

Customized Briefing for Kimberly Barry-Curley

February 13, 2013

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Leading the News

Obama Vows To Protect Medicare, Cut Healthcare Costs In Address.

Though not a main focus of his State of the Union address Tuesday night, President Obama mentioned healthcare several times throughout the speech, notably vowing to protect Medicare from deficit talks while still acknowledging that soaring medical costs are a big driver of US debt. Most sources note that his comments on healthcare offered "more of the same," and were simply proposals he has suggested in the past.

[The Hill](#)   (2/13, Baker) "Healthwatch" blog reports, "President Obama made clear in his State of the Union address Tuesday that healthcare costs are the biggest driver of U.S. debt, but offered no new proposals for reining in those costs." Early on in his speech, Obama said, "Those of us who care deeply about programs like Medicare must embrace the need for modest reforms – otherwise, our retirement programs will crowd out the investments we need for our children, and jeopardize the promise of a secure retirement for future generations." Beyond that, "Obama called for reducing Medicare's payments for prescription drugs, charging seniors a higher premium for their Medicare benefits, and changing the way healthcare services are delivered."

The [Washington Post](#)   (2/13, Jennings) "Post Politics" blog reports, "When it came to Medicare, Obama reiterated his determination to accept only limited cost-cutting proposals. Among the ideas he appeared to reference was requiring pharmaceutical companies to charge Medicare the lower rates they currently receive from Medicaid, the federal-state health insurance program for the poor." The blog adds that Obama said, "Yes, the biggest driver of our long-term debt is the rising cost of health care for an aging population. But we can't ask senior citizens and working families to shoulder the entire burden of deficit reduction."

[Bloomberg News](#)   (2/13, Duenwald) reports, "In the briefest of terms, in his State of the Union address, President Barack Obama promised to save as much money on Medicare in the next decade as was proposed by the Bowles-Simpson commission. That would include, he said, lowering tax subsidies for drug companies and asking more affluent beneficiaries to pay more." Further, "he said it would also include making a fundamental change in the way the government pays for care - by basing bills not on fee-for-service but on the quality of care our seniors receive."

From NAHU

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- Modified Community Rating—Coming Soon to Individual and Small Group Markets Near You
- EHBs, Actuarial Value, Minimum Value, QHPs, Etc.—What Does It All Mean, How Does It Work and How Will It Impact My Clients?
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Legislation and Policy



Democratic Senators Seek To Extend Health Coverage Tax Credit.



[CQ](#)   (2/13, Ethridge, Subscription Publication) reports Democratic Sens. Jay Rockefeller and Sherrod Brown want to extend the Health Coverage Tax Credit for laid-off workers whose jobs are outsourced, "saying credits under the state health insurance exchanges will be less generous." According to a GAO report, "about 69 percent of the laid-off workers who received the health care credit will get smaller tax credits or will not be eligible for a credit or to participate in the expanded Medicaid program." Rockefeller, who requested the report, said in a statement, "The HCTC is so important because it helps workers who lose their jobs due to outsourcing access affordable health coverage for themselves and their families." This quote was also run by [The Hill](#)   (2/13, Baker) "Healthwatch" blog.

New Hampshire Legislative Committee Approves Governor's Exchange Decision.

The [Concord \(NH\) Monitor](#)   (2/13, Palermo) reports, "The joint legislative committee overseeing health care reform in New Hampshire approved yesterday Gov. Maggie Hassan's decision to enter partnerships with the federal government for regulating the coming insurance exchange." New Hampshire "law dictates that the federal government will design and run the exchange, but in a draft of Hassan's letter to U.S. Health and Human Services Secretary Kathleen Sebelius, the governor seeks to retain state control on plan management and consumer assistance."



Discount Drug Program At Center Of Hospital, Pharmaceutical Dispute.

The [New York Times](#)   (2/13, Pollack, Subscription Publication) says a little-known federally mandated drug discount program, dubbed 340B, "is now under siege, the focus of a fierce battle between two powerful forces - the pharmaceutical industry, which wants to rein in the discounts, and the hospitals, which say they might have to cut services without them. One issue is that the program allows hospitals to use the discounted drugs to treat not only poor patients but also those covered by Medicare or private insurance. In those cases, the hospital pockets the difference between the reduced price it pays for the drug and the amount it is reimbursed." Pharmaceutical industry trade groups issued a report Tuesday that said some hospitals have gone overboard with the program to generate revenue, calling for the discounts to be more narrowly focused.



