

Customized Briefing for Kimberly Barry-Curley

From NAHU Leading the News Legislation and Policy

Public Health and Private Healthcare Systems

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Leading the News

In Pointed Inaugural Address, Obama Defends Entitlement Programs.

Print media and network television offer exhaustive coverage of President Barack Obama's 18-minute speech Monday. Universally, the reports note that Obama's address was unusually specific for an inaugural address; rather than rhetoric, the President laid out his agenda for the next four years in a somewhat partisan manner. Many sources compare the speech to a State of the Union address, complete with a "liberal" or "progressive" platform. Though not the main focus of the speech, the President made mention of entitlement programs Medicare and Medicaid, calling them "commitments we make to each other." In analyses, many outlets saw this as a defense, and his comments that these programs "do not make us a nation of takers; they free us to take the risks that make this country great," as a thinly veiled swipe at Republicans, adding to the unusually partisan tenor of his address.

In its front-page story on President Obama's inauguration ceremony, the <u>New York Times</u> **1**(1/21, A1, Shear, Subscription Publication) reports,

"Barack Hussein Obama renewed his oath of office at midday Monday, ceremonially marking the beginning of another four years in the White House and firmly embracing a progressive agenda centered on equality and opportunity." In addition to focusing on "both gay rights and the need to address climate change," the President made a passing mention of Medicare and Medicaid, in "a direct rebuke to Republicans." He said, "The commitments we make to each other - through Medicare and Medicaid and Social Security - these things do not sap our initiative; they strengthen us. They do not make us a nation of takers; they free us to take the risks that make this country great."

On <u>NBC Nightly News</u> (1/21, story 2, 1:15, Williams), David Gregory offered his analysis of the President's inauguration address, saying, "A shorter speech, but a lot of substance there. Here you have a President talking about the need for economic restoration, but he's got a theory of the case. He's talking about lifting up the middle class. A robust defense of a progressive vision of what government ought to do, defending Medicare and Social Security. He'll make modifications, but in this era of budget cutting, he doesn't want to go too far, that's the case he made."

In a separate piece on <u>NBC Nightly News</u> (1/21, story 7, 4:30, Williams), Tom Brokaw referenced Medicare, as well as the Affordable Care Act and HHS Secretary Kathleen Sebelius. When discussing how the President and Congress will work together during Obama's second term, Brokaw said, "On the big issues of entitlement reform and what you're going to do about Social Security downstream and Medicare, something else that didn't come up today. This healthcare bill is complex and it depends on individual states to establish those exchanges. They're already in touch. For example, Utah has been in touch with Kathy Sebelius saying we need to do it on our own terms and she said, 'Okay, we can work this out.' So there's going to be a lot in play here."

The AP IIII (1/22, Espo) notes that Obama "referred briefly to making 'the hard choices to reduce the cost of health care and the



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size of our deficit,' a rhetorical bow to a looming debate in which Republicans are seeking spending cuts in health care programs to slow the rise in a \$16.4 trillion national debt."

In an analysis piece, <u>Reuters</u> (1/22, Holland) notes that some Republicans have reacted negatively to the President's comments on Medicare and Social Security, viewing them as a signal he is reluctant to make cuts to the programs ahead of deficit talks. For example, Don Stewart, spokesman for Senate Minority Leader Mitch McConnell said, "It was a speech outlining vigorous support for expanding the size and reach of government - at a time when there is a national call for, and bipartisan support of, reduced Washington spending."

A separate <u>Reuters</u> **IC** (1/22, Younglai) report offers more Republican reaction to the speech, including comments from Ohio Senator Rob Portman, who voiced disappointment that less common ground was addressed.

Politico **f** (1/22, Nather) reports that the President "drew a hard line" against "entitlement cuts that could change the basic structure of programs like Medicare or Social Security - making it clear that any measures to reduce the cost of health care must be done on his terms." And though "it wasn't a new message," by "reinforcing it in his inaugural address, Obama doubled down on the boundaries he has drawn in his fight with Republicans over the next stages of deficit reduction."

