



Customized Briefing for Kimberly Barry-Curley

May 13, 2013

From NAHU
Leading the News
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Leading the News

Obama Launches Campaign Touting ACA At Mother's Day Event.

Over the weekend, several national outlets and a handful of beltway publications covered President Obama's Friday event at which, in honor of Mother's Day, he touted the Affordable Care Act to a large group of women. The articles all noted that this event marked the beginning of a long campaign in which the President and his Administration will attempt to both combat negative and false information about the law, as well as enroll millions of uninsured Americans under its provisions.

For its part, the AP (5/10, Pace, Kuhnhenn) reported that on Friday, President Obama held a White House event urging women and families to sign up for Affordable Care Act health insurance exchanges. The President, "caught between nervous Democrats and emboldened Republicans...stepped up the sales pitch on his healthcare overhaul as the final elements of his top domestic achievement go into effect. With his legacy and the law's success at stake, Obama said: 'The law is here to stay.'" The AP said the White House is preparing "a campaign-style effort to get healthy young people to sign up for the insurance 'exchanges' in order to keep premium costs from skyrocketing."

The New York Times [5/11, Pear, Baker, Subscription Publication) reported that President Obama said he was "110 percent committed" to delivering the law's benefits on time, asking consumers to not be "bamboozled by critics spreading misinformation about the law."

The Washington Post [5/11, Eilperin) called the Mother's Day event "spirited," quoting the President as saying that he and his team "are going to keep fighting with everything we've got . . . to make sure that every American gets the care that they need when they need it, at a price that they can afford."

The Los Angeles Times [5/11, Levey, Hennessey) reported that the new enrollment campaign will "rely on some of the same tools that the reelection campaign pioneered for voter turnout, including extensive use of social media, mobilization of volunteers and data-driven outreach." The President's advisers "have begun to identify target groups, comb census tract information and develop key messaging," making the push somewhat similar "to a massive voter registration drive."

CQ [5/11, Ethridge, Subscription Publication) reported that enrolling the young and healthy "is crucial to stabilizing the marketplace, because the healthier people will balance out the costs of covering enrollees who are older and sicker." as such, "the ratio of healthy people to sicker people who participate in the exchanges will affect the premium rates in the second year."

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Legislation and Policy

Study Finds Continued Confusion, Worries Surrounding ACA.

The Wall Street Journal [5] (5/13, Mathews, Subscription Publication) reports on the findings of a new study, out of the nonprofit Patient Advocate Foundation. Among its conclusions are that many Americans remain confused about most provisions of the Affordable Care Act; another is that a large number still worry about accessing coverage. The article notes that the foundation focuses on consumers with serious medical issues, so the data is skewed toward that population.

Small Businesses Fearing Impact Of ACA.

The Washington Post [6/13, Harrison) reports that "many small-business owners" are worried about the Affordable Care Act's tax on insurance providers, fearing it "will mean higher premiums for them, undermining the law's capacity to lower their health-care costs." The article explains that "starting next year, the federal government will charge a new fee on health insurance firms based on the plans they sell to individuals and companies, known as the fully insured market." However, "because most large corporations self-insure their workforce, experts warn that insurance companies will pass the costs directly to small businesses."

Similarly, The Hill [5/11, Baker] "Healthwatch" blog reported on a new Gallup poll which found that "nearly half of small businesses think President Obama's healthcare law will be bad for business." Forty-eight percent "of the employers surveyed said they believe the healthcare law will hurt their businesses, compared with just 9 percent who said the law will be good for business."

Growing Tension Between Cost-Control Measures, Patient Care In US Detailed.

The Los Angeles Times (5/12, Terhune) reports on "the growing tension in healthcare over how to eliminate wasteful spending without compromising the care of the sickest, most expensive patients. Under pressure to curb ballooning medical costs and hold down premiums in advance of a massive expansion of health coverage, insurers are increasingly forming smaller networks of physicians and hospitals." However, "some experts worry these cost-control measures could go too far."

Illegal Immigrants Receiving ACA Coverage Seen As Political Nonstarter.

Politico (5/13, Cunningham) reports on the intersection between healthcare and immigration reform, noting that allowing illegal immigrants to receive health coverage is "a nonstarter politically." The article explains, "Keeping millions uncovered for a decade or more has some of the health policy experts worried. But they recognize the conversation isn't likely to shift their direction anytime soon - not as long as it remains no-brainer politics."

