to the Senate during the consideration of a tax cut package (HR 4297, S 2020) an amendment that would have extended the deadline for seniors to sign up with a plan from May 15 to Dec. 31 without paying a late fee.
  - The amendment failed to achieve the 60 votes necessary to overcome a budget point of order. (Final vote tally was 52 - 45)
- Another alternative offered by Finance Committee Chairman Charles E. Grassley, R-Iowa, also failed.
  - This amendment would have expressed the sense of the Senate that the administration was capable of handling the problems and that an extension was unnecessary and that Congress should not act. (Vote tally was 42 - 54)
  - Senator Grassley acknowledged the startup problems, but said the administration had the authority to deal with them and was effective in addressing concerns.

***\*Center for Medicare Services (CMS) News***

- CMS administrator Mark B. McClellan recently appeared before the Senate Special Committee on Aging.
  - This was his first public appearance on Capitol Hill since the drug benefit took effect Jan. 1, 2006 and he defended the agency's efforts and warned against legislation that would make any changes in the program.
  - He spoke against extending the deadline for general enrollment, because extending said deadline would harm the public-private partnership that drives the drug program.
  - Insurers have been assuming certain enrollment figures based on that timetable.

***\*Fiscal Year 2006 - LHHS Appropriations***

- When Congress approved the second version of the FY06 Labor/HHS/Education appropriations conference agreement (HR 3010,) some critical rural health care funding was restored, but many valuable rural health programs were still cut or eliminated.
  - Here's a partial list of programs for which funding was eliminated or significantly reduced -

*Unfunded Programs:*

Healthy Communities Access Program  
Health Education and Training Centers  
Geriatric Programs  
Quentin N. Burdick Program for Rural Interdisciplinary Training  
Rural Emergency Medical Services

*Significantly Reduced Programs:*

State Offices of Rural Health  
Rural and Community Access to Emergency Devices  
Allied Health Programs  
Health Professions Training for Diversity

***\*Fiscal Year 2007 – Presidential Budget Request***

- Despite Congressional action last year to restore funding to key rural health programs, the President budget – which was released on February 6 - proposes deep cuts to many rural-specific health programs.
  - Among the cuts to rural grant funding - the President proposes to eliminate the
    - Rural Hospital Flexibility Grant
    - Small Hospital Improvement Program
    - Rural and Community Access to Emergency Devices programs,
    - Rural EMS Program,

- Rural Health Outreach Grant Program, which includes Rural Health Outreach Grants, Rural Network Development Grants and Rural Network Development Planning Grants.
  - In addition, the Presidential budget plan proposes dramatic cuts to the Health Professions program.
- The sunnier side of the President's budget does include *level funding* for the State Offices of Rural Health and Rural Research, and *increases funding* for telemedicine and the Community Health Centers program.

### **LRHA RESPONSE:**

- ✓ The President's budget provides a framework that outlines his budget priorities as Congress begins the year-long process of appropriating federal funds for Fiscal Year 2007.
- ✓ As we move forward, LRHA will continue to contact key rural allies on Capitol Hill in the hopes of reversing these cuts during the appropriations process.
- ✓ We ask that you do the same by contacting your United States Representative and Senators to express your support for rural specific grants in the budget process and to work towards halting the proposed dramatic cuts to rural specific health programs.
- ✓ Please thank them for their time and dedication to this very important endeavor.

*\*The mission of the Louisiana Rural Health Association is to serve as a unified voice for the promotion of rural health care through advocacy, education, and leadership. The information above was provided in part by the National Rural Health Association and gathered from various publicly released documents of news related sources.*