



Customized Briefing for Kimberly Barry-Curley

March 20, 2013

From NAHU
Leading the News
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Public Health and Private Healthcare Systems
Also in the News

Leading the News

Senators Introduce Bill To Block ACA Tax On Insurers.

The Hill (3/20, Viebeck) "Healthwatch" blog reports that on Tuesday, Senators John Barrasso (R-WY) and Orrin Hatch (R-UT) reintroduced a bill to block the Affordable Care Act's provision taxing health insurance, arguing that it is "weighing heavily on the economy." In a statement, Hatch explained, "Higher insurance costs, fewer jobs and smaller paychecks is not what President Obama promised when he signed the largest expansion of government into law nearly three years ago, but that's exactly what's already happening." Following the measure's introduction, "the National Federation of Independent Business...praised the bill along with the health insurance lobby."

GOP Doctors Caucus Vows To Push For ACA Repeal. The Daily Caller (3/19, Lafond) reports that the GOP Doctors Caucus, which is "composed of 21 medical providers working in Congress who advocate the development of patient-centered health care reforms," said in a conference call Tuesday that some of the minority groups "that championed Obamacare are among those the bill would most negatively affect." During the conference call, which was sponsored by the group FreedomWorks, the lawmakers "also criticized the 15-member Independent Payment Advisory Board (IPAB), which they said is a rationing panel that will function much like the rationing board for the National Health Service (NHS) in Britain."

The Hill [3/20, Viebeck) "Healthwatch" blog reports, "Members of the GOP Doctors Caucus promised Tuesday to back repeal of President Obama's healthcare law at 'every choke point' ahead of the fiscal deadlines now facing Washington." For example, Representative Phil Gingrey (R-GA) "said the GOP should go 'full monty' on full or partial repeal at every turn." Along with his colleague, hr "argued the law will harm the economy and lead to 'rationing' of healthcare as it's implemented."

In a separate account, The Hill (3/20, Viebeck) "Healthwatch" blog reports further on Gingrey's comments Tuesday. At one point, he said that "Chief Justice John Roberts used a semantic 'sleight of hand' when he upheld a key provision of President Obama's healthcare law." Of Roberts' "interpretation of the individual mandate to buy health insurance as a tax," Gingrey said, "I think he's going to be second-guessed for a long, long time to come."

Poll: Nearly One-Third Of Voters Still Favor ACA Repeal. The Washington Post (3/20, Kliff) "Wonkblog" reports that ahead of the third anniversary of the signing of the Affordable Care Act, despite surviving both a Supreme Court ruling and a Presidential election, Republican voters still "desire to see the law repealed." A new poll out of McLaughlin & Associates, "conducted for the Young Guns Network, finds that 32 percent of respondents wants to see the Affordable Care Act repealed." When only considering "self-identified Republican voters," that number rises to 59 percent.

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.

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

Administration Officials Admit ACA Implementation Will Be Complicated.

The Washington Times (3/20, Chumley) reports that Obama Administration officials are "now admit[ting] the full implementation of Obamacare will be 'messy,' especially when it comes to deciding what care to provide to illegal immigrants." As Mayra Alvarez with the Department of Health and Human Services told a Center for American Progress crowd recently, "Let's keep our eyes on the prize of comprehensive immigration reform. I just want to emphasize that the undocumented are part of our communities. ... And I think first and foremost the administration is committed to passing comprehensive immigration reform." The article continues, "Another issue of possible confusion for Obamacare implementation focuses on the gay community, and if - or how - same-sex couples might eventually be covered." As Jeffrey Crowley, "a former top Obama aide that helped shape Obamacare" said, "We know it's going to be messy. There are going to be things that come up that are unanticipated."

Along the same lines, Modern Healthcare [3/20, Barr, Subscription Publication) reports on a new study, out of the Robert Wood Johnson Foundation, which "highlights the struggles certain states may face in expanding their Medicaid programs under healthcare reform because of high numbers of immigrant residents who won't qualify for the federal coverage." Their analysis of US Census Bureau data found that "Some states have relatively higher proportions of illegal and recent immigrants in the pool of adults under age 65 who are expected to gain Medicaid coverage in 2014 under the Patient Protection and Affordable Care Act." The states the report point to include Nevada, Arizona, California, and Texas.

Several States Unwilling, Or Unable, To Enforce ACA.

