

CDCAN DISABILITY RIGHTS REPORT CALIFORNIA DISABILITY COMMUNITY ACTION NETWORK



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Advocacy Without Borders: One Community – Accountability With Action - California Disability Community Action Network Disability Rights News goes out to over 55,000 people with disabilities, mental health needs, seniors, traumatic brain & other injuries, veterans with disabilities and mental health needs, their families, workers, community organizations, including those in Asian/Pacific Islander, Latino, African American communities, policy makers and others across California.

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California Budget Crisis:

Outcome Not Certain In US Senate on Latest Version of Bill That Includes Extending Increased Medicaid Matching Funds To the States

California Could Lose Nearly \$2 Billion If Bill Does Not Pass – Major Impact to People With Disabilities, Mental Health Needs, Seniors

SACRAMENTO, CALIF (CDCAN) [Updated 06/17/2010 12:30 PM (Pacific Time)] - US Sen. Max Baucus (Democrat – Montana), chair of the US Senate Finance Committee released Wednesday evening amendments to the bill (HR 4213) that includes extending through June 30, 2011, the temporary increase in federal Medicaid funding to the states, but made other changes to the bill that will drop the overall cost of the legislation from \$140 billion to \$118 billion in order to win crucial votes of wavering US Senate Democrats and at least 1 US Senate Republican. .

The extension of the increase in federal Medicaid matching funds (through June 30, 2011) to the states that totals \$24 billion remains in the bill at this point – but other provisions dealing with delaying the 20% reduction to Medicare doctors were changed (proposing to delay that reduction, scheduled to take effect this month, from a 19 month delay to a 6 month delay). California's share of the Medicaid funding is about \$2 billion during the last six months of the State's 2010-2011 State budget year.

The temporary increase in federal Medicaid matching funds was originally part of the American Recovery and Reinvestment Act (ARRA) that is currently set to expire December 31, 2010 unless Congress approves an extension. [CDCAN Note: *The full text of the 399 page bill with proposed amendments can be viewed and downloaded from the CDCAN website at www.cdcan.us along with the 4 page summary of the amendments*]

Issue Has Major Sweeping Impact in California

The issue has major sweeping impact to children and adults with disabilities – including those with autism and other developmental disabilities, mental health needs, seniors, the blind and their families, community organizations and facilities and workers who provide supports and services because if the additional \$2 billion in increased federal Medicaid funding that California would receive between January 1, 2011 and June 30, 2011 is not

approved, the already enormous \$20 billion state budget hole would increase by that amount.

Scheduled Vote and Outcome On New Version of Bill Not Certain

The new version of the bill has not been brought up for a vote yet – and the outcome, even with the amendments that reduces the bill’s price tag, is not certain.

Earlier today (June 17) US Senate Democrats rejected on a 57 to 41 vote, the US Senate Republican’s counter proposal by US Sen. John Thune (Republican – South Dakota) that would have eliminated extension of the federal Medicaid funding increase, reduced the overall cost of the bill and would have used left over economic stimulus funding and other sources to fully pay for the legislation. Only one US Senate Democrat – Sen. Ben Nelson (Democrat – Nebraska) joined the 40 US Senate Republicans in supporting the Republican proposal.

Yesterday (June 16) US Senate Democrats, failed to get the necessary 60 votes to end debate on the bill, with 12 US Democratic Senators unwilling to support the original \$140 billion “extenders bill” (called that because the bill would temporarily extend unemployment and other benefits, temporary funding increases such as Medicaid or certain special taxes)

Even with the amendments offered by US Sen. Baucus, it is not certain if that would be enough to win the support of those 12 US Senate Democrats – and at least one US Senate Republican.

Two likely US Senate Republican votes on the bill – both from Maine, were not yet ready to support it.

- US Sen. Olympia Snow (Republican – Maine) said she was not yet willing to support the bill.
- US Sen. Susan Collins (Republican – Maine) likewise was also not ready to support the legislation until there are provisions in the bill to pay for it, saying “It’s moving in the right direction, but it’s not there yet.”

California Could Lose \$2 Billion If Congress Does Not Pass Bill

The legislation, referred to as the “extenders bill” because it extends benefits or temporary increases in federal funding for several programs, is crucial to all the states, including California.

Governor Arnold Schwarzenegger made the assumption – as did the governors and Legislatures of several other states, that Congress would approve the extension of the temporary increase in the federal Medicaid matching funds that would total over \$2 billion in increased federal dollars for California, as part of his proposed 2010-2011 State Budget that he proposed in January and revised in May.

If Congress fails to approve that extension of the temporary increase in federal Medicaid funding for the states, it would mean that California’s budget deficit would grow by

another \$2 billion instead – and add enormous pressure on the California Legislature to move forward on massive spending cuts especially to California health and human service programs critical to people with disabilities, mental health needs, the blind, seniors, low income families, community organizations and workers who provide supports and services.

With states facing budget deficits, Governors from nearly all the states, including Governor Schwarzenegger and California legislative leaders, have urged Congress to pass the extension.

Both California US Senators Dianne Feinstein and Barbara Boxer - both Democrats – are in favor of the “extenders bill”.

