



Eye on Washington

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Top of Mind Governors Visit Nation's Capital

The nation's governors traveled to the Federal City this week for their annual meeting and to lobby Washington on pressing issues of the day. Among the National Governors Association (NGA) agenda, job creation and fiscal health were top priorities. Governor Jim Douglas (R-VT), Chairman of the NGA, began the meeting by acknowledging many of the states would have faced tougher fiscal situations had Congress not approved the Administration's \$787 billion stimulus package last year. Health care was another pressing concern, particularly how the states' top executives would pay for the national measure should it become law. Governors are hoping for more latitude to create health care plans tailored to meet the needs and fiscal capacity in their respective jurisdictions. Gov. Joe Manchin (D-WV), Vice Chairman of the NGA, said that the states need more flexibility to make sure all citizens are insured. "One size does not fit all," he told the group. "I should not be mandated to take care of somebody who is having a hard time financially but is very healthy." First Lady Michelle Obama was also there to welcome the governors to Washington. She discussed healthcare, yet with a specific focus on her personal crusade against childhood obesity – a leading contributor to diabetes, high blood pressure, and heart disease. Many governors on both sides of the aisle expressed dismay at the failure to pass legislation to help the economy or healthcare. As such, the governors complained the states are paying the price for inaction on Capitol Hill.

Looking Ahead Regulating Cybersecurity

The Senate is picking up the pace on cybersecurity concerns facing the country's critical infrastructures. On Tuesday, cybersecurity experts told the Senate Commerce, Science and Transportation Committee the government needs to become more aggressive in getting industries to protect computer networks since self regulation is not working. The private sector, however, is pushing back against monolithic regulations, arguing they can protect themselves. The committee heard from former federal cybersecurity officials and other experts who noted the nation is failing to defend against attacks on infrastructure networks, such as those in the financial industry, telecommunications systems and electrical grids. "If the nation went to war today in a cyber war, we would lose," said retired Adm. Michael McConnell, who served as director of national intelligence in the Bush administration. "We're the most vulnerable. We're the most connected. We have the most to lose." Last December, President Obama appointed Howard Schmidt as the nation's first cybersecurity coordinator. However, as a member of the National Security Council, Schmidt is not allowed to testify at hearings like the one that took place this week. Some watchdog groups complained Schmidt's absence creates a gap between lawmakers and the White House on how to best address the issue of cybersecurity. The government and private companies are currently under extremely sophisticated cyber attacks, and some lawmakers feel it is necessary to have a senior administration official present at hearings. The Chairman of the Senate Committee on Commerce, Science and Transportation, John Rockefeller, is preparing legislation along with Senator Olympia Snowe to strengthen cybersecurity. The measure they are writing includes the creation of a high-level, Senate confirmed cyber advisor that would report directly to the President and would bridge the gap between the White House and Congress.

Top of Mind Washington Rolls Up Its Sleeves on Healthcare Reform

Congressional Republicans and Democrats huddled in the historic James Blair House a few hundred feet from the White House this week to hash out several initiatives surrounding President Obama's push toward health reform. In the nationally televised "summit", the President calmly yet, at times, fruitlessly, attempted to sway Republicans toward a compromise. Earlier this week, the President unveiled his plan to serve as the baseline for all negotiations, causing the GOP to howl in protest. Yet when it came time for the all-day session, Republicans actively engaged the chief executive and his party colleagues on numerous items, including health insurance reform, efforts to cut costs, preventive care, and policies surrounding Medicare cuts and payments. Like the Senate measure, the president's bill would create health exchange options allowing consumers the opportunity to shop for insurance across state borders. The Federal Government plans to pay 100% of the Medicaid increase for all states through 2018, and will cover a declining percentage afterwards. The cost of the bill would be \$950 billion over 10 years, which is expected to be offset by additional fees for health providers and through penalties on large employers who fail to cover their employees. Political barbs were certainly no stranger to the session, as several in the Democratic Party are feeling the pressure to get health care passed so the Congress can move on to a jobs stimulus package. Several Democratic leaders may now have to resort to either breaking the health measure into smaller pieces for individual votes or utilize a rare yet powerful budget process known as "reconciliation" which would require only a simple majority to push the legislation. The President noted this week, however, that time was limited, and whatever must be done, must be done soon.

The Role of the Federal Government in Health Care: Voters now more likely to say it is not the responsibility of the federal government

And, do you think it is the responsibility of the Federal government to...

	Jun-08	Feb-10
Provide government-run health care coverage to all Americans	29%	23%
Assist those Americans who can least afford health care coverage to purchase it	38%	38%
It is not the Federal government's responsibility	28%	35%
Net Difference (Not The Federal Government's Responsibility minus) Government-Run Health Care)	-1%	12%

Source: Public Opinion Strategies for the Center for Health Transformation

The Week Ahead

- The Senate Commerce, Science and Transportation Committee will hold a hearing on the Toyota recall on Tuesday.
- Vice President Joe Biden plans to continue work on the economy by spearheading his Middle Class Task Force, which meets to address concerns of low- to middle income Americans.

Hot Topic of the Week

The National Association of Realtors said sales of previously occupied homes fell 7.2% to a seasonally adjusted annual rate of 5.05 million from a downwardly revised pace of 5.44 million in December. The results are the lowest since June and were far worse than predicted. Economists expected a slight increase to a rate of 5.5 million.

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