

Customized Briefing for Kimberly Barry-Curley

March 29, 2013



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## Leading the News

### Obama Signals Willingness To Reform Medicare In Budget Deal.

In a front-page article, the [New York Times](#)   (3/29, A1, Calmes, Pear, Subscription Publication) reports on possible progress made between the White House and Congressional Republicans on a deficit-reduction deal. According to the article, "While the two remain far apart on the central issue of new tax revenue, recent statements from both sides show possible common ground on curbing costs of Medicare, suggesting some lingering chance, however small, for a budget bargain." President Obama reportedly "assured House and Senate Republicans during recent separate visits that he could support specific cost-saving changes to Medicare and deliver Democratic votes." Specifically, "participants say, the president told House Republicans that he was open to combining Medicare's coverage for hospitals and doctor services," a move "that would create a single deductible that could increase out-of-pocket costs for many future beneficiaries, but also could pay for a cap on their total expenses and reduce the need to buy Medigap supplementary insurance."

The [Wall Street Journal](#)   (3/29, A4, Paletta, Subscription Publication) reports that the White House is weighing putting forth a deficit-reduction proposal including major entitlement reforms, a move that some Democrats disagree with because of substantial cuts to Medicare, Medicaid, and Social Security. Reportedly, the main method under consideration is changing the way the Consumer Price Index measures inflation, which would limit both payouts to beneficiaries and growth in tax brackets.

[Bloomberg News](#)   (3/29, Runningen) also reports that the President "has proposed, in budget talks with Congress, to cut Medicare spending by \$140 billion over a decade by squeezing more savings from drug companies, hospitals and other providers."

## From NAHU

### Deadline for submissions has been extended to April 30, 2013.

There have been a couple of key changes to this year's LPRT application. The first major change is that applicants have the choice of using points or income to qualify. The second change is that there is no cap on retention points.



There are many benefits for qualifying for LPRT including discounted registration to NAHU's Annual Convention and Capitol Conference, an invitation to a recognition event at Annual Convention and a certificate and/or statue. The [online application](#) is the quickest and easiest way to apply.



Questions? Contact [LPRT@nahu.org](mailto:LPRT@nahu.org).







## Legislation and Policy



## Report: Premium Hikes In California May Be Offset By ACA Subsidies.



The [Wall Street Journal](#)   (3/29, Mathews, Subscription Publication) reports that a new report written by the actuarial consulting firm Milliman for Covered California, the agency charged with creating California's new health-insurance marketplace, says premiums for Californians who purchase their own insurance could be significantly higher next year due to the Affordable Care Act, but government subsidies will compensate for the difference for lower-income people. According to the report, currently insured people who do not qualify for subsidies could see a premium increase of 30% on average.

The [New York Times](#)   (3/29, A15, Pear, Subscription Publication) reports that the study "cited several factors contributing to higher premiums: an influx of less healthy people into the individual insurance market, and a requirement for health insurance plans to offer richer benefits and to cover more of the cost of care than is now typical for individual insurance policies. Another factor, it said, is that federal and state government agencies are imposing new taxes and fees on insurers, which are likely to pass on some of the costs to consumers."



On its front page, the [Los Angeles Times](#)   (3/29, A1, Terhune) reports that specifically, the report found that "about 570,000 Californians who have annual incomes between 250% and 400% of the federal poverty line and have individual policies now will pay 47% less, on average, due to federal subsidies."


Still, the [Los Angeles Times](#)   (3/29, Flores) reports, "California could lose more than 26,000 jobs as a result of a tax provision in the federal healthcare law, a small-business advocacy group said." A study by the National Federation of Independent Business Research Foundation "found that employment in the Golden State may see a loss of from 14,322 to 26,296 jobs by 2022 because of the Health Insurance Tax provision." According to the article, "the NFIB is one of the biggest opponents of the federal healthcare law and joined in the Supreme Court lawsuit challenging its constitutionality."

