

Customized Briefing for Kimberly Barry-Curley

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[From NAHU](#)
[Leading the News](#)
[Legislation and Policy](#)

[Public Health and Private Healthcare Systems](#)
[Senior Market News](#)



[Consumer Directed Healthcare News](#)
[Also in the News](#)



Leading the News



HHS Conditionally Approves Four More Partnership Exchanges.





HHS' announcement Thursday that it was offering conditional approval to four more partnership exchanges under the Affordable Care Act garners modest national coverage, as well as a few mentions by local press in the approved states. Many outlets quote HHS Secretary Sebelius' statement accompanying the announcement, which emphasized that these exchanges will be ready in October. [USA Today](#)   (3/8, Kennedy) reports that HHS announced Thursday conditional approval of partnership exchanges in Michigan, New Hampshire, West Virginia and Iowa. The "partnership exchange allows the states to take more time before operating the exchanges fully on their own." The article notes that, "as in previous announcements, Health and Human Services Secretary Kathleen Sebelius re-emphasized one key message: 'We will be ready in seven months when consumers will be able to use the new marketplace to easily purchase quality, affordable health insurance plans.'"







[CQ](#)   (3/8, Reichard, Subscription Publication) reports that Gary Cohen, head of the CMS Center for Consumer Information and Insurance Oversight, announced "another round of conditional approvals for partnership exchanges" Thursday. He also confirmed that "the new marketplaces will open as scheduled in all states on Oct. 1, despite Congress' refusal to increase the Centers for Medicaid and Medicaid Service's administrative budget." The conditional partnership approvals brings "to 24 the number of states and the District of Columbia that have been conditionally approved to run exchanges either in full or in part."



[The Hill](#)   (3/8, Baker) "Healthwatch" blog reports HHS Secretary Kathleen Sebelius' statement in full, which read, "HHS will continue to work collaboratively with all states to build the Marketplace. Working together, we will be ready in seven months when consumers will be able to use the new marketplace to easily purchase quality, affordable health insurance plans."



The [Washington Times](#)   (3/8, Howell) "Inside Politics" blog notes that HHS has "insisted it will be ready to run the markets before enrollment starts on Oct. 1," also quoting Secretary Sebelius' statement about being "ready in seven months."

[Modern Healthcare](#)   (3/8, Daly, Subscription Publication) reports, "The latest partnership states include two Republican-led states-Michigan and Iowa-which increased the number of Republican governors who have proposed some state role of the insurance marketplaces to six-Idaho, Nevada, New Mexico and Utah." However, "at least one of those states-Utah-has significantly changed its proposal since it was tentatively approved, according to a spokesman for the governor."

In local coverage, the [AP](#)   (3/8) reports, "Health and Human Services Secretary Kathleen Sebelius on Thursday announced that New Hampshire is conditionally approved to operate a state partnership marketplace, which will be ready for open enrollment in October 2013." The [New Hampshire Union Leader](#)   (3/8, Rayno) also reports.

The [AP](#)   (3/8, Eggert), the [Detroit Free Press](#)   (3/8, Spangler, Erb, Gray), and the [Detroit News](#)   (3/8, Heinlein) report that HHS conditionally approved Michigan's partnership exchange Thursday.

And the [Charleston \(WV\) Daily Mail](#)   (3/8, Nelson) reports that West Virginia is "'conditionally approved' by the federal government to operate an insurance marketplace" by October 1. In a statement, Sebelius said, "I applaud efforts by West Virginia to build a new health insurance marketplace. Working together, we will be ready in seven months when residents of West Virginia will be able to use the new marketplace to easily purchase quality, affordable health insurance plans."

Utah, Idaho, New Mexico Not Making Adequate Process On Exchanges. The [Kaiser Health News](#)   (3/8, Galewitz) "Capsules" blog reports, "Three western states which had gotten tentative go-aheads to run their own online health insurance websites -

Utah, Idaho and New Mexico - are running out of time to be ready for an Oct. 1 launch and experts doubt they will get green lights from the federal government." Caroline Pearson, vice president of consulting firm Avalere Health said, "We are not seeing enough progress that these states can easily get to final approval." If that's the case, "it means the federal government would be in charge of running an insurance website for 36 states, far more than imagined when the federal health law known as Obamacare passed."



From NAHU

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Legislation and Policy



Medicare Overhaul Expected To Be "Centerpiece" Of Ryan's Budget.

The [Los Angeles Times](#)   (3/8, Mascaro) reports, "As Rep. Paul D. Ryan readies the new GOP budget, House Republicans are debating whether to apply the party's proposed Medicare changes a year earlier than planned, when Americans who are now 56 reach retirement age." So far, "No decision has been made, and Ryan declined to address the internal debate Wednesday." But as the paper sums it up, "The party's earlier promise to keep Medicare unchanged for those 55 and older has bumped up against its vow to balance the budget in 10 years." Further, the article expects "the Medicare overhaul for the next generation of seniors" to be the "centerpiece" of Ryan's budget.



CMS, ONC Seek Public Comment On Health Information Exchange.

