

The LRHA Policy Corner

May 15, 2006

STATE & LOCAL ACTION:

**Legislative Briefs From The State Legislature*

- Senate accepts House housing suggestions
 - The Senate concurred May 10th with the House's recommendations on a multibillion-dollar housing program for hurricane victims.
 - Senate Concurrent Resolution 63 sets out the framework for the state to spend \$7.5 billion to rebuild, repair and buy out owner-occupied homes in the areas affected by hurricanes Katrina and Rita.
 - The plan also includes \$1.5 billion to create affordable rental units.
 - The House approved the resolution last week after adding a suggestion that the governor's Louisiana Recovery Authority give homeowners a break by discounting insurance in calculating aid and by erasing a proposed penalty for not having insurance in a flood plain.
 - Senate President Don Hines, D-Bunkie, said the federal government told the state that homeowners only can be reimbursed for their uninsured damages and the state can ask the federal government to reconsider.

- House panel delays bill on inspector general
 - A House committee deferred legislation that would write a state watchdog into law.
 - House Bill 832 by Rep. Steve Scalise would put the Office of Inspector General into statute and the office is touted as a government watchdog used to uncover and publicize government waste, including mismanaged government offices and excessive state contracts.
 - The office owes its existence to a 1988 executive order and means it could be abolished by any governor.
 - HB832 also would make the office's findings public record - currently, the governor decides whether to release reports.
 - Gov. Kathleen Blanco's executive counsel, Terry Ryder, said it is important for the governor to review reports before the public sees them because sometimes reports are too loosely worded.

- Ban on woman selling ovarian eggs dropped
 - Sen. Sharon Broome shelved her proposed "Ovarian Health Protection Act" for the current legislative session.
 - The proposed law, pushed by anti-abortion forces, would have prohibited cash inducements or any kind of financial incentives to women for donating their eggs for research purposes.

- Broome got the House Health and Welfare Committee to defer action on Senate Bill 452.
- Women's eggs are being used in some research that holds promise for the cure of such diseases as diabetes and Parkinson's and Broome wants to stop payment for the eggs for anything other than reproductive purposes.
- Senate hails 14 from La. killed on military duty
 - The Senate honored 14 soldiers, sailors and Marines from Louisiana who have been killed overseas with resolutions recounting their lives and how they died.
 - The soldiers honored were: Pfc. Benny S. Franklin, Sgt. Willard T. Partridge, Sgt. Julia V. Atkins, Staff Sgt. Jens E. Schelbert and Staff Sgt. Troy S. Ezernack of the Army; Cpl. David S. Stewart, Lance Cpl. Ryan S. McCurdy, Pfc. Chase Edwards, Lance Cpl. Matthew Ryan Barnes, Cpl. Chad W. Powell, Lance Cpl. Billy Don Brixey Jr. and Lance Cpl. Derrick J. Cothran of the Marines; and Petty Officer Kevin Yokum and Chief Petty Officer Jacques J. Fontan of the Navy.

****Nursing Home Bill Clears Hurdle - Sides Compromise On Evacuations***

Though a plan to evacuate nursing homes cleared its first legislative hurdle last Wednesday, it won't be ready until long after the upcoming hurricane season.

- Senate Bill 529 is a compromise between the Blanco administration and nursing home interests - the two sides started out far apart, disagreeing over who was responsible for moving elderly patients when a hurricane evacuation is called.
 - But the plan will not be ready until April 1 - Hurricane season starts June 1.
- In the meantime, the state Department Health and Hospitals came up with a plan to cover any hurricanes that hit this summer.
 - An estimated 70 nursing home patients from 13 nursing homes died during or immediately after Hurricane Katrina came ashore.
 - An estimated 13,600 elderly people live in the nursing homes in the 22-parish storm area.
 - State medical director Dr. Jimmy Guidry said the department is requiring that nursing homes in the storm zone explain their transportation arrangements and alternative housing plans.
- The state agency is also working with local and federal governments on "how to back up" nursing homes if their evacuation plans fall apart.
- Many individual nursing home evacuation plans failed during Hurricane Katrina. Buses and ambulances didn't show up - some employees deserted their nursing homes to take care of their families.
- The Blanco administration is pushing SB529 by Sen. Lydia Jackson, D-Shreveport, as part of its pre-storm preparations this year.
 - Under the legislation, nursing homes would have primary responsibility for evacuating their residents in the event of an emergency.

