

Government Relations Update January 28, 2008

Individual Market Reform update

The Traverse City Area Chamber's Government Relations Committee hosted an information session for its members on one of the more contentious issues being discussed at the State Capitol, Individual Market Reform. Attendees included staff and members from the Benzie County Chamber of Commerce and the Petoskey Regional Chamber of Commerce, along with members of the TC Health Care Committee.

Representatives from Blue Cross Blue Shield of Michigan, the Coalition for Access and Affordability in Michigan (CAAM), and Priority Health informed the group on the individual market and discussed their perspective towards the legislative proposal, House Bills 5282-5283. The presentations and following discussion from both sides of the issue was very informative to all members present.

On the Lansing front, the Senate Health Policy Committee has begun discussion on the legislation as well. Last week, an official from America's Health Insurance Plans (AHIP) gave an overview of the individual health care market. This week, the committee is scheduled to discuss risk pools and hear presentations by the Consumers for Fair and Affordable Insurance Reform (CFAIR), CAAM, and the Michigan Association of Health Plans (MAHP).

The legislation can be viewed at www.mileg.org.

Changes to MBT Tackled

With the new Michigan Business Tax effective for less than a month, the Senate Finance Committee has begun taking testimony on a series of bills which would make adjustments to the tax. The committee took testimony with a plan to move the bills likely this week.

Changes contained in the bills include: excluding any tax, surcharge or fee from the gross receipts tax collected, such as sales tax collected by retailers; changes to a unitary business group; excluding Puerto Rico from the MBT; and amending the definitions of "business activity" and "business entity," among others.

Committee chair Sen. Cassis says that additional MBT bills are on the way to correct outstanding concerns with the new tax. It is unclear at this time as to the legislation's prospect in the House or with the Governor. The bills are SB 1038, 1051-1056 and can be found at www.mileg.org.

Senate R's and D's Lay out 2008 Priorities

Within the past week, both the Senate Republican and Democratic caucus laid out their respective agendas for 2008.

For the Republicans, a pro-business agenda was stressed at the press conference, as cutting government red tape (especially the licensing and permitting process), alternative and clean energy, downtown revitalization and addressing Michigan's housing foreclosures topped the list. They also stressed that the caucus would work to have Michigan government "live within its means" and look to "right-size government."

On the Democratic side, Senate Democrats laid out a similar list with the addition of education as their top priorities: alternative energy, education – especially early childhood and higher education, and economic security.

As renewable energy, renewable portfolio standards, and home foreclosures makes the list of both parties, so it is likely that common ground will be found on the subject.

There seemed to be hope on both sides at their respective press conferences, that bipartisanship can be brought back after such a contentious 2007. Time will tell.