

Customized Briefing for Kimberly Barry-Curley

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## Leading the News

### GOP Senators Introduce Legislation To Gut ACA Insurance Mandate.

[Bloomberg News](#)   (1/23, Wayne) reports that Republican Senators Orrin Hatch of Utah and Lamar Alexander of Tennessee have begun "a fresh effort to dismantle President Barack Obama's U.S. health-care system overhaul, attempting to succeed where other lawmakers have failed in trying to annul the law." The two men introduced legislation which "would repeal a mandate that most Americans carry medical insurance starting in 2014," the insurance mandate the article calls "the heart of the 2010 Affordable Care Act's purpose of extending health care to most Americans."

[The Hill](#)   (1/23, Baker) "Healthwatch" blog reports that the Senators have called their legislation the "American Liberty Restoration Act." In a statement, Hatch said, "This legislation we are introducing today is simple: it strikes the individual mandate, so we can instead find ways of providing people with health care, but in a manner that doesn't run counter to our constitutional framework of limited government."

***GOP Still Seeking To Repeal IPAB, Medical Device Tax.*** [CQ](#)   (1/23, Attias, Ethridge, Subscription Publication) reports, "Lawmakers can expect to see familiar legislation pointed at the health care law this Congress, with House Republicans again working to repeal parts of the overhaul that have attracted bipartisan opposition." Republicans this session "will continue to take aim at one of [their] biggest targets, the Independent Payment Advisory Board, as well as the law's new tax on medical devices." For example, Representative Phil Roe (R-TN) "plans this week to reintroduce his legislation to repeal the board, which is tasked with making recommendations to limit the growth of Medicare spending."

## From NAHU

Access NAHU's latest information on PPACA, including a timeline, through our Compliance Corner by clicking [here](#). This section of the website is constantly being updated, so be sure to check in often!





## Legislation and Policy









### State Legislatures Weigh Medicaid Expansion Under ACA.



State legislatures across the country are debating whether to expand Medicaid under the Affordable Care Act. In Florida, for example, the Senate committee responsible for healthcare decisions heard testimony Tuesday from two Massachusetts economists. In Arizona, Governor Jan Brewer is touring in support of expansion, while in Mississippi, Governor Phil Bryant is reiterating his opposition.



***Florida Lawmakers Look To Massachusetts Example For ACA Decision.*** The [AP](#)   (1/23, Kennedy) reports, "Florida lawmakers considering how to implement the federal health care overhaul sought information Tuesday from two economists on



the Massachusetts initiative that served as the blueprint for the national plan." Massachusetts "pioneered an approach emulated in the federal Affordable Care Act with its 2006 health care initiative and is currently the only state that requires individuals to have health insurance." Republican Sen. Joe Negron, the chairman of a Senate committee studying the health overhaul, said, "I thought it would be helpful to examine the results so far in Massachusetts and consider implications of that experience for Florida. Not everyone agrees with the Massachusetts experiment and how it's turned out." One of the economists, Jonathon Gruber of the Massachusetts Institute of Technology, praised the system, while Michael Cannon of the Cato Institute disagreed.



The [Miami Herald](#)   (1/23, Mitchell) reports that Gruber, known as "Mr. Mandate" and "a long-time defender of both the Massachusetts and federal health care reforms...encouraged Florida to embrace 'Obamacare' as a way to provide more access to the uninsured and improve their quality of health." But "Cato's director of health policy studies Michael Cannon outlined eight reasons why Florida should not." Summing up the meeting, the article notes, "The result was a two-hour debate where the speakers agreed on very little, giving senators a lot to think about it as they consider what Florida should do when it comes to the Patient Protection and Affordable Care Act."



Also reporting are the [Orlando \(FL\) Sentinel](#)   (1/23) "Center Florida Political Pulse" blog, [WJXX-TV](#)   Jacksonville, FL (1/23, Heller), [Bay News 9 Tampa \(FL\)](#)   (1/23, Kinsey), and the [Sarasota \(FL\) Herald Tribune](#)   (1/23, Dunkelberger).



