



LSA Washington

August 14, 2007

LSA Public Policy Conference Call Thursday, August 16 at 2:00 pm ET

LSA is sponsoring monthly conference calls on public policy issues of concern to LSA members. It is not too late to sign up for the **August 16 call with a focus on health care. The call will be at 2:00 pm Eastern time** (1:00 pm Central, noon Mountain, 11:00 am Pacific).

Before adjourning for August recess, the House and Senate passed bills reforming the State Children's Health Insurance Program (SCHIP) and Medicare. The House and Senate bills will be discussed along with opportunities to advocate.

We will also discuss proposals to cover uninsured adults, pending changes to Medicaid and Medicare programs, and proposals of top Presidential candidates.

Plan to join our September 20 call **on Outlook for FY 2008 Federal Spending**. That call will be at 2:00 p.m. ET as well.

PowerPoint slides will be sent to participants before the conference call. RSVP by e-mail to Lisa Carr at lcarr@lutheranservices by August 16. The phone-in number and passcode will be sent after the RSVP is received. If you have any problems accessing the conference call, please call 202-271-0973.

State Children's Health Insurance and Medicare Bills Pass House and Senate

On Thursday, August 2, the Senate passed H.R. 976, the Children's Health Insurance Program (CHIP) Reauthorization Act of 2007 by a 68-31 vote. A day earlier the House passed their SCHIP reauthorization bill, H.R. 3162, the Children's Health and Medicare Protection (CHAMP) Act by 225-204, primarily along party lines. While the Senate vote is veto-proof, the House margin is not. **Thank you for your calls, e-mails, and other efforts.**

The two versions must be reconciled before Congress sends the legislation to the President for his signature or veto. The President has threatened to veto the bill as he believes it could lead to universal health care.

ACTION NEEDED: Many members of Congress will be home during the August recess. If your Senators and Representative voted "yes" on SCHIP, please thank them and ask them to support the compromise bill. If they voted "no," encourage them to support reauthorization when the negotiated bill is brought back to the House and Senate floor after conference committee. The link to the Senate vote is:

http://senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=110&session=1&vote=00307

The House roll call vote is:

<http://clerk.house.gov/evs/2007/roll787.xml>.

The Senate bill, the CHIP Reauthorization Act, is a bi-partisan compromise that adds \$35 billion in new funding over five years to SCHIP. The new funding would assist states in enrolling uninsured but currently eligible children, approximately four million children who would otherwise be uninsured. The bill is paid for by a 61 cent increase in the per pack Federal tobacco tax.

The House bill, the Children's Health and Medicare Protection (CHAMP) Act, provides \$50 billion in new funding over five years for outreach and to enroll uninsured but eligible children. Approximately five million more children would receive health insurance if the CHAMP Act is enacted. The House bill is paid for by a 45 cent increase in the Federal tobacco tax and a phase-out of Medicare Advantage overpayments. Simply eliminating the inflated payments would reduce Medicare Part B premiums by two dollars a month per beneficiary and would bring an additional two years of solvency to the Medicare hospital trust fund.

The President proposed a \$5 billion increase in SCHIP funding over five years, but this amount would not cover current enrollees. Children would lose coverage under President Bush's proposal.

The House and Senate bills both improve access to **dental coverage** for children. Both bills require **mental health benefits** to be treated the same as physical health benefits in the SCHIP program.

The House bill allows SCHIP coverage, at state option, for **legal immigrant children and pregnant women** who have been in the U.S. less than five years. Those who are in the country without documentation, who are here illegally, are not eligible for federal health programs.

The House and Senate bills address **documentation needed by citizens** in order to receive Medicaid. The Senate bill allows a state option to accept Social Security numbers and a match with the Social Security Administration to verify identification and citizenship. The House bill allows states to return to pre-Deficit Reduction Act (DRA) rules for proving citizenship for children. The Senate bill also allows additional types of documents to serve as proof of citizenship for adults and for states that choose to continue DRA requirements for children.