[Healthcare IT News](#)   (3/8, Brino) reports, "The Centers for Medicare & Medicaid Services and the Office of the National Coordinator for Health IT have published a joint request for information asking industry stakeholders for suggestions on what more, or less, the federal government should be doing to advance clinical information exchange." The CMS and ONC are asking for comments on "a number of issues," including: "What changes in payment policy would have the most impact on the electronic exchange of health information, particularly among those organizations that are market competitors?" and "To what extent do current CMS payment policies encourage or impede electronic information exchange across health care provider organizations, particularly those that may be market competitors?"



Sebelius Points To ACA To Explain Healthcare Cost Slowdown.

[The Hill](#)   (3/8, Baker) "Healthwatch" blog reports that HHS Secretary Kathleen Sebelius "credited President Obama's healthcare law with a recent slowdown in medical spending," in a blog post Thursday. Recently, a Congressional Budget Office report "projected a significant slowing in the growth of Medicare spending and healthcare costs more generally," and then a USA Today study said "the law's cost-control measures are working." In the blog, Sebelius wrote, "The health care law's push for coordinated care and paying for quality rather than quantity is putting downward pressure on medical costs, the article reports. It's improving the way health care providers do business, and that's good news for patients." She continued, "The Affordable Care Act is driving down costs and improving quality, which will have long-term benefits for our economy and our health."

Some Conservatives Disappointed ACA Funding Not Cut In CR.



[Politico](#)   (3/8, Gibson) reports that "once again, conservatives are unhappy with how congressional Republicans are handling a fiscal fight in Congress." This time, "their ire is because Republicans aren't trying hard enough to defund, or at least whittle away at, the Affordable Care Act by attaching language to the continuing resolution that passed the House on Wednesday." Despite the fact that the CR leaves much of the sequester cuts in place, "some conservative leaders are fuming that Republicans, particularly in the House where the GOP controls the chamber, didn't at least trying to attach language to eliminate Obamacare through the legislation."



Minnesota Legislature Passes State-Based Exchange.

The [Minneapolis Star Tribune](#)   (3/8, Brooks) reports that Thursday, the Minnesota state Senate approved "sweeping changes to the way more than 1 million Minnesotans will buy their health insurance." The "new Minnesota Health Insurance Exchange, an online

marketplace where one out every five Minnesotans could shop for health insurance next year, passed about 11:30 p.m. on a vote of 37-28 after a tense 12-hour debate. The exchange, which Gov. Mark Dayton described as a 'gargantuan undertaking,' cleared the House on Monday." According to the article, the state is "racing the clock" to create the state-based exchange by the end of the month. If it does not, the Federal government will step in and run the marketplace.



Survey Shows Companies Changing Healthcare Practices Due To Costs.

[Reuters](#)   (3/8, Humer) reports on a new survey conducted by the consultant group Towers Watson and the National Business Group on Health found that most large employers do not expect their full-time employees to be purchasing insurance on government health exchanges in the next five years. However, they did project that some retirees or part-time workers would look for coverage there. Notably, the survey also showed that only 26 percent of larger employers were confident that they would offer health insurance in a decade, a precipitous drop from 73 percent five years ago.



[Modern Healthcare](#)   (3/7, Subscription Publication) reports that the survey also found that "large companies are ratcheting up efforts to make providers more accountable and transparent on quality and price as businesses struggle to control healthcare costs." In total, "a quarter of large employers now use financial incentives to obtain provider accountability for their care." And, "by next year, 33% expect to use such incentives."

MedPac To Offer Recommendation On Equalizing Payments In June.



[CQ](#)   (3/8, Norman, Subscription Publication) reports that "the Medicare Payment Advisory Commission will not make a recommendation in its June report on equalizing payments between doctors' offices owned by hospitals and freestanding offices, Chairman Glenn M. Hackbarth said Thursday." Hackbarth "said that there is no draft recommendation on the issue in the works and that commissioners will have to decide whether to take the payment policy up again in the fall - though that outcome seemed likely given the amount of time MedPac has spent talking about it, including on Thursday." According to the article, "Hackbarth's comments came as commissioners launched into yet another discussion of a recent trend in which hospitals buy up independent doctors' practices and then bill Medicare for higher rates than the doctors charged previously. Hospitals are able to charge higher outpatient rates for the same services."

MedPac Continues To Hone Readmissions Penalties. [CQ](#)   (3/8, Norman, Subscription Publication) reports that the Medicare Payment Advisory Commission (MedPac) on Thursday "continued their debate on ways to refine and revise" the "much-discussed" readmissions penalties. At the meeting, the group pointed out "good news," that "From 2009 to 2011, there was a 0.7 percent decline in the number of Medicare patients with all kinds of medical conditions who returned to hospitals within 30 days of discharge and whose second visits might have been prevented." According to the article, "One main question the commissioners debated was whether it would be better to take all medical conditions into account over a three-year period when calculating readmission rates, instead of just the three conditions now used."



GAO: Medicare Advantage Over Paid Up To \$5.1 Billion.

