

Customized Briefing for Kimberly Barry-Curley

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Leading the News

Senate Panel Addresses Mental Healthcare For First Time Since 2007.

[CQ](#) [f](#) [t](#) (1/25, Attias, Subscription Publication) reports members of the Senate Health, Education, Labor and Pensions Committee on Thursday held what they said was their first meeting on mental healthcare since 2007. There, lawmakers referenced the Newtown school shooting and also addressed questions about mental healthcare overall and their own priorities. For example, Chairman Tom Harkin "said 'the critical investments' need to be made to provide access to treatment for those with mental illness so they can lead healthy lives." On this topic, Thomas Insel of the National Institute of Mental Health said sequestration cuts "would prevent certain studies from being carried out, which could include scaling up a project focused on the predictors for early psychosis." While Democrats pushed for the release of a mental health parity rule, which SAMHSA director Pamela S. Hyde said was in the works, Insel noted that those "who receive treatment are 15 times less likely to commit a severely violent act than those who are not treated."

[The Hill](#) [f](#) [t](#) (1/25, Viebeck) "Healthwatch" blog notes "one in five people in the United States suffers from mental illness, and one in 20 experiences more serious psychotic disorders, which might include paranoia, hallucinations and hearing voices, Insel said. 'Most violence has nothing to do with mental illness, and most people with mental illness are not violent,' he told the panel." [Reuters](#) [f](#) [t](#) (1/25, Morgan) also covers this.

SAMHSA To Issue Final Rules On Parity, EHB Package. [LifeHealthPro](#) [f](#) [t](#) (1/24, Bell) says witnesses at the hearing delivered this message to lawmakers: "Regulators have to do more to make sure that two major federal laws already on the books really improve access to mental health care insurance benefits," specifically the Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) and ACA's "essential health benefits" (EHB) package, which "includes coverage for mental health and substance use disorder services starting Oct. 1. The Obama administration intends to move forward by issuing a final rule on the EHB package and PPACA mental health benefits parity requirements in February, Hyde said." Michael Hogan, chairman of the President's New Freedom Commission on Mental Health, "said improving the mental health system 'must begin with a realization that we have begun to take big steps away from an approach that was both separate an unequal.'"



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

Report: Medicare Paid \$120 Million To Care For Illegal Immigrants, Inmates.



The [AP](#)   (1/25, Kennedy) reports two HHS Office of Inspector General audits found that Medicare "paid more than \$120 million from 2009 to 2011 in violation of federal law for medical services for inmates and illegal immigrants." By law, "Medicare generally does not pay for services for either group of patients," yet "the program was billed for more than \$33 million in inmate care and more than \$91 million for illegal immigrant care over that period, according to the reports." As part of the reports, OIG recommends "that federal health officials establish a better system to automatically flag charges for inmates and illegal immigrants to stop illegal payments before they are made."



[Politico](#)   (1/25, Cheney) notes that "the issue, according to the reports, is timing. When Medicare is alerted that someone is incarcerated or undocumented, its contractors help prevent payments from going out the door. But often, Medicare's databases aren't up to date, and improper payments go out." Further, "Medicare lacks the tools to get the money back."

[Modern Healthcare](#)   (1/25, Carlson, Subscription Publication) reports that "acting CMS Administrator Marilyn Tavenner partially disputed the findings, saying it wasn't clear that all \$125 million was incorrectly paid and that it might be prohibitively expensive to try to recoup all of the money." In written responses "to both reports, Tavenner said the CMS would strengthen its policies and try to go after some of the money, but she disputed the notion that all of the payments were illegitimate."



Still, the [Daily Caller](#)   (1/25, May) notes that "CMS generally agreed with the inspector general's recommendations, which included: recovering the \$91.6 million in improper payments, implementing procedures to recoup future improper payments and identifying and recovering other improper payments made after the audit timeframe and before the implementation of new controls."



Individual Healthcare Coverage Could Become Unaffordable For Many Smokers.