[CQ](#)   (2/13, Adams, Subscription Publication) quotes from the pharmaceutical industry report, "Clinical decision-making may be skewed by efforts to take advantage of the 340B discount," so "full and transparent accounting for all cost savings derived from the 340B program should be required to ensure that they are used to reduce drug costs for uninsured indigent patients."



Public Health and Private Healthcare Systems

States Prepare To Promote Health Plan Enrollment.



The [Wall Street Journal](#)   (2/13, Radnofsky, Dooren, Subscription Publication) reports that states are gearing up promotional efforts aimed at convincing millions of uninsured people to sign up for health plans this fall. The Journal notes that while much of the ACA's success is riding on getting many of the 30 million people who are supposed to gain coverage under the law to sign up for its insurance options, polls indicate that three years after the law's passage, most people do not know much about insurance exchanges where they will be able to shop for policies, apply for subsidies, and enroll in Medicaid.

North Carolina Rejects Expansion Of Medicaid.



The [AP](#)   (2/13, Dalesio) reports that North Carolina will not expand Medicaid under the Affordable Care Act. On Tuesday, a state House committee "rejected a Democratic proposal to use federal dollars to expand Medicaid coverage to an estimated 500,000 low-income residents for three years, with Republicans saying it is unlikely that the state could drop the new additions once North Carolina was required to start shouldering some of the cost in 2017." And following this vote, "Gov. Pat McCrory said that after considering the state's options, he's decided the General Assembly is right. McCrory said there was no guarantee that the federal government would live up to the law's promise to pay 100 percent of the cost of expanding Medicaid between 2014 and 2016."



[Reuters](#)   (2/13, Lambert) quotes North Carolina Governor Pat McCrory saying of Medicaid, "The current system in North Carolina is broken and not ready to expand without great risk to the taxpayers and to the delivery of existing services to those in need." He continued, "There is long-term concern regarding the federal government's continuing of its obligation for matching funds."

Wisconsin Governor Favors Limited Expansion Of BadgerCare.



The [Milwaukee Journal Sentinel](#)   (2/13, Stein) reports that while Wisconsin Gov. Scott Walker will not seek the "full expansion of the state's BadgerCare program as foreseen under the federal health care law," he will pursue "a more limited expansion of coverage. A source familiar with the proposal confirmed some of the broad outlines of the proposal on Medicaid health programs that Walker is expected to make at an event Wednesday afternoon in Madison. The decision will have far-ranging effects on whether and how tens of thousands of Wisconsinites receive health coverage, whether state taxpayers will have to cover tens of millions of dollars of that cost, and how much the state will receive in the coming years out of the billions of dollars in possible federal money to assist the expansion."

Alabama Senate Democrats Push Gov. Bentley To Expand Medicaid.



The [Montgomery \(AL\) Advertiser](#)   (2/12, Kitchen) reports Alabama Senate Democrats "said Tuesday they have one priority for the current legislative session: encouraging Gov. Robert Bentley to expand Medicaid, which they said would help provide health care for hundreds of thousands of people in the state and improve the economy. The Democrats, citing a study by the University of Alabama at Birmingham, said it's projected that expanding Medicaid would generate \$20 billion in economic activity in six years, almost \$1 billion in tax revenues, and provide almost 300,000 additional Alabamians access to Medicaid with 80 percent of those not being previously insured." Bentley press secretary Jennifer Ardis said the governor "would 'not expand Medicaid under its current structure.'"

[Alabama Live](#)   (2/13, Cason) quotes state Sen. Hank Sanders (D) as saying: "This is an opportunity for 300,000 additional people to get adequate medical care in Alabama." State Sen. Vivian Davis Figures (D), leader of the Senate minority, "said expansion would also build the state's economy. 'It is projected that the State of Alabama would generate \$20 billion in new economic activities and almost a billion in state tax revenues over the next six years,' Figures said."