[Healthcare IT News](#)   (3/8) reports that a GAO report released this week "reports that the Centers for Medicare & Medicaid Services overpaid the Medicare Advantage program run by private health insurers by between \$3.2 billion and \$5.1 billion for the years 2010-2012." GAO says the overpayments "were the result of CMS inadequately adjusting based on health status for members enrolled in Medicare Advantage." GAO "discovered in its analysis that coding differences between Medicare Advantage enrollees and those enrolled in the traditional fee-for-service Medicare plan led to 'inappropriately high MA risk scores and payments to MA plans'"

Analysis Finds Just Two Percent Of Available Private Health Plans Meet 2014 ACA Mandates.



[McClatchy](#)   (3/8, Pugh) reports, "Just 2 percent of health plans available to consumers in the private insurance market offer all the coverage that will become mandatory" in 2014 under the Affordable Care Act, according to an analysis by HealthPocket, a California "technology firm that 'compares and ranks' health plans." The analysis "found that basic benefits, including doctor visits, emergency room care, hospitalizations and lab tests, were standard offerings for nearly all the 11,000 plans in the study," but that just "only one in four offered pediatric care and only 8 percent covered dental checkups for children," while "about one-third covered maternity and newborn care and just over half covered services to deal with substance abuse."

Richmond Paper Claims Healthcare Billing Can Be "Exasperating."



The [Richmond \(VA\) Times-Dispatch](#)   (3/8) editorializes that one of the "many frustrating aspects of the American health care market,

perhaps the one patients find most exasperating is billing." The paper writes it is "often nearly impossible to tell precisely what you - or, as is generally the case, your insurer - paid for." The Times-Dispatch cites a research project by college senior Jaime Rosenthal who "called more than 100 hospitals and asked the price for a hip replacement for a 62-year-old grandmother who had no insurance, but plenty of money." Only half of the hospitals Rosenthal called were able to provide an estimate "despite repeated calls," and those that "could provided wildly conflicting estimates - from \$11,100 to almost \$126,000."

Memphis Business Owners Attend ACA Symposium.

The [Memphis \(TN\) Business Journal](#)   (3/8, Epley, Subscription Publication) reports over 200 business leaders attended the Memphis Business Journal's Affordable Care Act symposium on Thursday. The article mentions that "much like small business owners that have been desperately seeking more information about exactly how the act will affect them - CBIZ MHM Thompson Dunavant, presenting sponsor of the symposium, has reportedly advised close to 50 businesses and organizations on the law in the last few months - insurers like BlueCross are bracing for Oct. 1, 2013, when the federal- and state-based insurance exchanges are set to go live."



North Dakota Leaders Discuss ACA Impact At Roundtable Discussion.

The [Forum of Fargo-Moorhead \(ND\)](#)   (3/8, Olson) reports the Bismarck-based Consensus Council and members of the Stop the HIT Coalition held a roundtable discussion about how "taxes aimed at health insurance companies via the Patient Protection and Affordable Care Act" will affect small businesses. Andy Peterson, president and CEO of the Greater North Dakota Chamber, said the ACA wasn't a "good idea" and it was "anything but affordable." Judd Wagner, vice president of marketing and chief marketing officer for Blue Cross Blue Shield of North Dakota, said "foot traffic at Blue Cross offices has doubled, with people coming in full of questions regarding the law and how it may affect them." Wagner and others at the roundtable also warned that "some companies are talking about reducing hours for employees to drop them below 30 hours a week to avoid insurance expenses."



Public Health and Private Healthcare Systems





As Legislature Weighs Expansion, Florida Gets New ACA Cost Estimate.

With Medicaid expansion looking less likely due to opposition in the Legislature, Florida received a new estimate of the price of implementing the Affordable Care Act Thursday, which sources say is lower than detractors would like and higher than advocates hoped. Also in Florida Medicaid news, Governor Rick Scott seemed to place his priorities elsewhere Thursday, whereas former Governor, and new Democrat, Charlie Crist voiced his support for the move.

As the only national source covering Medicaid expansion in the state, the [AP](#)   (3/8, Fineout) reports, "Florida economists on Thursday came out with a new price tag for President Barack Obama's health care overhaul that is dramatically lower than the one cited earlier this year by Gov. Rick Scott." The projection is that changes brought by the law would cost Florida taxpayers around \$5.2 billion over the next ten years. This estimate includes the \$3.5 billion to expand Medicaid, a plan which is "in limbo after House Speaker Will Weatherford came out in sharp opposition this week." The piece delves into the history of Scott's change-of-heart over Medicaid expansion, which is partially wrapped up in the changing estimate for its cost.

The [Orlando \(FL\) Sentinel](#)   (3/8, DeSlatte) "Central Florida Political Pulse" blog reports that the \$5.2 billion figure "isn't as small as advocates had hoped - or as big as one-time critics like Gov. Rick Scott had claimed."



Scott Implies Medicaid Expansion Not His Top Priority. The [Naples \(FL\) Daily News](#)   (3/8, Turner) reports that Florida Governor Rick Scott is implying he will not "put up much of a fight during the legislative session for the federal expansion of Medicaid that he recently announced he favors." On Thursday, Scott said "his focus this session will remain on his call for \$2,500 pay raises for teachers and for the elimination of sales taxes on the purchase of equipment by manufacturers," returning "repeatedly" to these topics when asked about Medicaid expansion. He said, "I'm focused on the \$2,500 pay raise, I'm focused on getting rid of the sales tax because I know the most important things for our families are jobs and education. I let everybody know my position with regard to Medicaid expansion. My position I think it is the right position for Florida families," Scott said. "Now the legislative process is just starting. Hopefully they'll do the right thing."



