

Customized Briefing for Kimberly Barry-Curley



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Leading the News



ACA Glitch Could Mean Some Families Will Be "Priced Out" Of Coverage.

The [AP](#)   (1/30, Alonso-Zaldivar) reports that a "glitch" in the Affordable Care Act could mean that some families will be "priced out of health insurance." According to the AP, "IRS regulations issued Wednesday failed to fix the problem as liberal backers of the president's plan had hoped," and as a result, "some families that can't afford the employer coverage that they are offered on the job will not be able to get financial assistance from the government to buy private health insurance on their own." The Administration "says its hands were tied by the way Congress wrote the law," noting that the "affordability glitch is one of a series of problems coming into sharper focus as the law moves to full implementation."



For its part, [Bloomberg News](#)   (1/31, Wayne, Rubin) reports that "an effort to allow looser rules for calculating whether workers will be eligible for U.S. subsidies to buy health insurance was rejected today by the Internal Revenue Service." The article describes that "employees can receive government tax credits to buy insurance for their families if the coverage their employers offer would cost more than 9.5 percent of their income, the IRS said today in final regulations," but "that calculation will be based on the cost of self-only coverage, not family coverage, which is more expensive and would give more people access to the credits." Democratic lawmakers, "including U.S. Representatives Sander Levin of Michigan and Henry Waxman of California, had called for the IRS to use the more generous calculation to give families more access to policies on the insurance exchange, or marketplace."



Meanwhile, the [Wall Street Journal](#)   (1/31, Radnofsky, Subscription Publication) reports that a spokesman for the Treasury Department said the regulations are based on the language in the healthcare law.

The [NPR](#)   (1/30, Appleby) "Shots" blog, in partnership with the Kaiser Health News "Capsules" blog, reports that "consumer groups had hoped to sway the IRS to base the affordability threshold on the cost of a family plan, saying the rules could prevent some children and spouses from getting coverage." Joe Tuschner, senior health policy analyst at Georgetown University's Center for Children and Families, said, "It doesn't make sense to test the affordability of children's coverage by looking at the cost of covering one person, the employee." However, "supporters of the rule, among them employer groups and insurance brokers, say it closely follows the wording in the law and will be easier to administer."

The [New York Times](#)   (1/31, A11, Pear, Subscription Publication) notes that HHS Secretary Sebelius "said Wednesday that she wanted to use her discretion to prevent the imposition of tax penalties on certain uninsured low-income people in states that choose not to expand Medicaid. A rule proposed by her department would guarantee an exemption from the penalties for anyone found ineligible for Medicaid solely because of a state's decision not to expand the program."



[The Hill](#)   (1/31, Baker) "Healthwatch" blog also covers the story.

Proposed Rule Seeks To Exempt Some From Individual Mandate. [CQ](#)   (1/31, Norman, Subscription Publication) reports, "People who would qualify for Medicaid under the health law's expansion but live in a state that decides not to expand the program would be exempt from the individual mandate, under an Obama administration proposed rule released on Wednesday." This is seen as "an acknowledgment that not all states will expand the health program for the poor." Though "most individuals will be subject to tax penalties if they don't get health insurance when the law is fully implemented in 2014," HHS and the Treasury Department "made it clear that health insurance exchanges should provide 'hardship' exemptions," for those in states which do not expand Medicaid under the ACA.

[The Hill](#)   (1/31, Baker) "Healthwatch" blog reports, "there are several exceptions to the [individual mandate], and the Health and

Human Services Department emphasized those carve-outs in newly issued regulations Wednesday." Notably, "HHS clarified that the mandate doesn't apply to people who are eligible for Medicaid but live in states that don't take part in the law's Medicaid expansion."

In a separate report, [The Hill](#)   (1/30, Baker) "Healthwatch" blog writes, "The Obama administration took new steps Wednesday toward implementing the individual mandate in its signature healthcare law, downplaying the scope of the unpopular provision by stressing rules that allow exemptions from the requirement to purchase insurance." In announcing the exemptions, HHS said, "A principle in implementing the individual shared responsibility provision is that the shared responsibility payment should not apply to any taxpayer for whom coverage is unaffordable, who has other good cause for going without coverage, or who goes without coverage for only a short time."

[Modern Healthcare](#)   (1/31, Daly, Subscription Publication) reports that in a fact sheet accompanying the regulations, CMS said, "Both agencies' proposed regulations include rules that will ease implementation and help to ensure that the payment applies only to the limited group of taxpayers who choose to spend a substantial period of time without coverage despite having ready access to affordable coverage."