SUMMARY OF SEN. BAUCUS AMENDMENT TO HR 4213

The full text of the 303 page bill with proposed amendments can be viewed and downloaded from the CDCAN website at www.cdcan.us, along with the 4 page summary of the amendments (the estimate revenues or spending numbers are from the US Senate Finance Committee and are preliminary and subject to change). The provision (dealing with Medicare that impacts primarily seniors – but also some persons in California who are eligible for both Medicare and Medicaid – called “Medi-Cal” in California – is highlighted in red or prefaced with *** for persons who are blind or sight impaired:

- ***** Medicare Physician Reimbursement Reduction Delay from 19 Months to 6 Months: Medicare doctors payment rates are scheduled to be reduced by more than 20% in June. The original version of the bill would have delayed that reduction for 19 months. This amendment would instead delay it for 6 months (through November 30, 2010) and provide a 2.2% update to Medicare physician payment rates - The US Senate Finance Committee says this change will reduce the cost of HR 4213 by \$16.4 billion over 10 years.**
- *Eliminate the Extension of Federal Additional Compensation (FAC) - change will reduce the cost of HR 4213 by \$5.8 billion over 10 years.*
- *Changes to the taxation of carried interest – change is estimated to raise \$13.905 billion over 10 years.*
- *Changes to Employment Taxes on Earning of Certain Service Professionals – this proposal, as amended, is estimated to raise \$9.15 billion over 10 years.*
- *Increase Oil Spill Liability Trust Fund Solvency – This proposal, as amended, is estimated to raise \$18.3 billion over 10 years.*
- *Addition of the Modification to the Section 6707A Penalty – This proposal, which originally passed the US Senate in December 2009 by unanimous consent, is estimated to cost \$176 million over 10 years.*
- *Addition of Clarification for Affiliated Hospitals for Distribution of Residency Positions – This change is estimated to save approximately \$50 million over 10 years.*
- *Addition of Disaster Low Income Housing Tax Credits – this change is estimated to cost \$91 million over 10 years.*
- *Addition of Extension of Closing Date for Homebuyer Tax Credit – this change is estimated to cost \$140 million over 10 years.*

- *Addition of Denial of Deductions for Punitive Damages – This provision is estimated to raise \$315 million over 10 years.*
- *Foreign Tax Loophole Closer Clarification Regarding the Source Rules for Income Guarantees – this clarification has no revenue or spending impact on the bill*
- *Foreign Tax Loophole Closer Clarification Regarding the Provision that Would Terminate the Special Rules for Interest and Dividends Received from “80/20 Companies” – this clarification has no revenue or spending impact on the bill.*

NEXT STEPS

- US Senate Majority Leader Harry Reid (Democrat – Nevada) could push for a vote as early as today or tomorrow – though the measure still lacks the 60 votes needed to end debate that would allow an actual vote to approve the bill as amended.
- Any version of the “extenders bill” that does pass out of the US Senate, faces another major and difficult hurdle in conference committee to work out differences with the House version of the bill – which deleted among other things – the extension of the temporary increase of the federal Medicaid matching funds to the states due to the \$24 billion price tag that several moderate House Democrats objected to.
- Whatever is worked out in conference committee would then have to be voted on again by the full US House of Representatives and again in the US Senate. The outcome there – if the “extenders bill” makes it out of conference committee intact – is not certain.

VERY URGENT!!!!

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To continue the CDCAN website, the CDCAN News Reports. sent out and read by over 50,000 people and organizations, policy makers and media across California and to continue the CDCAN Townhall Telemeetings which since December 2003 have connected thousands of people with disabilities, seniors, mental health needs, people with MS and other disorders, people with traumatic brain and other injuries to public policy makers, legislators, and issues. Please send your contribution/donation (make payable to "CDCAN" or "California Disability Community Action Network):

CDCAN

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paypal on the CDCAN site is not yet working – will be soon.

MANY, MANY THANKS TO the Pacific Homecare Services, Easter Seals, California Association of Adult Day Health Centers, Valley Mountain Regional Center, Toward Maximum Independence, Inc (TMI), Friends of Children with Special Needs, UCP of Los Angeles, Ventura and Santa Barbara Counties, Southside Arts Center, San Francisco Bay Area Autism Society of America, Hope Services in San Jose, FEAT of Sacramento (Families for Early Autism Treatment), RESCoalition, Sacramento Gray Panthers, Easter Seals of Southern California, Tri-Counties Regional Center, Westside Regional Center, Regional Center of the East Bay, UCP of Orange County, Alta California Regional Center, Life Steps, Parents Helping Parents, Work Training, Foothill Autism Alliance, Arc Contra Costa, Pause4Kids, Manteca CAPS, Training Toward Self Reliance, UCP, California NAELA, Californians for Disability Rights, Inc (CDR) including CDR

chapters, CHANCE Inc, , Strategies To Empower People (STEP), Harbor Regional Center, Asian American parents groups, Resources for Independent Living and many other Independent Living Centers, several regional centers, People First chapters, IHSS workers, other self advocacy and family support groups, developmental center families, adoption assistance program families and children, and others across California.