Florida Workers Rally For Medicaid Expansion. The [Palm Beach \(FL\) Post](#)   (3/8, Kennedy) reports, "About 400 health care workers crowded the Florida Capitol on Thursday, singing, chanting - with even a few in costume - to urge legislative leaders to endorse the Medicaid expansion allowed under the federal Affordable Care Act." The rally "was organized by the Service Employees International Union, a potent contributor to Democrats both in Florida and on the national level." The [Miami Herald](#)   (3/8) "Naked Politics" blog also reports on the rally.

Former Governor Crist Supports Medicaid Expansion In Florida . The [Miami Herald](#)   (3/8, Mitchell) reports former



Florida Governor and "Republican-turned-Democrat" Charlie Crist has come out in support of expanding Medicaid. He said, "I never think it's harmful to explore other alternatives in addition, but we don't know what they are yet and how they're going to be handled and how compassionate they're going to be and if they're really going to serve people. But Medicaid works. We know that. It is the bird in the hand."



Op-Eds Weigh Pros, Cons Of Florida Medicaid Expansion. Paul Owens, senior editorial writer, lays out the debate over expanding Medicaid in Florida in a piece for the [Orlando \(FL\) Sentinel](#)   (3/7). He explains that though Florida Governor Rick Scott has come out in favor of expansion, he "doesn't get the last word on the policy. It's up to state lawmakers, who began their annual 60-day session this week in Tallahassee." He concludes, "That means lawmakers are bound to hear plenty of arguments, pro and con, like the ones advanced by today's Front Burner columnists." These columns follow.



Ron Pollack, executive director of Families USA, an advocacy group for healthcare consumers, urges Florida to expand Medicaid in an op-ed for the [Orlando \(FL\) Sentinel](#)   (3/7). He writes that the choice would expand care, and help the state's economy. He concludes, "Now that the Florida Legislature is in session, lawmakers face a choice of whether to heed [Governor Rick] Scott's advice and do what's best for Floridians."



Nina Owcharenko, director of the Center for Health Policy Studies at the Heritage Foundation, a conservative Washington think tank, argues against expanding Medicaid in Florida in an opposing op-ed for the [Orlando \(FL\) Sentinel](#)   (3/7). She writes, "Now is the time for Florida to separate itself further from the flawed law and pursue more-affordable, more-effective health reforms. The state can do much better than Obamacare to help those in need."



Governors, Lawmaker Weigh Medicaid Expansion Across Country.



Beyond Florida, several states continue to make Medicaid decisions, namely Texas and South Carolina, or see their Governors push for expansion, like in Missouri and Arkansas. One national outlet, the [Washington Times](#)   (3/8, Howell) looks into this push, reporting, "Many Republican governors who said they plan to take Medicaid money under President Obama's health care law now find they're facing a revolt within their own state parties, where GOP legislatures are none-too-eager to approve signing up for what they call 'Obamacare.'" The article runs through examples, including Arizona where Governor Jan Brewer is pushing against the "Republican-dominated Legislature," and Florida, where Governor Rick Scott's support has been "wounded" by an opposed healthcare panel. A contrasting example is in Virginia, where Governor Bob McDonnell recently sent a letter to HHS Secretary Kathleen Sebelius insisting any rumors he would be expanding Medicaid were "absolutely incorrect."

Companies Anticipate Enrollment, Profit Growth With Medicaid Expansion. [USA Today](#)   (3/8, Galewitz) reports that for "industry titans" like UnitedHealthcare and WellPoint, "as well as smaller, Medicaid-focused plans" like Molina Healthcare, "the Medicaid expansion is expected to bring significant enrollment and revenue growth. ... The plans already cover about half of all Medicaid recipients, or almost 30 million people. The Congressional Budget Office projects that 8 million more will enroll in the program next year, with the number growing to 12 million by 2020, as a result of the health law." USA Today notes, "To better position themselves for the surge...many plans are adding doctors and other staff now."



Texas Republicans Seeking Alternatives To Medicaid Expansion. The [Austin \(TX\) American Statesman](#)   (3/8, Eaton, Lindell) reports, "Texas Republicans have drawn a line in the sand, saying no to expanding Medicaid as proposed by the federal Affordable Care Act, but that doesn't mean the possibility of insuring more Texans is dead." Behind closed doors, "leading Republican legislators are working to craft a politically acceptable solution to present to the Obama administration - a negotiating stance that would meld free-market reforms with a desire to reduce the number of uninsured low-income Texans." So far, "details are sketchy, with numerous ideas being discussed and weighed, but at least in the Legislature, the discussion has shifted from a firm 'no' to 'what's available?'"



The [Dallas Morning News](#)   (3/8) reports that Texas House Speaker Joe Straus said Thursday the state "urgently needs to come up with a plan for overhauling Medicaid that it can propose to President Barack Obama's administration." Straus continued, "This is a collaborative thing and the sense of urgency is because we are here in session and because the federal side's moving forward at some point soon. So it's time to get serious and be positive and try to see what we can do."