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



Bill Would Eliminate Part Of ACA.

The [Washington Times](#)   (1/31, Howell) reports that Sens. Tom Coburn and Claire McCaskill on Wednesday announced "a bill to dissolve part of President Obama's health care law that critics say skews some of the benefits to hospitals in Massachusetts, at the expense of other states." The bill "would eliminate a money-shifting 'gimmick' that resulted from the use of rural hospitals as the wage floor for Medicare reimbursements - a system that went askew because the Bay State's benchmark hospital happens to be on Nantucket, the well-to-do island off the Atlantic Coast."



Unions Push White House For Healthcare Subsidies.

In a front-page article, the [Wall Street Journal](#)   (1/31, A1, Adamy, Trotman, Subscription Publication) reports on the concerns some labor unions have with the Affordable Care Act. Union leaders worry that some of its requirements will increase healthcare costs, giving an edge to smaller, non-unionized contractors. Because these contractors will likely have fewer than 50 employees, they will also not have to pay a penalty for not providing health insurance, thus being able to provide a workforce at a lower cost. Unions are asking the Obama Administration to provide Federal subsidies to their lowest-paid members while also staying on their plans. The Administration is wary of upsetting unions, a stout ally, but acknowledges the subsidies will also raise the cost of the new law.



Medicare Adjusting Reimbursement For Dialysis.



The [Washington Post](#)   (1/31, Whoriskey) reports, "The Medicare system is recalculating how much it will reimburse hospitals and clinics for the drugs used to treat dialysis patients after federal auditors found recently that the program could save as much as \$880 million annually." An August analysis by the Post "showed that the government was overspending by hundreds of millions for just one group of those drugs." This occurred because the government was reimbursing for a dose that was higher than most people received. Dennis Cotter, president of the Medical Technology and Practice Patterns Institute, a research group, who called for price changes in 2011, said, "It's good that Medicare is finally going to set a new, more accurate price. It's unfortunate that they could have done this two years ago. This has so far cost taxpayers more than \$1.6 billion."



Growing Healthcare Costs Straining Texas Budget.

The [AP](#)   (1/31, Tomlinson) reports, "Texas will use 'all the money that there is available to spend' in the state budget just paying the health care costs of the growing number of poor, disabled and elderly unless dramatic changes are made to the Medicaid system, the



chairman of the Senate Finance Committee said Wednesday." Tommy Williams, a Republican, "called on fellow Texas lawmakers and state agency chiefs to prepare themselves to make tough choices but offered no details on how he would change Medicaid, the joint state-federal health program for 3.6 million Texans." At the hearing, "State budget analysts testified that the draft Health and Human Services budget calls for a 3 percent increase in state spending in the 2014-2015 budget cycle but acknowledged that Republican leaders asked them not to factor expected growth in Medicaid caseload or medical inflation into their budget forecast."



The [Texas Tribune](#)   (1/31, Aaronson) reports, "The Senate's proposed budget includes \$22.5 billion in general revenue to fund Medicaid, the joint state-federal health providers for the poor, but does not account for anticipated increases in program costs because of caseload growth, medical inflation or higher utilization in the 2014-15 biennium." Further, "Texas legislators, who underfunded Medicaid last session in the midst of a budget shortfall, must also approve more than \$4 billion in supplemental appropriations by March to avoid causing cash flow problems for the Health and Human Services Commission."



The [Dallas Morning News](#)   (1/31, Garrett) reports that Dr. Kyle Janek, the state's top social services official, told the senators "that Texas Medicaid program managers have come close to hitting their assigned goal of squeezing more than \$2.2 billion in state savings in the current two-year budget cycle through various efficiencies and cost-containment moves." Specifically, "by Aug. 31, the efforts will have saved about \$1.8 billion in general purpose revenue, or about 80 percent of what lawmakers hoped last session."

The [Austin \(TX\) American Statesman](#)   (1/31, Lindell) adds, "The lower estimate was followed by a sobering assessment from state Sen. Tommy Williams, the committee chairman, who warned that health spending now equals education spending -about \$70 billion - when state and federal money is combined."



Minnesota Legislature Moves Forward With Medicaid Expansion.

The [Minneapolis Star Tribune](#)   (1/31, Brooks) reports, "Minnesota is preparing to expand Medicaid coverage to another 145,000 people, including thousands of children," under the Affordable care act. Human Services Commissioner Lucinda Jesson said before a Senate Committee Wednesday, "The whole promise of [health care] reform was built upon a promise of more coverage for more people." The expansion is included in Governor Mark Dayton's budget. However, the issue must be debated at the Legislature.



