

Phil Bredeesen, HHS candidate, best known for health care cuts

WASHINGTON (AP) — Few governors know the pitfalls of soaring health costs better than Tennessee Gov. Phil Bredeesen, which helps explain why President Barack Obama is reportedly considering the Democrat for health secretary.

In 2005, Bredeesen cut 170,000 adults from Tennessee's Medicaid program, called TennCare. He reduced benefits for thousands more.

Critics describe Bredeesen's actions as the biggest cuts in public health insurance in the nation's

history. They believe he's the wrong person to lead an effort to expand health insurance coverage, and they're throwing support behind other candidates, including Kansas Gov. Kathleen Sebelius, widely viewed as near the top of Obama's list of candi-

dates to run the Health and Human Services Department.

However, some say Bredeesen's stand shows he's willing to tackle the toughest of problems.

Before the cuts were made, TennCare's growth rate was making it harder to pay for education, roads and other critical services. Tennessee led the nation in the percentage of its population on Medicaid and the percentage of its budget going to Medicaid. However, on a per-person basis, Tennessee ranked 48th in state and local tax collections.

Dennis Smith, now a senior fellow at the Heritage Foundation, was in charge of Medicaid at the federal level in 2005. He said Bredeesen's actions were "necessary and appropriate."

"The program was out of control, driven by unrealistic demands that virtually no other state had to face," Smith said.

For example, almost every state has some type of system that allows it to approve the amount and types of prescription drugs that beneficiaries get. Tennessee didn't have such controls. Eligibility rules were also much broader than those of other states, allowing for enrollment of adults who would not have been eligible for Medicaid elsewhere.

"He took some very courageous steps," Smith said. "In reality he was preserving the program. Otherwise, it truly would have collapsed."

The most praise for Bredeesen comes from conservatives. Obama has shown a willingness to consider their views in his appointments so far, while many of those on the left of the issue say Bredeesen is the wrong choice.

"His appointment would cause a firestorm among the organizations and people who are needed to pass health care reform," said Families USA executive director Ron Pollack.

In some respects, Bredeesen sounds like former HHS Secretary Mike Leavitt when describing his philosophy for reforming health care.

"I certainly believe there's an underlying right and the federal government ought to be financing a basic level of health care for everybody," Bredeesen told The Associated Press last week.

Bredeesen's emphasis is on the word basic. Leavitt repeatedly stressed the same emphasis. He listed as his top priority that "every American has access to basic health insurance at an affordable price."

Bredeesen met with Obama for

the first time in his Washington office shortly after Obama announced he would seek the Democratic nomination for president in 2007.

"He wanted to talk about health care," Bredeesen said. "He asked about as penetrating a set of questions as anybody has asked me in the political world about how things worked."

Bredeesen said he believes now is the time for health care reform but that it should occur through small, incremental steps.

One year after making the cuts, Bredeesen swept all of Tennessee's 95 counties to win reelection. He also started a unique health insurance program called CoverTN. The program covers about 18,000 people making up to \$55,000 annually.

As part of CoverTN's design, premiums are split equally between the state, the employer and the employee. The premiums are also adjusted based on a person's age, weight and tobacco usage. The average cost for individuals is about \$60 a month.

Bredeesen in 1980 founded a health maintenance organization called HealthAmerica Corp., which became the country's second-largest HMO before he sold it in 1986 for about \$400 million.

Administration readies overhaul of rescue program

WASHINGTON (AP) — The Obama administration, seeking to deal with the political outrage over the handling of the government's \$700 billion financial rescue program, plans to impose tough new standards on future payments to banks. It is also greatly expanding an effort to unplug credit markets to provide loans to consumers and businesses.

Funding to unfreeze borrowing in such areas as credit card debt, auto loans and student loans, will see a huge increase — from \$20 billion to \$100 billion, according to administration officials who spoke on condition of anonymity because the program had not yet been publicly announced.

The officials said the increase, combined with a program operated by the Federal Reserve, would be enough to support an additional \$1 trillion of lending in this area. Officials said the program would also be expanded beyond consumer and small business loans to cover loans for commercial real estate projects.

Treasury Secretary Timothy Geithner said that the new plan was intended to change the "dangerous dynamic" of a financial system that was impeding economic recovery rather than supporting it.

