

Customized Briefing for Kimberly Barry-Curley

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Leading the News





Ryan Previews Proposal To Balance Budget In WSJ Op-Ed.



Rep. Paul Ryan (R-WI), chairman of the House Budget Committee, previews the Republican budget proposal he authored, set for release Tuesday, in an op-ed for the [Wall Street Journal](#)   (3/12, Ryan, Subscription Publication). According to Ryan, this budget will balance within a decade, yet does not raise taxes, ultimately cutting \$4.6 trillion worth of spending. The four broad categories of his proposal are energy, healthcare, welfare reform, and tax reform. In healthcare, Ryan plans to repeal the Affordable Care Act and introduce more choice into Medicare, starting in 2024. On the topic of welfare reform, Ryan floats introducing more flexibility and state control into programs like Medicaid.

Ryan's Proposal Relies On Repeal Of ACA, Medicare Reform. Ahead of the official release of his budget proposal Tuesday, several pieces offered analysis of Rep. Paul Ryan's choice to include repeal of the Affordable Care Act in the plan. For example, the [Washington Post](#)   (3/12, Sullivan) "The Fix" blog reports of the Affordable Care Act, "While the prospect of reversing the law is a legislative nonstarter, it's worth noting that polling shows a substantial percentage of Americans don't like the measure." The blog explains that including repeal in the proposal does two things: "One, it fires up the conservative base, much of which remains opposed to the law. Two, it means that the Republicans' opening bid in the budget battle is one that is going to reignite Democratic criticism."

However, [CNN](#)   (3/12, Abdullah) emphasizes that repeal "has a snowball's chance in heck of going anywhere," asking, "So why, in this era of heightened partisanship and amid fledgling attempts by the president to mend relationships with Republicans would Ryan toss the equivalent of a political stink bomb into the mix?" According to experts, "He said he would work for a repeal and he will be held to that by the most conservative members of the base in 2016 should he decide to run for president."



Ezra Klein, in his [Washington Post](#)   (3/12) "Wonkblog," writes that despite the splash made by the news that Paul Ryan included the repeal of the Affordable Care Act in his most recent budget proposal, "every Ryan budget since the passage of Obamacare has assumed the repeal of Obamacare." However, Klein hedges, this is only "kinda" true, as "Ryan's version of repeal means getting rid of all the parts that spend money to give people health insurance but keeping the tax increases and the Medicare cuts that pays for that health insurance, as without those policies, it is very, very difficult for Ryan to hit his deficit-reduction targets." Klein concludes that this is the "irony" of Ryan's plan to balance the budget: "Much of it is built on taxes and Medicare cuts that he and his party would never have proposed, and which they in fact fought bitterly, but which they've now assimilated into their budget because it's almost impossible for them to hit their deficit-reduction goals otherwise."





For its part, [MSNBC](#)   (3/12, Frumin) reports, "The failed vice presidential candidate proposes a new fiscal plan that stubbornly clings to the idea that Obamacare will somehow be repealed." Similarly, the [National Journal](#)   (3/12, Lawrence, Subscription Publication) calls Ryan's hope for repeal "is a giant leap of faith."



Focusing instead on Ryan's calls for Medicare reform, the [Christian Science Monitor](#)   (3/11, Trumbull) reports, "Paul Ryan, chairman of the House Budget Committee, wants to bring federal deficits down partly by scaling back on government's health-care promises for seniors. Republicans say that plan will preserve Medicare by keeping the program financially sound." According to the article, "It's safe to say that Mr. Ryan's 'premium support' model for Medicare – Democrats call it offering a voucher instead of insurance – is destined to generate lots of controversy."



The [National Journal](#)   (3/12, Roarty, Subscription Publication) reports that Republicans are confident in Ryan's proposals for



Medicare reform for two reasons, "Republicans think they were successful defending the proposals last year, and they believe that, if anything, the new dynamics at play this year will help make their case." The piece delves into these reasons.

Sen. Johnson Backs Ryan's Move To Repeal ACA. [Politico](#)   (3/12, Robillard) reports Wisconsin Sen. Ron Johnson (R) "on Monday ripped into Obamacare, trying to back up House Budget Committee Chairman Paul Ryan's decision to seek the law's repeal in his proposed budget." On MSNBC's Morning Joe, Johnson said, "I think the cost estimate of Obamacare is grossly understated. I think far more Americans are going to lose their employer-sponsored care because there are incentives for employers to drop their coverage and make their employees eligible for huge subsidies and exchanges. I think this is going to explode our deficit, I think this is going to lead to rationing. It will lead to rationing, lower quality of care."

[The Hill](#)   (3/12, Mali) adds that Johnson "acknowledged that the healthcare law was 'obviously the law of the land right now.'" He continued, "Obviously, I'm concerned about it." The [Washington Examiner](#)   (3/12, Conger) also reports.