The [AP](#)   (1/25, Alonso-Zaldivar) reports that "experts say millions of smokers could be priced out of health insurance because of tobacco penalties under President Barack Obama's health care law." Under the Affordable Care Act, health insurers are allowed to charge smokers who purchase an individual policy up to 50% higher premiums beginning next January 1. The AP points out that a "60-year-old smoker could wind up paying nearly \$5,100 on top of normal premiums." It notes that "workers with job-based coverage can avoid tobacco penalties by joining a smoking cessation program."



In a separate article, the [AP](#)   (1/25, Alonso-Zaldivar) reports that "several provisions in the federal health care law work together to leave older smokers with a bleak set of financial options, said" Karen Pollitz, an expert on individual health insurance markets with the nonpartisan Kaiser Family Foundation. First, under the law, insurers are allowed to charge older adults up to three times as much as younger customers. "Second, the law allows insurers to levy the full 50 percent penalty on older smokers while charging less to younger ones. And finally, government tax credits that will be available to help pay premiums cannot be used to offset the cost of penalties for smokers," according to the article.

Congressmen Seek To Close Amgen Loophole In Fiscal Cliff Bill.

The [Los Angeles Times](#)   (1/25, Terhune) reports, "A bipartisan group of U.S. lawmakers is seeking to repeal a Medicare-pricing provision in the recent 'fiscal cliff' deal that benefits biotech giant Amgen Inc." Rep. Peter Welch (D-VT), "filed legislation this week to eliminate the exemption for a class of drugs, including Amgen's Sensipar, that are used by kidney dialysis patients." The fiscal cliff deal had "excluded these oral medications from Medicare price controls for an additional two years." Welch was joined by co-sponsors including Rep. Richard Hanna (R-NY), Jim Cooper (D-TN), and Bruce Braley (D-IA).

Amgen Responds To Legislation. [The Hill](#)   (1/25, Baker) "Healthwatch" blog reports that Amgen "is defending a change in Medicare payments included in the recent fiscal-cliff deal and pushing back against a new bill to repeal that change." In a statement responding to Welch's legislation, the company said, "Amgen supports the current provision to delay including oral-only medications in the Medicare dialysis prospective payment system. Including oral-only medications in the payment system at the same time that the bundle is being rebased would have been disruptive to quality patient care." The statement continued, "A two-year delay provides [Medicare] with the time needed to develop quality metrics and further develop their data systems - both things pivotal to providing quality patient care."



Hatch Outlines Five Ideas To Reform Medicare, Medicaid.



[CQ](#)   (1/25, Ethridge, Subscription Publication) reports, "Sen. Orrin G. Hatch, the ranking Republican on the Finance Committee, has outlined five ideas to change Medicare and Medicaid that he says should be included in a deficit reduction package." Hatch claims that "each idea has bipartisan support." According to the article, "the biggest change" Hatch suggested "would be to allow private health plans to compete with traditional fee-for-service Medicare." He also floated increasing Medicare's eligibility age by two months each year, and limiting Medigap plans.

[The Hill](#)   (1/25, Baker) "Healthwatch" blog reports that "probably the most controversial measure in Hatch's proposals is a per-

person cap on Medicaid spending. The proposal is somewhat different from the other GOP idea for Medicaid - turning the program into a series of block grants to the states."

ACA Immigration "Quirk" May Affect Medicaid Decision In Texas, Florida.



In continuing coverage, the [Huffington Post](#)   (1/25, Young) blog writes about "an odd consequence" of the Supreme Court decision which "upheld President Barack Obama's health care reform law but enabled states to opt out of its Medicaid expansion." First reported by the Associated Press, "In states that don't expand Medicaid, some poor legal immigrants would be able to access tax credits for private health insurance that citizens with the same income couldn't get." As with the AP, the Post notes that this may "partially explain why conservative Republican Gov. Jan Brewer of Arizona wants to broaden Medicaid."



The [Washington Post](#)   (1/25, Kliff) "Wonkblog" posits, "Now that Arizona has brought this issue into the Medicaid expansion debate, it should be interesting to see how other states navigate around it. Will Gov. Rick Perry in Texas stand for legal immigrants having better access to health insurance subsidies? What about Gov. Rick Scott in Florida? It's a new wrinkle in an old debate, that might make it a bit harder for Republican governors to turn down these Obamacare funds."



