

Customized Briefing for Kimberly Barry-Curley

February 26, 2013

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Leading the News



Obama Warns Governors That Sequester Cuts Will Hurt The Economy.

The national media continues to portray the mandatory Federal budget cuts set to be implemented Friday as inevitable, and progress in negotiations to avoid them as nonexistent. On NBC Nightly News (2/25, story 2, 3:00, Williams), for example, Peter Alexander reported that the White House and congressional Republicans "have made no progress toward a deal," and "while there was plenty of talking today, almost all of it was critical of the other side."

[USA Today](#)   (2/25, Jackson) reports that the President "sought to recruit the nation's governors...in his sequestration battle with Congress, telling them that \$85 billion in automatic budget cuts will cripple economic progress in their states," and Scott Pelley, on the CBS Evening News (2/25, story 5, 2:05, Pelley), said, "Those big automatic cuts in the Federal budget are very likely to happen starting on Friday" because "the President wants more tax revenue, [but] Republicans say 'no.'"

Politico Outlines Sequester Cuts To Healthcare Programs. Several sources mentioned healthcare programs in their reports on what could be cut if no deal is reached. Notably, NIH Director Francis Collins spoke out Monday that cutting his agency's budget would slow medical breakthroughs across the country. [Politico](#)   (2/26, Norman) reports that in addition to CDC Director Tom Frieden's warnings that the sequester would "severely compromise" his agency's "ability to protect the health of Americans," HHS Secretary Kathleen Sebelius has outlined what cuts would mean for various health programs. She has estimated that "the agency would be unable to buy 540,000 vaccines against diseases including the flu, measles and whooping cough; could support about 25,000 fewer breast and cervical cancer screenings for poor, high-risk women; and provide more than 400,000 fewer HIV tests."

NIH Director: Cuts Will Slow Work On Medical Breakthroughs. On the CBS Evening News (2/25, story 6, 3:05, Pelley), Wyatt Andrews reported that Dr. Francis Collins, director of the National Institutes of Health, "calls the budget cuts 'sand in the engine' in the search for medical discoveries in every area: Cancer, aging, Alzheimer's and diabetes. To reach \$1.6 billion in cuts, Collins says the NIH will turn down one thousand of the best new research proposals from the nation's leading labs and medical schools." Collins: "Medical research in America will be slowed by this. Advances that could have happened sooner will happen later or perhaps not at all."

Medicare Cuts To Affect Hospitals, Doctors. [Government Health IT](#)   (2/26, Mosquera) reports on the potential "painful" impact of the 2% cut to Medicare brought by the sequester and "scheduled to start March 1 unless Congress acts." According to experts, "While there is no guidance on the current impact to Medicare, by pro-rating the cuts based on figures that the Office of Management and Budget reported last September, the average hospital reduction in payments could be about \$800,000 to \$1.3 million." Further, "For physicians, the overall Medicare Part B reduction could translate into a 3 percent to 4 percent decrease, or \$2 billion to \$3 billion, in the physician fee schedule."

From NAHU

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Legislation and Policy

Healthcare Reforms May Threaten Safety Net In California.



The [Los Angeles Times](#)   (2/26, Gorman) reports, "Millions of uninsured Californians will gain medical coverage under the national healthcare overhaul...[but] an estimated 3 million to 4 million Californians - about 10% of the state's population - could remain uninsured even after the healthcare overhaul law takes full effect." Health leaders in various counties in California are saying the reforms could have "the unintended consequence of threatening the financial stability of the state's safety net" and put a squeeze on public hospitals and community clinics where the uninsured will still go to receive care. Governor Brown "argues that counties will no longer need" money from the realignment funds that help pay for medical care for the uninsured because many will gain coverage under the Affordable Care Act and Medicaid expansion. In 2012, there was \$1.3 billion worth of realignment funds raised. Opponents say that the move is unwarranted because the federal government will pay for expansion for the first three years.

Insurers Warn ACA Regulations Will Make Coverage More Expensive.



