

Customized Briefing for Kimberly Barry-Curley

March 18, 2013



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Leading the News

Some Say ACA Rules Could Lead To Higher Health Insurance Costs In Massachusetts.

In a front-page story, the [Boston Globe](#)   (3/16, A1, Weisman) reported, "State business and government leaders say federal rules stemming from the national health care overhaul threaten to drive up insurance costs in Massachusetts, a state widely viewed as a model for the sweeping legislation signed by President Obama in 2010." According to the Globe, "Under the new regulations, Massachusetts health insurers will have to set premium rates for small businesses and individuals once a year rather than quarterly, as they do now." Additionally, "the rates...would be issued six to 18 months prior to taking effect." Insurers argue that premiums would therefore have to be higher than they would otherwise. However, according to a spokeswoman for the Centers for Medicare & Medicaid Services, "The health care law will help bring down costs and save money for American families and businesses." She added, "Setting rates once a year gives consumers more certainty about what their premiums will be all year long." David A. Shore, president-elect of the Massachusetts Association of Health Underwriters, said, "Massachusetts has passed a series of laws in a progression to truly address health care costs." But, according to Shore, "now the federal government, which calls Massachusetts the linchpin for their health care reform, is taking such a general approach to their rules that they're sweeping away everything Massachusetts has done."

From NAHU

The Healthcare Reform Timeline has been updated as of February 2013 and is once again available for order through NAHU's online store. As healthcare reform moves forward, keep clients informed about provisions that will impact individuals and employers. This brochure gives year-by-year details on what consumers will need to prepare for with their healthcare coverage. [Place your order online.](#)

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Please note that the minimum order is 100 of any combination of NAHU's brochures, and all orders must be shipped to a street address.







Legislation and Policy



GOP Leaders Signal Openness To Tax Hikes In Exchange For Entitlement Cuts.

Several top lawmakers were featured on talk shows over the weekend, discussing the possibility of reaching a budget deal. Analysis of their comments, which focused on the need to find a compromise between the revenue hikes Democrats are pushing for and the entitlement reform Republicans demand, tended toward optimism for a deal to materialize. Senator Bob Corker, a Tennessee Republican, garnered the most coverage, for saying on "Fox News Sunday" that his party would be open to adding tax revenue if Democrats would embrace "true" entitlement reform. House Speaker John Boehner and Senate Minority Whip Dick Durbin also spoke about a potential deal.



The [Washington Post](#)   (3/18, Sullivan) "The Fix" blog reports that Senator Bob Corker (R-TN) said on "Fox News Sunday" that "he believes Republicans would consider adding new tax revenues by closing loopholes if Democrats show a willingness to embrace 'true' entitlement reform." He said, "I think Republicans, if they saw true entitlement reform, would be glad to look at tax reform that generates additional revenues. And that doesn't mean increasing rates, that means closing loopholes. It also means arranging our tax system so that we have economic growth." However, in an interview with ABC's "This Week With George Stephanopoulos," House Speaker John Boehner "kept a hard line," saying, "The talk about raising revenue is over. It's time to deal with the spending problem." A third lawmaker, Democrat Dick Durbin or Illinois, also on "Fox News Sunday" said "he was open to reforms to Medicare, but didn't delve into specifics."

The [Wall Street Journal](#)   (3/18, Nicholas) "Washington Wire" blog reports that, in discussing the entitlement reforms his party would prefer, Corker said, "We'd like to see these programs available for future generations. And, so, if the president is willing to sit down and look at structural reforms that will generate a 75-year soundness for these programs, I think that through tax reform, most Republicans would be willing to look at revenue." The article characterizes Corker's comments as a sign that a compromise between the President and Republicans is possible.



[Reuters](#)   (3/18, Dunham, Barbara, Mutikani) reports that while Republican leaders offered different views on which taxes would be acceptable in a so-called "grand bargain," they all seemed to err on the side of optimism in search of a deal with President Obama. For example, House Speaker John Boehner said, "I don't know whether we can come to a big agreement. If we do, it'll be between the two parties on Capitol Hill. Hopefully, we can go to conference on these budgets - and hope springs eternal in my mind."



In a separate report titled "Still Hope For Big Fiscal Deal With Obama, Top Republicans Say," [Reuters](#)   (3/18) reiterates the optimism point by highlighting hints of compromise spoken by Speaker Boehner and Senator

Corker.



