

PHC 6102
Principles of Health Policy & Management

**Policy Formulation:
Legislative Development**



1

Objectives

- Relate agenda setting to legislative development in the policy formulation phase
- Summarize the steps involved in the development of federal legislation
- Differentiate the budgeting process from the general legislative development process
- Discriminate state government legislative processes from federal legislative development

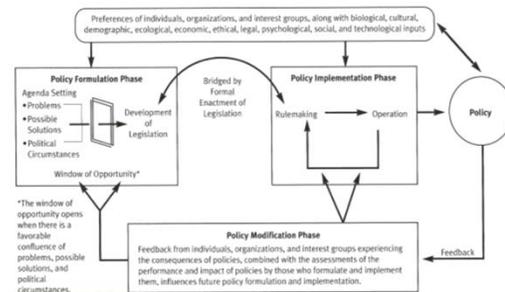
2

Overview

- Policy formulation
 1. Agenda setting (in previous lecture)
 2. Legislative development
- Policy implementation
 1. Rulemaking
 2. Operations
- Policy modification

3

Health Policy Making Process



Longest, B. B. (2002). *Health policymaking in the United States*. ALPHA/HAP.

4

Legislative Proposals

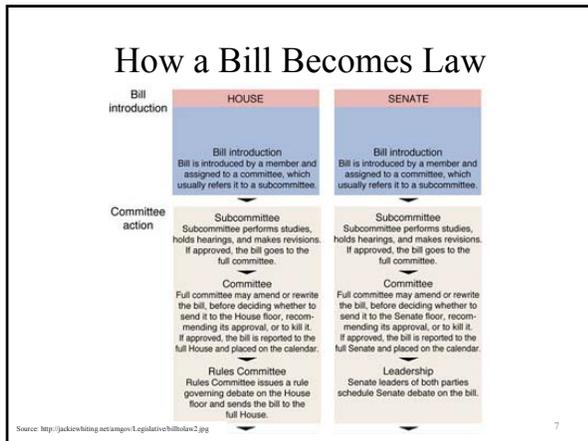
- Many sources of ideas for legislative proposals
 - Politicians/legislators
 - Private citizens (see 1st Amendment to the U.S. Constitution)
 - Interest groups
 - Executive branch
- Health Reform example

5

U.S. Congress

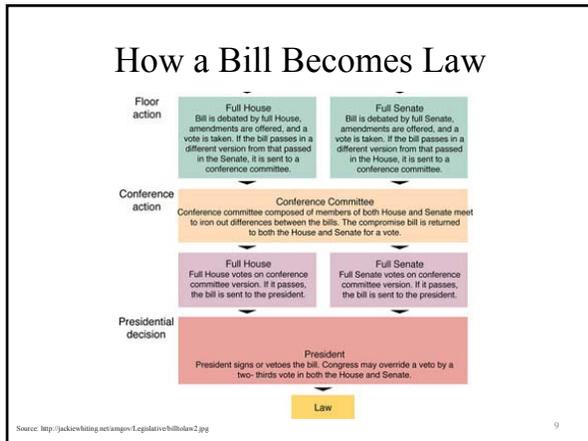
- A bicameral legislature:
 - House of Representatives
 - 435 Representatives
 - Elected for two year terms
 - Apportioned among the states by population
 - Senate
 - 100 Senators
 - Elected to six year terms
 - Two Senators for each state

6



Health-related Committees

Committee	Subcommittee	Example legislation:
Senate Committee on Finance	Subcommittee on Health Care	Medicare and Medicaid
Senate Committee on Health, Education, Labor, & Pensions (HELP)	Subcommittees on Children & Families, Employment & Workplace Safety, and Retirement and Aging	Most programs in Department of Health and Human Services, public health, insurance policy
House Committee on Ways and Means	Subcommittee on Health	Payments for health care, health delivery systems, or health research
House Committee on Energy and Commerce	Subcommittee on Health	Medicare, Medicaid, public health, quarantine, hospital construction



- ## Different Legislative Rules
- House and Senate follow different rules in the legislative process
 - House has a Rules Committee
 - Schedules debate of legislation on the floor
 - Limits the time for debate for legislation
 - Senate allow members to filibuster
 - Delay tactics that prevent passage of bill
 - Super-majority vote (60 out of 100 Senators) required to invoke **cloture**, a parliamentary procedure ending filibuster

- ## Budget Legislation Process
- Must begin in House
 - Review APHA’s “The Budget & Appropriations Process: *How the Congress Funds Public Health Programs*”
 - Four distinct stages:
 1. President creates budget
 2. Budget resolution
 3. Appropriations (programs must be authorized)
 4. Reconciliation

- ## The President’s Budget
- Required by statute (law)
 - Budget includes funding requests for all federal executive departments & agencies.
 - Detailed proposal of the intended spending for the following fiscal year.
 - Office of Management and Budget (OMB)
 - Serves as an objective reviewer of the federal budget.
 - “Scores” bills – scrutiny of all federal legislation

Authorization vs. Appropriation

- **Authorizing** legislation establishes, continues, or modifies existing agencies or programs.
 - Usually specifies the maximum amount that can be spent on a program and for how long.
- The **appropriations** process would then decide how much money (if any) would be spent for this program for each year.
 - Even if a program has been authorized at \$18 million, the appropriations committee could decide on no funding or funding at a lower level.
 - Programs rarely receive appropriations at the maximum amount authorized.

13

Mandatory vs. Discretionary Spending

- **Mandatory Spending**
 - Funded programs established by laws (i.e., changes in spending can only be made via changes in substantive laws)
 - Examples: interest on the public debt, Medicare, Medicaid, and Social Security
- **Discretionary Spending**
 - Refers to the portion of the budget which goes through the annual **appropriations process** each year.
 - Congress directly sets the level of spending on programs which are **discretionary**. Congress can increase or decrease spending on any of those programs in a given year.

14

Congressional Budget Office

- Service for Congress
- Non-partisan federal agency
- Policy analyses, cost estimates of legislation, and budget and economic projections
- Reviews every piece of legislation
- “Reality check” on President’s Office of Management and Budget estimates

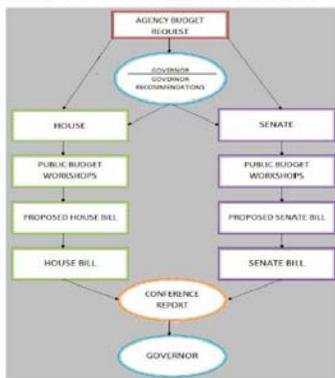
15

States Government

- 10th Amendment of the U.S. Constitution states that all powers not granted to the federal government are reserved for the states and the people.
- Mandates that all states uphold a "republican form" of government
 - Usually three branches: executive, legislative, and judicial
 - Three-branch structure is not required
- In every state, the executive branch is headed by a directly elected governor
- No two state organizations are identical
- All 50 states have legislatures made up of elected representatives that create legislation and approve a state's budget

16

The State of Florida’s Budget Process



Source: <http://www.myfloridabudget.gov>

17

Florida Funding Sources

- General Revenue
- State trust funds
- Federal trust funds

18

Questions

1. What Congressional Committees are most important in development of health policy?
2. What is the relationship between the CBO and the OMB?
3. Describe the difference between mandatory and discretionary spending categories. Most public health programs belong to which category?
4. What is the relationship between federal budget and health policy?
5. What actions can the State of Florida government undertake in instances of a budget shortfall?