

# TENNESSEE GOVERNMENT

## *Update*

### NEWS FOR THE CLIENTS AND FRIENDS OF BASS, BERRY & SIMS PLC

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#### **Governor's Health Care Initiative**

Wednesday, Governor Phil Bredesen told the annual membership luncheon of the Tennessee Chamber of Commerce that the state will move from "hard limits" to "soft limits" on pharmacy and doctor visits for TennCare recipients. The governor said the less restrictive benefits would be financed by some \$50 million previously held in reserve in case the state lost its appeal over controversial taxes levied to create matching funds for TennCare. The state "won that fight" last week when the federal government agreed Tennessee did not have to repay the questioned funds, the governor said. He told the assembled executives, "We now feel confident to submit proposals for soft limits to the federal government. . . . I don't have enough money to provide everybody free health insurance," the governor said. But, he said, he can "put on the table a reasonable way for them to get health insurance at a rate they can afford."

In an unannounced meeting Thursday morning with legislative leaders, the governor suggested the direction he may take on health insurance initiatives. He reportedly told lawmakers he is looking at a "front-end-loaded, high deductible" insurance plan which would pay for primary health care and less toward hospitalization.

Such a system would require the patient to cover most annual expenses and concurs with the governor's remarks the previous day to the Chamber about the "reasonable way" to affordable health insurance.

Both the governor and the director of the TennCare Bureau, Dr. J.D. Hickey, have talked about innovative employee health insurance plans by "big box retailers" in California, but neither has spelled out specifics. The governor's speech on health care initiatives is expected sometime the week of March 12.

In addition to a State Children's Health Insurance Program (SCHIP) plan, the governor has said his proposal will "probably" have a Tennessee Comprehensive Health Insurance Pool (TCHIP) plan for the marginally insurable and "uninsurable," with a new risk pool.

#### **State Minimum Wage**

Democratic senators and state representatives argued that the state minimum wage of \$5.15 an hour should be raised to as much as \$7.15 an hour. Rep. Mike Turner (D-Nashville) said the AFL-CIO calculates that some 162,000 workers would be helped by raising the state minimum wage. Senator Doug Jackson (D-Dickson) said the state minimum wage was adjusted upwards four times in the years before 1997 – an economic boom time for the nation. The buying power of the last adjustment has steadily eroded, he said, by one measure at least 29%. Many of those affected, Senator Jackson said, are former welfare recipients being transitioned into the job market by government programs.

## Other Notes

Representatives of the Tennessee Medical Association and Tennessee Trial Lawyers gathered Thursday afternoon in the Senate speaker's conference room in LP 1 to continue discussions on a compromise position on medical malpractice reform. The meeting, first convened by Senator Curtis Person (R-Memphis) last week, is expected to continue until the two sides decide to take the fight to the next level, the standing committees of the House and Senate.

Tennesseans for Fair Taxation (TFT) and Campaign for a Healthy and Responsible Tennessee (CHART) this week asked the legislature to increase Tennessee's cigarette tax by 43 cents and reduce the tax on food to 3%. The revenue swap is estimated to be \$225 million. CHART says the number of smokers will be reduced as the cost increases as younger smokers would be less inclined to start smoking if the cost were prohibitive.

The Senate ad hoc committee on the special election in Senate District 29 – the "Ophelia Ford" election – added three more names to the list of improper voters in the September 15 election. The three new questioned votes (felons who had not had voting rights restored) bring to 12 the number of likely-improper votes in an election won by 13 votes. The committee was to meet again next week to hear from special counsel Ben Cantrell, the retired appellate judge who was hired to guide the committee through the legal thicket of challenging further votes from the special election.

A meeting of the Joint Study Committee on Eminent Domain is set for Monday at 1 p.m. in LP 12. Bills to revamp the state's system of taking property for "public use" began pouring in after a U.S. Supreme Court decision last summer OK'd a controversial taking of property in New London, Connecticut. China will be a target for Tennessee exports, ECD Commissioner Matt Kisber told a subcommittee of Senate Commerce Monday. In a budget briefing to the panel, the Department of Economic and Community Development commissioner said two key components were recruiting for 21<sup>st</sup> century jobs and expanding Tennessee's global reach. Commissioner Kisber said Tennessee's exports grew from \$11 billion in 2002 to \$19 billion in 2005, which is the third fastest growth in the United States.

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