- A heavily amended bill won Senate Health and Welfare Committee approval with the backing of the AARP, which represents the elderly, and the ARC of Louisiana, which represents the developmentally disabled.
- SB529 would allow nursing homes to turn to local emergency officials for help, if problems develop - then the state would step in and the federal government would help, if necessary.
 - The nursing homes must file updated and expansive evacuation plans to state health officials by Aug. 1, including copies of contracts or other agreements they have made for the evacuation of their residents and staffing plans.
 - A committee will review them and compare them side-by-side with other nursing homes in the area to determine if resources are sufficient and if changes need to be made. For instance, are the homes using the same transportation companies?
 - Under the bill, the state has until April 1 to develop rules for the evacuation of nursing homes in the event of an oncoming hurricane.
 - Those rules would provide triggers for the evacuation or shelter-in-place of nursing home residents based on assessments made of the homes' locations, structural conditions, site drainage, elevations and other factors.

****Committee Ties 5-5; Boost In Minimum Wage Dies***

An effort to set a state minimum wage for Louisiana that's 19 percent of the federal minimum wage failed in a House committee last week.

- The measure, House Bill 194, died 5-5 in the House Labor and Industrial Relations Committee - Democrats on the panel backed the plan and Republican members opposed it.
- The federal minimum wage is \$5.15 per hour - the proposal would have gradually increased that to \$6.15 per hour in Louisiana on Oct. 1, 2007 with proponents saying that workers can't live on the current minimum wage.
 - The federal minimum wage was last raised in 1997 when it went up then from \$4.75 per hour to \$5.15.
- Voting for the bill were Reps. Hunter; Austin Badon, D-New Orleans; Elcie Guillory, D-Lake Charles; Juan LaFonta, D-New Orleans; and Ken Odinet, D-Arabi.
 - Opponents were Reps. Johns; Loulan Pitre, R-Cut Off; Tank Powell, R-Ponchatoula; Steve Scalise, R-Jefferson; and Shirley Bowler, R-River Ridge.

ON THE FEDERAL FRONT:

****Bush Nominates Hayden to Succeed Goss as CIA Director***

On May 8th, the nomination of Air Force Gen. Michael V. Hayden to be CIA director prompted discontented rumblings from key GOP lawmakers, indicating he could face a bruising fight.

- Some key Republican lawmakers questioned the wisdom of putting a military officer at the top of the nation's premier civilian intelligence agency.

- Many Democrats and some Republicans also are prepared to challenge Hayden over his direction of the National Security Agency's controversial warrantless electronic surveillance of communications between the United States and individuals abroad suspected of having terrorist links.
 - The Bush administration pushed back hard against the criticism, signalling a willingness to go to battle for the nominee by holding a news conference featuring Hayden's current boss, Director of National Intelligence John D. Negroponte, and distributing news releases touting Hayden.
 - Bush said Hayden, currently deputy director of national intelligence, is "supremely qualified" to lead the troubled spy agency - he has more than 20 years of experience in the intelligence field, Bush noted, including six years as NSA director.
- Former Rep. Porter J. Goss, a Florida Republican who served as chairman of the House Intelligence Committee, abruptly resigned as CIA director Friday after a tumultuous tenure of less than two years.

***FDA Approves Stop-Smoking Drug**

A Pfizer drug shown to help more than one in five smokers quit the habit received federal approval on Thursday, May 11th - adding another option to the limited pool of effective stop-smoking prescription medicines.

- Varenicline is only the second nicotine-free smoking cessation drug to gain Food and Drug Administration approval - Pfizer Inc. plans to market the twice-daily tablet as Chantix.
- Varenicline works in two ways, by cutting the pleasure of smoking and reducing the withdrawal symptoms that lead smokers to light up again and again.
 - Most other stop-smoking drugs are various nicotine-replacement therapies, sold by prescription and over the counter in gum, patch, lozenge, nasal spray or inhaler form.
 - In 1997, the FDA approved bupropion, an antidepressant already sold as Wellbutrin but rebranded it as Zyban, an anti-smoking drug.
- Several studies conducted in Europe on about 2,000 smokers and presented in November at an American Heart Association conference showed that a year after initial treatment with varenicline, abstinence rates were 22 percent, versus 16 percent among those given Zyban - just 8 percent of those given dummy medicines had stopped after a year.
- The approved course of Chantix treatment is 12 weeks, a period that can be doubled in patients who successfully quit to increase the likelihood they will remain smoke-free, the FDA said.
 - Other clinical trials show the drug's effect is more pronounced in the short-term: 44 percent of patients quit smoking following a 12-week course of treatment with Chantix, compared to the 30 percent of Zyban patients who quit, according to Pfizer.

