

## DC Update July 13, 2009

Last week the Senate Democrats got their 60<sup>th</sup> Senator when Al Franken (D-MN) was sworn in. He has been appointed to the Senate Health, Education, Labor and Pensions (HELP) and Judiciary Committees; two committees with busy schedules this week. To begin the week, Congress will continue health reform debate and discussion and the Senate Judiciary Committee has scheduled confirmation hearings for Supreme Court nominee Sonia Sotomayor. The entire week has been slated for opening statements, questioning and witness testimony.

### Health Reform

Congress and the Obama Administration continue to address national health reform. Last week, the Administration negotiated with hospitals to use savings from Medicare and Medicaid reimbursements over the next 10 years to help pay for reform. See the National Association of Counties write up from Associate Legislative Director, Paul Beddoe.

The following was published in NACo's Friday, July 10, 2009 NACo Legislative Bulletin:

***Big Hospital Associations and White House Agree on DSH Cuts – Action Needed***  
*Vice President Biden announced on July 8 that three hospital industry groups had agreed in negotiations with the White House and the Senate Finance Committee to accept \$155 billion in Medicare and Medicaid cuts over ten years in order to help cover the cost of health reform. The cuts would include reductions to Medicare and Medicaid disproportionate share hospital (DSH) payments of \$50 billion over ten years.*

*NACo is concerned in particular about the Medicaid DSH cuts because DSH is more than compensation for the uninsured. It helps compensate high-volume Medicaid hospitals – including many county hospitals – Medicaid's below cost reimbursement rates. DSH also helps pay for other expensive services provided by county hospitals, including emergency services, trauma and burn care.*

*The House draft health reform bill does not contain these cuts, but calls for a study to examine the effects of reform and the future need for the payments.*

***Action needed*** – *Ask your Senators and your House Member to oppose cutting Medicaid DSH and to support the House Tri-Committee draft health reform bill's approach to DSH payments: conduct a study of DSH after reform has been implemented to see if the*

*program can be altered without damaging the safety net. (Contact: Paul Beddoe 202/942-4234 or [pbeddoe@naco.org](mailto:pbeddoe@naco.org))*

### House

The three committees with oversight have created a draft piece of legislation. The House Ways and Means, Energy and Commerce and Education and Labor committees crafted the bill in coordination and will release language this week. Mark ups are also scheduled. Committees have been working on how to pay for the reform legislation and indicate that the bill will cost less than \$1 trillion over 10 years. They plan to pay for it by reducing health care spending and implementing surtax on three income brackets. Concerns about cost remain from the Blue Dog Democrats who are known to be fiscally conservative and Republicans. As details of the legislation are released, NACBHDD staff will keep members updated.

### Senate

The Senate HELP committee will enter its fourth week of debate on its bill, *Affordable Health Choices Act*. The committee hopes to end debate this week and pass the bill out of committee. The Senate Finance Committee has yet to reach a compromise on a bipartisan bill to be released. Since the Finance Committee has Medicaid oversight, it remains unclear what provisions regarding that program will be included in a Senate bill.

### FY 2010 Appropriations

Last week the House Labor, Health, Human Services and Education Appropriations Subcommittee passed the appropriation bill out of its committee. The full Appropriations Committee mark up is scheduled for later this week. The House Transportation, Housing and Urban Development (HUD) Appropriations Subcommittee will begin mark up of their bill this week. The Senate has yet to address either of these appropriations bills and no timeline has been announced. NACBHDD will keep members updated with details as the committees complete their work.

Should you have any questions, please contact Maeghan Gilmore, [mgilmore@nacbfd.org](mailto:mgilmore@nacbfd.org).

Thank you.