

## Capitol News!

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Dear NASHIA Member,

Welcome to the first issue of 2013 Capitol News! In this issue you will find an update on the American Tax Relief Act signed into law yesterday, designed to avert the "fiscal cliff". The legislation was passed by the 112th Congress earlier in the week, while the new Congress convenes today. Several pieces of legislation failed to pass during this past Congress, including the TBI Act Reauthorization, IDEA Reauthorization, Violence Against Women Act, to name a few. NASHIA public policy staff will be compiling the results of the 112th Congress this month, as well as to pursue its 2013 policy agenda.

Rebecca Wolfkiel, NASHIA Governmental Consultant, is working with other stakeholders and members of Congress to reintroduce legislation to reauthorize TBI Act programs. As Congressman Todd Platts (R-PA) has retired, a new co-chair for the Congressional Brain Injury Task Force (CBITF) is being recruited to take his place. **The CBITF has confirmed that 2013 Awareness Day activities will be held on Wednesday, March 13, 2013, in Washington, DC.** The annual event brings together national organizations and federal programs to provide awareness of current initiatives on brain injury prevention, research, services and supports provided to both civilian and military populations through an Awareness Day Fair, Briefing and reception. *Stay tune for further information.*

### This Week in Congress



Today, members of the 113<sup>th</sup> Congress were sworn into office and members of the House of Representatives re-elected John Boehner (R-OH) as Speaker and the Senate re-elected Sen. Harry Reid (D-NV) as Majority Leader. The previous Congress met earlier this week to pass a bill to reduce taxes for the majority of Americans and to delay across the board cuts to federal programs, known as sequestration. President Barack Obama signed the bill yesterday. Today, the President signed the National Defense Authorization Act of 2013.

### Budget

#### **President Signs Tax Payer Relief Act**

Late Tuesday night, the House of Representatives concurred with the Senate in passing the American Tax Payer Relief Act of 2012, which raised revenues; avoided raising income tax increases for the majority of people; and delayed sequestration for two months. President Obama signed the bill yesterday, which extends for another year long-term unemployment benefits; prevents a 27% cut in Medicare reimbursement rates for physicians for one year; and extends therapy cap exceptions process for one year. Specifically, the bill includes:

- **Unemployment Insurance:** The federal Emergency Unemployment Compensation program for long-term unemployed was extended for one year, preventing two million unemployed people from going without benefits starting at the beginning of January, and five million people by the end of the year.

