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1. Reauthorization of the State Children's Health Insurance Program (SCHIP) passes Senate

The Senate passed the SCHIP reauthorization on 1/29/09 by a vote of 66 to 32, with one member not voting. Senator McCaskill voted "yea", and Senator Bond voted "nay". Thanks to all who made calls to our Senators over the past weeks. A "thank you" to Senator McCaskill would be appreciated.

The bill passed without weakening amendments, and contains an option for states to cover legal immigrant children without a 5 year waiting period. Now the bill goes back to the House where a vote is expected next week.

2. House approves Economic Recovery Package

The House passed an \$819 billion dollar economic recovery package this week. The package moves to the Senate, where amendments will likely be offered. See the Missouri budget web site for a document that outlines the estimated benefits to Missouri in the House package. www.mobudget.org

3. Governor Nixon lays out broad outline of budget recommendations

Governor Nixon delivered his State of the State address at 7 PM on January 27 and laid out some of his budget priorities. A summary of his budget recommendations prepared by the Missouri Budget Project is attached, and will be available on our web site next week. Since there is a budget shortfall in both the current fiscal year and in fiscal year 2010, Governor Nixon proposes using federal money from the Economic Recovery Package to avoid deep cuts in services. He is proposing to make an estimated reduction of 1300 state employees. You can read his speech at http://governor.mo.gov/newsroom/speeches/2009/2009_Missouri_State_of_the_State_Address.htm. and find the entire summary of his budget at <http://oa.mo.gov/bp/budg2010/>.

The next step of the budget process is for the Budget Committee chair, Allen Ictet, to file the appropriations bills. The basis for these bills used to be the Governor's recommendations. In recent years the Budget Chair offered his own priorities in the budget bills.

The House Appropriations Committees will discuss the bills and offer changes before sending the bills to the House floor for additional amendments and a vote. The bills are then sent to the Senate and a similar process follows. After the Senate votes, a Conference Committee is appointed to reconcile the differences in the bills passed by the House and Senate. The appropriations bills must be passed by May 8.

4. Progress on bills related to health care policy

A sizable number of bills related to private and public insurance have been filed, and leadership are beginning to assign these bills to a variety of Committee.

Bills assigned to Committee that make changes in private insurance include the following. H Special Committee on Health insurance: **HB60 (Lipke)**, which makes it easier to be eligible for the Missouri Insurance Pool (high risk pool); **HB231 (Yates)**, which requires insurers to comply with federal COBRA provisions; and **HB259 (Tilley)**, which requires insurance carriers to process claims more quickly.

In the Senate, **SB18 (Bray)**, which establishes universal health assurance was referred to the Committee on Progress and Development. **SB148 (Dempsey)**, which allows tax deductions for premiums for those who choose high deductible policies with health savings accounts, was referred to the Committee on Governmental Accountability and Oversight. **SB169 (Shoemyer)**, which relates to regulation of Medicare Advantage insurance agents, was referred to the Committee on Small business/Insurance/Industry.

A smaller number of bills have been filed related to public health insurance, and most haven't been assigned to committees. **HB395 (Nance)**, which allows transition grants for individuals transitioning back into the community from long term care, has been referred to the Senior citizen Advocacy Committee. **HB395 (Nance)**, which requires the Dept. of Social Services to provide information about MO HealthNet to schools, who then distribute it to families during enrollment, was referred to the Committee on Health Care Transformation. **SB77 (Stouffer)**, which adds comprehensive day services as a MO HealthNet benefit; and **SB170 (Shoemyer)**, which changes the composition of the MO HealthNet Committee, were referred the Committee on Health, Mental Health, Seniors and Families.

5. Progress on tax/revenue related bills

Even as the Appropriations Committees are struggling to develop a balanced budget, dozens of bills have been filed that increase tax credits, provide tax exemptions/deductions, decrease sales tax, income tax or property taxes. We will report on these as hearings are scheduled, and it becomes more apparent which are viable in the legislature.

The Governor did challenge the General Assembly to pass a jobs package and get it on his desk before the spring break. It is likely that **HB191 (Flook)** will be part of that package. This bill was heard in committee and sent to the Rules Committee. It would expand the Quality Jobs Act, which is a priority of the Governor. SB191 removes the current \$60 million annual cap on the tax credits. The fiscal note for the bill is estimated to be "0 to unknown." Similar bills have already been heard in the Senate.

6. Scheduled Hearings

Monday, February 2

H Rules Com, upon afternoon adjournment, HR1: **HB191 (Flook)**, see above

Tuesday, February 3

S Health, Mental Health, Seniors and Families, 8:15 AM, SCR1: **SB4 (Shields)**, which establishes a quality rating system for child care facilities; and **SB77 (Stouffer)**, see above

H Special Com on Health Insurance, noon, HR5: **HB60 (Lipke)**, see above

Wednesday, February 3

S Gubernatorial Appointments, 8:30 AM, Senate Lounge: Appointment of Margaret Donnelly as head of Department of Health and Senior Services

H Appropriations for Health, Mental Health and Social Services, 2 PM, HR5, will hold a managed care forum with the Department of Social Services

H Education Appropriations, 2 PM, HR1: DESE budget presentation

Thursday, February 4

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

7. Don't forget to visit the Missouri Budget Project web site

A number of new policy briefs and fact sheets are available on the web site, including those mentioned in last week's and this week's email update.

Early next week we will also post a guest analysis of how the enhanced FMAP in the Economic Recovery Package can help Missouri provide health coverage during these hard times. It is great information. **Don't miss it!**

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

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