



November 24, 2009

## An Update on the Tax and Budget System: Federal

National health care reform remains at the center of attention at AACF. With legislative action moving quickly, it is important our network remain alert and focused on ensuring that our congressional delegation supports comprehensive health reform that is good for our state and our children. This issue of Moving Families Forward provides an update on the status of health care reform legislation as of November 24, 2009, climate change legislation, and a comprehensive guide on federal spending on children in the [Children's Budget 2009](#).

### Health Care Reform

On November 7, 2009, the U.S. House of Representatives passed *The Affordable Health Care for America Act of 2009* (H.R. 3962), which would reduce the ranks of the uninsured by 36 million by 2019 if it becomes law. AACF revised its analysis of the original House health bill to show the impact of the final House Health bill on Arkansas's low-income children and their families. You may see our updated analysis on AACF's website at [Scoring Health Reform in the U.S. House of Representatives: A Major Step Forward for Children and Families](#). We appreciate Representatives Vic Snyder and Marion Berry for voting for the House health bill. Their support of comprehensive health reform will help to ensure that Arkansas's most vulnerable children grow healthy, wealthy and wise.

On November 21, 2009, the Senate voted to allow for floor debate on *The Patient Protection and Health Care Act of 2009*. This bill represents the combination of the Senate Health Education Labor and Pension and the Senate Finance Committees health reform proposals. As introduced, the bill would extend health insurance coverage to 31 million Americans who lack it, reduce the budget deficit, and put long-term downward pressure on health care costs. We appreciate both Arkansas Senators for their recent vote to move health care reform legislation forward.

Senate debate has already begun and is expected to continue throughout much of December. AACF is hopeful that affordability and employer responsibility provisions within the bill will be improved during the debate.

## ***Affordability***

The new bill strengthens affordability by improving the premium subsidies in the Senate Finance Committee bill for the millions of moderate-income households who do not qualify for Medicaid but cannot afford private health insurance. Unfortunately, the new bill reduces the assistance provided in the Finance Committee bill for near-poor households, which already were less than adequate. Many families with incomes this low already struggle to pay the rent and utilities and put food on the table and could have difficulty paying this much for health coverage. To learn more, read the [analysis](#) by the Center on Budget and Policy Priorities.

## ***Employer Responsibility Requirement***

The Senate Finance Committee bill punished employers who do not offer coverage and hire workers who receive federal assistance by requiring that they pay a penalty only for those workers. The penalty would have discouraged employers from hiring low- and moderate-income workers. The new Senate bill significantly reduces this disincentive, an important improvement. However, for some employers, some disincentives to hire or retain such workers would remain. The new bill would create incentives for some employers to convert full-time positions into positions of just under 30 hours per week making it difficult for low- and moderate income families to obtain full-time employment.

Fortunately, the House-passed bill is strong in both the affordability and employer responsibility areas, so Congress can address these problems in a House-Senate conference committee when it irons out a final version of the bill, if not before then. AACF will look to our key partners and child advocates in our network to hold our congressional delegation accountable by contacting them to encourage them to improve these key provisions. Together, we can move Arkansas's families forward by getting health reform done right and done now.

Watch for AACF's take on the Senate bill early next week.

## **Climate Change**

On November 5, 2009, the Senate Environment and Public Works (EPW) Committee released *The Clean Energy Jobs and American Power Act*, its bill to implement climate change legislation. Unfortunately, the EPW bill allocates fewer resources than allocated in the House's bill, *The American Clean Energy and Security Act of 2009* (H.R. 2454). The missing resources are needed to fully protect low-income households from the impact of climate change legislation. To learn more about issues affecting low- and moderate-income children and their families in current climate change legislation please see [Care for our Kids & Climate](#).

## **New Publication: Children's Budget 2009**

First Focus has released its [Children's Budget 2009](#), a comprehensive guide to all federal spending on children. This year it includes a special analysis of investments in children provided through the economic recovery package, known as the American Reinvestment and Recovery Act (ARRA).