

Clerk of the House of Representatives Legislative Resource Center B-106 Cannon Building Washington, DC 20515	Secretary of the Senate Office of Public Records 232 Hart Building Washington, DC 20510
---	--

SECRET BY OF
03 SEP 12 PM

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - All Filers Are Required To Complete This Page

1. Registrant Name Local Initiatives Support Corporation			
2. Address <input type="checkbox"/> Check if different than previously reported 733 Third Avenue, 8th Floor			
3. Principal Place of Business (if different from line 2) City: New York State/Zip (or Country) NY 10017			
4. Contact Name Patrick Maher, Esq.	Telephone (212) 455-9861	E-mail (optional) pmaher@liscnet.org	5. Senate ID # 23020-1
7. Client Name <input checked="" type="checkbox"/> Self			6. House ID # 3228300

TYPE OF REPORT 8. Year 2003 Midyear (January 1-June 30) OR Year End (July 1-December 31)

9. Check if this filing amends a previously filed version of this report

10. Check if this is a Termination Report ⇒ Termination Date _____

11. No Lobbying Activities

INCOME OR EXPENSES - Complete Either Line 12 OR Line 13	
<p>12. Lobbying Firms</p> <p>INCOME relating to lobbying activities for this reporting period was:</p> <p>Less than \$10,000 <input type="checkbox"/></p> <p>\$10,000 or more <input type="checkbox"/> ⇒ \$ _____ <small>Income (nearest \$20,000)</small></p> <p>Provide a good faith estimate, rounded to the nearest \$20,000, of all lobbying related income from the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).</p>	<p>13. Organizations</p> <p>EXPENSES relating to lobbying activities for this reporting period were:</p> <p>Less than \$10,000 <input type="checkbox"/></p> <p>\$10,000 or more <input checked="" type="checkbox"/> ⇒ \$ <u>200,000</u> <small>Expenses (nearest \$20,000)</small></p> <p>14. REPORTING METHOD. Check box to indicate accounting method. See instructions for description:</p> <p><input type="checkbox"/> Method A. Reporting amounts using LDA definition</p> <p><input checked="" type="checkbox"/> Method B. Reporting amounts under section 6621 Internal Revenue Code</p> <p><input type="checkbox"/> Method C. Reporting amounts under section 1101 Internal Revenue Code</p>

Signature Benson F. Roberts

Printed Name and Title Benson F. Roberts, Vice President for Policy

LD-2 (REV. 6/98)

Local Initiatives
Registrant Name Support Corporation Client Name _____

Information Update Page - Complete ONLY where registration information has changed.

20. Client new address

21. Client new principal place of business (if different from line 20)

City

State/Zip (or Country)

22. New general description of client's business or activities

LOBBYIST UPDATE

23. Name of each previously reported individual who is no longer expected to act as a lobbyist for the client

Stephanie Matthew-O'Keefe

ISSUE UPDATE

24. General lobbying issues previously reported that no longer pertain

AFFILIATED ORGANIZATIONS

25. Add the following affiliated organization(s)

Name	Address	Principal Place of Bu (city and state or co

26. Name of each previously reported organization that is no longer affiliated with the registrant or client

FOREIGN ENTITIES

27. Add the following foreign entities

Name	Address	Principal place of business (city and state or country)	Amount of contribution for lobbying activities

28. Name of each previously reported foreign entity that no longer owns, or controls, or is affiliated with the registrant affiliated organization

Signature _____ Date _____

Printed Name and Title _____

Form LD-2 (Rev. 6/98)

Page .

Local Initiatives

Registrant Name Support Corporation Client Name _____

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the r engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code information as requested. Attach additional page(s) as needed.

15. General issue area code BUD (one per page)

16. Specific lobbying issues

- Justice Department Budget/Appropriations
- Section 4/Home CHDO Technical Assistance
- Various housing and community development issues (urban and rural)
- VA/HUD Appropriations
- VA/HUD Budget

17. House(s) of Congress and Federal agencies contacted Check if None

- Senate
- House of Representatives
- Department of Housing and Urban Development
- Office of Management and Budget

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)
Barbara Burnham	
Benson Roberts	
Stephen Sugg	

19 Interest of each foreign entity in the specific issues listed on line 16 above Check if None

Signature _____ Date _____

Printed Name and Title _____

Form LD-2 (Rev. 6/98)

Page _

Local Initiatives
Registrant Name Support Corporation Client Name _____

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant is engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code information as requested. Attach additional page(s) as needed.

