



Cavarocchi-Ruscio-Dennis Associates

Health Policy Report

November 4, 2010

- **ELECTION SPECIAL REPORT**
- **R'S TAKE HOUSE; D'S HOLD SENATE**
- **SOME RACES STILL UNDECIDED**
- **TOTAL IMPACT REMAINS UNCLEAR**

Overview

This special report looks at the 2010 mid-term elections that were held this week throughout the United States. Thirty seven Senate seats and all 435 House seats were up for grabs this year. There was, of course, no presidential election to lead the ticket.

This report will summarize the results as they are currently known, assess the likely impact on issues of concern to SGIM and its members and assess the changes that may be coming in the House and Senate committees the deal with SGIM-related issues.

Senate

Going into the 2010 election, the Democrats held a 59-41 margin in the Senate. In the election, the Republicans have apparently gained six seats leaving an expected Democratic majority of 53-47. Officially, two races are undecided at this point.

In Washington state, Senator Patty Murray (D) is leading her opponent, Republican Dino Rossi by approximately 27,000 votes out of 1.5 million that

had been counted. Barring any unusual events, we would expect Sen. Murray to be declared the winner of that race shortly.

In Alaska, Senator Lisa Murkowski ran as a write-in after she lost the Republican primary election to Joe Miller, a Tea Party backed candidate. Alaska has an unusual vote counting process in which write-ins are reported en bloc and then election officials have to go back to see for whom they are cast. Currently, "Total Write In" is leader Miller 82,000 to 68,000. It is believed that most of the write in votes are cast for Murkowski but no matter which one wins, it will remain a Republican seat.

With their retention of control, it is believed that Sen. Harry Reid (NV), reelected in a very tough race, will remain as Senate Majority Leader. However, it is possible that he may be challenged by Senator Chuck Schumer of New York when the parties hold their organizational meetings before the end of the year. Senator Mitch McConnell (KY) is expected to be unchallenged for Republican Leader.

House

The results in the House were far more dramatic than those in the Senate. Beginning with a majority of 257 Democrats to 178 Republicans, the GOP almost succeeded in reversing the majority. At this time, there are 239 Republican winners and 185 Democratic winners. Eleven races are currently undecided. It appears that the final count will put the margin at about 244 to 191, a net Republican gain of 66 seats.

The House leadership, of course, will change dramatically as well. Rep. John Boehner of Ohio is expected to ascend to the position of Speaker of the House and Rep. Eric Cantor (VA) will likely become the Majority Leader. It is unclear at this point if Speaker Nancy Pelosi (CA) will seek to become the Minority Leader. If she opts to step aside, it is anticipated that the current Majority Leader, Rep. Steny Hoyer (MD) will become the Minority Leader for the Democrats.

Key Committee Changes

Legislative issues that concern SGIM members tend to be considered in the House Energy and Commerce Committee and the Senate Health, Education, Labor and Pensions (HELP) Committee. Funding issues are generally addressed in the House and Senate Labor-HHS-Education subcommittees.

In the House, significant changes are coming. Rep. Henry Waxman (CA), the current chair of Energy and Commerce will pass the gavel to one of three Republican members: Joe Barton (TX), who would need a waiver from the

Republican leadership and may not get it; Fred Upton (MI), who is a moderate; or John Shimkus (IL), a conservative who is below Upton in seniority.

On the House Labor-HHS-Education Appropriation subcommittee, the picture is even more muddled. Rep. Dennis Rehberg (MN) is in line for the chairmanship but has given no indication of his intentions. The senior remaining Democrat on the subcommittee is Rep. Nita Lowey (NY).

On the Senate HELP Committee, it is expected that the leadership will remain the same with Senator Tom Harkin (IA) continuing to chair and Senator Mike Enzi (WY) remaining the senior Republican member.

However, much like the House, the picture on Labor-HHS-Education Appropriations remains very unclear. Senator Harkin could continue to chair the subcommittee, although with reduced ranks, the Democrats may want him to give that up (since he chairs the committee that authorizes these same programs). Senator Herb Kohl (WI) would be next in line to chair. Full committee chair Thad Cochran (MS) has been Acting Ranking Member since Senator Arlen Specter switched to the Democratic Party. It remains unclear if that temporary arrangement will continue or if a new Ranking Member will be chosen.

2010 – What Remains to be Done?

Congress is returning for the week of November 15 and again on November 29 to address issues that remain unresolved from this year. Most important among them for SGIM members are the funding bills for FY11 that were never enacted. The government is currently operating under a Continuing Resolution at FY10 levels.

The Appropriations Committee staffs from the House and Senate have been working for more than a month to assemble a so-called Omnibus Appropriations bill. This would involve reaching a final agreement on all issues in all twelve appropriations bills, putting them all together into a single bill and passing them in one up or down vote in both houses. This would be the ideal solution for SGIM, as it would assure that funding increases we achieved during the process this year for health professions, NIH-funded research, and other programs would be realized.

Alternatively, the lame-duck Congress could decide to take the existing Continuing Resolution, which expires on December 3, and extend it to some point after the new Congress is sworn in early next year. Or, alternatively, they could extend it for the entire fiscal year, essentially freezing FY11 funding at FY10 levels.

While there are other “mega-issues” to be considered as well, such as increasing the debt ceiling and what to do about the expiring Bush-era tax cuts, it is the funding legislation that SGIM will be following most closely.

We expect to update this report in the next week or so, as more information becomes available.

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