



Congress to Return to Deficit Reduction, Jobs Agenda and Delay in Appropriations

Deficit Reduction and FY 2012 Appropriations Agenda

This Wednesday **President Obama** will address a joint session of Congress to put forward his “jobs” agenda. The plan will likely include new federal spending proposals which conflict with Republicans’ focus on deficit reduction. The co-chairs of the **Joint Select Deficit Reduction Committee appointed Mark Prater**, currently the deputy staff director and chief tax counsel for Republican members of the Finance Committee, to lead the deficit reduction talks as chief of staff. His knowledge of the tax code may be an indication that the panel will be looking for means to increase taxes or even reform the individual and corporate tax code. Congress and the joint committee face the following deadlines:

September, 2011: Congress is likely to pass a continuing resolution to continue federal funding after October 1st, the beginning of the new fiscal year, given that House Republicans have indicated they will not move standalone FY 2012 appropriations bills this month. Setting the stage for later consideration, on September 7th the Senate will allocate \$1.043 trillion in overall spending for the 12 appropriations bills via the 302(b) budget process.

Sept. 8: The super committee holds its first organizational meeting; on the agenda will be setting the rules.

Sept. 13: First public hearing, which will include testimony on “The History and Drivers of Our Nation’s Debt and Its Threats” from CBO.

Sept. 22: Deadline for Congress to consider a resolution of disapproval for first \$900 billion of deficit reduction under the BCA (Budget Control Act of 2011, P.L. 112-25).

Oct. 1-Dec. 31: Timeframe in which both houses of Congress must vote on a Balanced Budget Amendment.

Oct. 14: House and Senate committees must submit recommendations to the super committee by this date.

Nov. 23: Deadline for the super committee to vote on a plan with at least \$1.2 trillion in deficit reduction.

Dec. 2: Deadline for the super committee to submit report and legislative language to the President and Congress.

Dec. 23: Deadline for both houses to vote on the super committee recommendations.

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Jan. 15, 2012: Date that the “trigger” leading to \$1.2 trillion of future spending cuts goes into effect, if the super committee’s recommendations have not been enacted.

February 2012: Approximate

time when the first \$900 billion of deficit reduction runs out. February/March 2012: During this period, 15 days after the President uses his authority in the BCA to increase the debt ceiling for a second time, Congress must consider a resolution of disapproval for the second tier (\$1.2-\$1.5 trillion) of deficit reduction.

Fall/Winter 2012: The additional \$2.1-\$2.4 trillion of borrowing authority from BCA runs out. Jan. 2, 2013: OMB orders equal sequestrations for defense and non-defense categories of spending necessary to meet spending cuts required under the trigger, if the super committee recommendations are rejected.

Republican Governors Seek Medicaid Flexibility

The health care task force of the Republican Governors Public Policy Committee issued a report urging the federal government to give states greater control over Medicaid program design and spending, including greater flexibility to make use of

managed care, eliminating the mandatory benefit structure so that states can design their own benefits and requiring greater beneficiary cost sharing. They maintain that increasing Medicaid costs are a significant threat to state budgets and that states are

not free to modify their programs in ways that best meet their needs. **House Energy and Commerce Committee Chairman Fred Upton** said that the report will be looked at for guidance when the committee moves forward on Medicaid issues.

Medical Privacy Gives Standing to PPACA Challenge

In a challenge to the PPACA individual mandate, the U.S. District Court for the Southern District of Mississippi ruled that a plaintiff’s right to medical privacy, which might be breached by the PPACA requirement to disclose information to private health insurers, is sufficient means to give the plaintiff standing to challenge the law.

New Grants for Public Health

HHS announced the award of \$40 million in grants to state, local, tribal and territorial health departments to improve their public health programs and infrastructure.

Proposed Medicare Coverage for Obesity

CMS issued a proposed decision memorandum which would allow for Medicare Part A and B coverage of intensive behavioral therapy for obesity.

Final Rules on E-Prescribing Incentives

CMS issued a final rule, effective in 30 days, which amends the Medicare electronic prescribing incentive program (eRx) which is designed to encourage physicians and other health care professionals to use e-prescribing technology. Certain hardship exemptions were granted to ease the requirements.

Republicans to Seek Repeal of PPACA Grandfather Regulations

House Majority Leader **Eric Cantor** announced that, as part of the Republican jobs agenda, House Republicans plan to move legislation in November or December to repeal the PPACA restrictions on grandfathered health plans. They contend that the rules are a hindrance to job creation.