**Brewer Touring Arizona Hospitals Touting Support Medicaid Expansion.** The [Prescott \(AZ\) Daily Courier](#)   (1/23) reports, "Sen. Steve Pierce of Prescott joined local chamber and health care officials alongside Gov. Jan Brewer here Tuesday to voice their strong support for Brewer's proposal to expand Medicaid coverage for Arizonans." Along with "her annual tradition of delivering a post-State of the State address in the Prescott area Tuesday after her Jan. 14 State of State address, Brewer made a stop at the Yavapai Regional Medical Center in Prescott to drum up support for her Medicaid plan." She said, "We will save rural hospitals." Brewer plans to continue conducting "similar news conferences at hospitals throughout the state."

**Bryant Reiterates Opposition To Medicaid Expansion In Mississippi.** In a report on Mississippi Governor Phil Bryant's State of the State address Tuesday, the [AP](#)   (1/23, Pettus) notes that he "repeated what he has said for months, that he opposes expansion of Medicaid under the federal health law that President Barack Obama signed in 2010." He believes that the expansion "would be too expensive, even with the federal government paying most of the tab the first few years." Bryant said, "Let me be clear. Any law that will add 300,000 Mississippians to a federal entitlement program partially funded by the state will either result in a huge tax increase or drastic cuts to education, public safety, job creation and other budgets. It will leave our children and grandchildren with ballooning federal debt."


**Missouri Appropriations Committee Debates Medicaid Expansion.** The [AP](#)   (1/23, Shapiro) reports that "Medicaid expansion was the key topic" during the Missouri Senate Appropriations Committee's first public hearing Tuesday. At the meeting, "Social welfare advocates told the committee that expanding Medicaid under President Barack Obama's health care law would allow at least 255,000 low-income Missourians to receive health care coverage and help hospitals stay open." Gov. Jay Nixon "has said he will include the Medicaid expansion as part of his budget proposal to be outlined Jan. 28," but many Republican lawmakers remain "unconvinced."

The [Blue Springs \(MO\) Examiner](#)   (1/23, Fox) reports further on the debate, quoting several Republican and Democrat lawmakers from across the state.



**Medicaid Expansion To "Dominate" Nebraska Legislative Session.** The [Norfolk \(NE\) Daily News](#)   (1/23, Hoag) reports that two main issues will "dominate" Nebraska's 2013 legislative session, "Gov. Dave Heineman's tax proposals that would eliminate the individual income tax and the corporate income tax, as well as the Medicaid extension." The piece looks at the opposing views of state leaders Jim Scheer and Paul Schumacher.

**Arkansas House Panel Begins Medicaid Expansion Discussion.** The [Arkansas News](#)   (1/23, Lyon) reports that the Arkansas House Public Health, Welfare and Labor Committee "had its first discussion of the session Tuesday on one of the biggest issues on the Legislature's plate - whether to expand Medicaid under the federal Affordable Care Act." The article explains, "Gov. Mike Beebe has urged lawmakers to approve expanding Medicaid. Republicans, who comprise majorities in both the House and Senate, generally oppose expansion and some GOP lawmakers have floated the idea of postponing the matter for a decision later in a special session. Beebe wants the Legislature to decide in the current regular session."



## ACA Provisions Still In Danger Of Cuts.

[Politico](#)   (1/23, Cunningham) reports, "Republicans never got their chance to chop down President Barack Obama's health care law, but that doesn't mean it's safe from the clippers as Congress looks for solutions for tough fiscal times." The Affordable Care Act "brings in a lot of new taxes and savings, but it also dishes out as much as \$1.7 trillion in new spending over the next decade - money that looks awfully tempting to lawmakers scrounging around for ways to fund other projects or pay down the deficit." The article then lists "potential targets" in the law, including excess subsidies, and Medicaid spending.



## Grassley Urges White House To Finalize Sunshine Act.

[The Hill](#)   (1/23, Viebeck) "Healthwatch" blog reports, "Sen. Chuck Grassley (R-Iowa) urged the White House Tuesday to finalize long-overdue regulations that would expose financial relationships between doctors and industry." The letter, addressed to Jack Lew, President Obama's chief of staff, "is Grassley's latest move to pressure the Obama administration to release final rules for the Physician Payments Sunshine Act." In the letter, Grassley wrote, "Congress passed the Sunshine Act in response to growing concerns over industry payments to physicians and their potential negative effects on patient care and efforts to restrain healthcare costs. Congress designed the law so that the [payment] data would be publicly available by Sept. 30, 2013. Unfortunately, the final regulations are now more than 15 months overdue. At best, the public may miss an entire year's worth of data collection - maybe more. This is unacceptable."