Commentary Considers Merits Of Ryan's Budget Proposal. In an editorial, [USA Today](#)   (3/11) says Ryan "is right to focus on the cost of Medicare, as well as other health care programs funded by government. The programs are popular, but they also are the biggest drivers of federal deficits." However, Ryan's "approach, apparently offered as a bargaining position in upcoming budget talks with the White House and congressional Democrats, is not the way to go." USA Today suggests that instead, Medicare should use its leverage to negotiate better deals, charge higher premiums and co-pays, and shift to "paying based on the quality of outcomes."

In an opposing op-ed in [USA Today](#)   (3/11, Capretta), James C. Capretta, a senior fellow at the Ethics and Public Policy Center, backs Ryan's plan, writing that the drug benefit acts as a model for the plan. The drug benefit "is built on consumer choice and competition among private drug plans. This approach has worked well to provide access to drugs at an affordable price. Surveys show that seniors are more than satisfied with the options available to them, and costs are under control. From 2006 to 2011, per capita costs rose an average of just 1.8% annually."

[Bloomberg BusinessWeek](#)   (3/12) contributing economics editor Chris Farrell argues that the biggest of the "variety of reasons Ryan's plan is DOA" is that it relies on "protecting anyone 55 and older from shifts in Medicare policy." He continues, "In other words, let's stop hermetically sealing off older people from the rest of society when it comes to health-care spending reform, let alone other entitlements."





From NAHU


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Legislation and Policy

Connecticut Forgoing Other ACA Priorities To Focus On Exchange.



[The Hill](#)   (3/12, Baker) "Healthwatch" blog reports that "state officials in Connecticut have quit implementing new regulations under President Obama's healthcare law to focus on setting up a new insurance exchange, according to the [Associated Press](#)  .



New Mexico Senate Passes State-Run Exchange Legislation. The [AP](#)   (3/12) reports from New Mexico that "a proposal to establish a state-run health insurance exchange has passed the Senate with bipartisan support." The legislation "creates an exchange governed by a 13-member board and operated by the New Mexico Health Insurance Alliance, a nonprofit corporation established in 1994." The bill now goes to the state House.

In related news, the [Albuquerque \(NM\) Business First](#)   (3/11) reports, "A recent study found that 48 percent of health plan members say they are interested on shopping on state health insurance exchanges, which are supposed to be operational in October." According to a new report by J.D. Power and Associates, "Nearly half of all Americans who have health insurance say they are interested in using a state health insurance exchange to buy insurance."



DC Exchange Notable For Its Hires, Ambitious Plans. [CQ](#)   (3/12, Adams, Subscription Publication) reports, "The

District of Columbia Health Benefits Exchange is getting attention for its ambitious policy plans and veteran inside-the-beltway hires." Mila Kofman, "a former superintendent of insurance for Maine, took the helm as executive director on Jan. 2 and has been moving forward quickly since then." Notably, "Instead of relying only on officials with experience within the D.C. government, she recruited a number of policy analysts who are well-known for their work on Capitol Hill, in federal agencies or at the nation's largest health plan trade association, America's Health Insurance Plans."



Angoff: Insurance Agents Not Needed In Exchanges. [LifeHealthPro](#)   (3/11, Postal) reports that Jay Angoff, former head of the Office of Consumer Information and Insurance Oversight at the Department of Health and Human Services "disagreed with state officials Friday over the need for insurance agents to be involved in the purchase of health insurance once the exchange system kicks in come January." Angoff said, "The beauty of the exchange system is that if it works, you don't have to use an agent. ... You can go directly to the Internet, you don't have to use an agent, and if you want to use an agent you can, but you don't have to." Mila Kofman, executive director of the Washington, D.C., Health Benefit Exchange "replied to Angoff by saying that under the exchange being created by the District, consumers and small businesses can purchase health insurance without using the exchanges, and that D.C. residents and businesses won't be charged for using agents to get help."

Editorial: California Should Run Call Center For Health Insurance Exchange. An editorial in the [Contra Costa \(CA\) Times](#)   (3/12) criticizes plans by the state of California to contract out the operations of its call center in the East Bay. The Times notes, "If the call center is to be government-run, the state should be the operator - choosing the location based on merit, not local politics, and accepting full responsibility for the costs and long-term liabilities of the workers."



McConnell Blames Rising Health Costs On ACA.

[The Hill](#)   (3/12, Kasperowicz) "Floor Action" blog reports that Senate Minority Leader Mitch McConnell (R-KY) said Monday "that healthcare costs have risen dramatically in the nearly three years since the Democrats' health reform law passed, which shows Republicans were right to downplay Democratic promises that costs would fall." In a speech marking "next week's three year anniversary" of the Affordable Care Act's passage, he said, "It looks like our worst fears are coming true. According to Congress's own non-partisan budget experts, Obamacare will increase federal health spending and subsidies by nearly \$600 billion, and that's only projected to get worse over time."



Opinion: Feds Should Leave Medical Malpractice Law Alone.

