During a marathon, 46-hour session of the California Legislature to close a $42 billion budget gap, the Senate GOP caucus dumped its leader, Dave Cogdill, after he negotiated a bill with legislative leaders and Governor Arnold Schwarzenegger that included tax increases. At 10 p.m., members met in Cogdill’s office and voted to oust him, replacing him with Senator Dennis Hollingsworth. Ultimately, Cogdill and two other Republicans voted for the bill, which contained $14 billion in tax hikes, as well as program cuts and bond sales. The three GOP votes were necessary to reach the two-thirds majority required in California to pass a budget bill. The budget stalemate lasted about four months, with the governor threatening to lay off some 20,000 state employees, delay income tax refunds and shut down some $3.8 billion in construction projects.

One day he was the first Republican speaker of the Tennessee House in 40 years, the next day he was, well, a speaker without a party. The state Republican Party kicked out Speaker Kent Williams in February, costing the GOP its one-vote majority in the House. Williams and all 49 Democrats in the House banded together in the vote for the speakership, giving Williams one more vote than GOP nominee Jason Mumpower. Williams said he will not change any committee assignments, which he divided pretty evenly between the two parties, nor will he become a Democrat. Under Republican Party rules, he will not be allowed to run under the GOP banner in 2010. He has indicated he will run as an independent.

Social networking is the new communications buzz phrase, but in Maryland they didn’t think much of it. The General Assembly banned all access to Facebook and MySpace for computers running on the legislative network. Some 43 members of the General Assembly—which numbers 188—had Facebook accounts through which they communicated with constituents. “I’m kind of cut off from the outside world here,” said Delegate Curtis Anderson. “It’s a dark day.” But five days later, the head of the General Assembly’s Information Services, who had instituted the ban for fear of viruses, said he installed new software to protect the system. Members complained that the initial move was out of step with the country. The U.S. Congress does not ban the sites. President Obama has a Facebook page, and so does Maryland Governor Martin O’Malley. Now Maryland lawmakers can, too.

Alabama Senator Rodger Smitherman was elected Senate president pro tem, the second African American in the state’s history to hold the post. Senator Hinton Mitchem stepped down from the post after 17 votes necessary to win were committed to Smitherman. First elected in 1994, Smitherman was in line to become pro tem for two of the next four years because of an agreement with key Senate Democrats to join with them to form a ruling majority. “We are going to work together because I’m not the pro tem for one caucus or the other caucus, I’m the pro tem of the Alabama Senate,” Smitherman said. “I want to be the bridge that brings us together.”

Florida Republicans, in an unprecedented move, stripped Representative Ray Sansom of his short-lived tenure as House speaker before he had presided over his first regular session of the House, and chose Larry Creutz as the new leader. “It was something that had to be done so we can get the work done for the people of Florida. It was nothing any of us wanted to do,” said Representative Rich Glorioso. Sansom, who assumed the job as speaker in December, was under a cloud for accepting an unadvertised, $110,000-a-year job with Northwest Florida State College the day he was sworn in as speaker. He is facing a grand jury investigation and ethics complaints for that as well as steering more than $35 million to the school in state construction money. As the allegations became public, pressure grew for him to step down.

Wisconsin Assembly leaders in February approved a rule banning fundraising by members while the state is debating the budget. Majority Leader Thomas Nelson said the ban is groundbreaking and the strongest campaign finance reform in decades. "You have 99 campaign committees that will be effectively shut down for three or four months, however long the budget cycle will occur," Nelson said. "This is specific reform that people have been talking about for the last decade, and here today we finally acted on it." But the ban does not extend to campaign committees controlled by the two caucuses. "By excluding them you're funneling [campaign funds] away from individual members to an instrument controlled by leaders. It's an absolute zero," said Senator Mike Ellis. Assembly Minority Leader Jeff Fitzgerald believes it should be expanded into law and include the Senate and the governor.

Greg Ernst, a New Orleans maritime lawyer, has been appointed to fill the seat of Louisiana Representative Nicholas Lorusso while he is on active duty for one year. Lorusso, a lieutenant colonel in the Judge Advocate General’s Corps, sponsored a constitutional amendment passed in November outlining a process for temporarily replacing a legislator called for active military duty. Ernst, a graduate of Harvard and Tulane Law School, was one of three candidates recommended by Lorusso. The Government Affairs Committee recommended Ernst, and Speaker Jim Tucker made the choice official.
Cigarette smoking is the leading preventable cause of death in the United States. Smoking costs $193 billion annually ($96 billion in direct costs and $97 billion in lost productivity), according to a 2008 report from the Centers for Disease Control and Prevention. Research shows that increasing cigarette taxes helps decrease consumption, especially among young people, and also raises revenue.

Tobacco taxes were increased more than any other tax in 2007. States generated an estimated $14.5 billion in tobacco tax revenue in 2008, in addition to the $7.3 billion in federal revenue from the 39 cent per pack federal excise tax. This January, Congress approved legislation to increase the federal cigarette tax from 39 cents to $1 per pack to fund expansion of the State Children’s Health Insurance Program (SCHIP) to cover more uninsured children. The legislation also raises federal levies on cigars, rolling papers and other tobacco-related products.