[CQ](#)   (2/26, Reichard, Subscription Publication) reports, "Insurers are still waiting for some federal regulations before they file applications to sell coverage under the health care law next year." However, "two big final rules Health and Human Services officials released last week have left companies with little doubt that a significant number of people will find it difficult to find affordable coverage next year." Further, "Employers too have strong doubts about the affordability of coverage for individuals under the two new rules, which establish minimum benefits that health plans must provide in the individual and small group markets, and which govern changes in state insurance market regulations." Still, the article notes that HHS is asserting that the ACA will make healthcare more accessible and affordable.



Public Health and Private Healthcare Systems

Debate Over Medicaid Expansion Far From Over In Florida.



The [Treasure Coast Palm](#)   (2/26, Kennedy) reports that while Medicaid expansion under the Affordable Care Act has been embraced by Florida Governor Rick Scott, "it is dividing the Republican-led Legislature, which begins the annual session March 5." According to the article, the expansion is generally supported by healthcare providers like hospitals and nurses, but opposed by business leaders, who "warn against the law's potential cost, penalties that loom over employers and the paperwork complexities it will bring."

Florida GOP Distances Self From Email Criticizing Scott's Medicaid Expansion Decision. The [Florida Times-Union](#)   (2/25, Dixon) "PolitiJax" blog reports, "State GOP officials are distancing themselves from an email featuring Agriculture Commissioner Adam Putnam hammering Gov. Rick Scott's decision to support Medicaid expansion under Obamacare." The "harsh feelings" felt by many Republicans across the state "sparked chatter that Putnam could be mulling a 2014 gubernatorial bid of his own." However, despite a disclaimer on Putnam's email reading "Paid for by the Republican Party of Florida," state officials "said they were caught off guard."



Editorial Praises Scott's Support Of Medicaid Expansion. In an editorial, the [Bradenton \(FL\) Herald](#)   (2/26) commends Florida Governor Rick Scott's decision to support expanding Medicaid under the Affordable Care Act, saying he "made the right call." The paper writes, "This pragmatic decision not only serves the uninsured poor but also the greater good of Florida by providing relief to the medical community and health insurance policyholders saddled with the cost of free health care services to the needy." The piece concludes, "We applaud Gov. Scott for this decision and urge the Legislature to follow suit."



Wickham: Reelection Worries Prompted Scott Flip-Flop On Medicaid. In his column for [USA Today](#)   (2/25, Wickham) Dewayne Wickham notes Florida Gov. Rick Scott's decision to expand Medicaid coverage in Florida, calling the move a predictable "flip-flop" that is "tantamount to Confederate Gen. Robert E. Lee deserting to the Army of the Potomac after the Battle of Gettysburg." Wickham suggests that Scott's move has to do with the fact that he is facing a tough reelection fight, and adds, "Now in full-

throttle re-election mode, Scott will leave the ObamaCare challenge to the shrinking ranks of GOP governors who are fighting its implementation. Already, John Kasich of Ohio, Rick Snyder of Michigan and Jan Brewer of Arizona (who was last seen on the national stage wagging a finger in the president's face) have capitulated. But with their leader gone, you can expect more Republican governors will run up the white flag of surrender."



MSNBC: Scott's Decision May Mean "GOP Battle Over Obamacare Is Over." [MSNBC](#)   (2/25, MacDonald), responding to Florida Governor Rick Scott's support of Medicaid expansion, floats the question "does this mean the GOP battle over Obamacare is over?" The piece concludes, "New York Magazine's Jonathan Chait says that Rick Scott's decision to expand Medicaid delivered a 'death blow to Obamacare repeal.' But only time will tell."

Feds Defend California Medicaid Cuts In Appeals Court.



The [New York Times](#)   (2/26, A17, Pear, Subscription Publication) reports, "The Obama administration said Monday that states could cut Medicaid payments to many doctors and other health care providers to hold down costs in the program, which insures 60 million low-income people and will soon cover many more under the new health care law." The position, "set forth in a federal appeals court in California, has broad national implications as it comes as the White House is trying to persuade states to expand Medicaid as part of the new law." The brief, filed with the United States Court of Appeal for the Ninth Circuit in San Francisco, backed up a decision by the state to slash Medicaid payments, as first approved by HHS Secretary Kathleen Sebelius in October of 2011. And while the policy "infuriated health care providers and advocates for low-income people," it may "encourage wavering Republican governors to go along with the expansion because it gives them a tool to help control costs."