The [Washington Times](#)   (3/18, Eldridge) reported that, while discussing the prospects of a deal, Corker invoked the example of Medicare, saying, "I think there, by the way, is a chance on a deal. I know the president is saying the right things. We have an opportunity over the next four to five months. We'll know when the president is serious by virtue of a process ... where he is actually at the table and whether he begins to say publicly to all Americans that he understands that Americans are only paying one-third of the cost of Medicare and that has to change for the program to be here down the road."



As the [Politico](#)   (3/18, Kopan) "Politico Live" blog puts it, "Republican Sen. Bob Corker opened the door for a deal with Democrats on tax and entitlement reform Sunday, saying that Republicans might be open to reform that 'generates additional revenues.'"

[The Hill](#)   (3/18, Hooper) reports that while Senator Dick Durbin "took heart in Corker's sentiment," and "suggested his party would be open to seriously examining entitlement reform," he "took issue with the House GOP proposal to alter the program with a voucher-like system." He said, "In 10 – 12 years Medicare goes broke – that's unacceptable ... and that means making some reforms and some constructive changes." However, he continued, "There are ways to approach it to reduce the cost of medical care and still keep our promise to seniors across America."

[Politico](#)   (3/18, Kopan) "Politico Live" blog reported further on Durbin's comments on "Fox News Sunday," in which he both "suggest[ed] Democrats were open to reforming Medicare and other entitlements," but "also took some shots Sunday at Rep. Paul Ryan's budget, saying it would eliminate Medicare." He said, "That is what the president is trying to set up, both sides sitting down on a bipartisan basis, not eliminating Medicare, as I'm afraid the Paul Ryan budget would do, but making sure that it's going to survive for generations to come, putting revenues on the table that are fair and won't penalize the working people across America and making sure it's a balanced approach."

Offering similar reports and analysis are the [CNN](#)   (3/18, Killough) "Political Ticker" blog, the [Huffington Post](#)   (3/17, Carter), and [The Chattanooga](#)   (3/18).



Pelosi In "Tough Spot" Over Entitlement Reform Debate. [The Hill](#)   (3/16, Lillis) offered an analysis of the "tough spot" the entitlement reform debate has left House Minority leader Nancy Pelosi (D-CA). The article said that the President's willingness to cut Social Security, in particular, has left Pelosi "between a Democratic president who's been willing to shrink pay hikes under the popular retirement program for the sake of a bipartisan deficit deal, and numerous liberals in her caucus who are fighting tooth-and-nail to prevent that change."



WPost Blog Argues Democrats Are Pushing For Medicare Reform. In a piece for the [Washington Post](#)   (3/16) "Post Partisan" blog, Jonathan Bernstein argued that the Republican talking point that Democrats aren't serious about entitlement reform ignores the cuts included in the Affordable Care Act, of which "there's evidence - not conclusive evidence, but evidence nonetheless - that [they] are beginning to work." He concluded, "It's just absolutely insane - fully immersed in fantasy - to claim that Obama and the Democrats won't touch entitlements," namely Medicare. "One can certainly argue that Obamacare didn't cut enough, made the wrong cuts, won't work, or is a bad idea even if it works...but no one should pretend that it doesn't exist."



Officials Assure Insurers Exchanges Will Have Enough Providers.



[CQ](#)   (3/16, Adams, Subscription Publication) reported that "a federal and a state regulator outlined for

insurers Friday how they plan to make sure that health plans have enough providers in their networks next year as the health care law gets fully implemented." Michael Adelberg, "the deputy director of exchange policy and operations group at the Center for Consumer Information and Insurance Oversight, gave the audience at an America's Health Insurance Plans conference details about upcoming deadlines and the process that federal officials will use to review the plans to make sure they are proposing a sufficient number of providers and adequate benefits." And, earlier that day, Tequila Terry, "director of plan and partner management at the Maryland Health Connection, explained how the state is trying to help insurance carriers recruit providers to participate in their networks. Maryland is running its own exchange and will be doing its own reviews of plans."

However, the print edition of [Modern Healthcare](#)   (3/16, Daly, Subscription Publication) reported that Scott Serota, president and CEO of the Blue Cross and Blue Shield Association, "poured cold water on the Obama administration's promise that health insurance marketplaces across the U.S. will be open for business in a matter of months, even as officials stand by their word that enrollment will begin in every state Oct. 1." Serota, speaking Wednesday at the American College of Healthcare Executives Congress on Healthcare Leadership, expressed doubt that exchanges will be ready, blaming "an array of lagging pieces of complex work, such as the myriad technological functions that states and the federal government are trying to develop in coordination and on multiple timelines." Other critics believe "the complexity of the enrollment process may also complicate the launch."