As the [Dallas Morning News](#)   (1/25, Garrett) puts it, "A glitch in the federal health care law could put Gov. Rick Perry over a political barrel."



States Continue To Weigh Medicaid Expansion Under ACA.



Continuing the coverage of Medicaid expansion under the Affordable Care Act, news outlets in states like Texas, Arizona, Tennessee, and Iowa, all of which have yet to make an official decision, carry reports on various debates, reports, or activities surrounding the choice.



Texas State Senator Leaves Door Open For Medicaid Expansion. The [AP](#)   (1/25, Tomlinson) reports that despite Texas' continued opposition to the Affordable Care Act, state Senator Jane Nelson, Republican chair of the Health and Human Services Committee, told the AP in an interview that "she hopes the Centers for Medicare and Medicaid Services will allow Texas to receive \$27 billion to expand Medicaid. But she said the key is to allow lawmakers to develop a Texas-specific program that will not blow the state's budget." She said, "I am still open to anything that will allow us to have the flexibility that we need, and that will also give us the assurance that it's not going to put us deeper in debt."


Brewer Continues Tour Of Arizona Explaining Medicaid Decision. The [Yuma \(AZ\) Sun](#)   (1/25, Knaub) reports that as part of Arizona Governor Jan Brewer's tour around the state explaining her decision to support expanding Medicaid under the Affordable Care Act, she visited the Yuma Regional Medical Center Thursday afternoon, joined by "a coalition of local business and health-care leaders." Surrounded "by YRMC President and CEO Pat Walz, Sen. Don Shooter (R-Yuma), Dr. Ram Krishna, businessman and hospital board member Vic Smith, Yuma County Chamber of Commerce Executive Director Ken Rosevear and Greater Yuma Economic Development Corporation President and CEO July Engle, Brewer noted that this was 'one of the most difficult decisions' she has made in her political career. She arrived at the decision after seeking input from a wide range of people, she said."

[KYMA-TV](#)   Yuma, AZ (1/25) reports that Brewer also said, "This will save thousands of jobs in communities across the state, likewise our hospital presidents and CEO's understand the growing cost they face in providing care to the uninsured."

Tennessee State Rep. Introduces Bill To Block Medicaid Expansion. The [Tennessean](#)   (1/25) reports that freshman Tennessee state Rep. Jeremy Durham, a Republican, "filed a bill Thursday to prevent expansion of the Tennessee Medicaid program under the Affordable Care Act." HB82, called the TennCare Fiscal Responsibility Act, "states that Tennessee 'shall not establish, facilitate, implement or participate in the expansion of the ... Medicaid program pursuant to ... the Patient Protection and Affordable Care Act.'" Durham said in a press release, "We got into serious financial trouble during the Bredesen years because there were too many people on our TennCare rolls. Due to the extreme uncertainty surrounding the federal fiscal situation, it is increasingly important that we as legislators exercise fiscal responsibility and not accept federal funds to expand programs that we're not prepared to fund ourselves."





The [Chattanooga \(TN\) Times Free Press](#)   (1/25, Sher) notes that "Republican Gov. Bill Haslam remains undecided on whether he will pursue the Medicaid expansion, which is estimated to affect 200,000 low-income adult men and women." Durham said, "The governor is a fiscal conservative and understands what this would mean to the financial situation of our state. I suspect he's just doing his homework."



Iowa Democrat Vows "Showdown" Over Medicaid Expansion. The [Des Moines \(IA\) Register](#)   (1/25, Leys) reports that Iowa state Senator Jack Hatch vowed Thursday that "Democrats will stage a showdown with the governor over whether the state should accept a large expansion of the Medicaid program." Iowa Governor Terry Branstad, a Republican, is opposed to expansion "because he fears federal officials wouldn't live up to their promise to pay at least 90 percent of the hundreds of millions of dollars of costs under President Obama's Affordable Care Act." Hatch "said the governor doesn't get to decide the issue." He also said, "I can tell you this: The Democrats in the Senate will not leave the Legislature this year without a full expansion of Medicaid. Period."