The Kaiser Health News (3/20, Galewitz) "Capsules" blog reports that several states have already hinted, or flat-out admitted, that they "can't or won't enforce" the Affordable Care Act. For example, "Florida regulators won't penalize insurance companies that violate new health law consumer protections that take effect in January but will report them to the federal government," and, "citing lack of money and legal authority, Pennsylvania's top insurance regulator hasn't decided whether his agency can enforce the provisions." The article continues, "While federal officials say they will step in if necessary, policy experts note they have little experience enforcing health insurance laws and few resources in states to do it."

Oklahoma is one of the states refusing, as the <u>Insurance and Financial Advisor</u> (3/20) reports, "In a letter to the Center for Consumer Information and Insurance Oversight (CCIIO), Oklahoma Insurance Commissioner John D. Doak wrote that his department will not work as part of a collaborative effort with the federal agency to enforce the controversial legislation." Doak wrote, "It is unfortunate that health insurers are being forced into a system of dual regulation by the overreaching Obama administration. My position on this has never wavered and I welcome every opportunity to try to overturn Obamacare."

GOP Doctors Caucus Says Obamacare Will Negatively Impact Minorities.

The <u>Daily Caller</u> **S** (3/19, Lafond) reports that the GOP Doctors Caucus, which is "composed of 21 medical providers working in Congress who advocate the development of patient-centered health care reforms," said in a conference call Tuesday that some of the minority groups "that championed Obamacare are among those the bill would most negatively affect." During the conference call, which was sponsored by the group FreedomWorks, the lawmakers "also criticized the 15-member Independent Payment Advisory Board (IPAB), which they said is a rationing panel that will function much like the rationing board for the National Health Service (NHS) in Britain."

Michigan GOP Delays Vote On Health Exchange Formation.

The <u>Detroit Free Press</u> [3/20, Gray) reports, "The chances of the state cooperating with the federal government in setting up an Internet-based exchange for residents to investigate health insurance options dimmed as Republicans in the state Senate couldn't reach an agreement on the bill." Gov. Rick Snyder "has urged the Legislature to pass the health exchange bill as a way for the state to have input on how the exchange will run," warning that "without state involvement, customer service functions will be handled by the federal government, rather than the state...leaving Michiganders with sub-par access to help with insurance questions." The Free Press notes that "the Senate passed similar legislation last year, but it never made it out of the House Health Policy committee."

Illinois Business Groups Offer Opposing Approaches To Health Insurance Exchange.

The <u>Peoria (IL) Journal Star</u> [3/20, Olsen) reports, "A proposal to create an Illinois health-insurance exchange with the power to turn away plans based on affordability and quality would be a good deal for employers, representatives of small businesses said Tuesday." The Small Business Health Care Consortium

"supports an amendment to Senate Bill 34 as the blueprint for forming a state-based health-insurance exchange." The bill, which was co-sponsored by Sen. David Koehler, D-Peoria, "would set up a board with 11 voting members" and limit the insurance industry to one seat. However, "the Illinois Chamber of Commerce believes the proposal would put too much regulation in place and create a governing board that would stifle competition."

Op-Ed: Eliminate "Defensive Medicine" To Lower Healthcare Costs.

Wayne W. Oliver, executive director of Patients for Fair Compensation, explains that Florida and Georgia are attempting to eliminate "the practice of defensive medicine," in order to lower the cost of healthcare, in an op-ed for the Washington Times (3/20). Lawmakers in these states are looking to pass laws to "completely repeal their state's medical tort system so that no doctor, hospital or medical provider would ever be sued again." Oliver concludes, "The proposed Patients' Compensation System - if adopted in all 50 states - could save our health care system \$2.6 trillion over 10 years. Georgia and Florida are leading the way to do what Obamacare hasn't - reduce health care costs by replacing our very broken medical-malpractice system."

Public Health and Private Healthcare Systems

Hospitals, Insurers At Loggerheads Over Rising Costs.

Modern Healthcare (3/20, Daly, Subscription Publication) reports, "Hospitals and insurers are clashing over new research that found surges in hospital inpatient pricing, even as the Obama administration argues that hospital costs are moderating." America's Health Insurance Plans "touted a study by its researchers and published in the March issue of the American Journal of Managed Care that inpatient hospital prices increased 8.2% annually from 2008 to 2010. The finding was seen by insurers as further evidence of their long-held contention that provider cost increases drive healthcare inflation and not insurers' administrative costs or profit-seeking." In response, American Hospital Association VP Rick Pollack "cited a November 2012 American Medical Association study that found anticompetitive market conditions among insurers in 70% of metropolitan areas it studied, which it blamed for premium increases."

Patient Groups Question Push To Negotiate Medicare Drug Prices.