The Wall Street Journal [1/22, A1, Lee, Subscription Publication) also covers the story.

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Legislation and Policy

Brewer Proposes Taxing Hospitals To Pay For Medicaid Expansion In Arizona.

The AP floid (1/21, Christie) reports that Arizona Governor Jan Brewer, a "conservative Republican" who "surprised almost everyone when she announced last week" that she is supporting the expansion of Medicaid under the Affordable Care Act, is now "believed to be the first governor to publicly come up with a way to fund the controversial Medicaid expansion." She has proposed "to add about 300,000 low-income Arizonans to her state's Medicaid plan" by levying a "provider tax" on hospitals. This tax "is already used to fund some Medicaid plans in 39 states, but none have tapped it to pay for the federal expansion and many have at least some room to expand their hospital taxes."

Arizona Hospitals Back Brewer's Plan. The Ahwatukee Foothills News (AZ) (1/21, Fischer) reports, "Saying they are being crushed by the cost of patients unable to pay, hospital executives rallied Wednesday to back a plan by Gov. Jan Brewer to expand the state's Medicaid program." The article explains, "The governor's plan would impose a tax on hospitals to raise \$220 million a year. That would pay the costs for the state to expand eligibility for the Arizona Health Care Cost Containment System, the state's Medicaid program, to 138 percent of the federal poverty level from its current 100 percent."

Brewer's Support For Medicaid Expansion In Arizona "Surprising." The <u>New York Times</u> (1/20, Santos, Subscription Publication) reported on Gov. Jan Brewer's "surprising" support for Medicaid expansion, what she deemed as "one of the most difficult decisions" she had to make as a public servant. The Times explains that such support antagonizes her conservative base, who remain opposed to ACA, but opposition would bypass an opportunity to "shift the way she is viewed by a Latino population of increasing political influence, beyond her stern positions on immigration." Her support "could be simply a case of math trumping ideology: In 2014, the first full year of the expansion, Arizona stands to gain \$1.6 billion in federal matching funds, Ms. Brewer said." Nevertheless, a National Review Online editorial criticized Brewer, "saying she exemplified 'that unfortunately common strain of Republican leadership that is uncompromising in rhetoric but opportunistic in reality."

Sandoval Proposes Cost-Sharing To Pay For Medicaid Expansion In Nevada.

The <u>AP</u> **f i** (1/20, Chereb) reported that Nevada Gov. Brian Sandoval's "recommendation that Medicaid recipients share in the cost of care has been met with criticism from advocates for the poor," although Nevada already has some forms of cost-sharing in other social programs. "But critics say while that may be true for some programs, requiring copayments from Nevada's poorest residents to receive

care goes beyond acceptable boundaries," the AP said, noting that Sandoval "first mentioned cost sharing when he announced in December his decision to expand Medicaid eligibility as called for under the federal Affordable Care Act." He wants "a modest contribution," perhaps "\$1, maybe \$5, to see a doctor." The Legislature will take up the issue in February.

The Las Vegas Sun 1/22, Ryan) reports that "hundreds of thousands of Medicaid recipients in Nevada could be required to contribute a \$4 co-pay for a visit to the doctor's office starting in 2015." The U.S. Department of Health and Human Services "has released new regulations on what states may impose for co-payments under the Affordable Care Act when it goes into effect," and Nevada's Department of Health and Human Services is analyzing the regulations, in order to submit comments by Feb. 13. Governor Brian Sandoval told the state's Legislature that they "must ask certain Medicaid patients to make a modest contribution towards the cost of their own care."

President Obama Pushes HHS To Strengthen Mental Health System.

The Los Angeles Times **I** (1/19, Levey) reported that when President Obama "pledged this week to strengthen the nation's mental health system to help reduce gun violence, he also implicitly acknowledged that a gap remains in his signature effort to guarantee Americans access to healthcare." While mental health coverage was expanded in both 2008 and 2010, HHS "is still writing rules for both measures that will change how insurers deal with millions of Americans who suffer from mental illness and addiction." HHS Secretary Sebelius told the Times, "There have been difficult issues to deal with." The President has directed HHS "to quickly complete the regulations that will direct insurers to cover more mental health services. When the 2010 Affordable Care Act is fully implemented next year, millions of Americans stand to gain access to such care for the first time."