[MinnPost.com](#)   (1/31, Nord) notes that "Democrats are moving forward quickly with legislation this session to expand eligibility for the state's Medical Assistance program to offer 145,000 Minnesotans improved health care, Jesson said during a conference call with reporters." She called passing the bill "the easiest decision facing the legislature this session."

[Minnesota Public Radio](#)   (1/31, Stawicki) adds that Jesson also said, "We already cover a lot of these people. There are 53,000 people who are currently under our MinnesotaCare program where the state pays half of those costs, that will transfer to medical assistance where the federal government will pick up 100 percent of the tab for three years and at least 90 percent thereafter."



Kasich Said To Be Leaning Toward Support Of Medicaid Expansion In Ohio.

On its front page, the [Cincinnati Enquirer](#)   (1/31, A1, Bernard-Kuhn) reports that "In an exclusive interview with The Enquirer this week, Gov. John Kasich hinted he would call for expanding the joint federal-state health care program for the poor and disabled in his pending two-year budget proposal, which is due Monday." This places Ohio "among a growing contingent of Republican-led states leaning toward expanding Medicaid coverage for hundreds of thousands of low-income residents." Still, because many of the state's Republicans oppose expansion, "Kasich will have to convert members of his own party if he wants to bring \$14 billion in federal funds to the state and extend coverage to nearly 600,000 additional low-income Ohioans."



Bullock Pushes For Medicaid Expansion In Montana.

The [Helena \(MT\) Independent Record](#)   (1/31, Dennison) reports, "Gov. Steve Bullock unabashedly pitched his Democratic administration's signature proposals Wednesday night in his first State-of-the-State address, from education funding to tax rebates to expanded health coverage for the poor." On the subject of Medicaid expansion, Bullock said, "This is an opportunity to reduce costs and expand access to quality health care for nearly 70,000 more Montanans. If we fail to act, Montana taxpayer dollars will be used to provide health care to the citizens of states thousands of miles away, while our rates will continue to go up, year after year."



Nevada Legislature Seems Likely To Support Medicaid Expansion.



The [Las Vegas Review-Journal](#)   (1/31, Whaley) reports on Medicaid expansion under the Affordable Care Act in Nevada, which is supported by Republican Governor Brian Sandoval and was included in his proposed 2013-2015 budget. Now, lawmakers will debate whether to expand the program, which would cover an additional 170,000 residents by 2015. The article notes that it seems the proposal enjoys bipartisan support.

North Dakota Legislature Hearing Testimony Over Medicaid Expansion.



The [Bismarck \(ND\) Tribune](#)   (1/31) reports from North Dakota, "More than a dozen people testified Wednesday in favor of a bill that would allow the Department of Human Services to accept funding for the expansion of Medicaid under the federal health care law." Members of the House Appropriations Committee's Human Resources Division and the House Human Services Committee "heard more than 2 1/2 hours' worth of testimony," which "included representatives of several health care organizations and private citizens in favor of enacting that portion of the Patient Protection and Affordable Care Act." Rep. Al Carlson, R-Fargo, "was the only person to testify in opposition to House Bill 1362."

North Carolina Republicans Introduce Bill To Block Medicaid Expansion.



The [Winston-Salem \(NC\) Journal](#)   (1/31) reports from North Carolina, "Republicans in control of the General Assembly introduced legislation Wednesday that would block the expansion of Medicaid under the health care overhaul and leave it to the federal government to build the state's online marketplace for health insurance." These "lawmakers say they are wary after spiraling Medicaid costs have poked multimillion-dollar holes in the state budget in years past."

The [Triangle Business Journal](#)   (1/31, deBruyn, Subscription Publication) reports that "Republicans in both the House and Senate filed identical bills to reject the Medicaid expansion and reject any participation in setting up an insurance exchange marketplace." And, if passed, "North Carolina could miss out on some \$15 billion in federal money, according to estimates from the N.C. Justice Center."

Virginia Faces Medicaid Expansion Decision.

The [Norfolk \(VA\) Virginian-Pilot](#)   (1/31, Walker) reports that the decision whether to expand Medicaid under the Affordable Care Act in Virginia "looms as one of the more substantial policy decisions facing the legislature." The article notes that "the governor and some other Republicans are reluctant to expand the program without reforms from the federal government, such as making it more like private insurance, in which enrollees have a financial stake in their care." However, "legislators in the House and Senate have offered budget amendments and legislation to broaden Medicaid, sometimes with conditions attached, so it could end up in their versions of the budget."