Minnesota House Passes State Exchange Bill. In continuing coverage, the [Kaiser Health News](#)   (3/16, Stawicki) "Capsules" blog reported that the Minnesota House passed a reconciled version of the bills to set up a state health insurance exchange. The "ever-controversial exchange bill had a bumpy ride in the House, as anti-abortion legislators tried to revive an amendment that would have banned coverage of the procedure for any insurance policy sold on the exchange." After a 72-61 vote, "largely along party lines," the "landmark" legislation heads to the state Senate.



Survey Shows New Hampshire Residents Uninformed About Merits Of Exchange. The [AP](#)   (3/18) reports on a new survey out of New Hampshire, which shows that as the state prepares for a Federally run insurance exchange under the Affordable Care Act, few residents "agree on or even know about the looming changes." An independent consultant, hired by New Hampshire Voices for Health, prepared an online survey to flesh out how the exchange should run in the state. And though "the survey was unscientific, its findings suggest that much work remains to be done to inform and educate businesses about the health insurance marketplaces."



Background Checks For California Exchange "Assisters" Meets Resistance. The [Los Angeles Times](#)   (3/16, Terhune) reports, "State officials say they need 20,000 people for the job of signing up millions of Californians for health insurance in the coming months, but a battle is brewing over whether these workers should undergo background checks and fingerprinting." The state wants enrollment advisers thoroughly screened to prevent fraud but critics "say the state's proposal is overly intrusive and will prevent too many minorities from helping at a time when enormous manpower and quick action are required." The assisters would not be government employees but recruited by community organizations. Covered California's board will discuss the issue this week. The Times notes, "California insurance officials, insurance agents and other patient advocates say they are surprised by the level of resistance to rigorous screening." Health insurance agents must undergo a background check every two years.

Former Senator Sununu Criticizes ACA Exchanges. In a [Boston Globe](#)   (3/18, Sununu) op-ed titled "Obamacare's Tricky State 'partnerships,'" former US Senator John E. Sununu criticizes the Affordable Care


Act, particularly its health insurance exchanges, or "partnerships." Sununu argues, "No one knows how well the exchanges, however much they cost, will work. Under community-rating standards, premiums are likely to increase for younger and healthier participants; consumers may not like the four specific plans mandated by the government; and customer service - something few government-run agencies do well - might fall short of expectations." According to Sununu, "Governors know this, and no politician wants to take the blame for the failure of a program they had no role in creating."



House Minority Whip Warns GOP To Stop Attempts To Block ACA.



[The Hill](#)   (3/15, Kasperowicz) "Floor Action" blog reported that House Minority Whip Hoyer "warned his Republican counterpart on Friday that the GOP will have no hope of finding bipartisan agreement on any issue if it continues to insist on repealing the 2010 healthcare law." Hoyer told Majority Leader Cantor, "If we want to do something in a bipartisan fashion, if we want to get to an end here, we ought to stop pretending that we're going to repeal the Affordable Care Act. We had an election about that. We won. The President won." Cantor "replied by saying Republicans would not back away from their effort to terminate the law." Cantor said, "We have big differences on healthcare. We believe that Obamacare is not good for this country, not good for healthcare, and we're going to continue to advocate that position."

McConnell Vows To Continue Fighting ACA. The [AP](#)   (3/16, Thomas) reported that "Senate Republican leader Mitch McConnell of Kentucky is vowing to repeal President Barack Obama's sweeping health care law." Speaking at the Conservative Political Action Conference in Washington, DC, this weekend, McConnell called the law a "'monument to liberalism' and [said] Republicans will not back down from the fight."

Republicans, Democrats Spar Over ACA's Effects On Premiums.

[The Hill](#)   (3/16, Viebeck) "Healthwatch" blog reported that "House Republicans and Democrats fought in committee Friday over the question of President Obama's healthcare law and its effect on premiums." At a hearing of the Energy and Commerce subcommittee on Health, "GOP members insisted that the law would raise premiums, particularly on younger people in the individual and small-group markets." However, "Democrats defended the law's anti-discriminatory provisions and said patients would see lower premiums and more care for every dollar."

