



## For the Week Ending April 24, 2009

Economists for the state issued a bitter dose of economic and fiscal reality Friday, releasing a new state revenue forecast predicting an additional \$14 million shortfall for the 2009 fiscal year that ends June 30 and an additional \$43 million shortfall for FY2010. Administration economist Jeffrey Carr and legislative economist Tom Kavet called the economic troubles the worst recession they have seen.

The pessimistic numbers threw legislative budget balancing plans into doubt the same week the Senate approved its version of a FY2010 appropriation bill. Legislative leaders and the Governor immediately identified the state's rainy day funds as a remedy to balance the current budget year that ends on June 30. The legislature will have to "scrub" the budget numbers in the FY2010 plan (H.441) still pending in the legislature to address the new FY2010 forecast, according to House Speaker Shap Smith. That bill is entering a conference committee of House and Senate members this week.

Legislators have scaled down their health care reform plans all session due to the ongoing economic slide and lack of funds. For example, the appropriations bill passed by the Senate just prior to the new forecast last week contained a \$200,000 cut in the Health Care Reform Commission's budget and designated those cuts come from consultants. Those consultants have played a key role in developing reform plans considered and approved by the legislature over the past few years. Also prior to the new forecast, Senate Health and Welfare Committee Chairman Doug Racine suggested he may propose amending H.444 to include a cap on hospital budgets and a moratorium on certificate of need approvals as a means of cost containment. Yet it is still unclear at this point how the latest forecast will affect the legislature's pending health care proposals.

The House Health Care Committee completed its review of S.129 last week, approving an amended proposal. The House added provisions to the Senate bill instructing BISHCA to conduct a review of health care quality organizations in other states and countries to identify and evaluate quality improvement strategies in those locales, authorizing formation of an accountable care organization workgroup to prepare a pilot project on an alternative financing and delivery model, and including modifications to certificate of need (CON) statutes.

This week, the House health Care Committee is scheduled to devote its committee time to a bill placing restrictions on marketing of prescription drugs. The Senate Health and

Welfare Committee will complete its consideration of the House omnibus health care bill (H.444) and a bill limiting out-of-pocket costs for colorectal cancer screenings (H.24).

If you are interested in this week's Legislative Committee Meeting schedules, agendas, and a listing of other meetings and activities, please visit the Vermont Legislature's website at <http://www.leg.state.vt.us/schedule/schedule2.cfm> Committee meetings are normally updated daily, and are subject to change without notice. If you plan on attending, you may want to call ahead to verify the agenda.

For more information on legislative proposals, visit the Blue Cross and Blue Shield of Vermont website at [www.bcbsvt.com](http://www.bcbsvt.com) or call Leigh Tofferi at (802) 223-6131 or Kathy Parry at (802) 371-3205. If you wish to discontinue receiving these updates or know of anyone else who would like to receive it, please call Kathy Parry or send an e-mail to [webmail@bcbsvt.com](mailto:webmail@bcbsvt.com)