The [Lubbock \(TX\) Avalanche-Journal](#)   (3/8, Gonzalez) reports that "Representatives for the Texas Hospital Association and the Texas Medical Association have voiced concerns to the Texas Legislature about the importance of Medicaid expansion that would affect corporate and individual practices." For example, "Michael E. Speer, current president of TMA, said one goal for the organization is to help the Legislature see the impact of Medicaid expansion and find ways to meet the needs of the state." He said, "We do not think it ought to expand in the old rules. There are some needs to be addressed before we could be in favor of expansion. That's an awful lot of money. We need to make sure it's best for the population as a whole, including doctors." However, "Lance Lunsford, vice president for advocacy communications for THA, said the organization is for the expansion of Medicaid."



In an op-ed, Robert Earley, a former Texas House member, and currently president and CEO of JPS Health Network, advocates a "third option" to the Medicaid expansion debate in an op-ed for the [Fort Worth \(TX\) Star-Telegram](#)   (3/8). He references state Senator Tommy Williams recommendation that Texas adopt "a flexible solution to Medicaid reform that isn't an all-or-nothing approach."



Earley concludes, "Advocates of putting those funds into the broken, unreformed system of Medicaid - reducing transparency, decreasing accountability and making care delivery less efficient - are not the voices the Legislature should listen to."





Utah Governor Still Undecided On Medicaid Expansion. The [Salt Lake \(UT\) Tribune](#)   (3/8, Stewart) reports that although Utah Governor Gary Herbert has "committed to work with legislative leaders in deciding whether" to expand Medicaid under the Affordable Care Act, he is urging "lawmakers not to rush to judgment about this now-optional provision of Obamacare." He said, "I would just counsel them all to let us go through this thoughtful, methodical study where we have all the information on the table and then make a decision." Though the Governor is "fretting the short- and long-term costs," he also "voiced concern about leaving some without affordable health coverage options." He also declined to veto a bill pitched in the Utah House which would bar him or his health department from expanding the program.



As the [Deseret \(UT\) News](#)   (3/8, Roche) puts it, "Herbert stopped short Thursday of threatening to veto a bill that appears to be an attempt to take away his ability to decide whether the state expands Medicaid coverage." He said, "My position has been clear. We'll probably have information on that by this summer, and then we can make a thoughtful decision based on a thoughtful review of the data."



South Carolina Lawmakers Says State Should Expand Medicaid. The [AP](#)   (3/8, Smith) reports that South Carolina State Sen. Vincent Sheheen said Thursday that South Carolina "should accept an estimated \$2 billion in money under the federal health care act to expand Medicaid to hundreds of thousands of additional working poor in the state." Speaking at a news conference Thursday, Sheheen, who has been mentioned as a candidate for governor, said he "has been weighing what effect the Medicaid expansion might have. He said the state should go ahead and accept the federal money for the first three years. Then, he said, the state should review whether it makes financial sense to continue." Gov. Nikki Haley "is adamantly opposed, saying the state can't afford the eventual costs."



The [State \(SC\)](#)   (3/8, Beam) reports Sheheen "argued that expanding Medicaid would 'generate more revenue into the state of South Carolina than it would cost (to expand),' a reference to a University of South Carolina study estimating the expansion would pump \$11.2 billion in federal dollars into the state's economy and create 44,000 jobs by 2020. 'If that is true in the future maybe we would continue with the expansion. But if it's not true we would have to pull back from the expansion,' he said. 'But we would have three years to figure that out.'"



However, the [Anderson \(SC\) Independent-Mail](#)   (3/8, Brown) reports that state Department of Health and Human Services Director Tony Keck "rejected a suggestion Thursday that an infusion of federal money could help cure the state's ailing Medicaid program." Keck said, "We don't need more money in the system to care for folks." the Independent-Mail notes that Haley "would prefer to put a number of reforms in place to improve care and drive down costs." In testimony before a state Senate subcommittee, Keck argued "that the federal dollars linked to Medicaid expansion would not serve as an incentive for reform."

Arkansas Governor Says Compromise On Medicaid Expansion May Be Near. The [AP](#)   (3/8, Bartels) reports that Arkansas Gov. Mike Beebe "expressed optimism Thursday that a deal can be reached to expand Medicaid in Arkansas, telling a crowd of hundreds at the state Capitol that he and Republican lawmakers were on a 'positive track' in talks to provide health care coverage to more low-income residents. Both sides in the Medicaid debate signaled compromise may be near during the rally, attended by retirees in AARP T-shirts and medical professionals - some wearing scrubs or lab coats." The [Arkansas Democrat Gazette](#)   (3/8, Harten) also reports on Beebe's comments at the rally.



The [Arkansas Times](#)   (3/7, Miller) reports on the rally in its "Arkansas Blog" blog, noting, "Expansion of coverage would provide better health outcomes to the more than 200,000 low-income, uninsured folks in this state. It would save lives. It would boost the economy and create jobs. It would give a lift to hospitals in need of help, some of which might not survive without it. And if we don't do it, Arkansas taxpayers and Arkansas hospitals will see their money flow out to give other states all those benefits without getting anything in return."