Preparing for an Emergency

What happens when a disaster shuts down public health laboratories? Under normal conditions, these labs provide a range of critical services, including newborn screening, biological and chemical terrorism testing, and infectious disease tracking. In an emergency, working laboratories analyze water and food supplies and monitor disease outbreaks. In emergencies that involve biological, chemical or radiological agents, public health labs analyze the threat and identify affected individuals.

Sometimes disasters, however, can weaken or overwhelm a laboratory’s ability to respond. After hurricanes Katrina and Rita, the Louisiana State Public Health Central Laboratory was almost completely incapacitated. It flooded and lost phone service, fresh water and electricity. In addition, only 10 percent of staff was available.

To continue to provide critical services—such as microbiological testing of drinking water, statewide newborn screening services, and pathogen surveillance in the disaster area—Louisiana needed help from public health laboratories in neighboring states. Through agreements the state had made, the University of Iowa started conducting all newborn screening, and Arkansas and Texas began safe drinking water testing. Alabama performed bioterrorism testing for Louisiana.

The Emergency Management Assistance Compact, a law approved by Congress in 1996, encourages all states to enter into interstate agreements that can improve collaboration; increase access to personnel, equipment and resources; and address legal issues related to worker compensation, liability, credentialing and reimbursement. It directs ways for states to request assistance and receive support from other states. The law also establishes protocol for reimbursing states, and limits liability for states offering assistance.

For more information on the Emergency Management Assistance Compact, visit www.emacweb.org.
Engaging Citizens Online

The Minnesota Senate has created a new website that seeks citizen input to solve the state’s projected $4.8 billion budget deficit. Visitors to the site can comment and provide their ideas for key areas in the budget. The site also has links to a wealth of background information, and Minnesota citizens are weighing in.

Nevadans are voicing their opinions on how to erase the revenue shortfall there through a new Web-based suggestion box for lawmakers. In early February, lawmakers had more than 1,200 suggestions, including taxing prostitution and establishing a state lottery. Legislative staffers are compiling the suggestions in a report every two weeks for anyone to read.

Other states have had similar initiatives, sometimes packaged with an online budget balancing game or simulation tool. Maine Governor John E. Baldacci’s interactive budget balancing tool has been in place since 1999. Massachusetts Senator Richard Moore created Ma$$ Balance in 2003, when the state faced a $3 billion budget gap. It was an interactive budget simulation game where players could try balancing the budget. The site, no longer available, had more than 1.5 million hits.

For those who wonder what results from citizen suggestions, there is California Senator Joe Simitian’s “There Oughta Be a Law” contest, which has a track record of seven years of legislation resulting from ideas submitted by citizens.

Additional meaningful legislative Web-based civic engagement efforts include:

WestEd’s Web Dialogues in California (Education Master Plan); Washington’s Access to Higher Education and Obesity discussions; and Virginia Delegate Kris Amundson’s Listening to Democracy’s Next Generation-2008 Web dialogue.

President Barack Obama’s Citizens’ Briefing Book also invited ideas on issues facing the new administration and allowed citizens to rate others’ suggestions. More than 70,000 people participated, with tens of thousands of ideas.

Prescription Drug Costs Slow

In 2003, prescription drugs were widely blamed for fast-escalating health costs. They’d increased 12 percent overall that year, including a whopping 18 percent to 20 percent increase for Medicaid programs. States passed dozens of laws trying to rein in, and help pay for, such spending.

Two new reports show a dramatic and surprising turn of events. For 2007, annual growth in prescription drug spending slowed drastically. A federally sponsored study documented annual growth of prescription drug spending at 4.6 percent, lower than any other major health care sector and the lowest level in 45 years. Another study led by IMS Health showed growth had dropped to only 3.8 percent in the commercial market for medications.

Within Medicaid, prescription drug spending actually decreased 1.8 percent, with 31 states reporting spending less in 2007 than in 2006. The slowdown in costs does not mean the prescription drug market is shrinking or unimportant—it totaled 3.5 billion individual transactions, worth about $228 billion in 2007, with larger totals estimated for 2008 and 2009.

However, these changes are a hopeful sign for policymakers worried about keeping health care affordable, both to patients and to the public and private payers. The cause for the slowdown is fairly well-documented and includes:

- Use of generic drugs, which cost on average 30 percent to 80 percent less than brand-name products.
- Patents expiring on about 10 widely used medications, resulting in a flood of low-priced, look-alike competitors.
- Large retail chains’ high-visibility “$4 generic drug” discount programs that cut costs among lower-priced products.
- Slower growth in prescription drug prices, averaging just 1.4 percent in 2007, compared to 3.5 percent in 2006.
- Consumer safety concerns, tied to the Food and Drug Administration issuing 68 “black box” warnings about dangerous side effects in 2007, compared to only 21 warnings in 2003.
- Medicaid savings deriving in part from states’ use of preferred drug lists, prior authorization, supplemental rebate programs and multi-state purchasing pools.

This may be welcome news as lawmakers try to rein in their FY 2010 budgets. “The slowing of prescription drug costs helps states deal with one of the major drivers of rising health care costs,” says Massachusetts Senator Richard Moore, chair of the Health Financing Committee.

WHERE MEDICAID DRUG SPENDING DECLINED IN 2007

Source: Center for Medicaid and State Operations (CMSO) at CMS.