Advocate Calls For Including The Undocumented In ACA Coverage. Reshma Shamasunder, director of the California Immigrant Policy Center, called for undocumented immigrants to be included in the Affordable Care Act's coverage provisions in a piece for the Huffington Post (5/10) blog. She wrote, "All immigrants on the pathway to citizenship, which could potentially take a decade

or more, should be eligible for Medicaid and other programs, perhaps with a waiting period similar to other immigrants if necessary." In honor of Mother's Day, Shamasunder concluded, "like all of us, immigrant moms have a lot of things to worry about. Health care shouldn't be one of them."

California Governor, Fellow Democrats At Odds Over Healthcare Reform.

The Los Angeles Times (5/11, York, Megerian) reported that Gov. Jerry Brown and his fellow Democrats in the state legislature are at odds over how to reform the state's healthcare system, which the Times described as "sprawling" and "complicated." Democrats in the Legislature hope to enable easier access to public insurance than the governor does. They also want to "send more money to the doctors, hospitals and counties" than Brown. During hearings on the issue, lawmakers have urged Brown officials to elaborate on their healthcare plans, "making clear that they find the governor's plans lacking." And, the issue is expected to grow "increasingly tense" as Brown gets ready to unveil his revised budget proposal on Tuesday. That plan is set to launch the legislature's "most intense spending negotiations this year, resulting in the budget that is due to take effect July 1."

HHS Approves Utah Exchange, Dividing Duties Between State And Feds.

The AP IS (5/10) reported that Utah is the first state to get Federal approval for a plan that will divide responsibilities for a health insurance exchange between the state and the Federal government. Utah will "continue to run its existing health insurance marketplace for small businesses, a system that lets employees pick healthcare plans in an online exchange," while "the federal government will run the state's individual exchange." Utah Gov. Gary Herbert "applauded Health and Human Services Secretary Kathleen Sebelius for her willingness to work with Utah in crafting a plan that works for both sides." He said HHS has "granted us everything that we asked for, and for that I'm grateful."

Oakland Health Center Gets Federal Grant.

The <u>Cumberland (MD) Times-News</u> [5/12] reports, "U.S. Sens. Barbara Mikulski and Ben Cardin along with Health and Human Services Secretary Kathleen Sebelius announced new funds to help more uninsured Marylanders enroll in affordable health insurance coverage made available by the Affordable Care Act, according to a news release." In the state of "Maryland, an estimated \$1.6 million is available to support 16 community health centers including the Western Maryland Health Care Corp. on Memorial Drive in Oakland. The funds will give the centers the ability to hire staff and enroll people in affordable health plans."

Insurers Preparing IT To Meet ACA Standards.

Government Health IT (5/10, Brino) reported that insurance plans that will participate in the ACA's public health insurance exchanges "are gearing their IT for the Affordable Care Act's risk adjustment and reinsurance programs, which are aimed at limiting the problems of adverse selection and premium volatility and also happen to be among the more intensive data management requirements in exchanges." The report says plans "have to set up edge servers for data sharing with the Centers for Medicare & Medicaid Services," which "will need fairly granular health plan data (de-identified of course)" for both the permanent risk adjustment program and the transitional reinsurance program.

CMS Looking Into Implications Of Adopting EHRs.

American Medical News [5/13, Fiegl) reports that "CMS lately has become concerned about the unintended consequences of EHR adoption." As such, "Jonathan Blum, CMS deputy administrator and director of the agency's Center for Medicare, stressed that the program's own data don't yet point to evidence of such a correlation, but he noted that CMS was looking into the matter." He said, "We have begun efforts to study whether there are differences in coding patterns for those who have adopted EHRs versus those who have not."

WSJ Predicts ACA Will Reverse Recent Health Spending Slowdown.

In an editorial, the Wall Street Journal [6] (5/13, Subscription Publication) predicted that the health spending slowdown will not continue

because full implementation of the Affordable Care Act is fast approaching. The paper argued that the slowdown is due to structural changes that started before the ACA was passed, and the law will become another example of Washington creating new problems as the old ones were beginning to fix themselves.

Bruni Warns US "Clueless" On ACA.

