



Keeping Current @ the Capitol March 15, 2010

Legislators have completed 24 of 40 legislative days. They are in session Tuesday through Thursday of this week. Next week legislators will convene on Monday, 3/22 and Tuesday, 3/23 for the 28th and 29th legislative days. They will adjourn for Wednesday March 24th and Thursday March 25th will be the 30th legislative day, known as “crossover day,” as this is the last day for legislation to pass from its chamber of origin to the other side. Legislators will adjourn on Friday March 26th and reconvene on Monday, March 29th for the 31st legislative day.

Budget Update

Last Thursday, Gov. Perdue lowered the Amended FY 2010 revenue estimate by \$343 million and the FY 2011 revenue estimate by \$443 million. The governor proposed moving \$343 million in American Recovery and Reinvestment Act (ARRA) funds from the FY 2011 budget to FY 2010 to avoid further cuts in the current fiscal year. Although this will solve problems with the FY 2010 budget, the shortfall in FY 2011 is now estimated at \$1 billion. The shortfall is the result not only of the reduced revenue estimate and transfer of ARRA funds but of the removal of anticipated funds from Gov. Perdue’s proposed tax of hospitals and CMOs due to lack of support from legislators. The governor proposes dealing with the FY 2011 shortfall by increasing various state fees, eliminating the sales tax exemption for nonprofit hospitals, a 10.25% reduction in Medicaid provider payments for doctors and hospitals and an additional 3% cut for most state agencies.

Advocates are concerned about the proposed reduction in Medicaid and PeachCare provider rates. Low reimbursement rates result in reduced participation by doctors and other providers in the Medicaid and PeachCare programs. There are already access problems in some areas of the state, especially for dental services. Gov. Perdue has also proposed increases in monthly premiums for children enrolled in the PeachCare program. Georgia PeachCare premiums are already among the highest in the nation and higher premiums will undoubtedly be a barrier to access for some families.

HMHB Legislative Agenda Update

Enhance Medicaid services for Georgia women by obtaining a federal waiver for the Planning for Healthy Babies Program.

There appears to be strong legislative support for a Medicaid Family Planning waiver, but the funds must be found for the state match. The Department of Community Health has requested the amount of \$1.5 million in the FY 2011 budget. For this issue to move forward, however, legislators must determine their strategy for dealing with huge budget deficits in FY 2011.

Oppose legislation that threatens health insurance benefits such as mammograms, pap smears, and childhood immunizations.

HB 1184 (Rep. Matt Ramsey, 72nd) and **SB 407** (Sen. Judson Hill, 32nd) are two bills that would allow insurance products licensed and sold in other states to be sold in Georgia. Out-of-state insurers are exempted from state laws governing required benefits and consumer protections that apply to health insurers licensed in Georgia. The bottom line is that benefits such as mammograms, pap smears, well child care and minimum hospital stays following childbirth would be threatened. **Status:** HB 1184 is assigned to the Life and Health Subcommittee of the House Insurance Committee. The bill was discussed in subcommittee on 3/11 and is scheduled for a second hearing on 3/17. SB 407 was favorably reported on by Senate Insurance and Labor on 3/11 and is now in Senate Rules.

Support legislation to increase the state's tobacco tax.

Momentum continues to build for passage of legislation increasing the tobacco tax. . Last week a successful rally was held at the Capitol as well as numerous press conferences around the state. Additional House members from both parties have signed **HB 39** (Stephens, 164th), the tobacco tax legislation introduced in 2009. **Status:** There appears to be more support for an increase in the tobacco tax on the House side, as Lt. Casey Cagle remains vehemently opposed and continues to publicly speak out against "any revenue enhancements."

ACTION NEEDED:

Please call or fax Lt. Governor Casey Cagle and encourage him to support increasing the tobacco tax.

- Tobacco related illnesses cost the healthcare system millions of dollars
- As cigarette prices increase, fewer teens smoke
- Georgia's tobacco tax is far lower than the national average and raising it by \$1 will only put us at the national average
- Our state desperately needs the new revenue, which is estimated at \$350 million annually if the tobacco tax is increased by \$1 per pack.

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