"It is essential for every American to understand that the battle for economic recovery must be fought on two fronts," Geithner said in excerpts of remarks obtained by The Associated Press. "We have to both jump-start job creation and private investment and we must get credit flowing again to businesses and families."

Geithner is scheduled to unveil the new plan today. The major overhaul of the program begun by the Bush administration seeks to address widespread criticism that banks were getting billions of dollars in taxpayer support with few strings attached and that all the

government aid was failing to deal with the worst financial crisis to hit the country in seven decades.

Under the overhaul, the administration will seek to deal with those issues by more closely monitoring banks to make sure the money they receive is being used to increase lending.

The biggest banks participating in the program will also have to undergo a stress test of their balance sheets to ensure they are in sound enough condition to receive additional government support.

The administration's new plan, officials said, will include a government-private sector partnership aimed at removing toxic assets from banks' balance sheets, although the details on how this program would operate were still being worked out.

Treasury officials suggested two approaches that the administration is considering, according to congressional staffers who were briefed on the plan Monday night and also spoke on condition of anonymity before the program was unveiled.

These aides said the government might provide guarantees for the bad assets to establish a floor on possible losses, or perhaps provide low-cost financing through the Federal Reserve for investors willing to purchase the bad assets.

President Barack Obama, speaking at a prime-time news conference Monday night, said his overhaul of the financial rescue program would bring "transparency and oversight" to the heavily criticized program.

He said the overhaul would correct previous mistakes such as a "lack of consistency" and what he said was the failure to require banks to show "some restraint" in terms of executive compensation and spending in such areas as corporate jets.

Congress passed the financial rescue bill on Oct. 3 and the first

Local students named to TTU Dean's List

COOKEVILLE — Tennessee Tech University is pleased to announce the names of its students included on the Dean's List for the fall 2008 semester.

Students earn the academic distinction by completing a full course load with a quality point average of 3.1 or better on the university's 4.0 scale.

A member of the Tennessee Board of Regents, TTU offers 44 undergraduate degree and 21 graduate degree programs, including the Ph.D. in engineering, environmental sciences and education.

Carter County students making the Dean's List for the 2008 fall semester included: Laura L. Horton, Elizabethton; Mara Leandra LaPorte, Elizabethton; Alice Laura Jablonski, Roan Mountain; and Ronald Nelson Johnson, Watauga.

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TENNESSEE REPUBLICAN PARTY

The Tennessee Republican Party Responds to Kent Williams

The Tennessee Republican Party believes good government and the people's faith in the process is undermined when leaders put their own ambition ahead of the people's interests, and that the people's faith in the process is undermined by elected officials who gain power through betrayal and deliberate deception.

Dishonor, deception and betrayal undermine and negate the core values of the Tennessee Republican Party.

After Republicans won a majority in the state House in November for the first time since 1868, Rep. Kent Williams committed verbally and in writing to countless individuals to vote for the House Republican Caucus nominees for leadership. He stated many times - to his Republican colleagues, to various media outlets and on the public airwaves - his intention to vote for the House Republican Caucus nominee for Speaker of the House on January 13, 2009.

But the facts show that Rep. Williams had been conspiring with Democrats for eight weeks to crown him Speaker in exchange for betraying his fellow Republican caucus members, a plan he hid by intentionally and repeatedly lying to colleagues, the media, the public and his Carter County constituents, lies and deceptions meant to secure his own ambition for personal power.

The facts show that two other Republican House members were solicited by Democrats to betray the Republican caucus but refused, choosing honesty, integrity and loyalty over deception and betrayal, while Rep. Williams showed no such personal integrity. And, having been nominated and elected Speaker by Democrats, Rep. Williams has rewarded his Democratic allies with committee chairmanships, giving his Democratic allies the best office space and staff at the expense of the Republican caucus, and put at risk the Republican agenda the majority of Tennessee voters voted for.

Rep. Williams' pattern of lies and dishonor does not represent the values of Tennessee Republicans.

On January 30, the State Executive Committee of the Tennessee Republican Party overwhelmingly approved a resolution declaring Rep. Williams is no longer a bona fide Republican and will no longer be considered a member of the Tennessee Republican Party. That action was finalized and announced at a press conference in Nashville on Monday, February 9.

The Tennessee Republican Party invites you to read the full text of the resolution, a timeline of relevant events and the text of the Tennessee Republican Party chairman's remarks at the Feb. 9 press conference, and view video of the press conference, by visiting our website at:

www.TNGOP.org