

Customized Briefing for Kimberly Barry-Curley

February 14, 2013

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## Leading the News

### Sebelius Unveils Conditional Approval Of Illinois Partnership Exchange.

[Chicago Tribune](#) [f](#) [t](#) (2/14, Frost) reports HHS Secretary Kathleen Sebelius announced Wednesday that "her department conditionally approved Illinois' plan to operate a health insurance exchange in a partnership with the federal government, a widely expected move that makes the state the third to receive the official go ahead." Sebelius was to "make the announcement Wednesday afternoon at a West Side clinic alongside Gov. Pat Quinn." According to Sebelius, "the approval will allow the state and the federal government to continue work on readying the online marketplace for Oct. 1, when uninsured Illinoisans can begin signing up for health insurance offered under the 2010 health care overhaul law."

The [Chicago Sun-Times](#) [f](#) [t](#) (2/14, Thomas) reports that at the announcement, Sebelius said, "Beginning in October, many of those folks will finally be able to sign off for coverage they need and deserve, thanks to this new marketplace strategy. The market will make finding the right health insurance plan less complicated and more affordable than ever before."

[The Hill](#) [f](#) [t](#) (2/14, Baker) "Healthwatch" blog adds that Sebelius also said, "I applaud efforts by Illinois to build a new health insurance marketplace. Working together, we will be ready in eight months when residents of Illinois will be able to use the new marketplace to easily purchase quality, affordable health insurance plans."

The [AP](#) [f](#) [t](#) (2/14) reports that the approval comes with six conditions, which include "signing a memorandum of understanding with the federal government for how the state will monitor and approve health plans sold on the exchange by March 1 and a separate memorandum of understanding for how the state will run consumer outreach activities by April 1."

[CQ](#) [f](#) [t](#) (2/14, Reichard, Subscription Publication) notes that "So far seven states have said they are planning for a partnership exchange." Besides Illinois, Arkansas and Delaware, which have received conditional approval from HHS, "the other states include Michigan, Iowa, West Virginia and New Hampshire."

**From NAHU**

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- 2014—The Year of Requirements
- Health Insurance Exchange Myths and Realities
- The Interaction and Future Regulation of Agents, Brokers and Navigators
- 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?
- Help! My Small Group Is Actually A Large Group Too!
- Self-Funding Basics

### Quick Links:

[Conference Website](#)

[Online Registration](#)



[Preliminary Agenda](#)

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## Legislation and Policy



### California Unveils Healthcare Policy Details.

The [Los Angeles Times](#)   (2/14, Terhune) reports, "On Wednesday, state officials will spell out the details on policies available next year to people buying their own coverage." Peter Lee, executive director of Covered California, said, "For the first time, all Californians will be able to make an apples-to-apples comparison of their health plan choices in 2014...Today's health insurance market is a shell game where insurers are trying to avoid paying for expensive care and consumers don't know what's covered or not covered." The Times notes that the state is learning from the experiences that Massachusetts had when it implemented healthcare coverage in 2007, and many consumers were confused as a result. Further, "Insurers are preparing to submit their rates to Covered California, and the state expects to negotiate the final premiums by June."



The [Sacramento \(CA\) Business Journal](#)   (2/14, Robertson, Subscription Publication) reports, "Fact



sheets on getting coverage and getting financial help are available in English and Spanish, with translation available to Arabic, Armenian, Chinese, Farsi, Hmong, Khmer, Korean, Lao, Russian, Tagalog and Vietnamese." In addition, premiums will be based on income, and charged on a "sliding scale." The Business Journal adds, "There will be four choices: bronze, silver, gold and platinum. Bronze will be a catastrophic plan that pays 60 percent of expected health care costs. The silver plan will pay 70 percent; gold, 80 percent and platinum, 90 percent."

## **Deadline To Create State-Federal Partnership Exchange Friday.**



[Politico](#)   (2/14, Cheney, Millman) reports, "For those states that just can't quite make up their mind, time's up." Friday marks "the day when states are due to declare whether they'll partner with the White House to build Affordable Care Act health insurance exchanges." Further, the article notes that "this isn't just another bureaucratic deadline: What states choose to do with the Obamacare exchanges has long-term implications for the success of the landmark health care law, not to mention political consequences for the governors and state legislatures that choose to either carry out the law or turn over the keys to the federal government in building exchanges." States still deciding include New Jersey and Florida.