**RNC Slams Obama Administration For Potential ACA Premium Hike.** [The Hill](#)   (3/29, Viebeck) "Healthwatch" blog reports that after HHS Secretary Kathleen Sebelius "conceded that some consumers may face higher premiums as a result of healthcare reform," the Republican National Committee dug in. On Thursday, the RNC sent a memo to reporters "compiling stories on the remark and slamming President Obama, who said in 2011 that the Affordable Care Act would bring premiums down." The memo read, in part, "It doesn't look like Obama will fulfill his ObamaCare premiums promise."



**KHN Examines Implications Of Premium Hike Study.** [Kaiser Health News](#)   (3/29, Hancock) runs an FAQ with experts to examine the implications of the recent study by the Society of Actuaries, which found that medical claims per policy holder "will soar, on average, 32 percent for the individual market in 2017." At one point, the experts clear up two common misconceptions, explaining, "No. First, it's only forecasting the individual insurance market. That's where millions of Americans newly covered under the ACA are expected to find policies. The report says nothing about costs for employer-based health insurance. Equally important, the 32 percent forecast is for medical expenses paid by insurers, not what insurers will charge in premiums, and not what consumers will pay."

## Senators Push HHS On \$70 Million Of Medicare Overpayments.

[The Hill](#)   (3/29, Baker) "Healthwatch" blog reports that "a bipartisan group of Senate Finance Committee members said Thursday that the federal Medicare agency isn't doing enough to prevent overpayments." The senators, Max Baucus (D-MT), Orrin Hatch (R-UT), Tom Carper (D-DE) and Tom Coburn (R-OK) "pointed to a new Health and Human Services Department report that says Medicare has lost \$70 million due to overpayments to companies that supply durable medical equipment - heavy-duty items like hospital beds and wheelchairs." In a statement, Baucus said, "At a time when we're scouring every nook and cranny of the federal budget for savings, we can't afford to let tens of millions of Medicare dollars go to waste without a serious effort to recover it."

In a related account, [The Hill](#)   (3/29, Baker) "Healthwatch" blog reports that Hatch and Grassley also "questioned why the Obama administration hasn't used new fraud-prevention tools in its signature healthcare law." Specifically, they asked why "HHS has not placed a moratoria on new home health agencies and medical equipment suppliers in South Florida."





## More Lawmakers Speak Out Against Medicare Advantage Cuts.

[The Hill](#)   (3/29, Baker) "Healthwatch" blog reports that CMS "on Thursday met more bipartisan resistance to its proposed cuts in Medicare Advantage payments." Lawmakers "have written to the agency in droves to protest the cuts - a 2.2 percent reduction in next year's payments, on top of cuts included in President Obama's healthcare law that have not yet taken effect." As released by America's Health Insurance Plans (AHIP), there was a letter from "members of the New York delegation; a letter from the entire Massachusetts delegation; and a third letter from six House Democrats."



**AMA Calls For Permanent Solution To SGR In Light Of Medicare Advantage Cuts Controversy.** In a related account, [The Hill](#)   (3/29, Baker) "Healthwatch" blog reports that the American Medical Association said Thursday that "the controversy over

proposed Medicare Advantage cuts shows the need for Congress to pass a permanent 'doc fix.'" Due to bipartisan support and a lower-than-expected price tag from the Congressional Budget Office, "prospects for a permanent solution have brightened somewhat this year." Further, "the issue is getting renewed attention now because of separate cuts to the Medicare Advantage program."

## CMS Releases Chronic Conditions Online Tool.



[Modern Healthcare](#)   (3/29, Conn, Subscription Publication) reports that CMS "has created a website to make it easier for researchers to access federal data on Medicare patients, targeting those with multiple chronic conditions." Acting CMS Administrator Marilyn Tavenner explained in a news release that "the new [Medicare Chronic Conditions Dashboard](#)   focuses on the 'more than two thirds of Medicare patients (who) have multiple chronic diseases such as heart disease and diabetes,' a percentage that...is expected to rise." Also in the statement, HHS Assistant Secretary for Health Dr. Howard Koh said that the tool "provides new and critical data that can help us develop better patient-centered approaches to improve health outcomes, lower costs, and maximize quality of life."

