



Lutheran Services in America®

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LSA Washington

February 15, 2008

LSA Welcomes New Public Policy Staff Members

Two new full-time staff members will join the LSA public policy team soon. **Heather Ansley**, JD, MSW, begins February 18 as the Director of Policy and Advocacy for the Lutheran Services in America Disability Network. She received her JD from the Washburn School of Law and her MSW and BA in political science from the University of Missouri – Columbia. Heather has worked for the Lt. Governor of Missouri, Rep. Kenny Hulshof (R-MO), at Region VII of FEMA, and in the judicial system as a research attorney. She can be reached at hansley@lutheranservices.org and at 202-626-7949.

Lisa Hassenstab begins her work as the Associate Director of Public Policy on March 17. Lisa comes from Lutheran Social Services of Illinois where she has worked for two and a half years as the Associate Director of Church and Government Relations. Lisa holds an MA in Social Service Administration from the University of Chicago, an MA in Theology from the Lutheran School of Theology, and a BA in religion from Wartburg College. As of March 17, she can be reached at lhassenstab@lutheranservices.org and at 202-626-7932.

The public policy office is also pleased to have an MSW student from George Mason

University, **Elizabeth Robertson**, with us for 32 hours a week until April 25. Elizabeth is focusing on the Social Services Block Grant and voter outreach. She can be reached at erobertson@lutheranservices.org and at 202-626-7946.

Lisa Hassenstab, Lisa Carr and Heather look forward to meeting LSA members at the LSA Annual Conference in April!

Case Management Regulations Threat to LSA Member Services

Case management and Targeted Case Management (TCM) rules proposed by the Centers for Medicare and Medicaid Services (CMS) would restrict the scope of case management services and save \$1.3 billion in government funding. The regulation goes far beyond the scope of the Deficit Reduction Act, legislation that allowed for the provision.

The rule specifies that federal Medicaid funding is not available for TCM if there are other third parties liable to pay for those services.

Among other provisions, the TCM rule would make it more difficult for individuals transitioning from institutions into the community by reducing federal reimbursement for targeted case management from the last 180 days of an individual's institutional stay to the last 60 days. Due to

lack of affordable housing and challenges in securing support services, it is difficult or impossible to transition to the community in 60 days.

Senator Norm Coleman (R-MN) and Rep. Keith Ellison (D-MN) have introduced legislation (S. 2578/H.R.5173) to impose a one year moratorium on the Medicaid interim final case management rule.

We had good news and bad news on this issue on February 14. The good news - the Senate passed by voice vote an agreement to place a moratorium on the regulation. The bad news - the vote was part of the Indian Health Services Act, legislation that may not pass and become law. The House has not yet considered the legislation and President Bush has issued a veto threat against the bill.

Action is needed! Please contact your elected officials and ask them to co-sponsor S. 2578 or H.R. 5173. Tell them that it is important for Congress to consider the implications the regulation will have on the people that you serve. Congress should take time to discuss legislative solutions. The moratorium is needed as the interim final rule goes into effect on March 4. Please send copies of your letters or email notes about your communication with elected officials to Lisa Carr, Senior Director of Public Policy, at lcarr@lutheranservices.org.

The Deficit Reduction Act allowed the Centers for Medicare and Medicaid Services (CMS) to develop and issue an interim final rule on changes to case management services. On December 4, 2007, CMS issued the interim final rule with comments due February 4. LSA commented on the rule and has signed on to letters with colleague organizations asking that Congress issue a moratorium on the regulations. Congress is considering holding hearings on the regulations in order to

fully understand the issue and to discuss options. The TCM regulation is just one of six regulations proposed by CMS. For more information about the issue, please go to: <http://www.kff.org/medicaid/7739.cfm>.

President Passes Economic Stimulus Bill Into Law

On February 7, the House and Senate passed H.R. 5140, legislation aimed at stimulating the economy. The bill includes an extension of tax rebates, housing assistance, and funding for individuals and families. The bill does not include extended unemployment assistance, increased food stamp funding, \$1 billion in low income energy assistance or benefits for renewable-energy initiatives. These provisions were either included in previous versions of the bill or were discussed as possible additions by Congress.