Nixon Promotes Medicaid Expansion Plan For Missouri. The [Southeast Missourian](#)   (3/7, Ragan) reports that Missouri Gov. Jay Nixon visited Cape Girardeau Thursday "to promote expansion of the state's Medicaid program." Nixon "wants Missouri to participate in an expansion of Medicaid that would raise the income eligibility for adults, adding more people to the rolls. The federal government would pay 100 percent of the \$5.7 billion expansion for the first three years, with a federal-state cost share after that. The state's share according to Nixon, would be 5 percent in 2017, and not exceed 10 percent in 2022." The Southeast Missourian notes, "Republican state lawmakers are mostly opposed to Nixon's proposal and support reforms of the current system or a pared-down version of expansion."



[KFVS-TV](#)   Cape Girardeau, MO (3/7, Millweard) reports that Nixon said his plan "would bring billions of federal tax dollars back to the state of Missouri, help fund other state programs like education and strengthen the economy by adding jobs." Nixon noted that he "supports a three year trigger, that's when federal dollars stop funding the program 100-percent. At that point, Nixon says he wants to reevaluate." Nixon "says Missouri lawmakers need to pass a plan by the end of this legislative session."



The [AP](#)   (3/7) reports that Nixon takes issue "with some key parts of a Republican alternative to expanding Medicaid coverage in Missouri." Nixon said that while he is "encouraged some lawmakers are giving 'constructive thought' to his call to expand Medicaid under



the terms of President Barack Obama's health care law," he "doesn't like several provisions in a bill sponsored by Republican Rep. Jay Barnes, of Jefferson City. Nixon specifically cited sections that would remove thousands of children and pregnant women from the Medicaid rolls by lowering their income eligibility thresholds. He also says Barnes' bill wouldn't qualify for full federal funding because it doesn't raise eligibility high enough for adults. Nixon expressed support for other parts of the bill, including new co-payments for Medicaid recipients."



On its website, [KRCG-TV](#)   Columbia, MO (3/7, Miller) also reports on Nixon's comments about the GOP alternative, noting that he said the plan "doesn't get to that 138-percent threshold which the federal government has said we gotta make it to."



Bullock Travels Montana Pushing Medicaid Expansion Plan. The [AP](#)   (3/8, Gouras) reports that Montana Gov. Steve Bullock is increasing pressure on lawmakers by touring the state to discuss his Medicaid expansion request directly with constituents. Bullock's Access Health Montana plan "would use federal money allotted in the federal health care bill to expand Medicaid to as many as 70,000 Montanans. The plan needs legislative approval." Bullock "argues the influx of federal money will create thousands of new health care jobs in the state, while expanding insurance coverage. But Republican legislative critics say the state shouldn't rely on federal funding that could dry up in a future budget crisis. Bullock is taking his case directly to groups around the state, and asking them to help persuade GOP leaders to embrace the proposal. He is also meeting with newspaper editorial boards, resulting in several endorsements of the proposal."



[KRTV-TV](#)   Great Falls, MT (3/7) reports on its website that as part of that effort, Bullock "visited the Broadwater Health Center in Townsend on Wednesday afternoon," where he "spoke to health officials and residents about the proposed expansion of Medicaid in Montana." Bullock said, "Access Health Montana does a number of things. It expands Medicaid to another 70,000 Montanans. It actually creates jobs. The estimate is 5,000 new jobs in Montana next year alone, and it actually provides us now the opportunity to start changing the way that we deliver healthcare because right now we all pay too much and we get too little, and time and time again we're paying for repeated tests as opposed to keeping people well."

Mississippi Governor Reiterates Stance Against Medicaid Expansion. The [Hattiesburg \(MS\) American](#)   (3/7, Pender) reports, "If the Obama Administration cuts payments to hospitals for treating the indigent, Gov. Phil Bryant says he won't cave in on expanding Medicaid - he'll sue. ... As some other GOP governors are backing down on their stance against expanding their states' Medicaid programs as part of Obamacare, Bryant appears to be digging in." Bryant said, "Republican governors are looking at other alternatives - medical savings programs ... other options. The Supreme Court said they can't punish states for not participating in Obamacare. That's exactly what (cutting indigent care payments) would be doing, punishing us." Bryant was responding to comments from Democratic lawmakers who said "they want to craft a bill that would have a 'trigger' mechanism for Medicaid expansion. If the federal government cuts hospital payments for treating the indigent...then the state would expand the Medicaid program."

Americans For Prosperity To Push Against Medicaid Expansion In Pennsylvania. The [Harrisburg \(PA\) Patriot-News](#)   (3/8, Wenner) reports, "A national conservative group says [Pennsylvania] Gov. Tom Corbett's decision on whether to expand Medicaid hinges on his level of 'courage.'" Americans for Prosperity, "the Koch brothers-supported organization," has announced "a Pennsylvania effort to build pressure against the expansion." Meanwhile, "a new poll says 49 percent of Pennsylvania residents support the expansion, which is part of the Affordable Care Act, also known as Obamacare. About 39 percent don't want the expansion and 13 percent aren't sure."



Still, the [Erie \(PA\) Times-News](#)   (3/8) reports that "state Rep. Mike Sturla, chairman of the state House Democratic Policy Committee, said he can't understand Corbett's hesitation to embrace what Sturla said would be the federal government's 100 percent funding of the expansion in the first three years."