## New Mexico Moves To Establish Health Insurance Exchange.

The [AP](#)   (3/29) reports that "New Mexico can move ahead with establishing a state-run health insurance exchange under legislation signed into law Thursday by Republican Gov. Susana Martinez." The AP notes that "the new law takes effect immediately, and one of the next steps is the appointment of a 13-member governing board for the exchange." The AP adds that "New Mexico faces a tight deadline - under federal law - to have the exchange ready to enroll the uninsured starting in October and be fully operating in January."



The [Albuquerque \(NM\) Business First](#)   (3/28, Domrzalski) also reports on the story.

## Study: ACA Will Negatively Affect Texas.

The [Dallas Business Journal](#)   (3/29, Subscription Publication) reports that, according to a study conducted by the National Federation of Independent Business, "a fee in the Affordable Care Act will cost jobs in Texas." The study found that "total employment in Texas will drop by 7,751 to 14,135 by 2022 because of a new health insurance fee under the Affordable Care Act." Further, the study determined that Texas' "overall gross domestic product will be reduced by at least \$4.1 billion over the next 10 years because of the fee."


## Public Health and Private Healthcare Systems





## Sequester's Medicare Cuts Kick In April 1.



[Medscape](#)   (3/29, Lowes) reports, "Medicare payments to physicians for services performed beginning Monday, April 1, will shrink by 2% under the automatic, across-the-board budget cuts called sequestration." And, "unlike other impending Medicare pay cuts in the past, this one will not be called off by last-minute Congressional action. Lawmakers are on spring break." The article notes that lawmakers preserved these sequester cuts when they passed a stopgap spending bill earlier this month.



## Stakeholders React To Tennessee Medicaid Expansion Decision.







Coverage of Governor Bill Haslam's decision to reject Medicaid expansion in Tennessee, for now, continues Friday. Several sources rehash the details of Haslam's announcement, fleshing out the motivations behind Haslam's refusal, while others focus on the implications of and reactions to the decision. Notably, Politico claims that HHS maintains the two are still in talks to reach a deal.

In an overview piece, the [Washington Post](#)   (3/29, Kliff) "Wonkblog" reports that Tennessee's rejection of Medicaid expansion has shown that "striking a deal" with HHS to use their funding to buy private insurance for the poor "isn't easy." The state, under Republican Governor Bill Haslam, was attempting to "pursue a plan like that of Arkansas," and found that the agency would "not support his plan."



[Bloomberg News](#)   (3/29, Kaske) reports on one element of motivation behind Governor Bill Haslam's rejection of Medicaid expansion in Tennessee. He told lawmakers Wednesday "that Obama's health-care overhaul might force hospitals to close as they lose money now channeled to caring for the poor." He said, "I know it's harder to identify with the image of a struggling hospital than a struggling Tennessean, but they've been put in a very difficult position by the Affordable Care Act as well." Other outlets offering continuing coverage include the [Oneida \(TN\) Independent Herald](#)   (3/29).



After rehashing the details of his refusal, the [Memphis \(TN\) Daily News](#)   (3/29, Dries) reports that "Haslam acknowledged his decision on the federal funding and expansion for now will be hard on hospitals across the state."



The [Memphis \(TN\) Commercial Appeal](#)   (3/29, Locker) reports that Tennessee's "top two legislative leaders acknowledged Thursday that some hospitals will be hurt and some may close as a result of Gov. Bill Haslam's decision not to participate yet in the federal Medicaid expansion program, but said that's how the free market works." For example, House Speaker Beth Howell said, "I think there are



some rural hospitals that will be hurt; there's no doubt about that. But the health care industry is a changing industry and those that can't keep up, they just simply can't. I'm sorry that that might happen." And, "Senate Speaker Ron Ramsey, R-Blountville, said he still believes the Tennessee Hospital Association is exaggerating its warnings of hospital closings but - like Harwell - said he fully supports the governor's decision even if some hospital are shuttered." Also reporting on the possibility of hospital closures are the [Chattanooga \(TN\) Times Free Press](#)   (3/29, Carroll), the [Nashville Scene](#)   (3/29, Woods) and the [Nashville \(TN\) Business Journal](#)   (3/29, Boyer, Subscription Publication).