In his New York Times [6/12, Subscription Publication) column, Frank Bruni writes that despite having "talked Obamacare to death," a recent poll found that 40% "don't even know that it's a law on the books." This is just the latest survey data showing how ignorant Americans can be, Bruni suggests, noting a recent survey found 21% believe "a UFO landed in Roswell, NM" and there has been a government cover-up, while 14% believe Bigfoot exists. A third survey from 2012 found 65% in the US "can't name a single Supreme Court justice." Bruni says it's not news "that we Americans are out to lunch," but sometimes "a fresh factoid like the Obamacare ignorance comes along to remind us that we're out to breakfast and dinner as well." He then warns, "A clueless electorate is a corruptible one, and one that seems ill poised to make the smartest, best call about something as sweeping as Obamacare and how it gets tweaked or not down the line."

Turner Slams Still Difficult Application Process For ACA Coverage.

Grace-Marie Turner, president of the Galen Institute, wrote in an op-ed for the Wall Street Journal (5/11, Subscription Publication) that while the President says the process for applying for ACA insurance has been simplified, the new three-page application is shorter in part due to smaller type, and the application for families, previously 21 pages long, is now 11 pages but requires just as long to complete. Turner says there is also a 61-page online form in the works.

Public Health and Private Healthcare Systems

Dangers Found In Lack Of Oversight Of Medicare Drug Benefit.

The Washington Post [6/12, Weber, Ornstein) reported that a ten year old "the initiative, the biggest expansion of Medicare since its creation in 1965, proved wildly popular. It now serves more than 35 million people, delivering critical medicines to patients who might otherwise be unable to afford them" and it's cheaper than was expected. "But an investigation by ProPublica has found the program, in its drive to get drugs into patients' hands, has failed to properly monitor safety" and "an analysis of four years of Medicare prescription records shows that some doctors and other health professionals across the country prescribe large quantities of drugs that are potentially harmful, disorienting or addictive for their patients." In addition, there has been little done to address the issue by Federal officials.

The Washington Post (5/12, Weber, Ornstein) notes several steps that analysts and researchers suggest Medicare could do to improve Part D drug benefits. One such was to "regularly analyze data to identify high prescribers of drugs that are frequently abused, misused or particularly risky for the elderly. Search for those who prescribe drugs for patients outside the intended population, such as children receiving Alzheimer's medications"

Prescriber Checkup Created As Tool To Find Doctors That Are Active Medicare Part D. The Washington Post (5/12, Weber, Ornstein) reports that the purpose of Prescriber Checkup is a tool that makes it "easy to search for doctors and other health providers who are active in Medicare's prescription drug program, called Part D." Up "until now the identities of doctors and which drugs they prescribed in Medicare Part D have not been public. ProPublica obtained the data under the Freedom of Information Act and investigated prescribing patterns. We are making the data available to help consumers stay informed."

Study Finds Medicaid Churn Leads To Costly Care, Hospitalizations.

The Hill [5/13, Viebeck] "Healthwatch" blog reported on a new study out of George Washington University, examining Medicaid "churn," which happens when "beneficiaries move on and off the rolls because of small variations in income." The researchers found that this churn "leads to more hospitalizations and higher costs for patients." According to the findings, "a Medicaid beneficiary enrolled consistently for 12 months pays \$333 in medical bills per month, on average. Patients enrolled for six months paid \$469, and those enrolled for one month paid \$625."

Senate Finance Committee Seeking Input For Medicare Reform.

CQ f (5/11, Reichard, Subscription Publication) reported that on Friday, the Senate Finance Committee leaders called on physician groups "to advise them on what changes should be made in the short term to Medicare's fee-for-service physician payment system." The panel, along with "key House committees," are seeking "a broader overhaul of the troublesome Medicare Sustainable Growth Rate physician payment system," as well as looking to fix the entire system. Committee Chairman Max Baucus (D-MT) and ranking Republican Orrin Hatch of Utah said in a letter to the healthcare provider community, "We must improve the current system to ensure that it makes appropriate payments for physician services, reduces unnecessary utilization and improves quality while also easing the transition to new payment models,"

The Hill [5/11, Viebeck] "Healthwatch" blog reported that the letter read further, "Our ultimate goal is for Medicare to pay physicians and other healthcare providers in a way that results in high quality, affordable care for seniors. We support identifying alternative models, including those being currently tested, with a clear recognition that these will take time to develop and scale."

GAO Calls For Alternative To Current Medicaid Matching Formula.

CQ [5/11, Adams, Subscription Publication) reported that the Government Accountability Office has "reached an attention-grabbing conclusion: The Federal [Medicaid] matching rate formula isn't fair." Under "the current system, states on average get a federal matching rate of 57 percent, but the share varies widely among states." The GAO believes that "the formula should be based on a more nuanced analysis."

