

TENNESSEE GOVERNMENT UPDATE

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

Friday, February 12, 2010

As the legislature moved into a normal routine in the second week of regular session, funding for healthcare emerged, unsurprisingly, as a key issue. [The Tennessee Hospital Association proposed a "coverage fee"](#) to raise general fund revenue, to be matched by the federal government in Tennessee's Medicaid program. The fee would be paid by hospitals, not patients. Other details have not been released. The governor said he would support the measure, and hospital administrators were in Legislative Plaza on Tuesday to make the case for the plan to their representatives. The alternative is a decrease of approximately \$540 million in the TennCare budget.

Funding the Regional Medical Center in Memphis, the trauma and safety-net hospital that serves Memphis and parts of Mississippi and Arkansas, is always difficult. The discussions about next year's funding became particularly contentious this week when a Shelby County commissioner filed a civil rights complaint against the state, criticizing government funding mechanisms used to fund the Med. The commissioner of Finance and Administration [indicated that negotiations would not continue with a complaint pending.](#)

[The governor reiterated his support](#) for the \$50 million of revenue enhancements in his budget. He also suggested that those who have indicated opposition find an alternative if they do not like his approach.

Last year a bill allowing concealed weapons to be carried in establishments whose "principal business" is the serving of meals, the so-called "guns in bars" bill, was passed and later declared unconstitutional. The sponsors of that bill have now [introduced legislation to prohibit the sale of all alcoholic beverages after midnight.](#) The stated purpose is to force a resolution of existing ambiguity in the Tennessee statute regarding the definition of a restaurant. Tennessee has no legal definition to distinguish bars from restaurants. Some observers sense a measure of retribution in the bill introduction. The lawsuit that resulted in the statute being found unconstitutional was brought by high profile restaurateurs in the state.

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