## HHS Rule Would Give States Freedom To Charge Medicaid Patients More.

The [New York Times](#)   (1/23, A12, Pear, Subscription Publication) reports on a proposed Federal policy which "would give states more freedom to impose co-payments and other charges on Medicaid patients," meaning that "millions of low-income people could be required to pay more." The article explains that, "hoping to persuade states to expand Medicaid [under the Affordable Care Act], the Obama administration said state Medicaid officials could charge higher co-payments and premiums for doctors' services, prescription drugs and certain types of hospital care, including the 'nonemergency use' of emergency rooms." Under the rule, "a family of three with annual income of \$30,000 could be required to pay \$1,500 in premiums and co-payments."



## Pilot Program Seeks To Address Healthcare Overservicing.

The [Financial Times](#)   (1/23, McGregor, Subscription Publication) reports that several accountable care organizations are operating across the US on a pilot basis as part of the Affordable Care Act. The experiment is aimed at addressing overservicing and the costs to taxpayers associated with it. Under the pilot effort, if the ACOs meet benchmarks on patient health and wellbeing, and minimize hospital stays, they keep a portion of the costs saved. The Times notes that moving to this new system will require a reduction in patient expectations of what services are available to them.



## Orszag Offers Plan To Fix Healthcare In US.

Peter Orszag, Citigroup vice-chairman and former director of the Office of Management and Budget under President Obama, argues that soaring healthcare costs are the main cause of America's fiscal challenges, and offers a plan for bringing these costs under control in an op-ed for the [Financial Times](#)   (1/23, Subscription Publication). His prescription for improving the healthcare system in the US involves three steps, shifting from pay-for-service to pay-for-performance, using technology like electronic health records and anti-fraud systems, and reforming end-of-life care.

## Maryland Officials Working On Medicare Waiver Application.

The [AP](#)   (1/23) reports, "Maryland officials will submit a plan to the federal government aimed at allowing them to hang onto about \$1 billion in Medicare reimbursements received under a unique agreement with Washington, the chairman of a panel that sets hospital billing rates told lawmakers Tuesday." John Colmers, chairman of the state's Health Services Cost Review Commission, "updated lawmakers on the status of talks with the federal Center for Medicare and Medicaid Services on the state's Medicare waiver." He said, "I will say that we have been very greatly encouraged by those discussions with CMS. They are excited, I would say, about the opportunity to see a state as a whole take on this challenge of reducing health care costs and improving care. Now, there are a lot of difficult steps between where we are now and getting it completed." Maryland has had the special Medicare waiver since 1997, but is now "getting close to failing to meet the standard" set with its approval.

## Blog Examines If Medicare, Medicaid Are "Safe" From Structural Change.

Health policy consultant Linda Bergthold looks into the future of Medicare, Medicaid, and Social Security in a piece for the [Huffington Post](#)   (1/23) blog. She consults President Obama's inaugural address to determine whether these programs are now "safe from significant 'structural change.'" She concludes that they are safe, until either 2014 when the Senate Democratic majority will be tested, or until 2016, when a new President is elected. She adds, "Just because they are safe from drastic cuts should not give us all a license to ignore the problems and refuse to start tackling them."



## Three Midwestern States Announce HIE Expansions.

[Modern Healthcare](#)   (1/23, Conn, Subscription Publication) reports that health information exchanges (HIEs) in "Illinois, Kansas,







Missouri and Nebraska" announced Tuesday that they are "able to send and receive basic healthcare messages between each other using the federally developed secure messaging protocol." HHS' Office of the National Coordinator for Health Information Technology launched the initiative in 2010 in an effort to "develop a simplified" HIE method. Federal health IT officials see the system, which is called "Direct," as an essential component of the American Recovery and Reinvestment Act's "broader program to establish a Nationwide Health Information Network that could serve a highly mobile population or regions that encompass multiple states."