[CQ](#)   (3/16, Attias, Subscription Publication) reported that "Democrats showed up prepared" for the hearing, "fighting back arguments that the law will result in 'rate shock.'" For example, Rep. Henry A. Waxman, the ranking member of the Energy and Commerce Committee, "said Republicans and the insurance industry are using 'deeply flawed studies' to argue that the overhaul will increase premiums for everyone. He called the notion 'false' and 'irresponsible,' arguing that the studies do not account for other provisions of the health care law."

Report Rebuts Claims Touting ACA's Negative Impact On Young Adults. [American Medical News](#)   (3/18, Lubbell) reports America's Health Insurance Plans CEO Karen Ignagni "estimated that people from their 20s to their early 40s will see their costs go up under the revised age bands, increasing the likelihood that those in these age groups will forgo insurance until they become sick or injured." Additionally, an analysis "from GOP staff of several House and Senate committees, which referenced third-party sources on the effects of the ACA on premiums, said 80% of young adults with incomes above 138% of poverty and enrolled in nongroup single coverage will end up paying more out of pocket for insurance under the ACA's provisions than they do now." However, a new "Robert Wood Johnson Foundation report prepared by the Urban Institute...projects that

other ACA coverage provisions will mitigate the negative effects that young people may experience from the new age rating bands."

President's Report Attributes Healthcare Cost Growth Slowdown To ACA.

[CQ](#) [f](#) [t](#) (3/16, Norman, Subscription Publication) reported that healthcare issues were a main focus of the White House's annual economic report, released Friday, which stated in its first chapter that "While the immediate budgetary concern in 2013 is the need to replace the sequester, it is also important to remain focused on the main driver of our long-term budget challenge: the cost of health care for an aging population." One point the report touched upon was that the recent "slowdown in the growth of health care costs" can be in some part attributed to the Affordable Care Act. The reports chapter on "reducing costs and improving the quality of care" said that "sections of the law 'appear to be having positive effects' on care coordination, hospital outcomes and spending."

Economic Report Lays Out Possibilities For Future Of Medicare. The [Washington Post](#) [f](#) [t](#) (3/15, Kliff) "Wonkblog" reported that in the White House's annual Economic Report of the President, there is a chart which "shows Medicare as a percent of the economy if it grows on pace with prior projections - or if it grows at the same rate as it has since 2009." The difference, according to the blog, "is very stark." The reason behind the difference is the recent phenomenon of declining healthcare cost growth which, if it continues, "could make all the difference for Medicare: The entitlement program would, by 2085, make up 4 percent of the economy instead of the previously projected 7 percent." However, the piece warns, "The 'if' there is crucial: We don't know whether this cost growth slowdown is permanent or temporary, a factor of Americans cutting back on care during the recession."

Higher Prices May Account For Higher Health Costs In US.

The [Washington Post](#) [f](#) [t](#) (3/15, Klein) "Wonkblog" reprinted a post from last year that says, "There is a simple reason health care in the United States costs more than it does anywhere else: The prices are higher." According to the blog, "In America, Medicare and Medicaid negotiate prices on behalf of their tens of millions of members and, not coincidentally, purchase care at a substantial markdown from the commercial average. But outside that, it's a free-for-all."



BLS: Hospital CPI Growth Rises As Physician Prices Stay Flat. [Modern Healthcare](#) [f](#) [t](#) (3/16, Evans, Subscription Publication) reported, "Hospital consumer prices increased 0.8% last month after the prior month's 0.2% rise," according to [new data](#) [f](#) [t](#) from the Bureau of Labor Statistics. "Consumer prices increased more rapidly" in February 2012 compared with February 2011, when the BLS "Consumer Price Index showed a 0.1% increase." In addition, the BLS data showed that for the "year that ended last month, hospital consumer prices increased 5.4%, which was identical to growth during the prior 12 months." However, the "consumer prices for physician services were flat last month, the seasonally adjusted figures show, compared with a 0.1% rise in January and a drop of 0.3% for the same month the prior year."

CMS Official Says Medicare Readmissions Decline Due To Penalties.