In an opinion column for [Bloomberg News](#)   (3/12), Ramesh Ponnuru, Bloomberg View columnist, visiting fellow at the American Enterprise Institute and senior editor at National Review, writes that although medical malpractice law is in need of reform, "lawsuits over medical care have traditionally been governed by state law - and they should continue to be." Ponnuru argues that the Federal government should leave well enough alone, "first, because we don't really know the best way to reform the system," and second, "the federal government should let states set their own rules is that they can do so without imposing costs outside their borders." To finish his column, Ponnuru mentions Virginia pol Ken Cuccinelli, who "argued that states should fix their own laws rather than have the federal government take over the field. He's right."



About 21,000 Hawaii Residents Will Lose Medicaid Coverage Under ACA.

The [AP](#)   (3/12, Garcia) reports about 21,000 Hawaii residents "who were previously covered under Medicaid will need to buy their own health insurance once President Barack Obama's sweeping federal health care overhaul takes effect next year, the chief executive of the Hawaii Primary Care Association told a state Senate committee today." The piece adds, "Robert Hirokawa, of the Hawaii Primary Care Association, said during an informational briefing of the Senate Health Committee that the group represents a so-called 'gray' zone that lawmakers should consider as they approach implementing the law." He said the "gap represents people whose income ranges from roughly 38 percent above federal poverty levels to two times the poverty line."



UC Santa Barbara Scholar Touts Unexpected Benefit Of ACA.

Nelson Lichtenstein, director of the Center for the Study of Work, Labor, and Democracy at UC Santa Barbara, argues that "if it is done right," the Affordable Care Act can "open the door to the democratic empowerment of millions of poor people, who are often alienated from much of the nation's civic life, by strengthening the organizations that give them a voice," in an op-ed for the [Los Angeles Times](#)   (3/12). He explains, "In Texas, Louisiana, Georgia and other Southern states, where the political establishment still stands in opposition to the healthcare reform law, the enrollment of the uninsured in federally run health exchanges will require some of the courage and dedication last seen in those precincts when civil rights workers sought to end segregation half a century ago." Lichtenstein concludes, "The task will be difficult, but the payoff will transform far more than the American health insurance system."



Confident Democrats Begin To Criticize Small Parts Of ACA.

[Politico](#)   (3/12, Haberkorn) reports that once Democrats "grew confident that Obamacare is truly the 'law of the land,'" they "started complaining about pieces of it in public." And while "Democrats aren't walking away from the overall law and its sweeping goals," they "are slowly becoming more vocal about small parts of the law that they want changed or eliminated - device taxes, a Medicare board, even kids' dental coverage, to name a few." Further, "with important 2014 deadlines closing in, they're more willing to point out where they think the Obama administration isn't implementing the law correctly."



HHS, Organizations Working To Encourage Enrollment In ACA Coverage.

[Roll Call](#)   (3/12, Adams, Subscription Publication) reports on various efforts "organizations and government entities" are undergoing to encourage enrollment in Affordable Care Act coverage as full implementation approaches. According to the article, "The Department of Health and Human Services needs all the help it can get from Enroll America and others to supplement federal and state efforts to attract interest. Federal officials say they will do all they can to reach out to uninsured people - from asking celebrities to plug the coverage on social media sites to sending details to churches to posting info on other agency websites."

Experts Say Confusion Remains Over Applying HIPPA Rules.



[CQ](#)   (3/12, Attias, Subscription Publication) reports that experts say the HIPPA law's privacy rules "are complicated and that confusion still exists over how they apply. And in some cases, health professionals may err on the side of caution rather than risk the consequences of wrongfully disclosing information." Ron Honberg, national director for policy and legal affairs at the National Alliance on Mental Illness, "maintains that the regulations and guidance give doctors more discretion than they believe they have, or want to have, to communicate with other physicians, health systems and, under certain circumstances, even families." Rep. Diana DeGette, ranking Democrat on the House Energy and Commerce Oversight Subcommittee, "said she thinks privacy rules do sometimes prevent parents from getting information about their children with mental illness. From her own experience, however, she says she thinks HIPAA is often misinterpreted by providers."



Oregon Regulators Prepare For "Tsunami" of Health Reform Paperwork.

The [Portland \(OR\) Business Journal](#)   (3/12, Jacklet, Subscription Publication) reports, "State regulators are bracing for a tsunami of paperwork as health insurance companies reveal exactly what they plan to cover under health reform, and at what price." The Journal notes that a company that wants to "sell health insurance policies to individuals and small groups in Oregon next year under the new rules of health reform will have to submit rate requests to the state by April 30. These documents differ from the usual rate increase requests studied by the Oregon Insurance Division in that they are not considered increases so much as entirely new plans drawn from scratch, under new rules." Each rate request will likely be over 75 pages in length, and "companies will have to submit separate plans for individual and small group plans."

Public Health and Private Healthcare Systems



NYSPA Sues UnitedHealth Over Mental Healthcare Access.


