

This is one of a series of periodic reports from the National Health Law Program's Washington office, reporting briefly on recent and forthcoming developments relating to federal policy of interest to NHeLP advocates and friends. We would appreciate your feedback. Please email Glenda Booth at booth@healthlaw.org with your comments.

SUBJECTS COVERED

Transitional Medicaid
Medicaid and Immigrants
Medicaid Commission
Medicare Prescription Drugs
Unhealthy Cities
Budget Perspective
Resources

The U. S. Congress has been in recess this week. Both houses will resume work the week of July 8 and then recess in early August for a month.

* TRANSITIONAL MEDICAID (TMA): On June 26, the Senate Finance Committee sent to the full Senate a provision authorizing five years of "transitional" Medicaid coverage for people who are no longer eligible for Medicaid. Otherwise, earnings from employment would make these individuals ineligible for Medicaid. The provision is part of the larger welfare bill (H.R. 4737), reauthorizing the Temporary Assistance for Needy Families (TANF) program for five years. Current law expires on October 1, 2002.

The House bill, approved on May 16, includes authorization of one year of transitional Medicaid.

It does not appear that the full Senate will take up the bill before September.

Possible Action: Advocates wishing to do so could urge all Senators to support the five-year extension of transitional Medicaid when the full Senate considers the bill.

* **MEDICAID AND IMMIGRANTS:** Legislation giving states the option to provide Medicaid and/or State-Children's Health Insurance (S-CHIP) to lawfully present children and pregnant women was included in the Senate Finance Committee's welfare bill (H. R. 4737). It was added by an amendment offered by Senator Bob Graham (D-FL) on a 12 to 9 vote. Senator John Kyl (R-AZ) indicated that he may offer an amendment in the Senate to require that an immigrant's sponsor's income count as the immigrant's income, a practice known as "deeming."

Possible Action: Advocates wishing to do so could urge their Senators to support the state option to provide Medicaid and/or S-CHIP to lawfully present children and pregnant women.

* **MEDICAID COMMISSION:** The House of Representatives approved a provision establishing a National Bipartisan Commission on the Future of Medicaid, the members of which would be appointed by the leadership of the U. S. House of Representatives and the U. S. Senate and the President by December 1, 2002. Among other duties, the Commission would examine and make recommendations on the long-term financial condition of Medicaid (including causes of cost increases), the size and scope of Medicaid and "how the program has evolved over time"; establishing incentives to promote "enhanced efficiencies and ways of encouraging innovative state policies"; the "impact of promoting increased utilization of competitive, private enterprise models to contain program cost growth, through enhanced utilization of private plans"; and the impact of demographic changes on Medicaid, including long-term care services. As currently written, this legislation does not appear likely in the long run to enhance Medicaid coverage, protections or services for beneficiaries.

At this time, there is no comparable Senate provision. The provision is Title IX of H. R. 4954, the "Medicare Modernization and Prescription Drug Act of 2002."

* **MEDICARE PRESCRIPTION DRUGS:** Providing Medicare coverage of prescription drugs advanced on June 28 when the House of Representatives approved H. R. 4954. Under the House bill, coverage would depend on private insurance companies, with subsidies from the federal government. Benefits and the deductible could vary from insurer to insurer and area to area.

The Senate may consider a bill, S. 2625, Graham-Miller-Kennedy, in July, according to Senate Majority Leader Tom Daschle (D-S.D.). This bill would add a new prescription drug benefit to Medicare.

* **UNHEALTHY CITIES:** Four California areas head the list for dirty air -- Los Angeles, Bakersfield, Fresno, and Visalia-Tulare-Porterville -- on the list of the top 25 metropolitan areas with the worst ozone air pollution, according to the American Lung Association (<http://www.lungusa.org/air2001/rank1.html>). Over 142 million Americans or 50 percent of the U. S. population live in these areas, which present a threat to their health.

A list of the top 25 worst cities for spring allergies is out too, with Tampa, FL, at the top. Louisville, KY, Orlando, FL, and Rochester, NY follow. The report, from Multidata/SDI, shows that southern cities dominate the top 25, affecting 40 million Americans. See <http://www.allergyinterventioncenter.com/news/Apr02worst-spring-allergy-cities.html>

* **BUDGET PERSPECTIVE:** The federal deficit this year will exceed \$100 billion, following four straight years of surpluses, reported the Congressional Budget Office in late June. Director Dan Crippen said the deficit could be as high \$150 billion. Among the contributors to the deficit, depending on who is analyzing it, are the tax cut, increased homeland security spending, increased defense spending, and other increased spending. In a related matter, the House of Representatives on June 27 approved a \$355 billion defense bill for FY 2003 that includes an increase of nearly \$34 billion. For comparison, this increase alone exceeds the total budget of the National Institutes of Health, which in fiscal year 2002 is \$23.4 billion.

* **RESOURCES:** For NHeLP's side-by-side comparison of final, June 13 Medicaid managed care regulations, published by the U. S. Department of Health and Human Services, visit <http://www.healthlaw.org/managedcare.shtml>. The document compares the final regulations with those issued as "final" on January 19, 2001.

Despite a generally prosperous decade in the 1990s, 2.5 million children in rural America remain chronically poor, reports Save the Children. Rural poverty is most entrenched in six

areas: Central Appalachia, the Deep South, the Rio Grande border, the Southwest, the Central Valley of California and American Indian reservations in the Northern Plains. You can find many more details at (http://www.savethechildren.org/afc/afc_exec.summary2.shtml)

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