Report Says California Could Save \$110 Billion By Increasing Coordinated Care. The [Los Angeles Times](#)   (2/26, Terhune) reports, "California could cut \$110 billion in healthcare spending over the next decade, saving the average household \$800 a year, by quickly moving away from conventional fee-for-service medicine and embracing more coordinated care, a new report says." The findings were released by the Berkeley Forum, comprised of experts at UC Berkeley and executives from Kaiser Permanente, Anthem Blue Cross, Cedars-Sinai Medical Center and others. The group "calls for a major shift toward 'global budgets,' in which physicians and hospitals provide care under preset amounts that are adjusted to reflect the health of their patients. These payments would also be tied to providers' performance on several quality measures." Additionally, the report encourages the state to increase the number of residents getting care from integrated medical providers like Kaiser Permanente or collaborative initiatives like accountable-care organizations.

White House Opposition To Raising Medicare Eligibility Age, Medicaid Cuts Confirmed.



[The Hill](#)   (2/26, Baker) "Healthwatch" blog reports that on Monday, Treasury Secretary nominee Jack Lew confirmed that "the White House still opposes entitlement cuts it once supported," in questioning by Republican Senator Orrin Hatch. Hatch was asking Lew "about Medicare and Medicaid cuts in written questions following a hearing on his nomination." In his responses, "Lew made clear that the White House does not support raising the eligibility age for Medicare - a proposal Obama had supported in 2011 deficit talks with House Speaker John Boehner." He also confirmed the Administration's opposition to Medicaid cuts it had previously been open to.



In Exchange For Backing Expansion, GOP Governors Seek Medicaid Reform.

In her "Health Reform Watch" column for the [Washington Post](#)   (2/26) "Wonkblog" blog, Sarah Kliff writes that in return for cooperating with the Medicaid expansion, GOP governors are asking the Obama Administration "to overhaul the underlying insurance program that covers 60 million low-income Americans. If the Obama administration agrees, the battles over the health-care law could have an unexpected resolution: A larger, but more conservative, Medicaid program."



In Medicaid Expansion Decision, 16 States Remain Opposed Or Undecided. In a piece on the Medicaid expansion decision facing states under the Affordable Care Act, the [Financial Times](#)   (2/26, Kirchgaessner, Rappeport, Subscription Publication) notes the growing divide between Republican Governors like Rick Perry of Texas and Bobby Jindal of Louisiana, who remain steadfast against expanding the program, and surprise supporters like, most recently, Florida's Rick Scott. The piece notes that 16 states remain opposed, or undecided, against expansion.



Virginia Moves Toward, But Does Not Guarantee, Medicaid Expansion.

[CQ](#)   (2/26, Norman, Subscription Publication) reports, "Virginia lawmakers over the weekend moved to open the door to an expansion of Medicaid, but whether it will actually happen appeared far from certain on Monday." One major problem "is that a commission created to be the gatekeeper for the expansion already includes several appointed Republican members who expressed unease about moving forward unless major changes are made in Virginia's program for the poor." As Greg Habeeb, a Republican member of the Virginia House, "cautioned" in a blog post over the weekend: "the budget adopted today does not expand Medicaid."



Similarly, the [Norfolk \(VA\) Virginian-Pilot](#)   (2/26, Walker) reports, "some of the six House of Delegates members named to the new Medicaid Innovation and Reform Commission formed to oversee expansion, contingent on federal approval of cost-containing reforms, are skeptical about adding people to the Medicaid rolls."



Pressure Builds On Christie To Expand Medicaid In New Jersey.

The [Newark \(NJ\) Star-Ledger](#)   (2/26, Livio) reports, "Anticipating the governor will reveal during his budget address Tuesday whether he'll accept billions of dollars from Obamacare to expand the Medicaid program, a dozen consumer, labor and religious leaders gathered at the Statehouse today to encourage him to make what they called 'the right economic and moral choice.'" These advocates said that "about 300,000 of New Jersey's 1.3 million uninsured people would be eligible for coverage, and the state would be in line to save \$2.5 billion over nine years because it would qualify for more generous reimbursement rates." Further, "Gov. Chris Christie would have plenty of political cover if he were to say yes: of the 22 governors who have embraced the Medicaid expansion, eight are Republicans."