- **New Revenues:** Increasing revenue by \$620 billion over 10 years:
  - Income tax rates go up permanently for individuals with incomes above \$400,000 and joint filers with incomes above \$450,000.
  - Restoration of Clinton era limits on income tax personal exemptions (start phasing out on income over \$250,000) and on itemized deductions (start phasing out on income over \$300,000).
  - Capital gains and dividends taxed at 20 percent rate, up from 15 percent.
  - Payroll tax cut will expire starting January (will increase from 4.2 percent to 6.2 percent).
- **Estate Tax:** Although the rate rises from the current 35 percent to 40 percent, the exemption level for estates stays at \$5 million for individuals/\$10 million for couples, and is indexed for inflation, so will rise to \$15 million in 2020. Estimated to maintain most of the current extremely generous estate tax break.
- **Tax Reductions:**
  - Below income levels listed above, everyone retains current law tax rates permanently.
  - **Low-Income Tax Credits:** Extends the improvements in the Child Tax Credit, Earned Income Tax Credit, and college American Opportunity Tax Credit that were enacted in 2009 for five years.
  - **Business and individual tax breaks extended for 1 year:** These "extenders," are generally renewed each year, including Research and Development credits, housing credits, low-income worker hiring credit, investment credits, etc.; also deductions for individual taxes for State and local sales tax, tuition, teacher expenses, etc., and includes energy tax credits.
  - **Permanent fix for Alternate Minimum Tax (AMT),** to prevent middle class households from being subject to the higher AMT.
- **Medicare Physician Payments:** The "doc fix" is extended for a year (preventing the Sustainable Growth Rate, or SGR, from being reduced), saving physicians a 26.5 percent reduction in their Medicare payments. Costs \$30 billion, paid for by reducing payments to hospitals, including Disproportionate Share hospitals that serve uninsured patients.
- **Therapy Cap Exceptions Process.** Extends the cap to services received in hospital outpatient departments only through December 31, 2013. However, the Act further **reduces Medicare payment for subsequent therapies when therapies are provided on the same day.**
- **Tax Refunds Disregarded in Calculating Eligibility or Benefits for Means-Tested Programs:** This existing provision is made permanent. (Disregarded as income; also disregarded as resources for one year.)
- **Transitional Medical Assistance (TMA) extended for a year.** TMA helps low-income families with children transition to jobs by allowing them to keep their Medicaid coverage for a limited period of time after they find a job even though their earnings make them ineligible for regular Medicaid. TMA is also available on a temporary basis for families that would otherwise lose Medicaid due to child support payments. TMA was set to expire December 31, 2012, and is now extended until December 31, 2013.
- **Farm Bill extended through September.** Funding for the SNAP (Supplemental Nutrition Assistance Program - food stamps) was mostly untouched, except for nutrition education program cut in 2013.
- **Cuts payments to Medicare Advantage health plans, hospitals, and dialysis centers along with** physicians, pharmacies, and other providers which are targeted reductions.
- **State Medicaid programs** will see a \$4.2 billion cut in 2022 in federal funding for safety-net hospitals that

serve a disproportionate low-income and uninsured population.

- **Extension of Medicaid and CHIP Express Lane Option:** The CHIP Reauthorization Act of 2009 created a new option that allows State Medicaid and CHIP offices to rely on data from other State offices, such as SNAP and school lunch programs, in making income eligibility determinations for children, called Express Lane Eligibility (ELE). The authority to use ELE expires on September 30, 2013. This provision would extend ELE authority through September 30, 2014.
- **Extension of Family-to-Family Health Information Centers:** This provision continues the Family to Family Health Information Centers (F2F HIC) to assist families of children and youth with special health care needs in making informed choices about health care in order to promote good treatment decisions, cost-effectiveness and improved health outcomes. The centers are intended to help families navigate the health care system so that their children can get the benefits they need through Medicaid, CHIP, SSI, early intervention services, other government programs, and private insurance. F2F HICs also train health care providers and policymakers and advocate for a family-centered "medical home" for every child. There is one F2F HIC in every State and the District of Columbia.
- **Repeal of CLASS Program:** The provision repeals the Community Living Assistance Services and Supports (CLASS) program established by the Affordable Care Act.
- **Commission on Long Term Care:** Establishes a new federal Commission on Long-Term Care to develop a plan for the establishment, implementation, and financing of a high quality system that ensures the availability of long-term services and supports (LTSS) for individuals.
- **Sequestration (across-the-board) cuts delayed two months.** By delaying spending cuts, States will be operating without knowing their share of federal revenue for the year.

**Looking Ahead.** In March, the continuing resolution, which is funding most federal programs, will expire. Congress will be faced with extending federal funding through this fiscal year, as well as dealing with cuts to programs in accordance with the Budget Control Act of 2011 (reducing federal debt), and extending the debt ceiling in order to pay for federal spending already authorized. NASHIA will be working with TBI stakeholders and health/disability partner organizations to ensure that programs affecting Americans with disability, including brain injury, are protected from severe budget cuts. Now is the time for all brain injury advocates to educate members of Congress regarding the needs of individuals with brain injury residing in their districts and State. NASHIA public policy staff will be updating advocacy materials and finalizing the Public Policy Platform for the 113th Congress. These materials will be posted on the website: [www.nashia.org](http://www.nashia.org)

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*The National Association of State Head Injury Administrators assists State government in promoting partnerships and building systems to meet the needs of individuals with brain injuries and their families.*

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