



# GOVERNMENT AFFAIRS WEEKLY

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### 1. REAUTHORIZATION OF SCHIP

Senators Jay Rockefeller (D-WV) and Olympia Snowe (R-ME) have said they will introduce SCHIP legislation that would increase funding for the program by about \$25 billion over five years. The funds would be used to maintain coverage for current beneficiaries; to expand coverage to six million unenrolled children who qualify for coverage; to give states more flexibility on whether to cover pregnant women and children who are legal immigrants and children of state employees; and to ensure mental health and dental coverage under the program. House Energy and Commerce Committee Chairman John Dingell (D-MI) also has introduced SCHIP legislation, HR 1781, which would expand dental coverage to additional children; provide access to qualified dentists; improve efforts to track dental health among children; and require dental coverage under SCHIP.

Debate over the reauthorization of SCHIP will be intensified as various House and Senate Republicans take the position of the President that any expansion of the law be limited to children in low-income families.

### 2. SENATE FINANCE COMMITTEE APPROVES MEDICARE DRUG NEGOTIATIONS BILL

Late Thursday, April 12, the Senate Finance committee approved legislation by a vote of 13-8 to allow the government to negotiate drug prices. The Senate measure authorizes but does not require the government to negotiate costs, in contrast to the House bill, HR 4, in a bid to attract more votes. Nevertheless, the Senate legislation would force private companies with drug coverage programs to provide cost and price data to the US Congress. The President has stated he will veto the House bill. The Senate bill is scheduled for action on the floor Monday, April 16.

### 3. SENATE PASSES STEM CELL RESEARCH ENHANCEMENT ACT

The Senate passed a bill to broaden research on human embryonic stem cells on Wednesday. The Stem Cell Research Enhancement Act would allow federal funding for research using stem cells derived from human embryos originally created for fertility treatments and willingly donated. Nineteen Senate Republicans joined 44 Democrats and independents to pass the bill 63 to 34—a margin that could not overcome a Presidential veto. The White House announced last January that the President would veto any bill expanding human embryonic stem cell research beyond those cell lines created on or before August 9, 2001. The House passed its version on January 11 by a vote of 253 to 174.

#### **4. TEXAS PHYSICIANS TO RECEIVE MEDICAID PAYMENT INCREASE**

Under a preliminary lawsuit settlement presented to a federal judge, Texas family physicians will receive a 25 percent increase in Medicaid payments. The State was taken to court on behalf of poor families due to critical access issues present in the Texas Medicaid program. The suit challenged that poor payment to providers, combined with ineffective call centers and inefficient managed care, put the health of poor children at risk. Texas legislators estimate the cost of the settlement to the state at anywhere from \$500 to \$800 million over the next two years. The two sides are expected to present the judge a final draft of the settlement to this 14 year old case by April 27.

#### **5. STATE LEGISLATURE ADJOURNMENT NOTES: MARYLAND, MISSISSIPPI, NEW MEXICO, VIRGINIA**

In the final week of the 2007 general session in Maryland, the state legislature passed a ban on smoking in bars and restaurants. Governor Martin O'Malley (D) is expected to sign the legislation.

In Mississippi, Governor Haley Barbour (R) vetoed two health-related tax bills. The first would have lowered the tax on groceries, while the second would have raised the tax on cigarettes.

In New Mexico, Governor Bill Richardson (D) vetoed an HPV vaccination mandate bill, reversing his position. Gov. Richardson stated that having heard from physicians and parents, he felt that now was not the right time to press forward with a vaccination mandate.

In Virginia, the General Assembly rejected Governor Tim Kaine's (D) amendment that would have banned smoking in public places. The bill was returned to its original form, requiring only that restaurants post a sign stating that they allow smoking.