## **Upton Optimistic House Can Permanently Overhaul SGR.**



[Reuters](#)   (2/14, Morgan) reports that House Republicans are planning to overhaul the "sustainable growth rate" (SGR) formula which determines Medicare reimbursements for physicians. Since the legislation was enacted in 1997, Congress has postponed the steep cuts temporarily a number of times, with doctors growing increasingly vocal in seeking a permanent solution. Rep. Fred Upton, chairman of the House Energy and Commerce Committee, is optimistic that a permanent "Doc-Fix" will be sent to the House floor by this summer, saying that a recent CBO estimate, which lowered the cost for overhauling the SGR, offers "a window of opportunity" for the legislation.

[CQ](#)   (2/14, Ethridge, Subscription Publication) reports that Upton said Wednesday, while speaking at an American Medical Association conference, "Fixing this issue is one of our committee's No. 1 priorities in this Congress, and our goal is to get it done this year. To actually have it on the House floor before the end of the summer - July, the first week of August - is sort of where we're looking."



## **ACA Implementation Hinges On Four Key Questions.**

The [Wall Street Journal](#)   (2/14, A2, Wessel, Subscription Publication) examines what it describes as the four key questions surrounding the implementation of the Affordable Care Act. The questions involve what consumers, employers, states, and healthcare providers will do under the law.



## **Maryland Lt. Gov. Outlines Plan For Implementing ACA.**

The [AP](#)   (2/14) reports, "Lt. Gov. Anthony Brown and state health officials on Wednesday outlined some of the final steps in a three-year effort to create a health benefit exchange in Maryland as part of the federal health care overhaul." Brown, "who has been working on health care legislation for Gov. Martin O'Malley's administration, testified on a bill to create a funding source to pay for the state's health benefit exchange." This measure "would pay for it by using money from an existing 2 percent tax on insurance plans that are state regulated."



## **Idaho Lawmakers Introduce Bill To Protect Against State-Based Exchange.**

The [Idaho Press Tribune](#)   (2/14) reports, "A group of sixteen freshmen legislators from the Idaho House of Representatives Wednesday introduced legislation that requires additional protections for Idahoans should the legislature pass a state-based health insurance exchange." Members of the coalition include "Cindy Agidius, Neil Anderson, Robert Anderst, Lance Clow, Thomas Dayley, Douglas Hancey, Brandon Hixon, Wendy Horman, Clark Kauffman, Luke Malek, Steven Miller, Ed Morse, Kelley Packer, Paul Romrell, Julie Van Orden and Rick Youngblood." The group says that "the legislation is in response to concerns from constituents about the current state exchange proposal."


## **Catholic Hospitals See Contraception Mandate Compromise As Improvement.**

The [AP](#)   (2/14) reports, "A trade group for Roman Catholic hospitals says the latest federal rules on birth control coverage are an improvement," but "the Catholic Health Association said Wednesday it won't make a final judgment until after canvassing its members." The group has "been seeking a broader exemption from the Department of Health and Human Services requirement that employers provide insurance that covers contraception," a provision of the Affordable Care Act.

## **Montana Lawmaker Proposes Bill To Protect Community Hospitals From Larger Competition.**



[The Missoulian](#)   (2/14, Dennison) reports, "Some midsized hospitals are asking the Montana Legislature to protect them from competition from bigger hospitals and health care systems, saying the competition could undercut their mission to provide basic care to their respective communities." State Rep. Ron Ehli said his bill "is because of a potential, unprecedented threat to what I consider the heartbeat of health care in Montana - your small, community hospital." He warns that a larger hospital or healthcare system could enter small communities and open outpatient surgery centers that "would siphon profitable revenue away from the community hospitals, which use that revenue to subsidize things like emergency rooms and other vital care that isn't profitable." The bill would make it more difficult for surgery centers in smaller communities to receive a "certificate of need" from the state.

## **Montana Health Officials Push For Insurance Coverage For Telemedicine.**



The [Montana Standard](#)   (2/14, Dennison) reports Montana "health officials, hospitals and others Wednesday urged passage of a bill that would require health insurers to cover services provided via telemedicine, saying it will save money for patients and, in the long run, insurers." Montana state Sen. Ed Buttrey, the bill's sponsor, said telemedicine saves time and money for those in those rural areas. Thelma Armstrong, director of the Eastern Montana Telemedicine Network, informed "the Senate Public Health Committee there's been a significant increase recently of insurance companies denying coverage for care through telemedicine." She said, "We are not asking for additional coverage, but asking for tele-medicine to be allowed as the delivery method for already-

covered service."