Sebelius Vows Mental Health Insurance Coverage Will Be Finalized This Year. CO III (1/19, Norman, Subscription Publication) reported that "Health and Human Services Secretary Kathleen Sebelius said Friday that a delayed final rule on equal insurance coverage for mental health services will be issued this year, and she stressed that officials are working to ensure that the regulation is integrated with the health care law." She also told the crowd, at a meeting of the U.S. Conference of Mayors, "that 65 million adults will have mental health coverage once the overhaul law goes fully into effect in 2014," and that "health and substance abuse coverage is required in" the essential health benefits mandated by the law. Of the long wait for the rules, Sebelius said "I think the timing is actually going to be very helpful," adding "that interim final rules have been out since February 2010 and have offered some general guidance." She continued, promising more specifics soon, "Definitely this year. We are in the process of finalizing them now. It will be done."

Florida Lawmakers Still Debating Medicaid Expansion Under ACA.

The <u>South Florida Sun-Sentinel</u> (1/21, Haughney) reports, "Low-income Floridians, small businesses and mega health care companies are all waiting on Tallahassee lawmakers to decide how and when the state will implement the Obama administration's signature accomplishment - the Affordable Care Act." Last week, state lawmakers "spent hours debating some of the major questions on implementation," the biggest of which is "whether to expand Medicaid eligibility to add roughly 1 million people to the 3.3 million people now enrolled in the federal-state program - and that's not close to resolution."

Missouri Lt. Governor Speaks Against Nixon's Plan To Expand Medicaid.

KOLR-TV **G** Springfield, MO (1/22, Yokley) reports on its website that Missouri Lt. Gov. Peter Kinder, "the man who has led the Missouri Republican opposition to the federal health care law," has said "there is no way the state could move forward on expanding the state's Medicaid rolls." He believes "believes that despite President Obama and Gov. Jay Nixon's reelection performances, there is no mandate to expand the low-income assistance program any further." Kinder said he "did not seek a mandate on Obamacare, he didn't even talk about it during the campaign. There can't be a mandate if you did not lay a program before the people and say I want to be reelected on the basis of this program."

NYTimes Highlights Accomplishments Of Obama's First Term.

In a piece highlighting Americans who have benefited from initiatives championed by President Obama during his first term, the <u>New York</u> <u>Times</u> (1/21, Huetteman, Southall, Smith, Subscription Publication) profiles Rileen Secrest, of Martinsville, Va., and Dr. Mona Mangat, of St. Petersburg, Florida. After Secrest lost his job, his children received insurance coverage from Obama's reauthorization of the Children's Health Insurance Program in February 2009. And Dr. Mangat "traveled the country with Doctors for America promoting Mr. Obama's health care plan." She said, "I would get booed and jeered and made fun of. Now, I did a health care panel for what doctors see coming down the pipeline, and not one person had anything negative to say."

As Contraception Mandate Lawsuits Pile Up, Case Likely To Head To High Court.

The Washington Post **f** (1/21, Barnes) reports, "The next legal challenge to the Affordable Care Act is moving quickly to the high court, and bringing potent questions about religious freedom, gender equality and corporate 'personhood.'" At issue "is the health-care law's requirement that employers without a specific exemption must provide workers with insurance plans that cover a full range of birth-control measures and contraceptive drugs." The always "controversial" ACA provision "has now sparked more than 40 lawsuits around the nation involving more than 110 individuals, colleges, hospitals, church-affiliated nonprofits and private companies." The piece looks into a few of the lawsuits, and notes that the conflicting opinions that have come out of the lower courts "give a pretty clear indication of the fight ahead."

OMB Reviewing ACA Benefit Requirement Rules.