Columnist Examines Medicaid Expansion Decision Facing Christie. Columnist Charles Stile writes about the "tough choice" facing New Jersey Governor Chris Christie over whether to expand Medicaid in a piece for [NorthJersey.com](#)   (2/26). Stile contends that while "it wouldn't be entirely shocking if Christie did ultimately embrace the Medicaid option," as seven GOP governors including Florida's Rick Scott has done, "he could just as easily say 'no way' to the idea." In the end, he concludes, Christie is "weighing how this decision will affect him politically."

Oregon Governor Working On Medicaid Experiment.



The [Washington Post](#)   (2/26, Kliff) "Wonkblog" reports, "Oregon is at work on an ambitious Medicaid experiment one that, if it works, could save the federal government \$10 billion over the course of a decade. The idea...is to change the way doctors and hospitals get paid, incentivizing them to provide more cost-efficient care." The blog then looks into the plan, as implemented by Governor John Kitzhaber, a Democrat, who says of the more traditional way to pay for Medicaid, "No one thinks fee for service is working."



Kitzhaber Explains Medicaid Plan On MSNBC's Morning Joe. The [AP](#)   (2/26) reports that Oregon Gov. John Kitzhaber "appeared on MSNBC's 'Morning Joe' program on Monday, ostensibly to talk about how the state would be affected by across-the-board federal spending cuts." On the show, "Asked if the Obama administration was exaggerating the potential impact of the cuts, Kitzhaber said the rhetoric surrounding the issue is diverting attention from what lawmakers really should be discussing - how lowering medical costs would be the best way to reduce the country's long-term debt." He "then explained his plan that changes the way doctors and hospitals are paid under Medicaid."



AARP Steps Up Effort To Encourage Expansion Of Medicaid.

[The Hill](#)   (2/26, Baker) reports in its "Healthwatch" blog that AARP said Monday that it is "'ramping up' an advocacy push to persuade governors to take part in the Medicaid expansion" under the Affordable Care Act. According to the group, "the lobbying effort includes advertising and in-person lobbying in more than 40 states." The organization "said it helped push Michigan Gov. Rick Snyder (R) to accept the Medicaid expansion and is also targeting Arkansas, where Gov. Mike Beebe (D) is negotiating with the federal government about related changes to its Medicaid program before making a decision on the expansion." AARP Executive Vice President Nancy LeaMond said in a statement, "Expanding Medicaid will help millions of 45 to 64-year-olds who have lost their jobs or are struggling without health benefits, but don't currently qualify for Medicaid health coverage." AARP's efforts to spur the expansion of Medicaid is also noted elsewhere in [The Hill](#)   (2/26, Baker, Viebeck) "Healthwatch" blog.



Texas County Judges Pushing For Medicaid Expansion.



The [Houston Chronicle](#)   (2/26, Morris) reports, "Harris County Judge Ed Emmett on Monday called on [Texas] Gov. Rick Perry to support the expansion of Medicaid under the federal Affordable Care Act, and encouraged state leaders to invest in transportation and mental health care." Emmett, "using the bully pulpit of his sixth annual State of the County speech to the Greater Houston Partnership, drew widespread applause when he said he agrees with recommendations from the Texas Hospital Association, Texas Medical Association and Legislative Budget Board on expanding the federal health care program for the poor." He said, "While the political debate over the Affordable Care Act continues, poor people will continue to get sick and they'll continue to need care. Harris County taxpayers should not have to foot the bill while our federal tax dollars are going to other states. We are already paying those dollars into the federal government, and for us to say, 'Well, we don't want your \$4 billion in exchange for \$50 million that we put in,' frankly is just nonsensical."

Similarly, The [San Antonio Business Journal](#)   (2/26, Subscription Publication) "Alamo City Beat" blog reports that "Bexar County Judge Nelson Wolff will join other community leaders and health care officials on Tuesday in an effort to encourage Texas lawmakers to do what Gov. Rick Perry has said he won't: Expand Medicaid."