[Thomson Reuters News & Insight](#)   (3/12, Humer) reports that UnitedHealth Group Inc., the biggest health insurer in the US, has been sued by the New York State Psychiatric Association (NYSPA), which is part of the American Psychiatric Association, and some UnitedHealth policyholders. The suit alleges that UnitedHealth has not provided mental health treatments called for under the Affordable Care Act, the Federal Parity Act, ERISA, and the laws of New York State. The suit, which is seeking class action status for NYSPA members as well as other customers with health insurance, seeks to force UnitedHealth to comply with applicable laws. The lawsuit is in Re: New York State Psychiatric Assn. Inc., Michael A. Kamins, Jonathan Denbo and Brad Smith vs. UnitedHealth Group, Southern District of New York, No. 13-cv-01599.



[Bloomberg News](#)   (3/12, Smythe) reports, "The company denied or limited access to psychotherapy and other mental-health treatments for patients suffering from conditions including psychosis, chronic depression, and anxiety disorders, according to the 102-page complaint, which seeks to represent all customers of the company facing similar situations." Bloomberg News adds, "So-called parity laws of the US, New York and California prohibit insurers from imposing more restrictive limits on care for mental health than for other health-care conditions, according to the complaint." In addition, UnitedHealth "violated the federal Affordable Care Act by failing to continue to pay for mental-health treatment until final internal appeals were resolved, according to the complaint."



States Continue To Move Toward Medicaid Expansion Decisions.



Beyond Florida, several other still-undecided states are in Medicaid expansion news Tuesday. Notably, in Utah, the House passed a bill banning Medicaid expansion, a move seen as a "message" to Governor Gary Herbert, who has voiced a desire to wait until at least the summer to announce his decision. Maine, Mississippi, and South Carolina are among the others garnering coverage.



Utah House Passes Bill Banning Medicaid Expansion. The [Salt Lake \(UT\) Tribune](#)   (3/12, Stewart) reports that "by a large margin," the Utah House on Monday passed a bill that would prevent the expansion of Medicaid in Utah. The bill would "bar Utah Gov. Gary Herbert and the state Department of Health from embracing the expansion, a now-optional provision of the Affordable Care Act."



The [Provo \(UT\) Daily Herald](#)   (3/12) reports that bill sponsor Rep. Jake Anderegg "explained to the House that the expansion would open the door to an additional 130,000 people to receive health care assistance from the taxpayers of the state. He noted that early projections from the Legislature's fiscal analysts find that the additional cost of covering those new Medicaid enrollees is beyond what Utah can afford. While the federal government would cover the costs of expansion for the first three years, he said after that time Utah would be put in a financial crunch trying to provide care once the federal money runs out." Anderegg "said there was a better way to provide health care to those who can't pay for it themselves. He stated he had a vision that those who are able can help provide to those less fortunate - either through money or doctors providing free or cheaper health care."



The [Deseret \(UT\) News](#)   (3/12, Leonard) reports that the measure now "moves to the Senate for further consideration, though leaders there say it won't last long. 'I think the governor's the man who has the call on the expansion of Medicaid,' said Senate Majority Assistant Whip Peter Knudson, R-Brigham City. 'At this point, I'd prefer not tie his hands and give him whatever latitudes he needs to make his decision, so I'm not in favor of the bill itself.'"



[Utah Policy](#)   (3/11, Bernick) also reports on the House measure, noting, "GOP Gov. Gary Herbert has already asked the Legislature not to tie his hands on Medicaid expansion, a decision that by federal law he must make later this year. ... If the GOP-controlled Senate goes along with SB391, then Herbert could veto the bill. And the House, at least in the vote Monday, is four votes short of the gubernatorial override number of 50 votes."



The [AP](#)   (3/12, Knox) also reports on the measure, calling it "a message" to Herbert, who has said will not make a decision "until summer, after an outside consulting group finishes reviewing the pros and cons of expansion."

Maine Governor Discusses Medicaid Expansion With Feds For The First Time. The [AP](#)   (3/12, Adams) reports Maine Gov. Paul LePage "signaled for the first time a willingness to discuss expansion of Medicaid under the national health care law." He has previously "rejected Democratic efforts to link Medicaid expansion with paying the debt to Maine's nearly 40 hospitals." The "change in posture came as the Veterans and Legal Affairs Committee held a hearing on a pair of bills to repay the hospitals in a single chunk for its Medicaid debt, a measure LePage said will stimulate hundreds of jobs in health care and construction." Under LePage's proposed plan, Maine's share of the overall debt "would be matched by a federal match of \$298 million."



The [Bangor \(ME\) Daily News](#)   (3/12, Stone) adds, "Over the past few months, a growing number of Republican governors who, like LePage, staunchly opposed the Obama administration's health care reform bill, have said they would sign their states up for a Medicaid expansion, citing the potential for additional federal funds to provide more of their residents with health insurance." LePage has indicated he opposes expanding Medicaid, but "Democrats in the Legislature recently have become more vocal about the issue. Democratic leaders Monday called for Maine to participate in the Medicaid expansion as part of a larger hospital debt repayment plan they laid out as an alternative to LePage's. Rep. Linda Sanborn, D-Gorham, has proposed a bill that would sign Maine up for the Medicaid expansion."