## Public Health and Private Healthcare Systems

### Aetna To Sell Medicaid Business In Missouri.



The [AP](#)   (1/22) reports, "Aetna Inc. will sell a Missouri Medicaid business that manages care for more than 100,000 people to fellow health insurer WellCare Health Plans Inc. due to Aetna's pending acquisition of Coventry Health Care Inc." Aetna "said Tuesday that Coventry operates a Medicaid plan in Missouri called Health Care USA, and it has more than 250,000 members. A combination of that and Aetna's business, called Missouri Care, would exceed membership limits set under the state's Medicaid contracts."



[Reuters](#)   (1/23, Humer) reports that Aetna's purchase of Coventry for roughly \$5.6 billion is under review to see if it violates US antitrust law, and is expected to be completed by the middle of 2013.

The [St. Louis Business Journal](#)   (1/22, Wiederman, Subscription Publication), the [Kansas City \(MO\) Business Journal](#)   (1/22, MorningSky, Subscription Publication), and the [Tampa Bay Business Journal](#)   (1/22, Manning, Subscription Publication) report on this story as well.



### NAIC Names Former Sen. Ben Nelson As CEO.

[Bloomberg News](#)   (1/23, Tracer, Nussbaum) reports, "The National Association of Insurance Commissioners named ex-Democratic Senator Ben Nelson to be its chief executive officer as the regulators' group tackles U.S. President Barack Obama's health-care overhaul." In a statement, NAIC said that "Nelson's duties will include working with U.S. and international agencies as overseers increase their scrutiny on financial firms." The piece notes that "Nelson provided the 60th vote needed to help push the health legislation through the Senate."



[CQ](#)   (1/23, Norman, Subscription Publication) reports that Nelson, a moderate Democrat, "who decided to not seek a third term in 2012, is a natural for the NAIC slot given his background as the director of the Nebraska Department of Insurance in the 1970s and CEO of Central National Insurance Co. from 1977 to 1981." Further, he "worked as executive vice president and chief of staff for the NAIC in the 1980s."

[Modern Healthcare](#)   (1/23, Daly, Subscription Publication) reports that Nelson was also hired as "a senior adviser to a public relations firm that services groups that lobby the nation's governors," calling it a move that "could raise potential conflict-of-interest issues." Indeed, "On the same day he started at the NAIC, Nelson also began full-time work with Agenda, a national communications and public affairs firm that specializes in building coalitions to advocate state policy changes."


### NAIC President Voices Doubt In Readiness Of Exchanges By October.

[Bloomberg News](#)   (1/23, Nussbaum, Tracer) reports that in an interview, National Association of Insurance Commissioners (NAIC) president Jim Donelon said that "President Barack Obama may need to delay his health-care overhaul or risk 'chaos' when subsidized insurance plans go on sale in October." He explained that "It's unclear how well the federal government or any of the participating states will perform on Oct. 1, when millions of Americans are supposed to begin shopping at online markets created by the law," and that "while the administration has shown no sign of seeking a delay, it may be in the president's best interest."

### Standoff Between Hospitals, Employers Emerges Over New Insurance Plan.

The [Cincinnati Enquirer](#)   (1/22, Peale) reports that "a standoff over a new health care plan," called TrueCost "just being introduced here has some workers facing the threat of new medical bills." While "employers who fund their own health plans say it allows them to manage or even reduce health care costs because payments are set at Medicare rates plus a 40 percent 'provider bonus,'" physicians and hospitals claim that this isn't "enough money." The article observes that "as employers throughout Greater Cincinnati and Northern Kentucky seek the newest ways to stem the inexorable rise in health care costs that are choking the system, they will have to face" physicians and hospitals "that traditionally have been able to set their own price."

### HMOs Likely To Play Big Role In Insurance Exchanges.

[USA Today](#)   (1/23, Appleby) reports that HMOs are "expected to play prominent role" in the health insurance exchanges scheduled

to open this fall under the healthcare law. USA Today adds, "Because such policies can offer lower premiums, insurers are betting they will appeal to some consumers, especially younger and healthier people who might see little need for more expensive policies. Plans may also benefit from offering such policies because they are less attractive to those with medical problems, who can no longer be turned away beginning in January 2014."

## Tuesday's Lead Stories

- [In Pointed Inaugural Address, Obama Defends Entitlement Programs.](#)
- [Brewer Proposes Taxing Hospitals To Pay For Medicaid Expansion In Arizona.](#)
- [Co-Ops Fighting To Win Back Funding Lost In Fiscal Cliff Deal.](#)

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