The Hill (3/20, Baker) "Healthwatch" blog reports, "Patient groups and conservative activists pushed back Tuesday against renewed calls for Medicare to negotiate the prices it pays for prescription drugs." Over "330 patient groups, most of them state-based, wrote to lawmakers to oppose price negotiations in Medicare's drug benefit." The groups wrote, "We question the wisdom of requiring the Secretary to negotiate drug prices in a program that works well, continues to be significantly under budget forecasts, and that seniors and disabled individuals know and trust to meet their needs."

States Continue To Contemplate Medicaid Expansion.

Florida is back in Medicaid expansion news, as the state Senate unveiled its alternative plan, modeled after Arkansas' "private option," on Tuesday. Arkansas itself is the subject of a handful of national reports, focusing on the influence its compromise with HHS is having on other states. Beyond the "private option," representatives from the Iowa Hospital Association revealed Tuesday that the organization had sat down with HHS Secretary Kathleen Sebelius to discuss pushing for expansion in their state. Nebraska, Tennessee, New Hampshire, and

other states see scattered local coverage.

Florida Senate Unveils Private Alternative To Medicaid Expansion. The AP (3/20, Kennedy) reports from Florida that "a week after House and Senate committees in the Republican-led legislature vetoed expanding Medicaid, two very different Medicaid expansion proposals are emerging in the Senate." Senator Joe Negron wants to go the "private option" route recently laid out by Arkansas Governor Mike Beebe, but it is "unclear whether fellow Republican lawmakers will accept federal dollars to pay 100 percent of the program's costs for three years or shun the offer and rely on state dollars." And while Florida Governor Rick Scott has already voiced support for Negron's plan, "Sen. Aaron Bean wants to pass up the free federal dollars and instead use state funds to help residents pay for a basic insurance plan."

The Sarasota (FL) Herald Tribune [12] (3/20) reports that "the Senate Appropriations Committee is slated Thursday to take up" the proposal, which would "would create a program called 'Healthy Florida' that would be administered by the Florida Healthy Kids Corp., which has long provided subsidized insurance for children in low-and moderate-income families." As the article explains, "Healthy Florida would serve the same population targeted in the Medicaid expansion and rely on federal funding, but Negron and" others "say a critical distinction is that it would do so through private insurers instead of Medicaid."

The <u>Treasure Coast Palm</u> (3/20, Mattise) reports that in addition to getting the House's approval, as well as Governor Scott's, "the biggest hurdle would be getting federal permission." Still, the article looks into the recent verbal approval Arkansas received from HHS Secretary Kathleen Sebelius to carry out a similar alternative.

In a report on Scott's likely support of the Florida Senate alternative for Medicaid expansion, the Miami Herald (3/20, Mitchell) "Naked Politics" blog writes that "Gov. Rick Scott said his objective in supporting Medicaid expansion was to ensure Florida doesn't turn down billions of federal dollars to help reduce the number of uninsured. He believes the Senate alternative that is taking shape does just that, so Scott now indicates he would sign off on that plan."

The <u>South Florida Business Journal</u> [3/20, Sexton, Subscription Publication) "Morning Edition" blog reports on the quick turnaround included in the plan, as "Negron wants to begin enrolling people in the program by Oct. 1 of this year in order to start offering coverage by January 2014, which is when Medicaid expansion would have started under the federal health care overhaul."

Arkansas Moves Forward With Medicaid "Private Option." The AP (3/20) reports that Arkansas House Speaker Davy Carter "says he wants lawmakers to develop by Friday a draft of legislation to expand" the state's Medicaid program. He told reporters Tuesday "that he wanted to see a bill that allows the state to accept additional federal Medicaid funds and use them to purchase private health insurance for newly eligible recipients - including residents earning less than \$15,000 per year." Though Carter "hasn't said whether he supports" the so-called "private option" Governor Mike Beebe announced last month, he says "he wants to see the proposal in writing so lawmakers can begin debating the specifics of the plan."

In an analysis piece looking into the Arkansas "private option" for Medicaid expansion, Reuters (3/20, Morgan) reports that state lawmakers may have managed to make a main provision of the Affordable Care Act appeal to conservatives. And now, Arkansas is at the center of momentum among Republican-led states to try this method of expanding Medicaid.

