

DC Update

June 13, 2008

FY 2009 Budget and Appropriations

Last week the House and Senate passed FY 2009 budget resolutions. Though the budget resolution is only a blueprint, it does provide insight into the majority party's tax and spend priorities. The budget resolution does provide \$21 billion more than the Administration's FY 2009 request. The President has indicated he will veto any bill that exceeds his funding request. The U.S. House of Representatives as started is appropriations' mark-ups; however it is unlikely any of the bills will make it to the floor this year. It is expected that continuing resolutions (CRs) to fund current programs will be enacted until next January or February.

Medicaid

The U.S. House of Representatives again postponed a vote on the Iraq War Supplemental Appropriations bill yet expects to bring the bill to the floor sometime next week. The bill provides a moratorium on seven Medicaid regulations, but parts of this and other domestic spending provisions may be stripped. It was understood that the targeted case management, provider tax and outpatient clinic regulations were under consideration for exclusion. Negotiations continue regarding domestic spending priorities and cost off sets. It remains unclear whether all seven Medicaid regulations moratoria will be included in the bill. A final decision has not been made and negotiations continue between the Democrats and Republicans and Administration as well as within the Democratic party.

Earlier this week the House extracted the unemployment insurance provision and created a stand alone bill for that priority. The Senate, however, is not likely to exclude the unemployment insurance and will add that provision in any supplemental bill they receive from the House. A GI bill provision has also complicated the process. Speaker, Nancy Pelosi (CA), indicated that the leadership plans to get a bill that will be signed to the President before the July 4 recess.

Medicare

The Senate was unable to bring up a Medicare bill for debate this week. The bill, (S.3101) would reverse cuts to physician payments under Medicare. The cut is scheduled to take effect on July 1, 2008. Of note, parity in the Medicare program for mental health is included in the bill. However, Republicans are weary of the cost off set that would find savings from Medicare Advantage plans. Negotiations will continue and it is to be determined whether Medicare parity will survive those discussions.