



LSA Washington

February 13, 2007

LSA Washington, DC Advocacy Days Scheduled March 6 and April 17

We look forward to seeing you at one or both Advocacy Days scheduled for this spring. On March 6, LSA members are invited to join the LSA Public Policy Advisory Committee in a full day of briefings on health and human service policy issues being considered by Congress and the Administration. Lunch will feature a keynote address by a congressional leader. The day will close with a congressional reception on Capitol Hill – an excellent opportunity to meet informally with members of Congress and their staff. Participants are encouraged to schedule meetings with members of Congress on March 7. Please contact Lisa Carr at lcarr@lutheranservices.org if you are interested in attending. There is a \$50 charge to cover meeting materials, room rental and lunch.

On April 17, LSA is hosting an Advocacy Day in Washington, DC, a day before the LSA Annual Conference. More information can be found in the LSA Annual Conference registration brochure at www.lutheranservices.org.

LSA Offers Hospitality in Capitol Hill Office

The LSA public policy office in Washington DC is offering a place to check e-mail, voicemail, and to store luggage for LSA members who are in town for meetings. The LSA office is just two blocks away from the Russell Senate Office Building, at 122 C Street, NW, Suite 125,

Washington, DC 20001, a wonderful location to stop by for refreshments and meet the LSA public policy staff. Visitors are encouraged to contact Lisa Carr at lcarr@lutheranservices.org or at 202-626-7945 or Kathy Saile at ksaile@lutheranservices.org or at 202-626-7932 to tell them that they are going to stop by. Refreshments and Lutheran hospitality await!

The LSA Public Policy Office also has a list of more affordable hotels in the Washington, DC area. Please email lcarr@lutheranservices.org for more information.

2007 Public Policy Prioritization Process Response Requested

A survey was sent to select individuals on February 5 asking for input on the public policy priorities for LSA. If you received the survey, we hope you will take the short 15 minutes needed to fill it out. We appreciate your input in shaping LSA's public policy priorities!

Andrew Morris Joins LSA Public Policy Staff

Andrew Morris began work at LSA on January 2 as the LSA Disability Network Public Policy Liaison. Andrew has seven years experience working on the state and federal level of government on health care and disability legislation. He comes from the Oregon Health and Science University where he was the Public Policy Liaison working on Medicaid, Medicare, clinic and hospital issues with the Oregon state legislature and with the U.S. Congress.

Andrew will be focusing on Medicaid and people with disabilities. He can be reached at

amorris@lutheranservices.org and at 202-626-7949. Welcome Andrew!

President Bush Releases His FY2008 Budget

President Bush released his Fiscal Year 2008 budget request to Congress on Monday, February 5. The \$2.9 trillion budget would cut health care, education, housing and other domestic programs. Domestic spending would be held below the rate of inflation for FY 2008, which begins in October, and is frozen in years thereafter.

The submission of the budget by the President signals the start of the federal budget process. Congress will now write their own budget, starting with passing a budget blueprint, or budget resolution. The process ends on September 30 with Congress passing 13 appropriations bills which fund federal programs. Although Congress has been unable to come to agreement on many of the appropriations bills for years, current leaders in Congress have committed to meeting the September 30 deadline.

Many in Congress consider the President's budget dead on arrival, without much chance of passage intact, especially with the control of Congress in Democratic hands.

Below is a summary of the President's budget:

Medicare. Skilled nursing facility reimbursement would be frozen in 2008 and their market basket updates would be cut by .65 percent per year. Home health care reimbursement would be frozen for the next five years. Although funding for survey and certification would increase, providers would have to pay a fee for conducting revisit surveys for deficiencies. All health care providers would face a .4 percent cut if the Medicare trustees report that general revenues are making up 45 percent or more of Medicare funding.