The Hill **f (**1/22, Baker) "Healthwatch" blog reports that the Office Of Management and Budget "is reviewing new rules to implement benefit requirements in President Obama's signature healthcare law." This rules "deal with exemptions from the rules for 'minimum essential coverage' - the standards that coverage has to meet to satisfy the healthcare law's individual mandate, which requires most taxpayers to either buy health insurance or pay a penalty." The regulation "could be issued this month," as "a review from the Office of Management and Budget (OMB) is typically one of the last steps before regulations are published."

HHS Re-Brands Exchanges, Now Touted As "Marketplaces."

The Hill floid (1/21, Baker) "Healthwatch" blog examined the "re-branding" of "the central component" of the Affordable Care Act, the health insurance exchanges. The blog explained that the "Health and Human Services Department suddenly stopped referring to insurance 'exchanges' this week, even as it heralded ongoing efforts to prod states into setting up their own. Instead, press materials and a website for the public referred to insurance 'marketplaces' in each state." The piece looked into the motivation behind the switch, which varies depending on who you ask. For example, Dean Clancy, the director of healthcare policy at FreedomWorks, a group that is "trying to build grassroots opposition to the insurance markets," sees it as a sign the Administration is "flailing." However, supporters of the healthcare law "say the name change wasn't meant to assuage political opposition to the healthcare law," rather, "'exchange' simply isn't a very good description."

Forbes Lists Healthcare Segments Set To Benefit From ACA In 2014.

Forbes **f (**1/22, Japsen) reports, "With Barack Obama's inauguration to a second term, so launches a boom in the next 12 months for the health care industry preparing to provide benefits and services to potentially 30 million uninsured Americans." The article then lists "four key segments of the health care industry poised to take advantage of new benefits under the Affordable Care Act as well as rules and regulations that will bundle payments to medical care providers, rewarding those who provide higher quality medical treatment and lower costs health services." This list includes pharmacies, urgent care centers, hospital operators, and health insurance companies.

Wonkblog Details Challenges Facing ACA Implementation.

The Washington Post **f** (1/22, Kliff) "Wonkblog" looks into the "significant challenges" that lie ahead to implement the Affordable Care Act, noting that "if all goes as planned, 28 million more Americans will have health insurance by the end of President Obama's second term." The blog writes, "The health-care law's requirement to buy health coverage - and the insurance subsidies for millions of Americans - roll out Jan. 1, 2014. The list of what needs to happen between now and then is massive." This list includes the exchanges, Medicaid expansion, getting the word out, and "45 changes to how doctors get paid for delivering health care, largely aimed at reducing the rate of cost growth."

Politico Considers Future Of Affordable Care Act.

Politico f(1/19, Nather) reported that the Affordable Care Act "is going into effect [in 2014] for real - but what happens with President Barack Obama's signature achievement in his second term is largely out of his hands." The "best case for Obama is the simplest one: The law works exactly as it's supposed to. Thirty million uninsured Americans get health coverage," and they can "all afford it. Employers, doctors and health insurance companies accept the changes in healthcare land." The "nightmare scenario for Obama is pretty simple, too: Everything the critics have said over the years is right. Healthcare premiums would shoot way up for everyone," subsidies "could become a huge drain on the federal treasury," and "businesses might drop health coverage and send their workers to the health exchanges." But what is "really likely to happen in Obama's second term" is "a rough patch in 2014, followed by a big collection of hits and misses."

Wonkblog: Control Healthcare Costs And Debt Will Be Under Control.

The Washington Post (1/21, Klein) "Wonkblog" reports, "For all the sound and fury, Washington's actually making real progress on

debt." The post notes that in the last few years, Congress has come up with "slightly more \$3 trillion in deficit reduction." The problem, however, as President Obama acknowledged during December's showdown over the fiscal cliff, is healthcare. As the blog says, "Get health-care costs under control and you get the debt under control." The piece lists several ways to do this, including the "many cost control experiments in the Affordable Care Act," and making changes to Medicare like means-testing.

LATimes Voices Support For ACA's Independent Payment Advisory Board.