HHS OIG: Medicare Overspent \$510M On ESRD Treatments.

Modern Healthcare [5/11, Lee, Subscription Publication) reported that the Centers for Medicare and Medicaid Services and "Medicare beneficiaries could have saved an estimated \$510 million on drugs used to treat end-stage renal disease [ESRD] in 2011 if the reimbursement rate more accurately reflected current usage of these drugs," according to a report [6] (pdf) from HHS' Office of Inspector General. The "report estimates about \$510 million was overspent" on Amgen's "Epogen [epoetin alfa] and Aranesp [darbepoetin alfa]," and notes that there "may have been additional \$19 million in savings for two iron supplements, Venofer and Ferrlecit." Together the "four drugs, the most commonly prescribed anemia management drugs in 2011, make up about 25% of the base rate payment made to dialysis centers for each dialysis treatment provided to each Medicare beneficiary."

States Continue To Progress Toward Medicaid Expansion Decisions.

Over the weekend through Monday, several states are in the news for progressing toward their Medicaid expansion decisions. Arizona, where Governor Jan Brewer has vowed to stop signing bills until her expansion proposal is considered, and Michigan, where lawmakers and stakeholders reacted to a Republican alternative offered last week, receive the most coverage, though it is mostly regional.

Brewer Stops Bill Signings Over Medicaid Impasse In Arizona. The AP (5/13) reports that Arizona Gov. Jan Brewer (R) "told lawmakers on Friday not to send her any more bills until there was significant progress on the budget and a proposed Medicaid expansion that has divided the GOP and triggered a legislative stalemate with no immediate end in sight." Brewer's spokesman Matt Benson "said the Legislature has had more than enough time to resolve budget issues." Noting that Benson "singled out House Speaker Andy Tobin as particularly unreceptive to a compromise," the AP adds that "Tobin vowed that the Legislature would enter the new fiscal year beginning July 1 with a budget, but he gave few clues as to when a compromise might be brokered."

The Arizona Republic [6/10, Pitzl] quoted Benson as stating: "The governor believes it's time to buckle down and get working on Medicaid and the budget." Benson "noted the 120th day of the legislative session is next week, and four months is ample time for lawmakers to get their work done." In response, Tobin "said he talked with the governor Tuesday and understands her desire to see action on the big issues of the session," stating: "Message received."

The Arizona Daily Sun [6/11, Fischer] reported that Tobin "credited Brewer for waiting this long before drawing the line in the sand," however, he indicated that "the problems the governor's action creates are not just political."

Response To GOP Medicaid Proposal Mixed In Michigan. The AP [6/13, Eggert) reports from Lansing, MI, that Michigan Department of Community Health Director James Haveman "on Friday was both receptive to and critical of Republican

lawmakers' alternative plan to make more low-income uninsured adults eligible for Medicaid, expressing confidence that a deal will be reached within a month." Haveman "told The Associated Press he is a 'glass half-full guy' despite having concerns with the legality of a proposed four-year cap on health insurance for nondisabled adults." Noting that "the administration has concerns with putting a time limit on insuring low-income adults," Haveman "said he has not talked to the federal Centers for Medicare & Medicaid Services about the idea."

Referring to the time limit, Crain's Detroit Business (5/12, Gautz) reported that House Minority Leader Tim Greimel (D-Auburn Hills) "called the plan heartless and irresponsible because there will be people who hit the lifetime cap." House Speaker Jase Bolger (R-Marshall) noted that "there has been some initial pushback from the Snyder administration... because it has not seen any such waivers be approved before by the federal government."

MLive (5/10, Oosting) reported, "Bolger acknowledged Thursday that the Obama administration may not buy in to the four-year cap, which he believes would be the first of its type the nation." According to House Republicans, "the plan would ensure that Medicaid functions as a 'hand up' rather than a 'hand out.'" Michigan Gov. Rick Snyder, who "previously proposed that the state accept federal funding to expand Medicaid," indicated that his "administration is open to alternatives but expressed concern about the four-year coverage cap that House Republicans proposed on Thursday."

Michigan Public Radio

(5/11, Neher) and Michigan Capitol Confidential

(5/11, Spencer) also reported on the story.

