

TENNESSEE GOVERNMENT

Update

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

Ethics Update

The Special Session of the Tennessee General Assembly called to consider ethics reform began Tuesday, January 10, 2006 with a speech by Governor Bredesen. The House referred the bill recommended by the Special Joint Committee on Ethics Reform first to the House Government Operations Committee. The Senate will consider the bill in a committee of the whole.

The House Government Operations Committee recommended the bill for passage on Wednesday after approving an amendment to combine the duties of Registry of Election Finance with the proposed new Ethics Commission. Additionally, the bill will be heard by the House State and Local and Finance Committees.

The Senate Committee of the Whole reviewed the bill section-by-section but has not yet considered amendments.

It is possible that the ethics reform package may be referred to the floor of each house by the end of next week and that a bill could be passed and sent to the Governor by the end of the week thereafter, that is, by Thursday, January 26. We think that it is more likely that the Special Session will not conclude its work until the end of the following week, the week of January 30.

In his address to the Special Session on January 10, Bredesen noted that "The issues are clear and narrow, and there are many other matters that require your attention in regular session."

He recapped the three main points in the proposed ethics legislation:

- Lobbyist regulation
- Campaign finance reform
- Independent ethics review by a separate commission.

"We need to toughen the rules on lobbying a lot," the governor said. The process of talking legislators into voting for things "needs to be business-like and arms-length; across the conference table, in the public committee room. I ask you to toughen up the rules, with strong legal limitations and with real disclosure of where money is spent."

Campaign finance reform should include requiring "contributors to disclose their occupation and employer, so that there can be meaningful review by the press and public." And he called for "an independent ethics commission with a clear mission and with real teeth, a body that has legal standing to investigate serious allegations, the staff to do so, and the power to take action when it's needed. I have placed in next year's budget \$1.4 million to fund such a commission." Such an "ethics oversight body" should have "common sense and teeth," Bredesen said.

On Tuesday, January 17, the House State Government subcommittee of the State and Local Committee is to consider amendments concerning the campaign finance and lobbyist regulation sections of SB 7001/HB 7001. The Senate is also expected to begin considering amendments on Tuesday.

Tune In

In the quest of a more ethical state government, each house of the General Assembly has provided an Internet opportunity to follow proceedings:

Audio only Senate Committee and Floor Session
www.legislature.state.tn.us

- Senate
- Audio Streaming

Audio and Video House of Representatives Committee and Floor Sessions
www.legislature.state.tn.us

- House
- Video Streaming

Regular Session Matters

During the extraordinary session, members can and are pre-filing matters for regular session. We anticipate filing deadlines for measures introduced in the regular session to be late February.

For example, Senator Mae Beavers (R-Wilson County) stated she would file a bill to recreate an "assigned risk pool," a mechanism to provide insurance for persons deemed "uninsurable." The bill "would require insurance companies to cover people and restore the Assigned Risk Pool to the way it was before TennCare first came into being," she said.

The Bredeesen Administration has argued that such pools typically create such high premiums that very few persons can afford the coverage. But Bredeesen has quietly promised in recent weeks to bring the issue of health insurance back to the fore in the regular session, and members of the Department of Commerce & Insurance are to brief the Safety Net Study Committee on January 19 on their recent report on the makeup of the 600,000 Tennesseans without health insurance. The administration has been discussing in general terms a plan called "Cover Tennessee" that would be funded by government, business and insurance carriers. There are no details yet.

The national organization Blue Cross Blue Shield maintains a weekly "update" on health insurance issues. This week it highlighted a report from the federal Medicaid overseers, Centers for Medicare & Medicaid Services (CMS) (which see at <http://www.cms.hhs.gov/>). The CMS report finds that U.S. health care spending went up 7.9% in 2004 to nearly \$1.9 trillion. Although the pace of growth of health care spending slowed, it came to a record 16% of the U.S. gross domestic product, CMS reported.

These figures drive the issue of health care insurance—a subject of concern to consumers, medical providers and the employers who largely pay the premiums. For the BCBS summary of the issue, see <http://bcbshealthissues.com/proactive/newsroom/release.vtml?id=191825>.

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