The [Kennebec \(ME\) Journal](#)   (3/12, Mistler) reports, "Hospitals would receive \$186 million in back payments from the state, which would trigger another \$298 million in payments from the federal government. That money would enable hospitals to fund renovation or expansion projects and add jobs." The expansion would also "make 55,000 more low-income people eligible for MaineCare, the state's version of Medicaid, according to an analysis by the Kaiser Family Health Foundation."



Maine Democrats Release Plan To Repay Hospital Debt. The [Kennebec \(ME\) Journal](#)   (3/12, Mistler) reports, "Democratic legislative leaders Monday revealed a plan that would repay Maine's hospitals in \$484 million in backlogged Medicaid reimbursement payments by September this year." The Democratic proposal "includes no borrowing. Instead, it would use an upfront payment from the liquor contract to pay the hospitals by September." The Democratic leaders also "said the repayment plan should coincide with state participation in Medicaid expansion included in the federal health care law."



Mississippi Lawmakers Hold Hearing On Medicaid Expansion. The [Northeast Mississippi Daily Journal](#)   (3/11, Harrison) reports that the Mississippi House Medicaid Committee was scheduled to hold a hearing Monday "on the contentious issue of Medicaid expansion. The decision to allow the hearing is viewed 'as a symbolic gesture' toward the minority Democratic Party that supports Medicaid expansion." The Daily Journal notes, "Thus far Speaker Philip Gunn, R-Clinton, an opponent of expansion, has blocked

all efforts for an up or down vote on the floor of the House on Medicaid expansion. But in doing so legislation to re-authorize the Division of Medicaid for the new fiscal year, which begins July 1, has been killed."



The [AP](#)   (3/11) reports, "Hospital administrators are pressuring Mississippi lawmakers to expand Medicaid," arguing that they "might be forced to lay off employees if, as expected, their facilities lose millions of federal dollars they've been receiving to treat uninsured patients."

In a more detailed account, the [AP](#)   (3/11, Tillman) reports that the Mississippi Hospital Association "announced Monday that it's working with Gov. Phil Bryant's office to address budget constraints resulting from the Affordable Care Act amid Bryant's ongoing opposition to the federal health care overhaul. Claude Harbarger, leader of the MHA Board of Governors, said he is grateful that Bryant is willing to work toward a solution." The announcement "came on the same day as a House hearing that showed little consensus on whether Medicaid expansion would represent a net loss or gain for Mississippi."



The [Mississippi Business Journal](#)   (3/11, Carter) reports that hospital executives around the state are concerned that with the legislature set to adjourn April 7, "time will expire and hospitals and the entire health care sector will suffer the consequences, putting about 9,000 jobs at risk." Chris Anderson, CEO of Singing Rivers Health System and "main speaker at a Mississippi Hospital Association press conference Monday morning," said that "hospital executives should assume Bryant and others will not have a change of mind on growing Medicaid. ... The solution then, is to agree on an approach that preserves the money for treating the uninsured and expands health care to more uninsured, he added."



Texas House Bill Could Serve As Vehicle In Medicaid Expansion Debate. The [Houston Chronicle](#)   (3/12) reports in its "Texas Politics" blog that Texas state Rep. John Zerwas, a "Simonton Republican who oversees human services on the House Appropriations Committee, is helping to keep open Texas' options for coming up with a way to draw down billions of federal dollars for health care for the poor." He filed a bill Friday that "could serve as the vehicle if Republican leaders who oppose Medicaid expansion in its current form are able to agree on a proposal to the federal government."

South Carolina Democrats Offer Medicaid Expansion Plan. The [AP](#)   (3/12, Adcox) reports, "South Carolina Democrats said Monday the state needs to expand Medicaid eligibility at least as long as the federal government promises to fully cover the cost." While Republicans say that is "unrealistic," House Democrats "will attempt this week to insert into the 2013-14 budget a one- to three-year temporary expansion of the government health care program for the poor and disabled. Debate on the spending plan for the fiscal year starting July 1 began on the floor Monday afternoon." Democrats "hope to win some Republican votes by focusing on the three years when the additional coverage is 'free.'"





Michigan Hospitals Back Medicaid Expansion. [MLive](#)   (3/11, Anders) reports that a report released Monday by the Michigan Health and Hospitals Association says Michigan hospitals "spend millions of dollars caring for patients who can't pay for their services." The Association "used the report to promote expanding Medicaid and implementing a health insurance exchange, which it says would help decrease the amount of unpaid health care." MLive adds, "The MHA has pushed for a Medicaid expansion under the Affordable Care Act. Gov. Rick Snyder supports the move, but fellow Republicans have expressed caution and concern about expanding Medicaid."