In related news, the [Des Moines \(IA\) Register](#)   (1/25, Leys) reports that "a majority of Iowans support accepting federal money



to cover more uninsured people under Medicaid, according to a survey released Wednesday by the American Cancer Society." The poll found that "57 percent support the idea and 27 percent oppose it, with the rest unsure."



Poll Identifies Support For Exchanges, Medicaid Expansion.

[The Hill](#)   (1/25, Baker, Viebeck) "Healthwatch" blog reports on a Kaiser Family Foundation [poll](#)   released Thursday, which found that "a strong majority - 55 percent - said creating an exchange should be the top healthcare priority for their governors and state legislatures in 2013. Another 31 percent said it's important, if not a top priority." Further, "Support for participating in the healthcare law's Medicaid expansion was slightly weaker - 52 percent said the program should be expanded, compared with 42 percent who said it should be kept as is."



[Modern Healthcare](#)   (1/25, Zigmond, Subscription Publication) reports that a majority of respondents said that "Governors and state legislatures should make establishing a health insurance exchange the No. 1 item on their healthcare agenda this year."

Poll Shows Support For Cutting ACA Subsidies. [CQ](#)   (1/25, Adams, Subscription Publication) reports that the poll "shows that many Americans would not support Medicare cuts, a slight majority would back Medicaid cuts and nearly six in ten people would reduce subsidies in the new exchange markets that start next year." According to the article, "Those findings suggest that Republicans might be politically safer in making arguments for cutting the subsidies in the health care law than for reducing the growth of Medicare or Medicaid." The piece continues, "The best time to cut benefits is before anyone receives them, but Republicans would face a difficult challenge in convincing President Obama to go along with GOP moves to ratchet down the subsidies, which will make a difference in the success of one of the administration's top domestic priorities."



Poll Shows Americans Opposed To Major Medicare Reform. [Reuters](#)   (1/25, Morgan) notes that the poll also shows that a majority of Americans want President Obama and Congress to cut the deficit without significant changes to Medicare or Social Security.

The [Kaiser Health News](#)   (1/25, Carey) "Capsules" blog adds that rather than cutting Medicare spending, "Lawmakers should examine other alternatives, including requiring drug makers to give the government 'a better deal' on medications for low-income seniors (85 percent) and making higher-income seniors pay more for coverage (59 percent), according to the survey."



South Carolina House Votes Not To Set Up State-Based Exchange.

The [Anderson \(SC\) Independent-Mail](#)   (1/25, Brown) reports, "The South Carolina House of Representatives agreed Thursday not to create a state-run health insurance exchange that would serve as a one-stop marketplace for residents needing coverage." The Republican-controlled House "approved the 'State Health Care Freedom Act' on a 65-44 party-line vote." The measure "serves as an endorsement of Republican Gov. Nikki Haley's refusal to embrace a key part of the federal health-care legislation that President Barack Obama signed in 2010."



Colorado Exchange Outlines Challenges As Launch Approaches.

The [Denver Post](#)   (1/25, Booth) reports on the considerable tasks ahead for the state of Colorado as it gears up to launch its health insurance exchange created under the Affordable Care Act in October. On Thursday, the exchange's creators presented their 2012 annual report to a joint legislative committee. Among the information shared: 150,000 residents are expected to sign up through the marketplace in its first year, and the group estimates it will need to train thousands of "navigators" to guide customers through the system. Said exchange director Patty Fontneau, "We welcome brokers to the table. We're going to need as much help as possible."

OIG Report Suggests Reducing Medicare Payments For "Bad Debt."



The [Dayton \(OH\) Daily News](#)   (1/25, Sweigart) reports on a new report from HHS Office of Inspector General, which found that "hospitals aren't leaning hard enough on Medicare beneficiaries to pay their share of medical costs." The report "suggests reducing what the government pays to cover such bad debt, which could pressure hospitals to bill more aggressively." The OIG estimates "this approach could save Medicare nearly \$36 billion in the next decade."

Maryland Hospitals Worry About Lack Of Input In Medicaid Waiver.



