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At the Capitol

Dozens testify to have their health care programs spared

House panel hearing on $300M in cuts runs into the night

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One of the last major bills of the 2010 session ran into turbulence Tuesday as lawmakers spent the day absorbing a parade of criticism from health care advocates objecting to a measure that reduces spending by $155 million.

The House bill includes a controversial expansion of state Medicaid services, something allowed in 11 states under federal health care reforms passed last month. But to pay for it and help balance a state budget deficit, the bill includes a swath of cuts that knife through the state health care system.

"There is simply no good way to cut this already thin budget without causing pain somewhere," said Rep. Tom Huntley, DFL-Duluth.

During a hearing that ran from morning until well into the night, dozens of witnesses made often-emotional cases that their programs should be spared. Some of the harshest criticism came from mental health care advocates, who estimate $53 million in cuts that affect mental health services.

"We knew we were going to get cut this year, but this is way, way beyond that. We really see this as devastating," said Sue Abderholden, a lobbyist for NAMI Minnesota, a mental health advocacy group.

Several grants were zeroed out, though not permanently. School-based programs and subsidies to rural hospitals allowing the mentally ill to receive treatment close to home were slashed, as were other programs.

While the bill reduces state general fund spending by $155 million, it actually contains more than $300 million in cuts to cover new spending elsewhere. Others joined mental health care advocates in the chorus of objections, from welfare advocates to hospital executives.

Andy McCoy, vice president of revenue management for Fairview Hospitals and Clinics, estimated Fairview would lose more than $26 million over three years if the bill were signed into law.

"Hospitals are once again being asked to do more than their fair share," McCoy said.

McCoy said Fairview still has not decided whether to participate in a greatly reduced General Assistance Medical Care program touted by Gov. Tim Pawlenty as a vital health care reform. That deal moved a step closer to collapsing before it gets under way with the decision by Hennepin County officials Tuesday to yank Hennepin County Medical Center — which treats more GAMC patients than any hospital in the state — from the program.

A move led by Capitol Democrats to expand Medicaid programs to adults who earn less than $8,000 a year would make the GAMC program redundant. Huntley's bill would repeal GAMC once and for all, and the expanded Medicaid program would bring hundreds of millions into the state through federal matching dollars.

The committee was still meeting at press time. Passage was expected, though the bill likely faces a tough vote on the floor of the House.

A Senate package of proposed cuts is expected to be released Thursday.

The budget bills are the last major pieces of legislation needed before lawmakers can wrap up the session and hit the campaign trail, with a gubernatorial contest and every seat in the Legislature up for grabs.

A bill sparing cuts to schools but reducing the state Department of Education's budget by more than $700,000 is moving through the House. A Senate version is likely to be released today.

Huntley's bill also relies on more than $400 million in federal health care funds that state lawmakers expected long ago, but which still awaits approval by Congress.

It spares the state's general assistance program, which provides monthly payments of up to $203 to destitute Minnesotans. Pawlenty initially proposed axing general assistance and replacing it with a smaller to-be-determined program.

During the hearing Tuesday, the bill was amended to remove a temporary reduction in payments to nursing homes.

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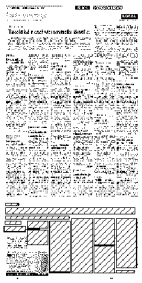

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