## **Paper Argues ACA Will Harm Young Insurance Buyers.**

In an editorial, the [Orange County \(CA\) Register](#)   (2/14) argues that rather than keep down healthcare costs, as President Barack Obama contended during his State of the Union address Tuesday night, the Affordable Care Act is in fact contributing to soaring insurance rates, and further, that this disproportionately harms the young. The piece explains, "Next year, when the Affordable Care Act's requirement to have insurance takes effect, premiums are expected to rise further, and many young Americans will have to choose between buying health insurance or paying a penalty." The paper concludes that after the ACA goes into effect, "Many of those who should be buying insurance at affordable rates in the event of an emergency – young and generally healthy Americans – will be unable or unwilling to do so."



## **Healthcare Executive Argues For "Moneyball Technique" To Reduce Costs.**

Andrew Slavitt, group executive VP of Optum, said at the eHealth Initiative Annual Conference that the healthcare industry should "professionalize" its analysis of big data, [Information Week](#)   (2/13, McNickle) reported. He said the industry "continues to build IT for the old world of care," and the "new care" involves a large segment of the population that will be "dual eligible" for both Medicaid and Medicare. Slavitt "noted the cost burden is shifting to those taking care of the dual eligibles. Driving down healthcare costs to address this trend is where better healthcare analytics and a moneyball strategy come in."



## **Georgia House Passes Bill To Certify ACA Navigators.**



The [Atlanta Journal-Constitution](#)   (2/14, Leslie) reports, "The Georgia House passed a bill Wednesday that would require health insurance navigators to be licensed in order to help uninsured Georgians and businesses use a federally backed online health insurance exchange." House Bill 198, "introduced by Rep. Richard Smith, R-Columbus, would establish training and licensing procedures for the navigators, whose positions are required elements of the Affordable Care Act." Under the bill, "which passed 154-16, navigators would have to undergo 35 hours of training to be licensed."



## **FTC Approves Arrangement Between Oklahoma Hospital, Doctors.**





[Modern Healthcare](#)   (2/14, Carlson, Subscription Publication) reports that the FTC has approved "a proposed arrangement between a large group of Oklahoma doctors and a local hospital, even though people involved with the new network admit that they plan to collectively raise some prices." While proponents of the arrangement can't "quantify the economic benefits," FTC Assistant Director Markus Meier argued that "a year-and-a-half-long investigation had found that the integrated network's potential benefits to patients, providers and payers seemed to outweigh its risks," because the Norman Physicians Association and the Norman (OK) Regional Health System will use committees and Healthcare IT improvements to promote efficiency. However, Meier adds, "This is not a blessing per se. This is not saying, we will never challenge it. It just says, if your representations are accurate, we won't."

### Pence Informs HHS Indiana Will Not Expand Medicaid.



[USA Today](#)   (2/14, Kennedy) reports, "Two Republican governors said Wednesday they will not back expanding their states' Medicaid programs as allowed under the 2010 health care law, saying the extra costs would burden their states." In addition to Wisconsin Governor Scott Walker, Mike Pence of Indiana "leaves 10 remaining Republicans who have yet to decide on expanding their participating in the federal-state health care program for the poor." All "have come under heavy lobbying by health care providers who say the economic benefits are too good to ignore."



The [Indianapolis Star](#)   (2/14, Sikich, Schneider) reports that Wednesday, "Pence sent a letter to Health and Human Services Secretary Kathleen Sebelius in Washington, D.C., explaining his position." The letter read, in part, "Medicaid is broken. In Indiana, an expansion of traditional Medicaid under the Affordable Care Act would cost our taxpayers upwards of \$2 billion over the next seven years." Also Wednesday, the Indiana General Assembly "moved forward with legislation that backs Pence's position."


The [AP](#)   (2/14) reports that in the letter, "Republican Gov. Mike Pence delivered federal officials an ultimatum: Let Indiana use its own plan instead of Medicaid to cover 400,000 more Hoosiers, or watch the state refuse to implement that portion of the health care law." The article notes that "It's a demand that federal officials have declined in the past, but Pence's administration is holding out hope for a favorable ruling on an appeal as state lawmakers advance measures that would trigger the expansion only if Indiana gets what it wants."

Also reporting are [WTIU-TV](#)   Bloomington, IN (2/14, Smith) and [WANE-TV](#)   Fort Wayne, IN (2/14).