[American Medical News](#) [f](#) [t](#) (3/15, Fiegl) reported, "Fewer Medicare patients have been returning to the hospital in the months after the Centers for Medicare & Medicaid Services began penalizing facilities for

excessive readmissions, a top CMS official said." CMS Center for Medicare Director Jonathan Blum said "during the final quarter of 2012, CMS saw the all-cause readmission rate fall to 17.8%," a decline as the rate registered between 18.5% and 19.5% over the past five years. It is likely the policy will be expanded in the future even as the penalties have "gone forward despite warnings from hospitals and researchers about the potential harmful effects of the readmissions policy."

Medicare Will Begin Denying Payment To Unenrolled Physicians Starting May 1.

[American Medical News](#)   (3/18, Fiegl) reports, "Starting on May 1, Medicare will deny payment to any physician filing claims for certain services when the physician or health professional ordering or referring the services does not have a valid enrollment record." The reason behind the enforcement is to "prevent Medicare fraud in high-risk areas of the program by ensuring that the ordering or referring individual has credentials verified by the program's screening process." The American Medical Association "voiced concern about earlier versions of the policy and advocated for changes."



Column: Healthcare Market Must Be Reformed.


In a syndicated column appearing in the [New Haven \(CT\) Register](#)   (3/17), George Lyons writes that Steven Brill's "exhaustive Time magazine cover article, 'Bitter Pill: Why Medical Bills Are Killing Us,'" explains "the staggeringly expensive, grotesquely inefficient and inhumane way Americans pay for medical care." Lyons notes, "Obamacare' or no Obamacare, ever-increasing prices show few signs of abating. For all the fear and uncertainty the reform will eliminate from people's lives, it's almost incidental to the overall question of costs." Lyons notes that "Brill concludes that Americans pay an enormous price for refusing to admit that 'because the health care market deals in a life-or-death product, it cannot be left to its own devices.'"

Public Health and Private Healthcare Systems



States Continue To Mull Medicaid Expansion Decisions.



Across the US, undecided states continue to move toward or away from Medicaid expansion under the Affordable Care Act. Coverage over the weekend through Monday is concentrated in a few states, such as Louisiana, where stakeholders are pushing Gov. Bobby Jindal to budge from his so-far unflinching opposition, and in New Hampshire, where the Legislature will vote on a bill to block expansion this week.



Jindal Remains Opposed To Medicaid Expansion In Louisiana. The [AP](#)   (3/17) reports that two former Louisiana health secretaries, David Hood and Fred Cerise "pushed Friday for expanding Medicaid in the state to cover thousands of uninsured residents, pitting them against Republican Gov. Bobby Jindal. ... The two men were featured in a newspaper ad published in The (Baton Rouge) Advocate newspaper calling the Medicaid expansion a good deal for Louisiana." They said that "the inclusion of up to 400,000 uninsured people in the government-run insurance program would improve people's health, be a good financial deal for the state and help Louisiana's health care delivery system."



New Hampshire House To Vote On Bill Blocking Medicaid Expansion. The [AP](#)   (3/18) reports that the New Hampshire House will vote this week on a measure by former Speaker William O'Brien to "prohibit the state from expanding Medicaid under the federal health care law." O'Brien "argues that expanding



Medicaid is unaffordable, unnecessary and amounts to an effort by the federal government to hijack state finances. Opponents argue that New Hampshire should take advantage of federal funding being offered."

Medicaid Expansion Would Cover 275,000 More People In Ohio. The [Cleveland Plain Dealer](#)   (3/18, Suchetka) reports that Medicaid expansion in Ohio, which is included in Gov. John Kasich's proposed 2014-15 budget is "projected to add 275,000 Ohioans to the 2.35 million now covered by the state and federally funded insurance." If lawmakers approve the expansion, adults "who have no young children, will be able to obtain coverage beginning Jan. 1, 2014, if they earn less than 138 percent of the federal poverty level. That's \$15,856 for a single adult, \$21,404 for a couple and \$32,499 for a family of four. That won't happen though without approval from state legislators, who are expected to vote before July 1, the beginning of the next fiscal year, on the governor's budget and the Medicaid expansion included in it."



Hospitals To Face Budgetary Strain In States That Don't Expand Medicaid. In continuing coverage, [The Hill](#)   (3/16, Viebeck) "Healthwatch" blog reported that "analysts with Moody's Investors Service warned that U.S. hospitals will be hurt unless states choose to expand Medicaid under President Obama's healthcare law." A report "from the credit rating agency predicted state governments will come under pressure from hospitals as the federal government cuts their disproportionate-share (DSH) payments, which are disbursed to help hospitals cover the cost of charity care for the uninsured." In a statement, Nicole Johnson, a senior vice president with Moody's, said, "States that opt out of Medicaid expansion will have to choose whether to compensate for the shortfalls with their own funds or leave hospitals to absorb the costs, which will increase rating pressure on the hospitals."