The [Detroit News](#)   (3/11, Bouffard) reports that the MHA report says Michigan hospitals "provided nearly \$1.9 billion in uncompensated care in 2011. ... According to the report, the healthcare industry contributes \$7.5 billion annually in local, state and federal taxes. Hospitals and other health workers total 558,000 and earn \$31.4 billion annually in wages, salaries and benefits. In addition to uncompensated care for the poor, Michigan hospitals provided more than \$2.6 billion in community benefits such as free or reduced-fee health screenings, prescriptions, transportation and counseling."



Analysis: Expanding TennCare Would Bring \$1.4 Billion To Tennessee. The [Memphis \(TN\) Commercial Appeal](#)   (3/12, Sisk) reports that a recent analysis by the Tennessee General Assembly's Fiscal Review Committee has found that the "state of Tennessee stands to miss out on more than \$1.4 billion in federal aid if it does not expand TennCare." The analysis found that "expanding TennCare would inject more than \$418 million into the state's budget in 2013-2014 and \$1 billion more in the next budget year," offsetting the cost of expanding TennCare to another 161,900 Tennesseans. The Commercial Appeal notes that the analysis "comes as Gov. Bill Haslam weighs the politically dicey decision of whether to expand TennCare, the state's Medicaid program."


Anonymous Flyer Attacks Kasich's Proposal To Expand Medicaid. The [Columbus \(OH\) Dispatch](#)   (3/12, Siegel) reports in its "The Daily Briefing" blog that "some opponents of Gov. John Kasich's proposal to expand Medicaid coverage under Obamacare are in full campaign mode." The piece notes that an "anonymous flyer showed up this weekend on doors in at least two Franklin County districts, including Rep. Anne Gonzales' suburban district, asking residents to call and tell her not to agree to the expansion." The flyer claims the expansion "mires the poorest Ohioans in a broken and unsustainable health care scheme," and argues that the Federal government "cannot afford the expansion."



Commentary Considers Medicaid Expansion Across US. Accompanying the coverage are several opinion pieces weighing Medicaid expansion in undecided states across the country. Notably, Nebraska Governor Dave Heineman is featured in two local papers rallying against the move.

From Nebraska, in an op-ed for the [Beatrice \(NE\) Daily Sun](#)   (3/11), Governor Dave Heineman argues that expanding Medicaid in the state would come "at the expense of our state priorities, including education." Heineman writes that supporters of the expansion do not discuss "the enormous and unsustainable costs of this expansion and who's going to pay for it. ... These advocacy groups will tell you that it's 'free' federal money, but they conveniently forget to tell you that it's your tax dollars." Heineman concludes, "The proposed optional Medicaid expansion is unaffordable and will result in less funding for the education of our children or higher taxes on Nebraska's middle class families. Our priority should be the education of our children." The [York \(NE\) News-Times](#)   (3/12) also publishes Heineman's op-ed.



From Michigan, in an op-ed for the [Detroit News](#)   (3/12) Michael Tanner, a senior fellow at the Cato Institute, criticizes Governor Rick Snyder's decision to expand the state's Medicaid program, noting that "even with the federal government picking up 90 percent of the cost, Michigan taxpayers are not completely off the hook for state taxes. Ten percent of a very big number is still a very big number. In fact, over the next 10 years, it is estimated the Medicaid expansion will cost Michigan taxpayers \$2.25 billion." Tanner adds, "Fortunately, the final decision lies not with the governor, but with Michigan lawmakers. Snyder may have decided to chase after the fool's gold of federal funding, but legislators can still defend taxpayers by saying 'No.'"



From Indiana, in an editorial, the [South Bend \(IN\) Tribune](#)   (3/11) urges the expansion of Medicaid, noting that the state's "Healthy Indiana Plan has had general success in administering health care for uninsured Hoosiers between the ages of 19 and 64," and most "of its guidelines are being offered in a proposed expansion of Medicaid" and the Federal government "would take on most of the cost." The Tribune argues, "It might be more cost-efficient to let the feds administer Medicaid. [Gov, Mike] Pence seems willing to go along with the plan if it is administered through Healthy Indiana. That sounds plausible, as long as state officials don't try to impose overreaching and underachieving guidelines."



From Texas, Craig Estes, a state senator, writes in an op-ed for the [Times Record News \(TX\)](#)   (3/12) that he feels that "Texas is being lured by 'free' federal dollars into expanding Medicaid." He contends the state "can't afford Medicaid expansion," noting that its cost has tripled since 2000 and that it "costs the state of Texas \$11 billion per year, or approximately one out of every four dollars state government spends today." He also warns that "massive fraud that permeates Medicaid would only be made worse by expansion."

From Tennessee, in an op-ed for the [Tennessean](#)   (3/12), state Rep. Jeremy Durham writes, "When discussing 'Obamacare' expansion, we must remain mindful of our state's future as well as its past, and recognize a ticking fiscal time bomb." Durham writes that the expansion's funding from the Federal government is "quite ambitious for an entity with \$16.5 trillion in debt," and that the efforts would bring about the "Woodwork Effect," where 47,000 individuals would join TennCare and be subject to the 65 percent matching formula normally used to calculate matching funding, adding "an estimated \$137.5 million in new state expenditures during the fiscal year ending in 2015, even without expansion." Rep. Durham finishes his piece by saying, "I encourage others to join me in opposing 'Obamacare' in Tennessee."