**HHS, Tennessee Still Working On Expansion Plan.** [Politico](#)   (3/29, Millman) reports that HHS says it is "still working on an expansion plan with Haslam's administration." In a statement, an official said, "We welcome continued conversations with Tennessee about developing a state-based solution that meets both the state's unique needs and the requirements of the Medicaid program, while providing much needed coverage to thousands of Tennesseans."

Similarly, the [Kingsport \(TN\) Times-News](#)   (3/29, Mathews) reports, "Local health care systems are hopeful Gov. Bill Haslam's health care plan will work for thousands of uninsured Tennesseans, as long the federal government signs off on the proposal."

**Tennessee Senators Ask For "Speedy" Decision On Expansion Plan.** The [Memphis \(TN\) Business Journal](#)   (3/29, Epley, Subscription Publication) reports that two Tennessee senators sent a letter to HHS Secretary Kathleen Sebelius, asking for a "timely and speedy consideration" of Haslam's alternative Medicaid expansion plan. Sens. Bob Corker and Lamar Alexander "described Nashville as the 'health care services capital of the country' and leveraged a significant bargaining chip: the approximately 175,000 Tennesseans that stand to gain insurance coverage under Haslam's 'third option' plan." The letter read, in part, "We urge you to work with Gov. Haslam to implement his vision for achieving quality health care for Tennesseans by Tennesseans, particularly for those who currently do not have health insurance."



**Reactions To Decision Fall Along Party Lines.** Several sources offer reports on the reaction around the state to Haslam's announcement. For example, the [Tennessean](#)   (3/29, Sisk, Ward) reports, "After months of doomsaying, health care and business groups have held their tongues following Wednesday's momentous announcement that the state would not" expand Medicaid under the Affordable Care Act, despite the fact that "the decision appeared to put the state on track to miss out on more than \$400 million in federal funding in the first half of 2014 to pay for expansion and more than \$1 billion a year after that." According to the article, "The announcement seemed to be a defeat for businesses and organizations that had lobbied hard for expansion in the face of deep Republican skepticism. But those groups have struck a conciliatory tone, figuring that their best hope lies in Haslam's ability to fashion a compromise that suits health care providers, federal officials and state lawmakers."



The [Chattanooga \(TN\) Times Free Press](#)   (3/29, Sher) reports that Tennessee Democrats on Thursday "questioned just how hard Republican Gov. Bill Haslam pushed his 'Tennessee Plan' on Medicaid expansion with the Obama administration before deciding not to pursue it this session." For example, Democratic Caucus Chairman Mike Turner of Nashville told reporters, "I was told they haven't had as much contact as they're saying. I don't know whether it's true or not." A Haslam spokesman called this accusation false, however, and said that he had "multiple conversations ... in person and on the phone" with HHS Secretary Kathleen Sebelius.



The [Murfreesboro \(TN\) Post](#)   (3/29, Wilson) calls the reaction "mixed and decidedly partisan."

## States Continue Moving Toward Medicaid Expansion Decisions.

Beyond Tennessee, several states garner attention for various actions pushing their Medicaid expansion decisions one way or another. For example, a study released Thursday in Pennsylvania lends support to expanding the program, and the Governor is said to be considering it. Other states in the news include Arkansas.

**Missouri House Passes \$25B Budget Without Medicaid Expansion Plan.** The [AP](#)   (3/29, Lieb) reports that "the Missouri House passed a nearly \$25 billion budget Thursday that would fund modest increases for public education but not a Medicaid health care expansion for lower-income adults sought by Gov. Jay Nixon." Although "House Speaker Tim Jones said representatives had passed 'an incredibly responsible budget,'" the AP notes that "many Democratic lawmakers registered their discontent by voting against the two bills funding the departments of health, mental health and social services - where the additional Medicaid money would have gone." In an interview, Nixon said "that he remains hopeful that lawmakers will still approve an expanded Medicaid program and restore the federal funding to the state budget."



