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1. Economic recovery package for states is being developed

What we know: high level discussions in Washington DC continue to hammer out details on an economic recovery package (stimulus) for states that is targeted for completion by the time congress reconvenes.

What we don't know: details of what will be in the package or the size of it.

It appears that, in addition to money for infrastructure, the economic recovery package will include increased funding to support health care. This is critical as the number of uninsured rises with increased unemployment. And at least 43 states are facing red ink in this fiscal year and/or the next, making it a challenge to meet the increased demand for health care. Missouri is facing an estimated \$342 million shortfall in the current fiscal year, and an estimated \$900 million shortfall in the next fiscal year.

From what we know, it is likely that there will be an increase in the federal matching money (FMAP) provided to states for Medicaid programs. Currently, the federal government provides 64 cents of every dollar spent on Medicaid, and the state provides 36 cents. Hopefully this increase will enable states to meet the increased need without cutting eligibility or benefits. It is likely that states that receive additional federal money will not be allowed to lower eligibility, nor use the additional funds for non-health care programs.

The State Children's Health Insurance Program needs to be reauthorized by March 30, 2009. There is discussion about including its reauthorization in the economic recovery package. Reauthorizing SCHIP as early as possible is desirable, since states need to know what resources are available to them as they work on their budgets. Making SCHIP reauthorization a part of the economic recovery package would accomplish this, but it might also mean a 2 year reauthorization, rather than a 5 year period that might be part of a stand-alone agreement.

Hopefully we will have clarification on the content of the economic recovery package by the time of our next update.

2. Obama-Biden Transition Team encourages health care forums

In response to a request from the Obama-Biden Transition Team, community groups are holding forums to give individuals and groups an opportunity to provide input about health care reform. These are on a VERY short time frame. We just received notice of the following forums, and hope you are able to attend.

1. Sponsored by Heartland Health Care For All Kansas City, **Monday, December 22nd**, 7:00PM-8:30PM, Cleveland Chiropractic College—Kansas City, Assembly Hall, 10850 Lowell Avenue, Overland Park, KS. RSVP is requested to healthreform@cleveland.edu. Include your name, email address, phone number, profession/affiliation, number of persons attending. For more info, call 913-234-0713.

2. Sponsored by the Labor-Management Council of Greater Kansas City and UAW-Ford Community Health Care Initiative, [Tuesday, December 23rd](#), 10:00AM, Rockhurst University, Massman Hall, Room 248. Contact: Bob Jacobi, Bob.Jacobi@rockhurst.edu.
3. Sponsored by the Kansas City Partnership for Caregivers, [Saturday, December 27th](#), 9:30AM-11:00AM, St. Luke's Hospital, 4401 Wornall Road, Kansas City, MO 64111, contact Sandy Silva, 913-236-8700.
4. Sponsored by Missouri Health Care For All!, [Monday, December 29th](#), 7:00PM, Central Reform Congregation, 5020 Waterman, Saint Louis, Missouri 63108. RSVP requested to Stacey Sickler, 314-531-4784.

3. Session begins January 7

The legislative session begins on January 7. The Missouri Budget Project will begin regular weekly updates after that time.

The staff of the Missouri Budget Project wishes all of you a very happy holiday season, and the best in the coming New Year. Thanks so much for all the work you do. Together we do make a difference!

For more information regarding the issues in this update, please contact one of the MBP staff.

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