Iowans Increasingly Concerned About Medicaid Expansion. The AP

(5/13, Lucey) reports from Des Moines, IA, "As negotiations drag out in the state Capitol over how to best provide health coverage for low-income residents, some lowans are starting to worry about what the debate means for their doctor visits." The AP adds, "State lawmakers have been arguing for months over how to approach health coverage for lowa's low-income population." Although "Democrats who control the state Senate favor the Medicaid expansion permitted under President Barack Obama's health care overhaul," Gov. Terry Branstad and "Republicans who hold a majority in the state House oppose the expansion and have proposed revamping lowaCare instead."

Similarly, in the Des Moines (IA) Register (5/12), Iowa Rep. John Forbes (D-Urbandale) writes, "The Iowa Legislature, working in overtime this session, still was negotiating major issues last week: health care for Iowa's neediest population, education reform, allowable growth for Iowa's schools and commercial property tax reform." Noting that "conference committees met to work out differences," Forbes adds, "Health care comes down to supporting Gov. Terry Branstad's plan or the Senate plan, which expands Medicaid for more than 150,000 Iowans at a much lower cost."

Bryant "Veers" Off Script In Medicaid Expansion Debate. In an analysis piece, the AP (5/13) reports that Mississippi Gov. Phil Bryant seems to have "veered from the script" when he said "he would try to run Medicaid even if the Legislature failed to pass bills reauthorizing or funding the program." According to the AP, "beyond the cloudy legality of the Republican's claim, it turns away from the clear-as-glass GOP strategy of blaming Democrats for voting against the program and causing a calamity where 640,000 Mississippians wouldn't have health care coverage come July 1." While Bryant's comments "likely to encourage some Democrats to keep fighting," the AP notes that "an attempt to keep the agency alive by executive fiat is almost certain to be tested in court."

Similarly, the <u>Brookhaven (MS) Daily Leader</u> (5/13, Bedillion) reports, "Bryant will not call a special legislative session regarding Medicaid unless Democrats agree beforehand to renew the program as is without expansion, the Mississippi governor said last week in an interview with The Daily Leader editorial board."

And in related news, the AP (5/10) reports that at a forum hosted by the Mississippi Health Care Access Coalition, Medicaid advocates claimed that "opting out of Medicaid expansion will cost Mississippians and destabilize hospitals." They highlighted that "significant reductions in Medicare reimbursements and disproportionate share payments – designed to help hospitals with high levels of uncompensated care – make it imperative that more Mississippians are covered by health care insurance."

Pennsylvania Medicaid Expansion Debate Expected To Last Until 2015. The Pittsburgh Post-Gazette (5/13, Langley) reports, "Even if Gov. Tom Corbett decides to expand Medicaid eligibility, negotiating and implementing a program would likely take until January 2015, the administration's top human services official said Friday." According to Beverly Mackereth, acting secretary of the Department of Public Welfare, "that timeline would delay expansion in Pennsylvania at least one year from its start in the federal health care law." Although "Corbett has declined to endorse expansion, saying it would be too costly," the Post-Gazette notes that "he has not ruled out ultimately agreeing to a form of expanded access, and after meeting last month with Secretary Kathleen Sebelius of the U.S. Department of Health and Human Services."

Cassidy Touts Medicaid Expansion Alternative For Louisiana. The New Orleans Times-Picayune [5/13, Alpert] reports that Rep. Bill Cassidy (R-Baton Rouge) "has reintroduced a slightly modified version of his 2012 legislation that would overhaul

how Medicaid is financed. This time, he is getting more traction from fellow Republicans, though still little encouragement from Democrats." According to Cassidy, "his proposal a 'game changer' for Medicaid."

In separate but related news, the New Orleans Times-Picayune [5/13, Maggi) reports St. Thomas Community Health Center "officials held a news conference to urge Louisiana lawmakers to support bills that would expand health insurance coverage to low-income people through the Affordable Care Act." Noting that, "so far, legislators have rejected a proposal to expand the federal Medicaid program next year," clinic leaders "have warned that once that program ends they will have to cut back on services without the state taking some kind of insurance expansion."

Hickenlooper Expected To Sign Colorado Medicaid Expansion Bill Today. The AP (5/13) reports that Democratic Gov. John Hickenlooper will sign Colorado's Medicaid expansion bill into law Monday afternoon at the Capitol. According to the article, "supporters of the expansion say it will reduce health care costs in the long run. But most Republicans voted against the expansion, saying the state's cost can balloon once the federal government stops paying for growing the program."