Court Ruling Draws Attention To Low-Income Care In Pennsylvania. The [Philadelphia Inquirer](#)   (3/8, Sapatkin, Worden) reports that "A judge's decision Tuesday has drawn renewed attention to the plight...40,785...Pennsylvanians, most of them in low-income jobs, whose state-funded adultBasic health insurance ended two years ago when Gov. Corbett declined to pursue new funding for the program, saying it was unsustainable." AdultBasic "initially had been funded by the 1998 tobacco settlement. But thanks to legislation in 2010 and 2011, a small portion of those funds was applied to state costs other than health care - a move that a Commonwealth Court judge ruled Tuesday was unconstitutional." According to the article, the ruling may have implications for Corbett's decision whether to expand Medicaid under the Affordable Care Act.

In an editorial, the [Philadelphia Inquirer](#)   (3/8) writes, "Don't look for Gov. Corbett to thank the state judge who just ordered him to reinstate funding to provide working-poor Pennsylvanians with greater access to health insurance. But Commonwealth Court President Judge Dan Pellegrini in effect made it that much easier for the governor to adopt the right course on a key health-care policy decision - one that could benefit thousands of Pennsylvania residents now going without adequate medical coverage." After explaining the specifics of the case, in which Pellegrini ruled that "Corbett will have to restore funding to insure more low-income adults," the paper concludes that hopefully, Corbett will move to expand Medicaid now.



Healthcare System Leaders Argue For Medicaid Expansion In VA, TN. The [Bristol \(TN/VA\) Herald Courier](#)   (3/8,

McGee) reports, "Leaders of two local health care systems are hopeful Tennessee and Virginia will expand Medicaid programs but warn the consequences could be dramatic if they don't. ... In recent weeks members of the Tennessee Hospital Association – including Dennis Vonderfecht, president and CEO of Mountain States Health Alliance and Margaret 'Denny' DeNarvaez, president and CEO of Wellmont Health System – have actively supported expansion." The Herald Courier adds, "If both states decline to expand Medicaid, the negative impact for Mountain States Health Alliance would be \$503 million over 10 years for its hospitals in Tennessee and Virginia. For Wellmont Health System, the impact is \$255 million over 10 years. Both warn failure to expand is expected to generate reductions in services, personnel or both."



Medicaid Expansion Called The "Right Thing To Do" For Kansas. In an op-ed for the [Wichita \(KS\) Eagle](#)   (3/8) Jeff Korsmo, president and CEO of Via Christi Health in Wichita, writes that his organization's "commitment to serving as a healing presence to the most vulnerable among us means the debate over whether Kansas should expand the Medicaid health insurance program comes down to a moral question. We believe it's simply the right thing to do – caring for the least fortunate among us. We also believe that expanding Medicaid is the right decision to protect jobs and help enhance our state's business climate." Korsmo adds that "if Kansas decides against Medicaid expansion, we will be left with the worst of both worlds: providing more uncompensated care for Kansans still not eligible for Medicaid while receiving less money from the federal government to cover these costs."

Columnist Examines Whether Federal Medicaid Expansion Promise Is Trustworthy. In a column for [Forbes](#)   (3/7), Howard Gleckman suggests that states, when deciding whether to expand Medicaid under the Affordable Care Act, "take a look at the fate of a more obscure federal program-cash subsidies to state and local governments that sell certain kinds of bonds, especially Build America Bonds." Because, "If they do, they'll see what happens to a federal promise of aid when that commitment gets caught up in bigger fiscal issues." Basically, Gleckman argues that Medicaid expansion will turn out like the BABs, a program which was offered to states during the recession, and was recently cut by \$225 million during the sequester. He concludes, "I still think the Medicaid expansion is a good deal for states. But, then, I thought BABs were as well."



Arizona Healthcare Program Seen As A National Model.

[Kaiser Health News](#)   (3/7, Varney) reports that Arizona "is occupying an unusual place in the national landscape: as a model for how a generously-funded, tightly regulated government program can aid vulnerable, low-income patients." State officials "have aggressively applied managed care strictures for more than two decades." The Arizona Health Care Cost Containment System, "in local parlance AHCCCS or 'access,' is such a pervasive brand in the state some beneficiaries and even lawmakers don't realize it is Medicaid. And since its beginning, a long line of the state's conservative lawmakers and governors have lent strong support to Arizona's novel public-private model in which health plans are paid a set monthly fee and are expected to care for all of a patient's needs."



Blue Shield Of California Criticized Once Again For Rate Hikes.

The [Los Angeles Times](#)   (3/8, Terhune) reports, "For the second time in two days, a state regulator criticized Blue Shield of California for an 'unreasonable' rate hike affecting tens of thousands of individual policyholders." California Insurance Commissioner Dave Jones does not have the authority to reject the hikes that are as high as 20% for around 268,000 policyholders. "These are the types of rate hikes that are unsustainable for California consumers," Jones said, adding he asked the company to accept smaller hikes but they declined. Blue Shield responded, saying its recent \$1-billion computer system upgrade and increasing healthcare costs are driving factors behind increases. The Times notes that Jones reaffirmed support for next year's ballot measure which would give him authority to deny rate hikes deemed unreasonable. However, "Opponents of the ballot measure, including health insurers, doctors, hospitals and business groups, say it would create a costly new bureaucracy and that it doesn't address the underlying reasons for rising premiums."