Coalition, Democrats Push For Medicaid Expansion In Iowa.

The [Cedar Rapids \(IA\) Gazette](#)   (1/31, Lynch) reports that "nearly 50 interest groups gathered at the Capitol Monday to make fiscal, health and moral arguments for the expansion of Medicaid coverage to as many as 150,000 Iowans." The coalition includes AARP, the American Cancer Society and Iowa Catholic Conference, and has the support of Democratic lawmakers. Sen. Jack Hatch, and Rep. Lisa Heddens, both Democrats, "introduced legislation Tuesday that would make more Iowans eligible for the program that provides health benefits for about 400,000 Iowans."





Florida Democrats Call For Action On ACA.



The [Florida Times-Union](#)   (1/31, Dixon) "PolitiJax" blog reports, "Despite criticism from top Democrats that the state has been 'dragging its feet,' House and Senate Republican leaders said Wednesday they would be deliberate in deciding how to handle key parts of the federal Affordable Care Act." House Minority Leader Perry Thurston and Senate Minority Leader Chris Smith, both Democrats, said "Florida needs to move forward with a major Medicaid expansion under the law better known as 'Obamacare.'"

Medicare Changes Leave Some Facing Large Bill For Recuperation.



The [Pittsburgh Post-Gazette](#)   (1/31, Twedt) reports, "Medicare recipients who need more time to recuperate after leaving the hospital could be hit with unexpected expenses if they don't qualify for the standard 20-day stay in a nursing home because their four-day hospitalization was billed as an outpatient 'observation' instead of an inpatient admission." This problem "has become more common in the past year as patients end up squeezed between a federal health care agency trying to control spending and hospitals and nursing homes trying to avoid unpleasant surprises." Explains the article, "What has changed is Medicare's interpretation of what constitutes an inpatient hospitalization - and several days in a hospital bed receiving treatment under a doctor's care does not necessarily meet the criteria."

Kaiser Family Foundation Releases Handbook Of Medicare Cost-Cutting Measures.



[CQ](#)   (1/31, Adams, Subscription Publication) reports, "As lawmakers look for ways to reduce Medicare spending, a [handbook](#)   the nonpartisan Kaiser Family Foundation released on Wednesday provides detailed insights into 150 cost-cutting options that were originally suggested by groups in and out of government." In some ways, the guide "mirrors policy option books produced by the Congressional Budget Office and the Medicare Payment Advisory Commission." Kaiser's book is divided into five categories of options:

"Medicare eligibility, beneficiary costs and program financing; Medicare payments; delivery system changes and options that focus on Medicare beneficiaries with high needs; the basic structure of the Medicare program; and Medicare administration and anti-fraud measures." The [Washington Post](#)   (1/31, Kliff) "Wonkblog" also covers the story.



Baldwin Reiterates Support For ACA In First Speech As Senator.

The [Appleton \(WI\) Post-Crescent](#)   (1/31, Bivins) reports, "In her first major speech since being sworn in as Wisconsin's newest U.S. senator, Tammy Baldwin signals she will continue her crusade for affordable health care for everyone." Excerpts from Wednesday's speech "reinforce Baldwin's position as a strong supporter of President Barack Obama's Patient Protection and Affordable Care Act." She said that "the success of the law...will depend largely on how it is implemented over the next several years."



Georgia House To Vote Soon On Bed-Tax Bill.

[WGCL-TV](#)   Atlanta (1/31, King) reports that the Georgia House "could any day approve" the bed-tax bill pushed by Governor Nathan Deal and already passed by the state Senate. As the article explains, "If lawmakers opt not to renew the fee, hospitals like Children's Healthcare would be forced to make some tough choices." According to State Rep. Matt Hatchett, the bill's Republican sponsor, "the fee is the best way for Georgia to fund Medicaid."

Utah Legislature Facing Key ACA Decisions This Session.



The [Deseret \(UT\) News](#)   (1/31, Leonard) reports on "several deadlines and decisions for states," brought about by the Affordable Care Act, "including for the conditionally approved state-run health insurance exchange and Medicaid expansion, that the Legislature may take into consideration during the 45-day session that began Monday." Ultimately, "Health care access must be made available to every family before the year is over, and the responsibility for that lies in the hands of state lawmakers." The article explains the decisions ahead, including how to bring Utah's existing exchange, Avenue H, into compliance with the ACA, and whether to expand Medicaid.