The Senate passed the bill by a vote of 81-6. The House passed the bill by a vote of 380-34. The President signed the bill into law on February 13.

The legislation would cost the federal government an estimated \$151.7 billion in FY 2008, \$16.3 billion in FY 2009 and a total of \$124.5 billion in other costs between now and the end of FY 2018. The cost would be added to the national debt.

The focus of the economic stimulus bill is payments to individuals. Workers who earned at least \$3,000 in qualifying income during 2007 but paid little to no income tax, would qualify for checks of \$300 for individuals or \$600 for couples filing joint tax returns. Those receiving social security benefits or veterans' disability benefits would also qualify for the funds. Workers and others who paid income taxes last year would receive checks of up to \$600 for individuals, \$1,200 for couples. Payments would phase out for individuals

with more than \$75,000 in adjusted gross income and couples with more than \$150,000. Furthermore, anyone qualifying for a check would receive an additional \$300 for each dependent under age 17.

Taxpayers do not have to do anything in order to receive the economic stimulus payments. Taxpayers who are eligible for payment only need to file their 2007 tax return for the IRS to determine eligibility and calculate the amount of the stimulus payments. Veterans and Social Security beneficiaries must fill out a 2007 tax return in order to receive the economic stimulus payment. The IRS will begin sending taxpayers their payments in early May.

The legislation allows companies to write off an additional 50 percent of new investment expenditures in 2008 for items subject under current law to depreciation over 20 years or less. The remaining value of the investments is to be depreciated over the life of the item. Small businesses will be allowed to write off the entire cost of new investment expenditures up to \$250,000. It applies to companies with overall investments of less than \$800,000 in 2008.

The Federal Housing Administration's mortgage loan limit will be temporarily increased through the end of 2008 from \$362,790 to \$729,750. Conforming loan limits for Fannie Mae and Freddie Mac will be temporarily increased from 417,000 to \$729,750.

President's Budget Proposes Cuts to Health and Social Service Programs

On February 4, President Bush sent to Congress his Fiscal Year 2009 budget. This is the first step in the budget process. Congress considers the President's request by holding hearings featuring federal department heads this month. The congressional Budget

Committees then draft their own budget blueprint, called a budget resolution, which passes the House and Senate. The Appropriations Committees then meet this spring and summer to decide how much funding discretionary programs should receive. The fiscal year ends September 30, 2008, with the hope that Congress will have passed their 12 appropriations bills on time.

The President's \$3 trillion FY 2009 budget would cut or freeze most domestic spending programs. The following social service and health care programs are impacted by the budget proposal:

- Section 202 housing for the elderly would be cut by \$195 million, a 30 percent decrease.
- Section 811 housing for persons with disabilities would be cut by 34 percent.
- At least 100,000 fewer Section 8 affordable housing vouchers would be available.
- The Community Development Block Grant would be cut by 20 percent or \$733 million.
- The Public Housing Capital Fund would be cut by \$400 million, or 17 percent.
- Medicaid would be cut by \$18.2 billion over five years, primarily by shifting costs to states.
- Medicare would be cut by \$178 billion over five years.
- State Children's Health Insurance Program funding would fall nearly \$2 billion short of what states need to avert reductions in the current coverage of children.
- The Social Services Block Grant would be cut by 31 percent.
- The Low Income Home Energy Assistance Program (LIHEAP) would be cut by \$522 million, or 24 percent.
- Weatherization assistance would receive no funding.

- Child care programs would be frozen for the seventh year in a row.
- Head Start would be cut by 13,000 children.
- After school child care would be cut by 28 percent.
- The Commodity Supplemental Food Program (CSFP) would be eliminated.
- Approximately 300,000 people would be cut from the Food Stamp program.

Some programs would receive an increase in the President's budget, including the following:

- Homeless Assistance Grants would receive a \$50 million increase.
- The Tenant Based Rental Assistance account would receive \$39 million worth of new vouchers for elderly and disabled households displaced by Hurricane Katrina.
- The Public Housing Operating Fund would receive a \$100 million increase to reflect higher costs for day-to-day expenses.

The President has issued a veto threat against any appropriations bill that goes beyond the funding outlined in his budget.