Iowa Hospital Association Meets With Sebelius To Push Medicaid Expansion. The Waterloo and Cedar Falls (IA) Courier [6] (3/20) reports, "Top officials from the Iowa Hospital Association took their fight

to expand Medicaid to the nation's capital last week when they had a half-hour meeting with U.S. Department of Health and Human Services Secretary Kathleen Sebelius." Association President Kirk Norris "confirmed the meeting with Sebelius in Washington during a phone call Tuesday," saying that "he and other members of the association's executive board met with the secretary Thursday and talked about Medicaid expansion and the Healthy Iowa Plan." The article notes that "for months, association members have forcefully, but unsuccessfully, lobbied Gov. Terry Branstad to agree to a federal expansion of Medicaid under the Patient Protection and Affordable Care Act."

In related news, the Knoxville (IA) Journal Express (3/20) reports that an analysis "prepared for the lowa Hospital Association, paid for by the American Hospital Association and performed by Regional Economic Models, Inc., and George Washington University, indicates that if Iowa expands Medicaid to those at 138 percent of the federal poverty level, over 2,000 jobs could be created and \$2.2 billion in economic activity could be brought into the state over the next seven years." The Storm Lake (IA) Pilot-Tribune (3/20) also reports on the study.

Nebraska Senate Advances Medicaid Expansion Bill. The AP (3/20, Schulte) reports that "a bill to expand Nebraska Medicaid coverage has advanced for debate in the Legislature, and supporters presented their case Tuesday in anticipation that Gov. Dave Heineman will veto the measure." The committee vote "sets up a likely confrontation between lawmakers and Heineman, a Republican who remains firmly opposed to the bill." Sen. Kathy Campbell, "who led the introduction of the bill, said she's 'very confident' that the measure's backers have at least 25 votes to push it through the Legislature," however she said "supporters will still work to persuade colleagues that the expansion would benefit the entire state."

As the Omaha World-Herald [3/20, Stoddard) puts it, "The Legislature's Health and Human Services Committee has advanced potentially one of the most contentious bills of the session." The article notes that Campbell fears the body doesn't have "30 votes to override an expected veto by Gov. Dave Heineman."

In related news, the <u>Lincoln (NE) Journal Star</u> [18] (3/20, Young) reports, "A survey of 600 Nebraskans released Monday by the AARP indicates public support for exercising the state's option to expand Medicaid." 53 percent "of those surveyed (317 people) supported expanding Medicaid and 28 percent (167) opposed it, the survey showed." Mark Intermill, AARP associate state director for advocacy, said, "We really just wanted to see what the temperature of the public was on this issue. We felt strongly that the Medicaid expansion is necessary."

New Hampshire House Set To Vote On Bill Blocking Medicaid Expansion. The New Hampshire Union Leader (3/19, Rayno) reports that "it's crunch time" for New Hampshire "lawmakers as the House and Senate finalize action on their own legislation before sending them to the other body for consideration." The House is set to vote on House Bill 271, which would prohibit the state from expanding Medicaid. The bill's sponsor, former House Speaker William O'Brien (R-NH), "argues the program is unaffordable, not needed and that it would 'hijack the state's budget." However, "opponents say the expansion will significantly increase the number of people with health insurance and will bring billions of dollars of federal money to the state's health care providers."

Arizona House Committee To Hear Brewer's Medicaid Expansion Bill. The Tucson (AZ)

Weekly (3/19, Nintzel) reports that, "after spending months building up public support, Gov. Jan Brewer unveiled" the Arizona Health Care Cost Containment System (AHCCCS), "her draft legislation to extend Medicaid coverage to Arizonans below 133 percent of the federal poverty line last week." Noting that the "first hearing for the proposal is set for a House Appropriations Committee on Wednesday, March 20," the Weekly adds that

Brewer and "her allies-including most of Arizona's hospitals, a bunch of chambers of commerce and other biz organizations such as the Southern Arizona Leadership Council, and even the Arizona Sheriffs Association-say that the expansion will bring \$8 billion from the federal government to Arizona in the first four years."

Montana Lawmakers Introduce New Bill To Expand Medicaid. The Missoulian (3/20, Dennison) reports that state Senators Dave Wanzenried (D-MT) and Christine Kaufmann (D-MT) on "Tuesday dropped in a pair of new bills to extend federally funded Medicaid health coverage to an additional 70,000 low-income Montanans, saying the controversial issue should be debated in the Senate." Although both bills "would expand Medicaid coverage to people earning up 138 percent of the federal poverty level," Wanzenried's measure would also "launch a number of reforms that the hospitals say could save money and use the private sector in the expansion." Rep. Scott Reichner (R-MT) "also said he's working on a GOP alternative to the Medicaid expansion, to use state funds to help some low-income Montanans buy private health insurance."