Medicaid Task Force To Meet This Week In South Dakota. The Rapid City Journal [5/13, O'Sullivan) reports that "the Medicaid Opportunities and Challenges Task Force will meet early next week in Rapid City." According to officials, "the task force is a brainchild of Gov. Dennis Daugaard. Its intent is to identify the pros and cons of expanding Medicaid in the state."

Indiana Lawmaker Condemns GOP "Punting" On Medicaid Expansion In Indiana. The Munster (IN) Times (5/13, Carden) reports that House Democratic Leader Scott Pelath (D-Michigan City) "said he can't believe the Republican-controlled General Assembly 'punted on the biggest jobs bill in a generation' by refusing to expand Medicaid eligibility to 400,000 uninsured Hoosiers." According to Pelath, "senseless Indiana Republican opposition to Democratic President Barack Obama means Hoosiers lose twice - they won't get the health care jobs and, more importantly, they won't receive health care."

Advocacy Group To Educate Public On Medicaid Expansion In West Virginia. The Beckley (WV) Register-Herald (5/11, Holdren) reports, "Now that Gov. Earl Ray Tomblin has approved the Medicaid expansion plan, West Virginians for Affordable Health Care (WVAHC) plans on educating the public on who is eligible, what is available and where to sign up." According to Doris Selko, WVAHC Southern Regional coordinator, "this expansion plan will benefit many West Virginians."

In related news, the Charleston (WV) Daily Mail [5/13, Harold) reports, "Patients with Medicaid currently have little reason to avoid unnecessary visits to doctors' offices and hospitals, however. No matter how many times they go, no matter how serious or trivial their medical need, Medicaid recipients pay the same thing: nothing." However, "that soon will change... as West Virginia moves forward with its expansion of Medicaid under President Obama's Patient Protection and Affordable Care Act."

Costs Of Medicaid Expected To "Grow Dramatically" In Ohio As Population Ages. The Lancaster (OH) Eagle (5/11, Lanka) reports, "This year's Medicaid expansion debate has centered on providing care to more people, but a separate factor will play a large role in how expensive the health care program will become: cost for care of an aging population." According to officials, "regardless of whether the state expands Medicaid, its costs will grow dramatically during the coming decades as Ohio's population ages." Ohio Medicaid spokesman Sam Rossi revealed that, "in 2012, the state spent \$2.5 billion on nursing facilities and \$615 million on community options."

North Carolina Health Officials Lay Out Plan For Medicaid Overhaul.

The <u>Greater Triad Area Business Journal</u> (5/10, Covington, Subscription Publication) reported that North Carolina health officials on Friday "laid out why it's necessary to overhaul North Carolina's Medicaid program and what the guiding focus will be, but offered few further details about what the reform would look like." The state's top health official, Dr. Aldona Wos, "said the Medicaid program needs to be refocused on delivering the right care, at the right time, and at the right cost." The Business Journal says that "right now, all that's publicly been presented is a broad outline of the 'The Partnership for a Healthy North Carolina,' plan." The state plans to "contract with three or four 'comprehensive care entities,' which would be public or private, for-profit or nonprofit organizations."

Oregon Plans' Premium Proposals Show Competition, Little Rate Shock.

The <u>Kaiser Health News</u> [5/11, Galewitz) "Capsules" blog reported that last week. Oregon "became the fourth state to publicly list health insurers' proposed rates for individual and small group coverage," and the release included good news for the Obama Administration. Indeed, "Providence Health Plan and Family Care Health Plans sought to lower their rates when they noticed they were out

of whack compared to competitors - five months before the health law's new online marketplaces even open for enrollment." Further, the filings make it clear that "there's little sign in Oregon of the major premium hikes that the industry has been warning about for months."

Michigan Provider, Insurer Partner To Create New Outcomes-Based Model.

MiBiz (5/13, Sanchez) reported on a new contract between Trinity Health and Blue Cross Blue Shield of Michigan, which "follows an emerging movement that's beginning to significantly alter how hospitals and doctors are paid by implementing an outcomes-based model." Executives say that the new agreement "promises to improve quality and drive costs lower." The article notes that the new system "does away with the long-used fee-for-service reimbursement model that's largely viewed as driving volumes higher for diagnostic tests and generating costly redundancies in health care"

Audit: Arkansas System Inadequate To Support Medicaid Billings.

