

In this issue:

Federal

1. **President takes action on the State Children's Health Insurance Program (SCHIP)**
2. **Economic Recovery Package debate continues in the Senate**

State

3. **Show Me Health Coverage plan is introduced and other progress on health-related bills**
4. **Progress on tax/revenue related bills and TABOR (again)**
5. **Scheduled Hearings**
6. **Save the date!**

1. President takes action on the State Children's Health Insurance Program (SCHIP)

After the Senate approved the SCHIP reauthorization last week, the House took quick action and approved the Senate Bill as well. President Obama signed the SCHIP reauthorization bill into law this week. Now the action moves to the States as they choose a course of action to implement it.

On February 4 the President also rescinded the August 17, 2007 memo from the Centers for Medicare and Medicaid Services. This memo limited the flexibility of States in implementing their SCHIP programs, and imposed additional requirements that would have resulted in the loss of health care for tens of thousands of children. This is VERY good news!

2. Economic Recovery Package debate continues in the Senate

The Senate continues to debate the economic recovery package and have voted on a number of amendments to the package this week. While the Senate has defeated a number of potentially harmful amendments, it has adopted several costly, less targeted amendments that have increased the size of the package to well over \$900 billion. Many amendments, including some potentially damaging ones, have been filed and may still be considered.

Much attention is now focused on the efforts of a bipartisan group of perhaps as many as 20 moderate Senators, led by Senators Susan Colli and Ben Nelson, to reduce the overall cost of the package by \$100 billion or more in an effort to gain more bipartisan support. Although their proposal does not appear to be finalized, press reports suggest that the \$40 billion education block grant, the \$25 billion state fiscal stabilization fund, and funding for Title I, IDEA and Pell grants are all prime targets for significant cuts or elimination. The funding to increase the federal match for the Medicaid program (FMAP) is also at some risk. Even if this effort falls apart, some cuts are likely before the Senate will be able to pass a bill.

The Senate will likely work through the weekend. If you haven't acted on yesterday's **ACTION ALERT**, please call Senators Bond and McCaskill now.

3. Show Me Health Coverage plan is introduced and other progress on health-related bills

Senator Dempsey introduced **SB306**, which outlines a proposal to provide insurance for some low income individuals with incomes up to 225% of FPL. The Senator sponsored the Senate's major health bill, **SB1283**, last year. The bill died in the House.

SB306 proposes to cover individuals with earned income that is greater than the current eligibility level for the Temporary Assistance to Needy Families program (about \$292/month for a family of 3) and who do not have unearned income greater than the TANF eligibility. This could be problematic for parents who receive child support (which is considered unearned income) or have a family member who receives

disability. Individuals must be uninsured for 6 months to be eligible. Dental and vision services are not included in the list of required benefits.

Insurance will be provided in the private market through high deductible plans with health savings accounts. Each participant will be responsible to contribute to their health savings account based on a sliding fee scale from 1 to 5% of family income. In addition to the individual contribution, an employer, and the state may contribute to the health savings account. SB306 limits deductibles to the amount in the health savings account, and limits the cost of contributions to the health savings account, and copays to 5% of total family income. The cost of this will be a barrier to low income families who juggle rent, food and utility costs each month.

Action in the H Special Committee on Health insurance: **HB60 (Lipke)**, which makes it easier to be eligible for the Missouri Insurance Pool (high risk pool) was heard this week. No action was taken on the bill, since Representative Erwin has introduced some related bills (HBs218 and 232), and the Committee wanted to consider these before taking action. Even with changes proposed in the bill, the cost of premiums for the Missouri Insurance Pool are prohibitive.

Several health policy related bills will be heard this week. See the Committee hearing schedule below.

4. Progress on tax/revenue related bills and TABOR (again)

HB191 (Flook), which appears to be the vehicle for the job development package that the Governor requested, is on a fast track. It was passed out of Committee, passed by the House and sent to the Senate. Many provisions were added in Committee, and the potential cost of the bill escalates. The fiscal note on the bill is now some "\$9.1 million to unknown". To read all of the provisions, go to <http://www.house.mo.gov/content.aspx?info=/bills091/bills/hb191.htm>.

The Missouri Budget project is concerned with the large impact this bill may have on general revenue, and that so many of the projected costs are "unknown". Proceeding in this fashion at a time when the state is facing very difficult budget decisions seems unwise.

TABOR (again): Representative Icet introduced **HJR23**, a constitutional amendment that limits the growth of appropriations to inflation and population growth. This would have a tremendous negative impact on Missouri's ability to adequately fund education, health care, corrections, transportation and other state services. It is similar to the Hancock amendment, which limits the amount by which Missouri's revenue may grow each year. **HJR23** was assigned to the Budget Committee, which Rep. Icet chairs. So we can likely expect a speedy hearing. Look for more information about this soon.

5. Scheduled Hearings

Tuesday, February 10

H Appropriations for Health, Mental Health and Social Services, 2 PM, HR5, will discuss the Departments of Mental Health and Health & Senior Services budget.

H Com on Health Transformation, 5 PM, HR5 will hear **HB293 (Nance)**, which requires the Dept. of Social Services to provide information about MO HealthNet to schools, who then distribute it to families during enrollment

Wednesday, February 3

H Appropriations for Health, Mental Health and Social Services, 2 PM, HR5, will continue with an overview of the Departments of Health & Senior Services and Social Services budget.

Thursday, February 4

H Appropriations for Health, Mental Health and Social Services, 8 AM, HR5: Overview of the Department of Social Services budget continues

6. Save the date!

Mark your calendars for the Poverty Summit on June 9 at the Capitol Plaza Hotel. See the attached flyer for details.

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

*Amy Blouin
Executive Director
314.652.1400 (office) 314.518.8867 (cell)*

*Ruth R. Ehresman
Director of Health & Budgetary Policy
314.652.1400 (office) 314 504.3616 (cell)*

*Tom Kruckemeyer
Chief Economist
573.636.2581*

*Heather Lasher Todd
Communications Director
314.652.1400*