Dallas County Commissioners Back Medicaid Expansion Plan.

The [Dallas Morning News](#)   (2/12) reports Dallas County commissioners "endorsed an expanded Medicaid program Tuesday that would cover uninsured low-income residents who otherwise must rely on charity care or county tax dollars to cover their medical costs." Locally, the expansion "would funnel an estimated \$580 million to Dallas County to cover new Medicaid recipients in 2014. The money would lessen the burden on local health care providers now treating such uninsured patients, usually in their emergency rooms."

Washington State Lawmaker Optimistic On Medicaid Expansion.



The [Puget Sound Business Journal](#)   (2/13, Subscription Publication) blog reports, "While newly elected Democratic Gov. Jay Inslee has publicly supported the Medicaid expansion, and the Democrat-led House is expected to support it, Senate Republicans are the X-factor." Sen. Randi Becker, chairwoman of the Senate Health and Long-Term Care Committee, "remains optimistic that the Medicaid expansion will happen here, but the details of how it would work are complicated." For example, Becker "said she's concerned about the shortage of health care workers in Washington state."



Navajos Optimistic On Sustaining Own Medicaid Program.

The [Albuquerque \(NM\) Journal](#)   (2/13) reports Navajo Nation Department of Health officials "are optimistic that the tribe can sustain its own Medicaid program," and a feasibility study is complete but hasn't been released yet. Currently, the study is under review by HHS, and will go to Congress for review March 23. The study "assumed that the tribe's Medicaid system would serve Navajos within the tribe's geographic boundaries and would alleviate some confusion. 'It would just be simpler for us. We wouldn't have to face the different rules that different states have,' said Erny Zah, spokesman for the Navajo Nation president."



Despite Kasich's Support, Ohio Treasurer Speaks Out Against Medicaid Expansion.

The [AP](#)   (2/13, Smyth) reports, "A fellow Republican state official is bucking Gov. John Kasich's proposed expansion of Medicaid, urging GOP lawmakers to reject the plan for the sake of the state's bottom line." In a letter, sent Monday, "Treasurer Josh Mandel urged legislative leaders to oppose Kasich's decision, which was incorporated into the \$63.2 billion, two-year budget the governor released last week."



The [Columbus \(OH\) Dispatch](#)   (2/13, Vardon) reports that in the letter to Ohio House Speaker William G. Batchelder, R-Medina, and Republican Senate President Keith Faber, Mandel wrote: "There is no free money. While expanding Medicaid may direct more federal dollars to Ohio in the next few years, in the long term Ohioans will have to repay the debt that is funding federal government. The federal government has an approximate \$16.4 trillion national debt, and entitlement spending alone is projected to consume all revenue by 2045."

The [Cleveland Plain Dealer](#)   (2/13, Higgs) reports that in response, Governor Kasich's spokesman Rob Nichols said Tuesday, "This is a complex issue and we don't fault people for not fully grasping it. The bottom line is that this helps reduce Obamacare's impact on our continued recovery, which takes more in-depth analysis to understand. Keeping Ohio's economy strong, so our state can keep creating jobs, is the governor's top priority."

\$2 Billion Medicaid Program Primarily Aides Illegal Immigrants.





[McClatchy](#)   (2/13, Galewitz) reports that while Federal law generally prohibits illegal immigrants from being covered by Medicaid, "a little-known part of the state-federal health insurance program for the poor pays about \$2 billion a year for emergency treatment for a group of patients who, according to hospitals, mostly comprise illegal immigrants. Most of it goes to reimburse hospitals for delivering babies for women who show up in their emergency rooms, according to interviews with hospital officials and studies." The funding "underscores the political and practical challenges of refusing to cover an entire class of people. Congress approved the program after lawmakers required hospitals to screen and stabilize all emergency patients regardless of their insurance or citizenship status."

Georgia Medicaid Receives Two-Year CMS Grant.