For example, the [Lubbock \(TX\) Avalanche-Journal](#)   (3/18, Rangel) reports on the changes facing rural hospitals in Texas that hinge upon whether or not the state expands Medicaid. According to hospital officials the paper spoke with, "not knowing whether the state will opt in for the Medicaid expansion under the federal Affordable Care Act – also called Obamacare - has created some anxiety." Further, some voiced concern that though expansion would increase coverage, it is feared that the reimbursement rate for these newly insured patients will reduce over time.

And from Pennsylvania, the [Johnstown \(PA\) Tribune Democrat](#)   (3/18, Finnerty) reports, "Officials at small hospitals across the state say they hope that Medicaid expansion will drive down the millions of dollars in costs they absorb each year in unpaid hospital bills from uninsured patients." Still, Governor Tom Corbett, "beset by dismal voter approval in polls and increasing pressure to accept expansion as other Republican governors across the country have done, is still quietly trying to determine if there is a way to manage without adding between 500,000 and 800,000 people to Medicaid." The article adds that "the weight of the discussion matters more to small rural hospitals because in many cases they are already struggling."


Florida House Speaker Says Medicaid Expansion "Dead" In State. [Politico](#)   (3/16, Martin) reported Florida House Speaker Will Weatherford, a Republican, said in a Saturday interview "that the prospect of Medicaid expansion in his state is 'dead' - regardless of any additional lobbying from Gov. Rick Scott." Weatherford said, "I think based on where the membership is today, the votes are not there to expand Medicaid no matter what the governor says." Scott "came out last month for the expansion of the federal-state health care program for the poor that was part of the Affordable Care Act. But a Republican-led House committee blocked the expansion earlier this month and last week a Senate panel also moved to stop the plan to offer health care to an additional 1 million Floridians."

MedPac Issues Annual Report On Lowering Medicare Costs.



[USA Today](#)   (3/16, Kennedy) reported that the Medicare Payment Advisory Commission (MedPac) released its annual report Friday, showing that "Medicare could save up to \$30 billion over the next five years because of provisions in the 2010 health care law and if Congress implements recommendations by the bipartisan congressional commission created to monitor Medicare costs." The report reads, in part, "The lower growth projections are largely due to policies in the [health care law]." Still, "despite those savings, overall costs for Medicare, which spent \$549 billion in 2011, will continue to rise as more patients enter the program."

[CQ](#)   (3/16, Reichard, Subscription Publication) reported further that "testimony by the head of the Medicare Payment Advisory Commission Friday focused attention on skilled nursing facilities and home health agencies as potential targets for cuts to offset the costs of overhauling the troublesome Medicare physician payment formula." These were among the "dozens of recommendations the panel made concerning payment and delivery system changes in a 435-page report submitted to Congress on Friday."



Blues CEO Expresses Doubt Over Health Insurance Exchange Readiness.

The print edition of [Modern Healthcare](#)   (3/16, Daly, Subscription Publication) reported that Scott Serota, president and CEO of the Blue Cross and Blue Shield Association, "poured cold water on the Obama administration's promise that health insurance marketplaces across the U.S. will be open for business in a matter of months, even as officials stand by their word that enrollment will begin in every state Oct. 1." Serota, speaking Wednesday at the American College of Healthcare Executives Congress on Healthcare Leadership, expressed doubt that exchanges will be ready, blaming "an array of lagging pieces of complex work, such as the myriad technological functions that states and the federal government are trying to develop in coordination and on multiple timelines." Other critics believe "the complexity of the enrollment process may also complicate the launch."

Anthem Responds To Psychotherapy Reimbursement Criticism.



The [Hartford \(CT\) Courant](#)   (3/18, Sturdevant) "Insurance Capital" blog reports, "Anthem Blue Cross and Blue Shield in Connecticut responded to criticism by doctors groups that the insurer isn't paying for psychotherapy when it is provided in conjunction with other medical services" by saying that "the American Medical Association published significant changes and updates to the procedure codes associated with behavioral health services, which took effect Jan. 1." In a prepared statement, Anthem spokeswoman Sarah Yeager said, "These code changes do not set behavioral health provider reimbursement...In compliance with federal law, Anthem implemented the code changes and adopted new fees to match to the new codes. Anthem sought to preserve the level of payment that behavioral health providers were receiving before the code changes."