### Walker Seeking CMS Approval For Unique Medicaid Expansion Plan.

In continuing coverage, [CQ](#)   (2/14, Adams, Subscription Publication) reports, "Wisconsin Republican Gov. Scott Walker said Wednesday he does not want to expand Medicaid but does want to use other ways to bring down the uninsured rate in his state from 14 percent to 7 percent." CMS "would have to decide whether to approve the proposal through a state plan amendment or waiver." In a statement, his office explained, "Governor Walker's proposal will cover people living in poverty through Medicaid and allow individuals above that level to access affordable health insurance coverage through the federal health insurance exchange. Under this plan, Wisconsinites in poverty will be covered by Medicaid and those above poverty up to four times the poverty level would receive federal health insurance premium subsidies to purchase health insurance offered in the exchange. By doing so, Wisconsin is projected to reduce the number of uninsured adults, ages 19-64, by 47 percent with 224,580 fewer people uninsured."



The [Milwaukee Journal Sentinel](#)   (2/14, Stein) report that while Wisconsin "would turn down a full expansion of the BadgerCare program under the federal health care law," under Walker's proposal, "224,600 more state residents would still gain coverage as the law takes effect." Walker "said his plan would cover somewhat fewer people than a full expansion of Medicaid as provided under the federal health care law, which he said would cover 252,700 people, or 28,100 more than his own approach. But the Republican governor said that his proposal, which shrinks state health programs by a few thousand patients, would reduce the role of government in people's lives and make them more independent."

The [Washington Post](#)   (2/14, Kliff) "Wonkblog" examines Walker's unique proposal for Medicaid closely,



explaining, "In effect, Wisconsin provides a lot of the Medicaid coverage that is new to other states. And it will keep doing that moving forward: Medicaid coverage will be available to all Wisconsinites under the federal poverty line, reopening that program for low-income adults who had previously had an enrollment cap." However, "With this approach, Wisconsin will miss out on one of the most appealing features of the Affordable Care Act: the federal government footing the entire bill for Medicaid enrollees newly eligible under the health reform law."

The [Huffington Post](#)   (2/13, Kavoussi) reports that Walker said Wednesday that he "still aims to halve the share of uninsured non-elderly adults in Wisconsin." Walker "put forth his own health care proposal that would make fewer people eligible for Medicaid and instead force more people to buy private health insurance."

## **North Carolina Health Secretary Vows To Improve Medicaid.**



The [AP](#)   (2/14, Robertson) reports, "The new chief of North Carolina's embattled health department says Medicaid reform and getting improving computer systems are her top two priorities." The state's Health and Human Services Secretary Aldona Wos "told legislative budget writers Wednesday that she is also cleaning up a department whose employees in the past filled out indecipherable reports and wasted money through poor communication or mistakes." Wos "says things are really broken in the department but that officials are on the path to fixing them."

## **Study Lends Support To Expanding Medicaid In Colorado.**

The [Denver Post](#)   (2/14, Booth) reports on a study, commissioned by the Colorado Health Foundation, which found that expanding Medicaid in the state would add 22,000 jobs and increase economic activity by \$4.4 billion. The Foundation concluded that opting into expansion would be less costly than opting out. Still, opponents argue that expanding Medicaid would cost the state too much in the long run.


### **Consumer Directed Healthcare News**

## **Tampa Bay Times Calls For Transparency In US Healthcare Pricing.**

The [Tampa Bay \(FL\) Times](#)   (2/13) editorialized that it the US healthcare system makes it "nearly impossible for consumers to comparison shop. If bending the cost curve for medical care is the key to making health insurance affordable, forcing prices out into the open would be a good starting point." The Times editorial board noted a survey conducted by Washington University in St. Louis that found that many hospitals nationwide were unable to provide a "a simple request for the estimated cost of a hip replacement for an uninsured 62-year-old female," despite her persistent requests. The hospitals that did "respond had prices so varied that they ranged up to 10 times more for the same procedure." The board supported a 2011 Florida law requiring "urgent care centers to prominently display the prices of its 50 most common medical services for self-pay patients," and said that more laws like this are needed.

### **Also in the News**

## **Drug Prices Rose 3.6% In 2012.**

[USA Today](#)   (2/14, Cauchon) reports that data from the Bureau of Economic Analysis show that drug prices

rose 3.6% in 2012, which is "twice the 1.7% inflation rate." USA Today adds, "What's driving drug costs up: brand-name drugs paid for by insurance and often heavily advertised. The price escalation on patented drugs has offset enormous savings that have occurred simultaneously from the growing use of inexpensive generic drugs."

## Wednesday's Lead Stories

- **Obama Vows To Protect Medicare, Cut Healthcare Costs In Address.**
- **Democratic Senators Seek To Extend Health Coverage Tax Credit.**
- **States Prepare To Promote Health Plan Enrollment.**
- **Many Experts Favor Medicare Coverage Of Brain Scans For Alzheimer's.**
- **WellPoint Names Trinity Health's Joseph Swedish As CEO.**

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