An [Atlanta Business Chronicle](#)   (2/13, Subscription Publication) blog reports Georgia Medicaid "received nearly \$2 million in grants from the Centers for Medicare & Medicaid Services to help report and analyze patient quality performance measures. The two-year grant - for nearly \$970,000 each year - will be used to generate, report and validate adult quality performance measure rates for the Medicaid Adult-Only members and a subset of that population - the members enrolled in the Community Care Services Program waiver." The grant "will also be used to implement, monitor and validate two new performance improvement projects through collaborations with the Georgia Department of Human Services, Division of Aging Services and the 12 Area Agencies on Aging throughout the state."



Senior Market News



Many Experts Favor Medicare Coverage Of Brain Scans For Alzheimer's.

The [New York Times](#)   (2/13, Graham) "The New Old Age" blog reports that many experts in the medical field favor Medicare coverage for brain scans for seniors who are suspected of having Alzheimer's. "But late last month, an expert panel convened by the Centers for Medicare and Medicaid Services concluded that data supporting use of the scans was weak," noting in particular that "there is no solid evidence that these imaging tests have a meaningful impact on patients' health; studies that might establish this have not yet been done." According to the blog, "this controversy deserves attention because positron emission tomography, known as PET scans, are becoming available across the country, and [proposed guidelines](#)   for their use have just been published by the Alzheimer's Association and the Society of Nuclear Medicine and Molecular Imaging."



Also in the News

WellPoint Names Trinity Health's Joseph Swedish As CEO.



The [New York Times](#)   (2/13, B1, Abelson, Subscription Publication) reports, "Joseph R. Swedish, the 61-year-old chief executive of a major nonprofit Catholic-owned health system, Trinity Health, will become WellPoint's chief executive on March 25." Swedish will lead WellPoint, which runs Blue Cross in 14 states, "into a future in which health insurers will sell insurance through state and federal exchanges and to work in new ways with hospitals and doctors." After becoming the CEO at Trinity in 2004, Swedish "helped build Trinity Health into a \$9 billion health system with 47 hospitals in 10 states."

The [Wall Street Journal](#)   (2/13, Mathews, Kamp, Subscription Publication) reports that WellPoint's choice might surprise investors, because he is not familiar to managed care providers. While WellPoint is seen as a very strong company, the Journal argues that it has had leadership issues in the past.

Maryland's St. Joseph Medical Center Remains Uncertified By Medicare.

The [Baltimore Sun](#)   (2/13, Walker) reports, "The University of Maryland St. Joseph Medical Center failed a critical federal inspection and has been unable to collect what is likely millions of dollars in Medicare reimbursements from the federal government since Dec. 1." The University of Maryland gave up a certification required to bill Medicare when it took control of the "troubled" medical center. A subsequent Federal inspection following the acquisition revealed the center had "shortcomings," and therefore the "Centers for Medicare & Medicaid Services (CMS) could not issue what is known as a Medicare provider agreement to St. Joseph." It is unknown why St. Joseph failed the inspection, but "in the meantime, the hospital can't bill Medicare and may be losing money it will never recover."

Patients Should Take Heed Of Hospital "Observation" Costs.

The [NPR](#)   (2/12, Andrews) "Shots" blog carried a Kaiser Health News story advising patients to be careful if a doctor asks them to stay at a hospital for "observation," because "depending on the hospital, observation can mean very different things for both your medical care and your wallet." Placing patients on observation can mean that hospital staff will do just that: "Closely monitor and intensively treat patients whose condition is unstable or unclear." However, there are other times where patients under observation don't receive special care. They receive the same service and hospital bed than anyone else who has been admitted. In these cases, "observation" is seen as "no more than a billing designation that allows hospitals to move patients out of crowded emergency departments and avoid potential insurance reimbursement problems for inappropriate admissions."

Tuesday's Lead Stories

- [Obama No Longer Open To Raising Medicare Age.](#)
- [OMB Reviewing Essential Benefits Final Rule.](#)
- [Judge Overturns Arizona's Anti-Planned Parenthood Law.](#)
- [Klobuchar: Ability To Negotiate Prescription Drug Prices Is Essential For Seniors.](#)
- [Bill Giving Virginia Some Control Over Exchange Advances In Legislature.](#)
- [HHS, DOJ Recouped Record \\$4.2 Billion In Healthcare Fraud In 2012.](#)

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