Latham Calls Medicare, Medicaid, Social Security "Unsustainable."



The [Des Moines \(IA\) Register](#)   (3/17, Schettler) reported that during a legislative forum in West Des Moines, Rep. Tom Latham (R-IA) "called Medicare, Medicaid and Social Security unsustainable Saturday and said meaningful cuts need to be made." The Congressman "spoke about the need for more sustainable systems

during a legislative forum in West Des Moines, where much of the discussion revolved around whether to provide health insurance for poor lowans." According to the Register, "Democrats at the Statehouse seek to expand Medicaid as outlined in the Affordable Care Act, a change that could add about 150,000 lowans to the state-federal program that already serves about 400,000."

AHCCCS Lambasted Over Email Blast Supporting Medicaid Expansion.



The [Arizona Republic](#)   (3/15, Pitzl) reported, "An informational hearing at the state Legislature next week on Gov. Jan Brewer's Medicaid-expansion plan is turning into a battleground between friends and foes of the policy." Rep. John Kavanagh, "the chairman of the committee holding the Wednesday hearing, lambasted the Arizona Health Care Cost Containment System for sending an e-mail blast inviting people to attend and 'tell the Legislature directly why the Governor's plan is the right thing for Arizona.'" He said AHCCCS was "acting more like a community organizer than a government agency." Brewer spokesperson Matthew Benson "said he didn't understand the consternation over inviting people to learn about an important issue."

Arizona Newspapers Support Medicaid Expansion. The [Arizona Daily Sun](#)   (3/18) editorializes that Medicaid expansion in Arizona is a "big step financially and not free of risks," but its upside "in the long run far outweighs the negatives." The paper writes that the Federal government will "fully fund" the commitment "and more for the first three years, with only a minimal contribution from the state." The editorial board concludes, "Gov. Brewer has shown strong leadership in not only crafting a solution but building a broad coalition of support. That bodes well for Arizona not just on health care reform in the coming years but on whatever approach on illegal immigration comes out of Congress and the White House."

The [Arizona Daily Star](#)   (3/18) also comes out in favor of Medicaid expansion. The editorial board writes, "One in five Arizonans have no health insurance coverage at all. Even setting aside the question of basic human decency in caring for those who need help, it's wrong to assume that members of this unfortunate group don't get sick or that when they do, they don't seek care." The paper notes, "Arizonans pay a heavy price in health and dollars for our high numbers of uninsured," and concludes, "Brewer's Medicaid plan makes sense and should have bipartisan support. It's the best thing to do for Arizona."



Growing Your Business

More Small Employers Find Advantages In Becoming Self-Insured.

The [Kaiser Health News](#)   (3/16, Hancock) wrote in collaboration with USA Today that as an increasing number of small employers circumvent the ACA's "requirements through self-coverage, small-business marketplaces intended to cover millions of Americans could break down and become unaffordable," experts "say." "What you've got is basically a loophole for the small employer to get out of the ACA requirements," says Robert Laszewski, a Virginia-based consultant and former insurance executive." According to brokers, "a growing number of firms see such plans as low-cost alternatives to conventional coverage because they're exempt from ACA requirements such as insurance taxes and specified benefits."

Also in the News

Providers, Insurers Mount Independent Efforts To Combat Obesity.

The print edition of [Modern Healthcare](#)   (3/16, McKinney, Zigmond, Subscription Publication) reported, "Healthcare providers and insurers are moving onto the front lines of the nation's war on obesity as policymakers' efforts flounder." While New York City Mayor Michael Bloomberg's "aggressive move" to limit large-sized sugary drinks hit a roadblock last week, "many hospitals and health systems are tackling the obesity epidemic head-on, particularly as emerging payment models make them more accountable for controlling costs and improving outcomes." Modern Healthcare notes that "these stepped-up efforts by providers and insurers take place against a backdrop of obesity rates that have risen substantially in recent decades and show few signs of receding despite heightened national consciousness about its health impact."

Friday's Lead Stories

- **Obama Tells GOP Senators He Is Open To Entitlement Reforms.**
- **Employers And Unions Object To ACA Fee.**
- **Undecided States Continue To Weigh Medicaid Expansion.**

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