The President also proposed \$51 billion in tax cuts in his FY 2009 budget. Total cuts to human needs programs total \$15 billion.

The President's Budget is available online at <http://www.gpoaccess.gov/usbudget/>

The Coalition on Human Needs has three budget documents that may be of interest to advocates. To view the document *The President's Last Budget: Upside-Down Priorities*, go to <http://www.chn.org/pdf/2008/pdg/2008/chn09PresBudgetPiece.pdf>. For a table comparing

the President's FY 2009 budget request to FY 2008 for selected human needs programs, go to:

<http://www.chn.org/pdf/2008/fy09presreqtofly08.pdf>. For a table comparing the President's

FY 2009 budget request to FY 2005 and FY 2008 for selected human needs programs, go to:

<http://www.chn.org/pdf/2008/fundingfy0508Pres09.pdf>.

Congress is hoping to draft their budget resolution for passage in early March. Stay tuned to *LSA Washington* for more details

LSA Public Policy Priorities Determined for 2008

The LSA Public Policy Advisory Committee met in December to consider outcomes from the 2007 public policy priorities, anticipated legislative and regulatory action in 2008, and to set the final agenda for 2008.

After hearing from public policy experts and LSA public policy staff in Washington, D.C., the group deliberated and decided to maintain our focus and effort on the same issues as 2007. The public policy priorities will remain as health care, home and community based services, affordable housing, child welfare, federal budget and the Social Services Block Grant and other block grants.

The LSA public policy conference call series and the LSA Annual Conference public policy track will focus on priority issues. Other materials are being developed and will be highlighted in future issues of *LSA Washington*.

LSA Sponsors Public Policy Spring Webinars/Conference Calls

Thursday, February 21 – 2:00 pm ET What is the Future of Long Term Care Financing?

Barbara Gay, Director of Advocacy Information, will update us on public policy proposals, legislation and the political outlook for 2008 and 2009. To register, please email lcarr@lutherservices.org by COB February 20.

Thursday, February 28 – 2:00 pm ET Innovative Strategies and Tools in Advocating on the State and Federal Level (Webinar)

Our guest speaker is Stephanie Vance with Advocacy Associates. Stephanie has agreed to repeat this Webinar, first offered in January. To register, please click on the following link: <https://www1.gotomeeting.com/register/862680034> by noon on February 28.

Coalition on Human Needs Budget Webinar

If you missed the February 8 CHN webinar on the **President's FY09 budget** or would like to watch it again, you can view the replay of the webinar and download the PDF version of the slides at the following link: <http://www.bostonconferencing.com/chn/archi ve>.

Thursday, March 20 – 2:00 pm ET Nonprofit Tax Exemption Under Attack

The call will focus on the recent Minnesota court ruling stripping a nonprofit day care center of its tax-exempt status, what organizations are doing to show community benefit, and other steps nonprofits can

consider in this new environment. Our speaker will be Julie Trocchio, Senior Director, Community Benefit and Continuing Care at the Catholic Health Association of the United States. To register, please email lcarr@lutherservices.org by COB March 19.

We will not host an April public policy call, but we look forward to seeing you at the **LSA Annual Conference, April 23-25, in St. Louis, MO**. We have an outstanding public policy track at the conference, including an intensive breakout session on engaging others in your advocacy work. For more information and to register, please go to www.lutherservices.org.

Thursday, May 15 – 2:00 pm ET Intersections of State and Federal Child Welfare Public Policy

Our guest speakers are from the Alliance for Children and Families. Elizabeth Carey, Senior VP and Chief Operating Officer; and Patrick Lester, Senior Vice President, Public Policy, will focus on the future trends on the state and federal level on child welfare public policy. To register for the call, please email lcarr@lutherservices.org by COB on May 14.

Thursday, June 19 at 2:00 pm ET Future of Affordable Housing Public Policy.

Affordable housing public policy experts will present on what Congress and the Administration are likely to pass this year – Section 202 Elderly Housing Reform legislation, the National Affordable Housing Trust Fund Act, and what the funding levels may be for FY2009, which starts October 1. To register for the call, please email lcarr@lutherservices.org by COB June 18.