The Log Cabin (AR) Democrat [5] (5/11, Moritz) reports, "An audit of state programs that receive federal funding found documentation inadequate to support about \$1.3 million in Medicaid billings." The Arkansas "Department of Human Services officials told the Legislative Joint Auditing Committee Friday that they reviewed the audit findings and that all the services were provided." According to officials, "the problem... is the volume of documentation requirements on both the state and federal level."

Mississippi Medicaid To Resume Paying Social Workers.

The AP I (5/12) reports, "Mississippi Medicaid officials will resume paying state Health Department workers to help women with high-risk pregnancies." The agreement, which starts June 1 and expires June 30, 2014, "reverses last month's decision by the [state] Health Department to lay off 82 social workers." According to Mississippi Health Department spokeswoman Liz Sharlott, "the program provides home visits to about 6,200 mothers and infants, combined, each year" and is "aimed at mothers who previously had premature or low weight babies, and mothers who smoke or have chronic diseases such as diabetes."

Medicare Rate Drop Troubles Virginia Equipment Companies.

The Norfolk (VA) Virginian-Pilot (5/13, Jeter) reports, "People on Medicare in Hampton Roads soon will pay less for hospital beds, wheelchairs and other medical equipment they use at home, according to the federal government." According to the Centers for Medicare and Medicaid Services, "rates here will drop an average of 41 percent starting July 1." Although "officials say the new competitive bidding program will cut Medicare costs by \$25.7 billion between now and 2022," equipment companies "say that the bidding process was flawed, and that they'll struggle to provide the same quality and customer service at such low rates – possibly even being forced to leave the business."

Dr. Kitzhaber Diagnoses An Oregon Medicaid Study.

In his column in The Oregonian (5/12, Sarasohn) David Sarasoh writes, "In its May 2 issue, the journal reported a study on Oregon's experience in 2008, when it held a lottery to assign some available slots in the Oregon Health Plan, our version of Medicaid. This allowed for a comparison of the health outcomes for similar people, some getting health insurance, some not." He said, "People were happy about having health insurance, and there were clear statistical gains on the problem of depression - and the two circumstances seem related."

Senior Market News

Advocates Seeking Medicare Coverage Of New Alzheimer's Diagnostic.

CO (5/11, Adams, Subscription Publication) reported that "advocates are lobbying Medicare officials hard to decide this summer to cover a new imaging technology that can diagnose Alzheimer's disease." However, "if officials do, they'll be rejecting the advice of an advisory panel that found inconclusive evidence earlier this year on the question of whether the test would help patients delay the disease, or otherwise live healthier lives." The article notes that this is "a classic struggle of the kind that occurs when devastating illnesses lack treatments, patients nevertheless see value in knowing what they are up against, and diagnostic tests that aren't yet perfected pose real

trade-offs."

Consumer Directed Healthcare News

HHS Announces Expansion Of Healthcare Call Centers In Six States.

The <u>Kaiser Health News</u> [5/11, Galewitz) "Capsules" blog reported that HHS has announced the expansion of call centers in six states, designed to help consumers understand coverage opportunities available to them under the Affordable Care Act. As the article points out, four states receiving the additional funding-- Virginia, Kansas, Florida, and Arizona --are led by Republicans who have opposed the law. Along with Iowa and Kentucky, the call center expansions will add up to 9,000 jobs in these states.

Uninsured

Florida Prepares For Massive Health Insurance Enrollment.

The Orlando (FL) Sentinel (5/12) reports, "Facing the next big health-care challenge in Florida, Uncle Sam plans to enlist hundreds of consumer 'navigators' over the next several months to help enroll up to 3.5 million uninsured state residents by January, when everyone is required to have health insurance." Potential "navigators are preparing to plunge into neighborhoods, schools, clinics, unemployment offices, farm-labor hubs, college campuses, churches and companies about to lay off workers – wherever the uninsured can be found – to persuade them to enroll in a health-care plan, help them to fill out the forms and determine if they're eligible for tax credits to help pay for it." A week ago, "Health and Human Services Secretary Kathleen Sebelius announced that Florida's 48 community health centers will get \$8.1 million to help the uninsured enroll."

Friday's Lead Stories

- Administration Officials Insist Exchanges Will Be Ready.
- NAHU's Waltman Comments On CMS Navigator Rule.
- House Small Business Subcommittee Holds Hearing On ACA.
- Kentucky, Michigan Move Toward Medicaid Expansion.
- HHS Offers Community Health Centers \$150 Million To Enroll Uninsured.
- Retired NFL Players Sue League To Pay For Medical Bills.

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