



AREA AGENCIES ON AGING ASSOCIATION OF MICHIGAN
ASSOCIATE MEMBER NEWS
Week of November 2, 2009

*Just one week after FY 2010 state budgets were signed*by the Governor, she is asking state departments, including the Office of Services to the Aging, to prepare for the worst by cutting budgets an additional 20% for FY 2011. A dramatic reduction in federal stimulus monies will make additional cuts necessary beginning October 1, 2010, unless new revenues are approved. The Governor's 2011 spending plan will kick off the budget development process for next year when it is presented to the Legislature in February.

A vote on historic health care reform legislation could take place this weekend in the U.S. House of Representatives. Fifty amendments are teed up for consideration on the House floor, with debate expected to last 5 hours or more on Saturday. House Speaker Nancy Pelosi wants to act on the bill as soon as enough votes are lined up, to prevent defections within the Democratic majority over details of the massive 2,000 page legislation.

AARP offered a critical endorsement for the House bill, saying it will strengthen Medicare by adding five years to the life of the Hospital Trust Fund, make insurance more affordable for 50-64 year-olds, and eliminate the universally hated "donut hole" for Medicare Part D prescription drugs.

Another critical endorsement came from the American Medical Association, which has some reservations about the bill, but overall supports it as a step in the right direction. One reason for their support is the elimination of a 21% cut in physician reimbursements under Medicare that will take place if current law stands.

No vote is scheduled yet in the U.S. Senate, which is waiting for a revised cost estimate from the Congressional Budget Office.

Hot off the press administrative law judge Musette Michael is recommending a 3.8% rate increase for Blue Cross Blue Shield Medicare Supplemental policies after Attorney General Michael Cox challenged Blue Cross' request for a 31% rate increase. AAAAM Director Mary Ablan testified as an expert witness in the hearings, presenting data suggesting that over half of Blue Cross Medigap customers are already financially strapped and would have difficulty paying the increase. Michael's recommendation now goes to Insurance Commissioner Ken Ross, who will make a final decision in early December. If Ross agrees to the 3.8% increase, seniors and people with disabilities in Michigan will save an estimated \$85 million in premiums.

Putting Michigan's Fiscal House in Order is the theme of the annual public policy forum of the Michigan League for Human Services on December 3, from 9:30am to 12noon at the Radisson Hotel in downtown Lansing. A panel of experts will talk about Michigan's current fiscal status and tax structure and suggest proposals to address the fiscal crisis. Experts include Charles Ballard, Economics Professor at MSU, Mitch Bean, Director of the House Fiscal Agency, and Dave Hollister, President and CEO of Prima Civitas Foundation. For more information or to register, go to www.MiLHS.org.