In an editorial, the Los Angeles Times f(2) (1/20) writes in support of the Affordable Care Act's Independent Payment Advisory Board (IPAB), the "yet-to-be-named group of 15 presidential appointees from various healthcare disciplines that could play a key role in limiting the growth of Medicare spending." Republicans are opposed to the board, but the Times contends, "with lawmakers seemingly unable to resist the pressure from the healthcare industry to spend freely on Medicare, enlisting the help of independent experts may be the only way to hold down costs." The Times continues, "For a group supposedly determined to rein in entitlement spending, Republicans have been remarkably antagonistic toward every effort by the Obama administration to curb Medicare growth."

Will: ACA May Be Constitutional But Not Feasible.

George Will suggested in his <u>Washington Post</u> **f** (1/19) column that Chief Justice John Roberts, by ruling that the penalty for not complying with Affordable Care Act's individual mandate represents a tax, may have made ACA unworkable. "Unable to increase penalties substantially, Congress, in the context of "guaranteed issue" and "community rating," has only one way to induce healthy people to purchase insurance. This is by the hugely expensive process of increasing premium subsidies enough to make negligible the difference between the cost of insurance to purchasers and the penalty for not purchasing." But Republicans will fight efforts to exacerbate the nation's financial crisis to save the ACA. "Because the penalties are constitutionally limited by the reasoning whereby Roberts declared them taxes, he may have saved the ACA's constitutionality by sacrificing its feasibility."

Turner: Congress Should Work To Dismantle, Defund ACA.

In her Forbes 1(1/21) column, Grace-Marie Turner wrote that because a full repeal of the Affordable Care Act is now out of reach, "the House is working to defund, dismantle, and delay implementation of the unpopular health overhaul law to avert at least some of its damage in the near term." For starters, the "Fiscal Cliff deal chipped away at ObamaCare, eliminating one of its programs completely and cutting funding for another," the CLASS Act and Co-ops, respectively. Turner concludes, "Congress would be well advised to continue to dismantle and defund the law. The next target should be the \$29 billion tax on medical devices that threatens to cripple a dynamic new industry that employs 400,000 people in 12,000 factories around the country."

HHS Rule Extends Patient Privacy Options.

Modern Healthcare 1/22, Conn, Subscription Publication) reports, "Healthcare providers with electronic health-record systems will have a new wrinkle to contend with - data segmentation to protect patient privacy - thanks to the newly released omnibus federal privacy and security rule." The rule, which the HHS "released last week," includes a provision requiring providers to "comply with a patient request that records of a treatment or procedure not be shared with his or her health plan, if the patient pays for that treatment out of pocket and in full."

Public Health and Private Healthcare Systems

Co-Ops Fighting To Win Back Funding Lost In Fiscal Cliff Deal.

The Hill **I** (1/18, Viebeck) "Healthwatch" blog reported that nontraditional health plans "are pushing to get their funding back after it was cut in the year-end 'fiscal cliff' deal." In a letter to HHS Secretary Sebelius, the National Alliance of State Health CO-OPs said "the importance of competition...has never been more apparent" as healthcare insurance premiums continue to increase. The Hill notes that 24 such consumer plans have signed agreements for some \$2 billion in loans with HHS, and the remainder of the \$3.4 billion program was cut.

Co-Ops Face Administrative Problems As Well As Financial Shortfalls. American Medical News (1/21, Lubell) reports, "As federal funding rapidly dries up for a new consumer-oriented health plan model that was supposed to be a health system reform alternative to for-profit insurance, observers are suggesting that the financial and administrative challenges to launching these plans may explain why so few that managed to get off the ground are being sponsored by physician organizations." The article explains, "When final federal regulations on the program came out in December 2011, physician organizations - including the American Medical Association - expressed hope that the move would result in numerous health plan alternatives led by doctors' groups. But aside from HealthyCT, the

CO-OP model doesn't appear to feature a strong physician footprint, at least in terms of sponsorship."

United Health, Aetna To Participate In Some Exchanges Starting In 2014.