Medicaid. The asset transfer provision which would exempt home equity of \$500,000 to \$750,000 from being counted against Medicaid eligibility, a state option under the Deficit Reduction Act, would be eliminated. Money Follows the Person demonstration funding would increase. There would be continued crackdown on waste, fraud and abuse and funding for the Katrina Medicaid program would cease.

The State Children's Health Insurance Program would receive an increase of \$5 billion, two-thirds less than what is needed to maintain the current caseload.

The Transitional Medical Assistance Program would be extended through September 30, 2008 for families losing welfare benefits due to increased earnings.

Children with disabilities would be impacted by changes in the definition of rehabilitation services and allowable school-based services currently paid for by Medicaid. These two changes would translate over the next five years to \$6 billion in cuts.

Housing. The HUD budget would be cut overall by 8 percent. Two programs that would receive an increase include home-ownership grants and assistance to home buyers. The Section 8 voucher program funding formula would be changed and the HOPE VI program would be eliminated. The Community Development Block Grant program would be merged with other grant programs and funding would be decreased by a combined total of more than \$1.2 billion.

Section 202 housing for seniors with low-incomes would be cut \$160 million to a total of \$575 in 2008. Funding would include \$415 million for new construction with \$25 million for a demonstration project on mixed financing. The HUD budget would also include \$71 million for service coordinators, and \$25 million for the assisted living conversion program and Emergency Capital Repair grants.

Section 811 housing for person with disabilities would be cut from \$231 million to \$125 million.

Aging Programs. Administration on Aging programs would be cut from \$1.362 billion to \$1.335 billion.

Home and community based support services would be increased by \$1 million and program innovations would be increased by \$11 million. Preventive health services and Alzheimer's disease demonstration grants would receive no funding in 2008. The national family caregiver support program would be cut by \$2 million, congregate nutrition services would be cut by \$2 million, home delivered nutrition services would be cut by \$1 million, and the long-term care ombudsman program would be cut by \$1 million.

Children's Programs. Head Start funding would be frozen at the 2006 level, as would child care funding, child abuse and treatment and adoption programs, the Children's Mental Health Services Program and the Community Mental Health Services Block Grant. The President would allow states the option to end guaranteed funding for the Federal Foster Care Program and instead use a foster care block grant with a cap on future funding.

Youth Programs. The President's budget eliminates all dedicated federal funding streams for juvenile justice and merges them into a single block grant with funding of \$280 million, a 25 percent cut in funding. The Office of Juvenile Justice and Delinquency Prevention would be eliminated in the Department of Justice.

Other Programs of Interest:

- Low-income energy assistance would be cut by \$379 million.
- The Social Service Block Grant would be cut by \$542 million.
- The Community Services Block Grant would be eliminated.
- The Commodity Supplemental Food Program would be eliminated.
- Substance Abuse Prevention and Treatment Programs would be cut by 14 percent and the Substance Abuse Prevention and Treatment Act would be frozen at the 2006 funding level.

- Workforce Funding. The Advanced Nursing Education program would receive no funding and the Nurse Education Loan Repayment and Scholarships program would receive an additional \$13 million.

The 110th Congress, First Session, Passes Legislation of Interest to LSA Members

Members of the 110th Congress were sworn into office on January 4, and in an unusual move, stayed in session throughout January. Members of the Senate will have to work collegially as there are 51 Democrats and 49 Republicans in the Senate. Two Independents, Senators Lieberman (I-CT) and Sanders (I-VT), are likely to vote with the Democrats on many issues and thus are counted with the Democrats. Most bills in the Senate pass by a simple majority and with neither political party having a strong majority, legislation will not be able to pass unless members from both parties agree to the legislation. The Senate will be led by Majority Leader Harry Reid (D-NV) and Minority Leader Mitch McConnell (R-KY).

The leadership of the House of Representatives is also pledging to work in a bipartisan manner in order to be more effective. Speaker of the House Nancy Pelosi (D-CA) and Minority Leader John Boehner (R-OH) will be providing leadership to the 233 Democrats and 202 Republicans.