Many states cover **childless adults** in their SCHIP program. The Senate bill would transition currently enrolled childless adults from SCHIP to the Medicaid program by FY 2009. No new waivers would be allowed to cover this population under the SCHIP program. The House bill would maintain current law prohibiting the Department of Health and Human Services (HHS) from approving new waivers for childless adults. The House bill would allow states that currently have waivers to continue them.

The House bill also makes many changes to the Medicare program. It adds preventative health benefits to the program and eliminates co-payments for preventative benefits. In addition, it makes mental health care more affordable by reducing the co-payment from 50 percent to 20 percent. Rural fee-for-service Medicare protections are prevented from expiring, and subsidies to help low-income Medicare beneficiaries pay for prescription drugs and other costs are made more available.

Other provisions of interest to LSA members in the House bill:

- Small rural hospitals could realize benefits, including higher Medicare payments, if they are designated "critical access hospitals."
- The exceptions process for Medicare therapy caps is extended.
- Physicians who provide services to Medicare beneficiaries would receive an increase in payments, not the proposed decrease.
- A provision in the Medicare Modernization Act that set arbitrary budget restrictions on Medicare, called the 45 percent trigger, would be eliminated.

Not included in the House or Senate bill, but advocates are hoping could be included in the compromise legislation, is a restoration of the annual update for nursing homes and home health care providers.

Thank you again for your advocacy efforts!

Section 202 Supportive Housing for the Elderly Reform Bill Introduced

On June 28, Congressman Tim Mahoney (D-FL) introduced H.R. 2930, the Section 202 Supportive Housing for the Elderly Act of 2007. The bill has six bi-partisan co-sponsors. The purpose of the legislation is to streamline and simplify the development and preservation of affordable supportive senior housing.

The current Section 202 program provides affordable housing with supportive services to adults over the age of 62 with very low-incomes (50 percent of or below the area median income). Affordable supportive housing assists people to age in place. Residents report that community, services, and security are as important as the affordability of the housing unit.

Section 202 grants are available only to nonprofit developers. Originally, the Section 202 program was a loan paid back to HUD. Since 1990, the program has operated as a capital advance grant for construction. The Section 202 program also includes a project rental assistance contract (PRAC) to subsidize very low-income renters. Section 202 funds are also available to project owners for on-site service coordinators to assist residents.

The proposed legislation, drafted by the American Association of Homes and Services for the Aging (AAHSA), has three goals:

- make reforms to the new construction grant process;
- expand refinancing and preservation efforts of existing Section 202 properties; and
- expand access to assisted living facilities.

The purpose of the legislation is to streamline and simplify the development and preservation of affordable supportive senior housing.

One key provision of the legislation would allow developers to more easily leverage other sources of funding to combine with Section 202 grants for new construction. Owners of existing properties would be allowed to refinance properties to rehabilitate older buildings and increase services for residents.

To read the entire bill, go to Thomas.loc.gov and search by bill number H.R. 2930. A hearing on the bill is scheduled on September 7 in the House Financial Services Subcommittee on Housing and Community Opportunity.

Update on Delayed HUD Subsidy Payments

The previous issue of *LSA Washington*, reported that some providers were experiencing a delay in their July subsidy payments from the U.S. Department of Housing and Urban Development (HUD). HUD officials have announced that \$1.2 billion was remitted on or about July 17. It is not clear exactly when providers will receive payment. Once funding is “released” at HUD, it can take two to three weeks for funds to reach individual project accounts. It is also not clear that HUD has sufficient funds for August and September payments.

HUD officials have told advocates, “If the amount of the payment that has been delayed is greater than or equal to the amount of the mortgage offset there is no need for the project to do anything. When the payment is processed the offset will occur as it normally does and the amount of the mortgage should not be included in the request for a loan from reserves.”

Congress is meeting with HUD to try to resolve the funding issues. If the problems are not fixed by September, a full Congressional hearing has been promised.

LSA members continuing to experience delay in payments are encouraged to notify Kathy Saile, Associate Director of Public Policy, by e-mail at ksaile@lutherservices.org.