Texas County Considering Resolution In Support Of Medicaid Expansion. The [Brownsville \(TX\) Herald](#)   (2/26, Reagan) reports, "Cameron County Commissioners Court on Thursday will consider a resolution in support of Medicaid expansion in Texas." As the article notes, despite Republican opposition to the plan, "a chorus of Texas Democrats has voiced support for Medicaid expansion in Texas," and "several Texas counties have passed or are considering resolutions that endorse Medicaid expansion."

Indiana Senate Republicans Block Medicaid Expansion Proposal.

The [Evansville \(IN\) Courier & Press](#)   (2/26, Bradner) reports, "Republicans, who hold a majority in the Indiana State Senate, again blocked efforts by Democrats on Monday to have Indiana expand its Medicaid program." State Senate Democrats, "who want to expand the program for a three-year period during which the federal government would pick up the full cost for covering 400,000 Hoosiers, offered a measure that would have ended the expansion as soon as the federal health care law stopped covering its full cost." The proposal "proposal was modeled after Florida Gov. Rick Scott's decision to expand Medicaid for at least three year," but was still rejected by Indiana Republicans.

The [Munster \(IN\) Times](#)   (2/26, Carden) notes that the state House "did not vote prior to a Monday deadline on legislation to expand Medicaid under the Affordable Care Act using the Healthy Indiana Plan as a model." State Representative Ed Clere, the Republican sponsor of the bill "said he didn't call for a vote on the proposal because there wasn't a consensus among the Republican majority and he didn't want to lock representatives in to a 'no' vote in the future."

Hospital President Urges South Carolina To Expand Medicaid.

The [Times and Democrat \(SC\)](#)   (2/26, Zaleski) reports that Regional Medical Center President Tom Dandridge has said that a South Carolina House plan "to help the state's rural hospitals care for the poor does not go far enough." Dandridge said, "What hospitals are looking for is to expand access to health care. While paying us more money is appreciated, that does not do that. We need to get more people insured." The House "budget-writing committee on Thursday put forward a \$75 million Medicaid funding proposal," which would include "shifting \$20 million annually to reimburse 18 rural hospitals for 100 percent of their costs for treating patients without health care." According to Dandridge, this money "would be a 'drop in the bucket' compared to the money the state will lose if it does not expand Medicaid."



Senior Market News

Ageing Population In Need Of Long-Term Care: Major Crisis In Healthcare Policy.

In its weekly cover story, [CQ](#)   (2/26, Norman, Subscription Publication) reports on "the ageing population," calling it "a crisis in plain sight." The publication explains, "Providing long-term-care services and support for the elderly and people with disabilities arguably is the biggest problem in health care policy today." Currently, "Ten million to 12 million Americans are in need of some kind of long-term care, ranging from regular visits by home-health aides to around-the-clock attention in a nursing home," an expense most people don't plan for. And, worse, "As the 80-million-member baby boom generation moves beyond the healthy years of early retirement and grows increasingly frail and ill, this national crisis will accelerate."

Also in the News

Experts Argue Price Of Cancer Drugs Is Too High.

Hagop Kantarjian and Leonard Zwelling of the M.D. Anderson Cancer Center and Tito Fojo of the National Cancer Institute, in an op-ed for the [Washington Post](#)   (2/23) wrote, "We believe that the price of cancer drugs is too high. Those already-high prices, which continue to rise rapidly, are an increasingly significant issue in US healthcare expenditures. The average monthly price of cancer drugs has doubled over the past 10 years," and "shows little or no correlation between drug efficacy and 'just price.' ... How can we justify drug prices that are 50 percent lower for patients covered by the Department of Veterans Affairs than for those covered by Medicare because the VA can negotiate what it pays for drugs but Medicare cannot?"

Monday's Lead Stories

- [Healthcare Industry Faces Billions In Cuts From Sequester.](#)
- [HHS Finalizes ACA Pre-Existing Condition Regulations.](#)

• **Scott's Support Of Expansion Could Make Florida Medicaid "Laboratory."**

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