Budget Analysts Offer Senate Differing Accounts Of How To Rein In Medicare.



[CQ](#)   (3/8, Subscription Publication) reports that "two leading budget analysts" spoke to the Senate Finance Committee Thursday about Medicare spending and the debt: Robert Greenstein, head of the "left-leaning Center on Budget and Policy Priorities," and former Congressional Budget Office Director Douglas Holtz-Eakin, current president of "the right-leaning American Action Forum." Greenstein counseled the committee to "Cut a few hundred billions dollars from Medicare," but "don't further reduce pending research on how best to control health care spending, he cautioned." Holtz-Eakin, on the other hand, said that "History teaches that the slowdown won't last and that Medicare pilot programs to test new forms of health care delivery and payment typically go nowhere."

Cohen: HHS Considering Exchange Subsidies For Medicaid Eligible.

[Bloomberg News](#)   (3/8, Wayne) reports that Gary Cohen, director of the U.S. Center for Consumer Information and Insurance Oversight, said Thursday that the Obama Administration is weighing allowing "lower-income residents eligible for Medicaid...buy coverage



from health insurance exchanges using tax dollar." Cohen said that "multiple states have asked about the arrangement," and continued, "We're exploring avenues in which that might be able to happen."

NY Medicaid Director Praises Reform Plan.

Jason Helgeson, New York's Medicaid director, writes in an op-ed for the [Albany \(NY\) Times Union](#)   (3/8) that Mayor Andrew Cuomo's redesign of the state's Medicaid program has been a "tremendous success. Not only did it propose a budget plan that saved \$4 billion in its first year and held spending growth to less than 1 percent, the Medicaid redesign also crafted the most ambitious such reform plan in the nation." He notes that the plan "launched a series of innovative solutions designed to better manage care and reward providers that help keep people healthy" and has the nation's only Medicaid spending cap.



Senior Market News

Study: Americans Underestimate Healthcare Costs During Retirement.

The [New York Daily News](#)   (3/8, Knowles) reports that new study published in the American Journal of Law & Medicine concluded that a "startling number of Americans who have either recently retired or are about to do so are badly miscalculating how much money they will need to save to cover health care costs." The study noted that "even though 60% of current medical costs for retirees are covered by Medicare, the 40% that individuals must pay out of pocket is far above the estimates that most people are anticipating, especially over time." Allison Hoffman, an assistant professor at the UCLA School of Law and the co-author of the study, said that it is "very concerning" that young people "especially don't seem to be anticipating what they'll spend in the future."



Consumer Directed Healthcare News

Employees Paying Greater Share Of Health Costs.


The "Bucks" blog of the [New York Times](#)   (3/7, Carrns) reports a study from the benefits consultant Towers Watson and the National Business Group on Health, a nonprofit industry group made of large employers, found that "employees contribute 42 percent more for health plan coverage than they did five years ago, as against a 32 percent increase for employers," and "the share of the total cost of health care borne by employees, including both premiums and costs paid out-of-pocket, climbed to 37 percent in 2013, from 34 percent in 2011," even as annual salary increases "averaged less than 2 percent...over the last three years." This means, "workers are losing ground," and 80 percent of surveyed "employers said they planned to continue to raise the share of premiums paid by employees over the next three years."

Also in the News

Lazarus Explores "Shadowy World Of Drug Pricing."

In his [Los Angeles Times](#)   (3/8) column, David Lazarus examines "the shadowy world of drug pricing," writing that "different manufacturers can charge wildly different prices for what is essentially the same generic medicine, and that drugstores can rake in unconscionable profits by passing along marked-up meds to customers without the slightest explanation." He focuses on the case of a woman with a prescription for "a generic antibiotic called doxycycline" who paid \$4.30 for 60 pills in December, then about \$165 for a refill at the same location two months later. Watson found that the wholesale price of doxycycline pills produced by Mylan Pharmaceuticals was four times that of the same product from Watson Pharmaceutical.

Former WellCare Employee Testifies To Role In Medicaid Fraud.

The [Tampa Bay \(FL\) Times](#)   (3/8, Tillman) reports, "A former WellCare employee charged with Medicaid fraud testified Thursday that the company's former top executives orchestrated the plan to keep millions of dollars that should have gone back to the state." The Times continues, "Gregory West, who was a senior financial planner, testified in federal district court that the company had sent false information to the state Agency for Health Care Administration. The documents outlined how much state money the company spent on mental health services for patients insured through WellCare's HMOs. West, who said he was acting at the behest of higher-ups, pleaded guilty to charges of conspiracy to commit Medicaid fraud in 2007 and agreed to cooperate with federal prosecutors in an effort to get a lighter punishment."

Thursday's Lead Stories

- [Blue Shield, Aetna To Proceed With Rate Hikes In California.](#)
- [Clinton: IT Can Temper Nation's Rising Healthcare Costs.](#)
- [CMS Announces Program For Consolidating Reporting Requirements.](#)
- [Researchers Develop "Mortality Index."](#)

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