States Take Up Legislation To Address Telemedicine.


[Healthcare IT News](#)   (1/31) says data from the American Telemedicine Association show "seven states and the District of Columbia have seen bills introduced in the past four weeks that address coverage and reimbursement for telemedicine services. To date, 16 states have mandated that all private payers in the state reimburse for telemedicine services if such services would be reimbursed through an in-person visit." In Florida, for example, State Rep. Mia Jones "introduced a bill that would require insurers, including Medicaid, to provide coverage for telemedicine, extend Medicaid coverage for telemedicine to homecare services, provide coverage under the state plan or a waiver for home health services provided to eligible people with chronic conditions, and create a framework to allow for consults with practitioners and professionals in other states."



Public Health and Private Healthcare Systems

CMS Set To Launch Round 2 Of DME Bidding Program.

[Modern Healthcare](#)   (1/31, Zigmund, Subscription Publication) reports, "The CMS revealed new prices for durable medical equipment and supplies under an expanded competitive-bidding program that the agency says will save billions but that industry experts say could mean headaches for beneficiaries." This bidding program, as established by the Medicare Modernization Act in 2003, "was created to set more accurate payment rates for equipment and supplies." This is Round 2 "of the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies, or DMEPOS, competitive-bidding program, which will expand to 91 major metropolitan areas on July 1 and add new product categories and a mail-order competition for diabetic testing supplies."

[Reuters](#)   (1/31, Morgan) reports that the new prices are projected to save beneficiaries 45% on average, on durable equipment like walkers, wheelchairs, and prosthetics. In total, the move is expected to save Medicare \$27 billion in the next decade.

The [AP](#)   (1/31) reports, "Medicare deputy administrator Jonathan Blum said Wednesday it's due to competitive bidding making inroads against wasteful spending."





[CQ](#)   (1/31, Reichard, Subscription Publication) adds, "Savings will be dramatic, CMS officials said in a telephone news briefing. Instead of paying \$1,376 over a 13-month rental period for a hospital bed, for example, Medicare will pay \$737. The amount the beneficiary will pay will drop from \$275 over that period to \$147."

California CMS Demo Behind Schedule.

[CQ](#)   (1/31, Adams, Subscription Publication) reports, "A California demonstration for people eligible for both Medicare and Medicaid



is so far behind schedule that the state law authorizing it expires Friday," but "state and federal officials hope to keep that from happening." Jane Ogle, deputy director of healthcare delivery systems at the California Department of Health Care Services, explained, "The way we expect it to play out is that we'll have a nice note from CMS [this week] and then a memorandum of understanding that we'll complete in the next few weeks. We are right at the deadline for having the MOU completed."

25 Percent Of Tennessee Health Insurance Applications Are Denied.

The [Nashville \(TN\) Business Journal](#)   (1/31, Subscription Publication) reports in its "Nashville Biz Blog" that "with almost a full calendar year before the Affordable Care Act expands the availability of health insurance for millions more Americans, adequate access to coverage remains an issue." About "25 percent of health insurance plan applications are denied by insurers" in Tennessee, according to [data](#)   from the health plan research firm HealthPocket.com. The Business Journal notes that whether "declination rates increase through 2013 remains to be seen," but says it is likely that "premiums will continue to rise while insurers try to gauge the impact" of the ACA.

Growing Your Business

Employers Examine Health Insurance Options.

The [Ventura County \(CA\) Star](#)   (1/31, Kicken) reports that employers are "considering their options when it comes to insuring their employees. The fear, pushed by premium prices expected to rise higher and faster, is that employers will decide they can save money by dropping their insurance and absorbing the \$2,000 per full-time employee penalty." The uninsured workers will then be pushed to the online insurance exchange, "maybe with a salary hike aimed at defraying their burden, maybe not." However, some employers are considering alternate options, such as dividing their company into smaller ones to circumvent the 50 full-time employee rule, or "limiting their work weeks to 29 hours so workers will be defined as part time."

Wednesday's Lead Stories

- [Obama's Immigration Plan Won't Extend Access To ACA.](#)
- [Republicans Call For More ACA Documents From IRS.](#)
- [Citigroup Report Examines Market Share Of Health Insurers In California.](#)
- [Senior-Care Occupancy Demand, Pricing Increases.](#)
- [SBA Unveils Web Site, Blog To Address ACA Implementation.](#)
- [Costs Of Healthcare For Smokers, Obese Patients May Be Offset By Shorter Lifespans.](#)

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