



Minnesota Academy of Otolaryngology

Capitol Update

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Pawlenty Releases Budget Changes: Cuts All Around

Gov. Tim Pawlenty presented his supplemental budget Monday that outlines how he would erase a \$1.2 billion state budget deficit. Keeping with his ongoing pledge to not raise taxes, his budget recommendations rely on cuts to his familiar targets of health care and local government aid. He also relies on \$387 million in federal money that has not yet been approved by Congress.

The budget proposal cuts \$347 million from health and human services program. About one-third of those savings would come from reducing MinnesotaCare eligibility for single adults from 250 percent of poverty (\$27,084 a year) to 75 percent of poverty (\$8,124 a year). Hospitals and long-term care facilities receive significant cuts. The 1.5 percent rate cut for non-primary care physician services established through unallotment is extended two additional years under the proposal.

For details on the Governor's budget recommendations click on the following link to the Department of Budget and Management: <http://www.mmb.state.mn.us/>

The proposed change would result in about 21,500 low-income adults losing their health care. MinnesotaCare is a premium-based program for working Minnesotans that provides subsidies on a sliding scale. If passed, the only adults without children who would qualify for MinnesotaCare would be those who in past years qualified for the General Assistance Medical Care program.

The proposal also undercuts Minnesota's efforts to achieve universal coverage and health care reform. The budget proposal includes cutting \$10 million from the State Health Improvement Program – a statewide effort to reduce tobacco use and obesity by making communities healthier that was passed as part of Minnesota's 2008 Health Care Reform Act.

GAMC Passes the Legislature—Already Vetoed by Governor

What looked like a bipartisan effort to save the GAMC program was abruptly halted by Governor Pawlenty with his veto of a bill to continue coverage Thursday night.

Efforts to maintain coverage for recipients of General Assistance Medical Care (GAMC) coverage continues to move quickly through the Legislature. Governor Pawlenty has proposed transferring these individuals into the MinnesotaCare program beginning April 1, 2010. The DFL legislative leaders are proposing maintaining a scaled back GAMC program with a 50 percent cut to physician payments.

The Senate passed an amended proposal Thursday, February 11 to continue the GAMC program. The Senate dropped a funding source that would have assessed a hospital and HMO surcharge

designed to draw down more federal Medicaid money, but kept steep reimbursement cuts. The bill passed on a party-line vote of 45 to 20, with DFL lawmakers supporting it.

Before passing the bill, the Senate dropped the surcharge on hospitals and HMOs in response to indications that Gov. Tim Pawlenty would veto a GAMC fix that included the surcharge. To pay for the bill the bill's author Sen. Linda Berglin, DFL-Minneapolis, proposed using \$110 million that was scheduled to be transferred from the General Fund to the Health Care Access Fund in 2011. The \$110 million transfer had been scheduled to cover the additional costs expected to occur as a result of the governor's plan to transfer GAMC enrollees to MinnesotaCare.

The House version of the bill, authored by Rep. Erin Murphy, DFL-St. Paul, was passed on Thursday February 18 with a bipartisan vote of 125-9. Many looked at this vote as a sign that the Republican Governor would sign the bill. Surprisingly, Thursday night he announced that he had vetoed the bill because it "does not represent meaningful reform and does not address fundamental cost issues." If you're interested, read the Governor's [veto message](#).

Legislative leaders said they will attempt to override the Governor's veto as early as Monday February 22. In order to be successful they will have to convince at least three House Republicans to vote for the override in order to get the two-thirds voted needed.

Laser Use Bill Still Alive this Session

Last session the Minnesota Academy of Dermatology introduced [H.F. 1860/S.F. 1793](#) to establish minimum guidelines for the use of lasers by non-physician practitioners. The bill is not yet scheduled for a hearing but some facial plastics members have expressed support for the bill.

Chiropractic Practice Expansion

The Minnesota Chiropractic Association is planning to introduce legislation to rewrite portions of the chiropractic practice act. The bill would change the definition of chiropractic from "the science of adjusting any abnormal articulations of the human body..." to "the health care discipline which emphasizes the inherent recuperative power of the body to heal itself without the use of prescription drugs or surgery. Chiropractic focuses on the relationship between structure, primarily the spine, and function, as coordinated by the nervous system, and how that relationship affects the preservation and restoration of health." The bill would also authorize chiropractors to use the term "Chiropractic Physician" with patients.

This bill has not yet been introduced.

Compromise Reached on Limitations to Board of Medical Practice Authority

Legislation to limit the Board of Medical Practice's (BMP) ability to take action against a physician solely on the basis of prescribing, administering, or dispensing long-term antibiotic therapy to a patient who has been clinically diagnosed with chronic Lyme disease was withdrawn for consideration in the House Health Care & Human Services Policy and Oversight Committee on February 17 following a compromise agreement with the BMP.

The bill, [SF 1631](#) (Marty-DFL, Roseville) and HF 2597 (Ward-DFL, Brainerd), would have put the BMP limitation in statute, creating a very bad precedent of having the Legislature tell the BMP how to regulate medical practice and how to define the standard of care. Allowing future advocates to petition the

Under the compromise no legislation will move forward and the BMP will voluntarily agree to a moratorium on taking action related to Lyme disease for up to five years while more study is done on the efficacy of long-term antibiotic therapy for Lyme.