<u>CQ</u> **f** (1/19, Adams, Subscription Publication) reported, "Statements this week by such large insurance companies as United Health Group Inc. that they will participate in some exchanges in 2014 mean these plans could offer some competition to the Blue Cross and Blue Shield Association of America, whose members dominate in many US markets." Still, "the commercial insurers are not rushing in to say how many marketplaces they will play in." The top UnitedHealth executive "said in a call with analysts on Thursday that the company would probably offer plans in 10 to 25 exchanges." Separately, "Aetna expects to participate in up to 15 state exchanges."

Ohio Insurer Sues For Clarification Of ACA's High-Risk Insurance Pool.

The <u>AP</u> **f (**1/20, Sanner) reported that "an Ohio health insurance company is suing state and federal officials over confusion in rules for a program for patients with pre-existing conditions." The issue "is a high-risk insurance pool created by President Barack Obama's health care law targeting patients turned away by insurance companies because of such conditions as cancer or heart disease. The pool is meant to act as a temporary patch until 2014, when the federal law will require insurers to accept all applicants, regardless of medical history." Last month, Medical Mutual of Ohio sued in Federal court "to force clarification over who has the final say in eligibility for enrollment into the program - state or federal officials." The complaint "was prompted by a dispute over whether 14 people should receive health care coverage under Ohio's program, which currently serves about 3,500 residents."

UnitedHealth Offers Blueprint For More Efficient Medicare Program.

The Minneapolis Star Tribune (1/19, Spencer) reported that the UnitedHealth group has released a set of guidelines to "change Medicare from a fee-for-service program that pays doctors and hospitals per procedure to a results-driven, managed-care model that coordinates payments, offers greater rewards to medical professionals who give quality care and reduces the costs to senior citizens who make the healthiest choices." According to the article, this "blueprint for a more efficient government program derives mainly from what Minnetonka-based UnitedHealth has seen administering health care for giant private companies that self-insure."

North Carolina Health Secretary Working On Medicaid Billing System.

The AP III (1/22) reports, "North Carolina's new health secretary announced directives on Friday related to a beleaguered new Medicaid claims processing system she aims to ensure comes online smoothly and without unnecessary expenses." Health and Human Services Secretary Dr. Aldona Wos "ordered no more program changes to the current 1970's-era billing computer system by the system vendor unless they're absolutely required to ensure providers are paid or patients are covered." She also said "that outside consultants have been brought in to find any obstacles to the replacement system - one of the largest information projects in state government - to begin operating July 1." In a statement, Wos said, "We have a responsibility to patients, providers and the taxpayers of North Carolina to put our limited resources where they are needed most."

New York Business Groups Warn Of Increased Taxes For Privately Insured.

The <u>Niagara Gazette</u> (1/22) (1/22) reports on a report released last week by The Business Council of New York State, Unshackle Upstate and the National Federation of Independent Businesses, "warning that the Affordable Care Act will force those with private health insurance to pay 35 percent more for health care in 2014." The report included "an analysis of health insurance taxes that projects New Yorkers with private health coverage will pay roughly \$4.8 billion in state health insurance taxes this year."

Florida Implementing New Medicaid Reimbursement Method.

The <u>Gainesville (FL) Sun</u> (1/21, Crane) reports on the new system for Medicaid reimbursement being implemented in Florida, known as the Diagnosis Related Groups method, which replaces "a hospital's per-diem rates with procedure-based rates." According to Justin Senior, Medicaid director at the Florida Agency for Health Care Administration, "a hospital that is now reimbursed \$14,000 for a given procedure and one that's reimbursed \$1,000 for the same procedure would get the same amount." He explained further, "looks at various procedures and pays a set rate for any given procedure everywhere in the state. That amount is determined by looking at the statewide and national average of the cost and complexity of the procedure."

Friday's Lead Stories

• HHS Awards \$1.5 Billion In Grants To 11 State Exchanges.

- Georgia Senate Passes Governor's "Bed Tax" Proposal.
- CEO Downplays UnitedHealth's Involvement In Exchanges.

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