FL: State Senate Committee Rejects Scott-Backed Medicaid Expansion.

The [New York Times](#)   (3/11, A11, Alvarez, Subscription Publication) reports that in a setback for Florida Gov. Rick Scott (R), a state Senate committee rejected a Medicaid expansion, "all but ending the possibility that the state would add more poor people to Medicaid rolls. But the select Senate panel debating the expansion proposed a compromise: to accept the federal money but use it to put low-income people into private insurance plans. Accepting the money would please the governor and a number of Floridians, while steering people away from Medicaid, which many lawmakers and residents view as troubled."



The [Tampa Bay \(FL\) Times](#)   (3/12, Mitchell) reports that the Senate panel joined "the House in rejecting...Scott's proposal for a three-year trial covered entirely by federal funding. Sen. Jeff Brandes, R-St. Petersburg, said Florida should pursue a program that is stronger than Medicaid, which he described as flawed and costly. 'Why in the world would we take the federal government's position when they promise that they'll pay for Medicaid expansion when we know that they will be unable to keep that promise in the long run?' Brandes said."


[Bloomberg News](#)   (3/11, Bender) reported, "The rebuke from the Republican-controlled legislature shows the difficulty that Scott, who faces re-election in 2014, will have winning approval during the legislative session. Lawmakers have until May 3, the last day of session, to change their minds on Medicaid."

Kaiser Tops California Insurers For Customer Satisfaction.



The [Los Angeles Times](#)   (3/11, Terhune) reports, "For the sixth consecutive year, Kaiser Permanente ranked highest in customer satisfaction for health insurance among California policyholders, according to ratings firm J.D. Power and Associates." Anthem Blue Cross and Health Net "scored the lowest on customer satisfaction among seven California health plans." The national average for customer satisfaction was 701 out of 1,000. Health Net scored 661 points while Kaiser had 760 points. Furthermore, the survey "found considerable interest among consumers nationwide in new state-run insurance exchanges slated to open in October." 73% of those who currently buy

their own policies said they were likely to use exchange next year when shopping for coverage. Families making up to \$93,000 a year will qualify for subsidies through the exchange.



In its "BizTalk" blog, the [San Francisco Business Times](#)   (3/11, Rauber, Subscription Publication) adds, "The national survey and regional breakouts look at seven factors, according to J.D. Powers: Coverage and benefits; provider choice; information and communications; claims processing; statements; customer service, and approval process."

In a separate but related story, the [Sacramento \(CA\) Bee](#)   (3/11) carries a Kaiser Permanente press release announcing, "Kaiser Permanente health plans in Oregon-Washington and Southern California are the top two overall performing health plans in the nation based on the plans' strong performance in consumer engagement, chronic disease and behavioral health management, according to the 2012 eValue8™ survey released by the National Business Coalition on Health." The release notes, "Each health plan was ranked according to its performance in seven categories such as consumer engagement, prevention and health promotion, and chronic disease management."



New Audit Shows Minnesota Medicaid Dental Issues.

[KSTP-TV](#)   Minneapolis (3/12) reports on its website that the Minnesota "Legislative Auditor says dentists are underfunded and parts of the dental program are not managed well." Minnesota's dental program costs \$131 million to operate, but "the audit shows dentists have not received increases in Medicaid reimbursements from the four insurance companies that run the program since 2000." In addition, "an independent audit showed the four HMOs," Medica, U-Care, HealthPartners, and Blue Cross/Blue Shield of Minnesota, "were overpaid \$162 million to run the Medicaid program over the past eight years." According to the Minnesota Dental Association, "without an increase in the Medicaid reimbursement, for over 10 years, some dentists cannot afford to stay in business because the government requires them to accept a minimum of 10 percent of their patients under the Medicaid program."



MedChi Chief: "Fail First" Policies Fail Patients First.

In an op-ed for the [Baltimore Sun](#)   (3/12) Gene Ransom, chief executive officer of MedChi, the Maryland State Medical Society, writes, "In the name of controlling costs, some Maryland health insurers have enacted a set of onerous barriers to care that prevent Maryland patients from accessing timely and effective treatment, and place health insurers squarely in the middle of the physician-patient relationship," such as the "fail first" policy, which "often requires that patients try and fail on up to five older, less-effective treatments before an insurer will cover the treatment originally prescribed by their doctor." Ransom argues that such "policies unnecessarily prolong ineffective treatment, prevent Marylanders from immediately receiving access to the life-sustaining treatments their doctors think best, and often exacerbate health problems."



Sebelius Calls On City Leaders To Help Expand Medicaid.