Virginia Lawmakers Set Up Bipartisan Commission To Study Medicaid Expansion. The Loudoun (VA) Times (3/20, Baratko) reports that while the Virginia General Assembly "didn't fully endorse the Medicaid enhancement," officials "voted to set up a bipartisan commissions of five delegates and five senators to study the expansion, its costs and reforms, and then make a recommendation to Gov. Bob McDonnell whether to expand coverage."

AARP Study Finds Tennessee Would Benefit From Medicaid Expansion. The AP (3/19) reports that a study, commissioned by the AARP and presented to Gov. Bill Haslam's Administration and the speakers of the House and Senate, found "that Tennessee would reap nearly \$30 for every dollar spent on expanding Medicaid." According to the study, Tennessee's "participation in Medicaid expansion would result in \$9.4 billion in direct federal funding through 2019, while the state's share would be about \$315 million." The AP notes that "Haslam has said he plans to decide whether to recommend Medicaid expansion by the end of the month."

In related news, the Nashville (TN) Business Journal (3/20, Subscription Publication) reports that Capella Healthcare, in an effort to "persuade legislators on the importance of expanding Medicaid," is using Twitter to target Tennessee officials "in a less public campaign." In a series of tweets Monday, Capella "used new-fashioned grassroots tactics urging Tennesseans to email Gov. Bill Haslam in support of the expansion, explaining that the federal money set aside for Tennessee hospitals would go elsewhere if Tennessee didn't expand the program."

Medicaid Debate Yields Questions, But Few Solutions, In South Carolina. On the matter of whether South Carolina should forgo Federal Medicaid funds and "instead work to reduce waste in a 'broken' health-care system," the Rock Hill (SC) Herald (3/19, Worthington) reports that "no conclusions were reached during a news conference Tuesday morning at Winthrop University" or at "a discussion later at York Technical College's Baxter Hood Center." However, "participants, as well as the 100 people who attended, said the forums raised key questions that need answers as the South Carolina legislature considers whether to accept or reject expanded Medicaid funding." The Herald notes that, while "the House has voted against expanding Medicaid in South Carolina," the Senate "has not made a decision" and "Gov. Nikki Haley has consistently said she'll oppose taking the new Medicaid funding."

Advocates Urge Ohio Lawmakers To Expand Medicaid During Columbus Rally. The Bucyrus (OH) Telegraph Forum (3/19, Gasuras) reports that, last week, "mental health advocates from Crawford and Marion counties and 15 other community members" joined over 500 other advocates at a rally in Columbus, OH,

"to tell lawmakers and Gov. John Kasich about the importance of Medicaid expansion from a community perspective." The Telegraph Forum notes that the group "also had the opportunity to hear from Kasich, and to express appreciation for the compassion he has shown for people who struggle with untreated mental health and substance use disorders and their families."

Also in the News

Another Thirteen Indicted In Medicare, Medicaid Fraud Case In Detroit.

The AP IS (3/20) reports from Detroit that "a federal grand jury has indicted 13 more people in southeastern Michigan in an investigation of prescription drug fraud that already has sent the leader to prison." Those indicted, which include five doctors and four pharmacists, are "accused of conspiring to commit fraud by billing for prescriptions that either weren't dispensed for legitimate purposes or weren't provided."

The <u>Detroit Free Press</u> [3/20, Baldas) reports that, in a statement, U.S. Attorney Barbara McQuade stated: "Taxpayers fund Medicare and Medicaid to provide health care for needy citizens. We hope that doctors and pharmacists will take note that if they exploit these programs for personal profit, they will face serious consequences." The Free Press notes that the new indictment "brings the total number of defendants charged in case to 39." Robert L. Corso, head of the U.S. Drug Enforcement Administration's Detroit office, added: "This investigation makes it clear that the DEA and our partners in law enforcement will continue to investigate and bring to justice those individuals that are responsible for the illegal distribution of prescription medicines."

MLive (3/20, Burns) reports that, according to Federal prosecutors, "the participants conspired to distribute controlled substance at 26 pharmacies owned and operated by Babubhai 'Bob' Patel, who was indicted in August of 2011 and sentenced to 17 years in prison in February." FBI Detroit SAC Robert Foley stated: "Dishonest health care providers and pharmacists who exploit Medicare and Medicaid through fraudulent billing and other schemes will be held accountable for their crimes. The FBI remains committed to investigating this type of fraud and bringing those who abuse the system to justice."

Tuesday's Lead Stories

- Other States Eyeing Arkansas' Private Medicaid Expansion Option.
- HHS: 71 Million Americans Eligible For Free Services Under ACA.
- Experts Disagree About Benefits Of Medicaid Expansion.

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