

HMHB Legislative Update
February 9, 2009

Legislators have completed 15 of 40 legislative days. Economic news continues to worsen, as state revenue figures for the month of January showed a decline of 14.3% as compared to January 2008. The year-to-date revenue decline is 4.8% and the Governor's revenue estimate, which is the foundation for his budget proposals for Amended FY 2009 and FY 2010, was based on a revenue decline of 4.6%. House and Senate leaders announced last week that they would slow the pace down by meeting three days a week (Tuesday through Thursday) until March 25th, which would be the 35th day. The current plan is to adjourn at that point until the last week in June, when legislators will return for the final 5 legislative days. This schedule will allow state leaders to postpone finishing the budget process until Congress approves a federal stimulus package. This will leave very little time before the start of the new fiscal year, which begins July 1.

BUDGET UPDATE

Work continues on the Amended FY 2009 and FY 2010 budgets in spite of uncertainty about the possible need for additional cuts due to the worsening economic news and the expected boost from federal funds when the stimulus package is eventually approved. The House Appropriations Human Resources Subcommittee held a lengthy hearing last week and heard from advocates seeking to protect key health and social services programs from deep cuts. Some urged legislators to consider revenue options such as the proposed tobacco tax as an alternative to the harmful cuts. The Senate Appropriations Subcommittee on Human Development, which also works on the DHR budget, has finished their deliberations on the Amended FY 2009 budget without waiting for the House version and submitted their recommendations to Senate budget leaders.

PROPOSED LEGISLATION

HB 39 (Rep. Ron Stephens, 164th) would increase tobacco tax by \$1 per pack of cigarettes and generate an estimated \$335 million in new revenue. The increased price for a pack of cigarettes would also be a major deterrent to teen smoking. Assigned to House Ways & Means.

HB 228 (Rep. Mark Butler, 18th) would restructure DHR by moving the Division of Public Health to DCH and create a new Department of Health and would move the Division of Mental Health and Addictive Diseases to a newly created Department of Behavioral Health. A House Special Appropriations Subcommittee on DHR Governance chaired by Rep. Mickey Channell has been appointed to oversee consideration of the legislation by the House. The Subcommittee will hold a public hearing on HB 228 on 2/11.

HB 229 (Rep. Brooks Coleman, 97th) would create the SHAPE (Student Health and Physical Education) Act. Beginning in 2011-12, students in grades 4-12 enrolled in physical education would have to have an annual fitness assessment approved by the

State Board of Education. Hearing scheduled for 2/10 in House Education Academic Support Subcommittee.

HB 307 (Rep. Jim Cole, 125th) is Gov. Perdue's bill to broaden an existing provider fee for Medicaid managed care organizations to all commercial HMOs in Georgia and implement new provider fees for hospitals. Revenue from the fees would be used to protect funding for Medicaid and PeachCare, but there are concerns that the proposed hospital provider fee is unrealistic for most of Georgia's hospitals which are already struggling. This bill has been assigned to House Appropriations.

THREATS TO MEDICAID AND PEACHCARE

SB 92 (Sen. Judson Hill, 32nd) would effectively dismantle current Medicaid and PeachCare programs and instead allow low-income families to receive assistance to purchase private sector health insurance plans. Assigned to Senate Insurance and Labor.

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