The [Baltimore Business Journal](#)   (1/25, Gantz, Subscription Publication) reports, "Health care leaders broke months of silence about the state's talks to come up with a new Medicare waiver plan, and in the process exposed a rift between hospitals and state officials." Top health officials "told the state Senate Budget and Taxation Committee Jan. 22 that they want to update Maryland's Medicare waiver - a policy used to regulate hospital rates - in a way that would change the way hospitals are held accountable for costs and open the door for systemic change to Maryland's entire health industry." However, "key stakeholders - hospital leaders - painted a picture of failed

collaboration," telling "the committee they have been excluded from the state's negotiations with the feds and are worried the breadth of the state's plan could jeopardize hospitals' financial stability."

Expert Calls For Universal Healthcare With Better Results, Lower Costs.



In the [Washington Post](#)   (1/25), Bryan R. Lawrence, founder of Oakcliff Capital, a New York-based investment partnership, writes, "The 2012 annual report for the federal government, released last week, continues to use dubious accounting standards to avoid putting the cost of government retirement promises into the headline deficit of \$1.1 trillion. But its disclosures have improved somewhat, and the new information should be read closely." He argues, "This highlights the continuing disagreement between Treasury and some Medicare trustees, who have again refused to accept Treasury's assumption that the Affordable Care Act will slow the growth in health-care costs." Lawrence concludes that "every other developed country delivers universal health care with better results and lower costs. The U.S. government's own annual report shows that our finances are unsustainable unless we do the same."

States Prepare To Upgrade Medicaid IT Systems.



[MedPage Today](#)   (1/24, Pittman) reports that 47 states have "submitted or received approval for an advanced planning document to upgrade their computerized enrollment systems" to meet the Affordable Care Act's new information technology requirements. These states are "taking advantage of a limited-time, 90% federal match available to update their IT infrastructure, the annual report of Medicaid enrollment, renewal, and cost-sharing policies found." The report, which was conducted by the Kaiser Family Foundation's Commission on Medicaid and the Uninsured and the Georgetown University Health Policy Institute, stated Wednesday that the "implementation of this system requires substantial investments in IT infrastructure at a time when state fiscal situations remain constrained." Regardless of their decision on other parts of the ACA, including the decision to operate a state-based health exchange, states are required to "prepare their systems for new eligibility, verification, and renewal requirements."

Public Health and Private Healthcare Systems

Limited Network Plans Expected To Play Major Role In Exchanges.

[MedPage Today](#)   (1/25, Appleby) reports that "limited network plans," similar to HMOs, are making "a comeback among employers looking to slow rising premiums," and are "expected to play a prominent role in new online markets, called exchanges, where individuals and small businesses will shop for coverage starting Oct. 1." However, according to the article, "that trend worries consumer advocates, who fear skimpy networks could translate into inadequate care or big bills for those who develop complicated health problems."

Kentucky Medicaid Changes Have Switched Some Network Providers.

[WAVE-TV](#)   Louisville, KY (1/25, Weiss) reports, "At the beginning of the year, Kentucky increased the options of Medicaid managed care providers and it could mean some of the biggest hospitals in the city are no longer in network." For example, "If your child is enrolled in Kentucky Children's Health Insurance Program, hospitals including Norton and Kentucky One may now be out of network if you don't call and ask for a change of provider." The article concludes, "parents need to do their research or parents may show up for a visit to the doctor without coverage."

Uninsured

Maryland Providing Healthcare To Five Disadvantaged Zones.

The [Baltimore Sun](#)   (1/24, Dresser) reports, "The O'Malley administration launched an effort Thursday to bring medical services to disadvantaged neighborhoods by designating the state's first five 'health enterprise zones' created under a law passed last year." The goals behind the program include "reducing health disparities among races and ethnic groups, improving access to care in communities that lack services, and reducing costs and hospital admissions." The program offers "tax breaks and other incentives to physicians and community groups to bring medical care to underserved neighborhoods." The five areas include West Baltimore, Annapolis, Capitol Heights, Greater Lexington Park, and Dorchester-Caroline county.

Thursday's Lead Stories

- [Republican Representative Roe Introduces Bill To Repeal IPAB.](#)

- [Republican States Divided Over Medicaid Expansion.](#)
- [Atlanta Medicare Program Among Demos Highlighted In Study.](#)

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