[Modern Healthcare](#)   (3/12, Daly, Subscription Publication) reports that on Monday, HHS Secretary Kathleen Sebelius "urged attendees at the National League of Cities' annual legislative forum to join in the administration's ongoing push to convince Republican governors to expand their Medicaid programs, as called for by the Patient Protection and Affordable Care Act." Sebelius said, "As CEOs of cities, we hope the question of whether the costs outweigh the benefits will be a conversation that you will be actively involved in." In her speech, "Sebelius characterized governors who are refusing the expansion as 'playing politics' because they were opposed to the underlying 2010 federal healthcare overhaul."



CNN Outlines Specifics Of Obama's Plan To "Save Medicare."

[CNN Money](#)   (3/12, Luhby) reports on the tenets of President Obama's proposal to "save Medicare," which "focuses mainly on reducing payments to drug companies and hospitals, though he would also raise revenue by asking wealthy seniors and new beneficiaries to pay more." Specifically, Obama's plan includes: "pay less for drugs," "reduce payments for post-hospital care," and "raise premiums on the wealthy and charge new enrollees more."

Private Medicaid Option Adds New Twist To ACA Push.



The [Wall Street Journal](#)   (3/12, A2, Campoy, Radnofsky, Subscription Publication) reports on a new aspect of the Medicaid expansion decisions being made across the country, as demonstrated by compromises pushed by lawmakers in Arkansas and Ohio: using Federal funds to purchase private insurance plans for beneficiaries. According to the article, this option could make Medicaid expansion more appealing to conservatives, thus helping the Obama Administration convince hold-out states to expand the program.

Medicaid Increases For Physicians Are Months Behind Schedule.

[Medscape](#)   (3/11, Lowes) reports that a Medicaid increase for primary care physicians is "months and months behind schedule." While the Affordable Care Act "boosted Medicaid rates for evaluation and management (E/M) services and vaccine administration to far more generous Medicare levels for primary care physicians effective January 1," eligible physicians "have yet to see the pay hike, thanks to the grinding wheels of state and federal bureaucracy. The extra money may not materialize until spring or summer, depending on the state." Medscape notes that state Medicaid programs are required to submit a state plan amendment to CMS "to increase its rates. ... It often takes CMS 90 days or longer to approve an SPA, according to a healthcare industry figure quoted in the final CMS regulations. If that pattern continues to hold true, an SPA submitted on March 31 might not get okayed until June 30."



Senior Market News



Florida Pols Propose Law Allowing Seniors To Use Life Insurance To Pay For Care.

[Provider Magazine](#)   (3/12, Myers) reports, "Long term care advocates in Florida are getting behind a bill that would allow stricken patients to use their life insurance policies to help pay for their care." Although current law requires patients to either abandon their life insurance policy or cash it out before they can receive Medicaid, Florida state Rep. Jimmy Patronis and state Sen. Jeff Brandes "have introduced bills that would allow patients to use their life insurance plans to pay for nursing home care without cashing them out or abandoning them altogether." In an op-ed, Florida Health Care Association Executive Director J. Emmett Reed said that the law "seems like a simple solution, and one that will have a measurable, positive impact on Florida's long term care funding challenges," adding, "We understand the legislature is trying to strike a balance between funding critical programs such as health care and education while creating jobs that will strengthen our state's economy. This legislation is a solution and a win-win for those involved."

Growing Your Business

Business Owners Concerned About Employer Mandate's Impact.

[CQ](#)   (3/12, Norman, Subscription Publication) reports that the Heritage Foundation held a forum Monday at which business owners discussed the potential impact of the Affordable Care Act's employer mandate, with some saying they are delaying expansion plans and capping employee hours. The forum "came as Republicans in Congress and outside opponents of the law ramp up their strong objections to particular sections of the overhaul that will kick in soon, such as the employer mandate." Supporters of the law argue that the mandate "is needed to ensure broad access for workers to health insurance that all Americans will be required to have in 2014." CQ notes that Sen. Orrin Hatch has introduced a measure to repeal the amendment, but it "is unlikely to pass given that the Democratic authors of the law control the Senate and the White House. Similar legislation (HR 903) was introduced in the House by Republican Charles Boustany Jr. of Louisiana."

Report: Workers Will Turn Down Jobs To Keep Obamacare Benefits. [The Hill](#)   (3/12, Baker) reports in its "Healthwatch" blog that the Heritage Foundation said Monday that people "will pass up higher-paying jobs so they can keep receiving subsidies under President Obama's healthcare law." In a report released Monday, the conservative group said, "Obamacare ultimately discourages low income individuals from trying to move into higher paying jobs on the margin." The Hill adds, "Because subsidies decrease as income rises, Heritage argued, some employees will pass up better jobs so they can keep collecting healthcare subsidies."

Monday's Lead Stories

- [Ryan Confirms His Budget Plan Includes ACA Repeal.](#)
- [Sequester's Medicare Cuts Coming Soon To Physicians, Hospitals.](#)
- [States Continue To Move Toward Medicaid Expansion Decisions.](#)
- [Hospital Prices Add To Financial Woes Of Uninsured Americans.](#)
- [Hospital CFOs: Despite Discounts On Care, Some Patients Don't Pay.](#)

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