15. General issue area code HOU (one per page)

16. Specific lobbying issues

Section 4/Home CHDO Technical Assistance
Various housing and community development issues (urban and rural)

17. House(s) of Congress and Federal agencies contacted

Check if None

Senate
House of Representatives
Department of Housing and Urban Development
Office of Management and Budget

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)
Barbara Burnham	

19. Interest of each foreign entity in the specific issues listed on line 16 above

Check if None

Signature _____

Printed Name and Title _____

Form LD-2 (Rev. 6/98)

Page _

Local Initiatives
Registrant Name Support Corporation Client Name _____

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant was engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code and provide information as requested. Attach additional page(s) as needed.

15. General issue area code LAW (one per page)

16. Specific lobbying issues

Justice Department Budget/Appropriations

17. House(s) of Congress and Federal agencies contacted

Check if None

House of Representatives

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)
Barbara Burnham	

19. Interest of each foreign entity in the specific issues listed on line 16 above

Check if None

Printed Name and Title _____

Form LD-2 (Rev 6/98)

Page _

Local Initiatives
Registrant Name Support Corporation Client Name _____

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant is engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code and attach additional page(s) as needed.

15. General issue area code TAX (one per page)

16. Specific lobbying issues

- H.R. 839
- S. 875
- H.R. 2
- Tax Legislation

17. House(s) of Congress and Federal agencies contacted

Check if None

- Senate
- House of Representatives
- Treasury

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)
Barbara Burnham	
Benson Roberts	

19. Interest of each foreign entity in the specific issues listed on line 16 above

Check if None

Signature _____ Date _____

Printed Name and Title _____

Form LD-2 (Rev. 6/98)

Page

COUNTYWIDE RECLASSIFICATION EXECUTIVE SUMMARY

In 1989 Congress established the Medicare Geographic Classification Review Board specifically instructed the Department of Health and Human Services, Centers for Medicare Medicaid Services (CMS) to provide for countywide reclassifications. CMS promulgated regulations limiting counties eligible for these reclassifications to a county included in a PM that is a part of a CMSA (a short list of counties adjacent to large urban areas such as Chicago, New York City and Los Angeles. Accordingly, CMS established criteria to demonstrate that countywide costs are "comparable" to the area to which the county seeks redesignation. CMS chose to develop formulas comparing countywide costs per discharge to the Prospective Pay System (PPS) rates that hospitals were paid in both the home geographic area and secondly, rate they would be paid if the hospitals were reclassified. If the countywide cost per case exceeded the base rate plus 75% of the difference between the base rate and the reclassified rate - then the county hospitals met this criteria for reclassification. CMS used *rates as a proxy* for costs.

In FFY 1995 twenty-three counties were granted countywide reclassifications. Starting in 1996, the number of countywide reclassifications began to plummet because the relationship of costs to rates has changed over time. The site of care has shifted to outpatient for many services and hospitals have greatly expanded the outpatient units. Also, many hospitals have opened post acute care units (SNF, psych, rehab, home health) and now allocate fixed overhead costs to these newer units instead of the fixed costs being fully absorbed by the inpatient PPS unit. The result of this is that counties are denied reclassification simply because of the change in how medicine is practiced in the twenty-first century compared to earlier years.

In 1999, Congress granted two-year reclassifications in Section 152 of the BBRA to four counties (Lake County, Indiana; Butler County, Ohio; Brazoria County, Texas; and Orange County, New York) that could no longer meet the countywide criteria. Through administrative action CMS extended these reclassifications through September 30, 2003.

These "Section 152 hospitals" are seeking either a permanent reclassification or a renewal of the earlier reclassifications. Some believe that such an extension is likely before Congress adjourns in October 2002.

We seek inclusion on the list of "Section 152 hospitals" if there is legislation to renew Section 152 reclassifications through Congress. Legislation needs to be approved for this hospital effective for discharges occurring October 1, 2002 and thereafter. The Section 152 hospitals need renewal as of October 1, 2003.

In the alternative, we request that Congress or the Administration change the criteria to equal the individual hospital reclassification and allow countywide wage index reclassification if the countywide group meets the 85% of average hourly wage criteria without requiring the most restrictive cost per case criteria to be met.