Speaker Pelosi made a commitment to pass six significant pieces of legislation during the first 100 hours and the House passed those bills by January 19. The House bills included some issues of interest to LSA members.

The House and Senate passed two different bills that would **increase the minimum wage** over two years to \$7.25 per hour. The Senate minimum wage bill includes tax cuts for small businesses. The House is expected to consider a separate, less expensive, small business tax bill in mid-February which could go to conference committee with the Senate bill and become law.

By a vote of 255-170, the House passed a bill that would instruct the federal government to negotiate **prescription drug prices** directly with the pharmaceutical companies. The Senate has not yet introduced similar legislation.

The House and Senate passed different versions of **ethics reform** legislation. Both bills would increase lobbying disclosure, with changes going into effect on January 1, 2008, if enacted. The House bill (H.R. 1) would put in statute and restrict lobbyists, and organizations that hire lobbyists, from giving more than nominal gifts, buying meals and paying for travel of members of Congress and their staff members. The bill passed overwhelmingly by a vote of 430-1 on January 5.

The House passed new rules (H. Res. 6) that will govern members of the House until the ethics bill becomes law. H. Res. 6 passed the House by a vote of 430 to 1 on January 4. H. Res. 6 prohibits travel by members of Congress and congressional staff that is paid for, planned, or requested by lobbyists or organizations that hire lobbyists. An exception to the travel ban is participation in one-day events. Registered lobbyists can not accompany a member of Congress or congressional staff on any portion of the trip. All travel must be pre-certified and approved by the House Ethics Committee.

The House resolution also bans gifts and meals from registered lobbyists (including nonprofit organizations) or organizations that retain or employ registered lobbyists. Gifts falling under certain exceptions are permitted, including the gift of a meal at a “widely attended event” or a gift of a nominal value, such as a baseball hat or mug.

The Senate passed ethics reform legislation (S. 1), similar to H.R. 1, by a vote of 94-2 on January 18. The Senate did not pass legislation similar to H. Res. 6. The Senate bill does not allow Senators and their staff members to accept gifts or meals from registered lobbyists or entities that employ lobbyists. Exceptions include awards for public service or meals while attending events. While the

bill also restricts travel paid for by lobbyists and organizations that hire lobbyists, the Senate bill does allow for 501(c)(3) nonprofit organizations to pay for trips if approved by the Senate Ethics Committee.

The two bills now go to conference committee. For more information on the ethics legislation, go to www.independentsector.org.

The House and Senate new Appropriations Committee Chairmen, Senator Robert Byrd (D-WV) and Representative David Obey (D-WI), stated that **earmarks** will not be considered until a new process is put in place, subject to new standards for transparency and accountability. H. Res. 6 requires publication of earmarks prior to a vote and prohibits the trading of earmarks for legislative votes. H. Res. 6 defines an earmark as any member – requested project that is targeted to a specific place and falls outside a formula – driven or competitive award process.

The House and Senate leadership have agreed that the budget deficit is a problem and **fiscal restraint** will be one of the hallmarks of their work this year. Thus, there is not likely to be an infusion of federal government funds for health and human service programs. H. Res. 6 includes “pay-go” rules. “Pay-go” rules mean that any spending increases in entitlement programs and any cuts to revenues must be paid for with other spending cuts or revenue increases.

Although the HHS **Medicaid** Commission released their recommendations for reform at the end of December 2006, Congress is not likely to make major changes to the program in 2007. Congress may want to fix some of the provisions of the Deficit Reduction Act and Congress will consider reauthorization of the State Children’s Health Insurance Program (SCHIP), which is up for reform in 2007.

Congress is likely to hold **oversight hearings** into the war in Iraq and other public policy issues of concern. Congress may also reauthorize the **McKinney-Vento** services for persons who are homeless, consider the creation of a **National Housing Trust Fund**, and reauthorize the **No Child Left Behind** education program.