- However, smoking cessation experts said the longer-term data are more applicable, given the difficulty of quitting the habit for good.
- Varenicline latches on to the same receptors in the brain that nicotine binds to when inhaled in cigarette smoke, an action that leads to the release of dopamine in the pleasure centers of the brain - taking the drug blocks any inhaled nicotine from reinforcing that effect.
 - The drug also slows the release of dopamine, which cuts the craving to smoke that occurs when nicotine's effect wears off, said Pfizer research chemist Jotham Coe, who invented the drug.
 - The FDA does not recommend that Chantix be used with other smoking-cessation products - its most common side effect is nausea.
 - Pfizer hopes to start selling the drug, for use by adults only, in the second half of the year - the New York-based company did not immediately release its price, Pfizer had predicted annual sales of \$1 billion.
 - Analysts said that may be possible but were more conservative, given the lackluster performance of other stop-smoking aids.
- One in five American adults, or nearly 45 million people, smoke. An estimated 32 million of those smokers would like to quit, according to the Centers for Disease Control and Prevention. Smoking kills nearly 440,000 Americans a year.
 - Currently, at least two vaccines are being developed that could block nicotine from ever reaching the brain.

****U.S. Senate Passes \$70 Billion in Tax Cuts***

The Senate gave final approval May 11th to a five-year, \$70 billion tax package that would extend deep cuts to tax rates on dividends and capital gains for two years, effectively locking in all of President Bush's first-term tax cuts through the end of the decade.

- On a vote of 54 to 44, the Senate approved the sixth tax cut in the past six years, handing the White House a much needed victory and the embattled Republican Party an achievement that members believe they can use to pull themselves out of a political hole.
- Republican Sens. Olympia J. Snowe (Maine), Lincoln D. Chafee (R.I.) and George V. Voinovich (Ohio) voted against the measure, while Democratic Sens. Bill Nelson (Fla.), Ben Nelson (Neb.) and Mark Pryor (Ark.) voted for it.
 - The House had approved the package on Wednesday of last week, and Bush said he will sign it enthusiastically once it reaches his desk.
- The measure will extend the President's 2003 investment tax cuts to 2010, two years beyond their original expiration date.
 - It would save more than 15 million Americans from the alternative minimum tax, which was enacted to target the rich but has increasingly hit the upper middle class.

- And it would provide a variety of other tax breaks -- to Nashville recording companies, songwriters, Great Lakes shippers and the University of Texas, among others.
- However, President Bush has not received what he has demanded for years, a permanent extension of his tax cuts, but Congress has largely given him the tax code he has asked for.
 - Although the tax system remains fundamentally unchanged, relative tax burdens within that system have been shifted.
- The biggest winners have been middle-income couples with children, who have had their income tax rates cut and their child tax credit doubled, while income tax rates have been adjusted to favor marriage.
 - Affluent investors and savers have also done very well, seeing rates on most capital gains reduced from 20 percent to 15 percent, rates on most dividends reduced to 15 percent from as high as 38.6 percent, and limits on tax-protected individual retirement accounts and 401(k) plans raised substantially.

****Senate Poised to Launch Broad Immigration Debate Today***

Senate leaders have cleared the way for a freewheeling debate on immigration starting Monday, May 15th which is likely to occupy the chamber for the two weeks leading up to the Memorial Day recess.

- Majority Leader Bill Frist, R-Tenn., and Minority Leader Harry Reid, D-Nev., announced they will launch a no-holds-barred floor debate over immigration legislation addressing border security, a temporary guest worker program and a path to legalization for millions of undocumented immigrants already in the United States.
- If the Senate, as expected, refuses to limit debate on a pending small-business health insurance bill, the immigration bill will be on the floor Monday, Frist said.
- Frist and Reid reached agreement on the appointment of Senate conferees to negotiate a final bill with the House, which passed its own immigration measure last December.
 - There will be 26 Senate conferees, an unusually large group - the top seven Republicans and five Democrats from the Judiciary Committee will serve, along with seven additional senators from each party to be named by Frist and Reid.

**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.*