In a second article, the [AP](#)   (3/29, Lieb) reports that "Nixon pushed again for a Medicaid expansion Thursday but said he's open to alternatives pursued in other states that would use federal money to buy private insurance for lower-income adults." In an interview, Nixon said that "he is open to considering an Arkansas model that would use federal Medicaid money to purchase private insurance policies through online insurance marketplaces, instead of enrolling new adult participants in the traditional government-run program."



The [Southeast Missourian](#)   (3/29, Ragan) reports that Nixon "called the method Arkansas is attempting to use 'one good solid reform.'"



The [Joplin \(MO\) Globe](#)   (3/29, Yoklev) reports that "Missouri Republicans voted five times this week against a Democratic

proposal that would accept nearly \$1 billion in federal funds to expand the state's Medicaid rolls." Rep. Tom Flanigan (R-MO), vice chairman of the House Budget Committee, "said Republicans have been abundantly clear about their opposition to the proposal from Nixon and the Democrats, but that they are open to a proposal that would include reforms and cost cuts."



The [Perry County \(MO\) Republic Monitor](#)   (3/29) and [KOLR-TV](#)   Springfield, MO (3/29) also report on the story.



**Montana House Committee Tables Medicaid Expansion Bill.** On its website, [KTVH-TV](#)   Helena, MT (3/29, Jagelski) reports that "as lawmakers leave the state's capital for an extended weekend more than one issue remains unsolved, including the ongoing debate on Medicaid expansion." Although "lawmakers have heard, debated, passed and tabled multiple bills related to health care coverage" in the past week, "with less than one month left on the legislative calendar," Medicaid expansion "remains in limbo." Rep. Chuck Hunter (D-MT), sponsored Gov. Steve Bullock's Medicaid expansion bill, only to see it "tabled in committee just days after being presented." Bullock, who is "upset" with the House Health and Human Services Committee, claims lawmakers "not only denied nearly 70,000 Montanans health care coverage, but also ended the possibility of 5,000 new jobs."



[KBZK-TV](#)   Butte, MT (3/29) reports that Rep. Scott Reichner (R-MT) "says the long-term financial commitment to providing government health care to more Montanans could be devastating." KBZK-TV adds that "a pair of separate Medicaid expansion bills received hearings over in the Montana Senate on Wednesday. Republicans on the committee voted against the bills, but because of procedural rules the full Senate will take a vote on the two proposals on Thursday."



**Quinnipiac Poll Finds Sharp Divide Over Medicaid Expansion In Virginia.** The [AP](#)   (3/29) reports that a new statewide Quinnipiac University "poll in Virginia reveals a sharp societal divide over whether to expand Medicaid - something that won't happen for a while in the state because of reform hurdles Gov. Bob McDonnell has set for it." The survey "found 45 percent favor expanding the federal-state program that helps pay health care costs for the elderly, poor and disabled to an additional 400,000 Virginians just above the poverty level," while "forty-three percent oppose it." The AP notes that the results are "within the poll's margin of sampling error of plus or minus 3 percentage points, meaning public opinion on the issue is essentially even."



Noting the Quinnipiac survey, the [Newport News \(VA\) Daily Press](#)   (3/29, Wilson) reports that, "while the respondents overall were evenly split on the idea, demographic breakdowns in the poll show Democrats, blacks and women tend to favor Medicaid expansion, and Republicans, whites and men tend to oppose it."

The [Richmond \(VA\) Times-Dispatch](#)   (3/29, Meola) reports that "Democrats support expansion 73-18 percent, while Republicans and independents oppose it 67-22 percent among the GOP and 47-40 percent among independent voters. Women back the expansion, which is available through the federal health care law, 48-39 percent while men oppose it 48-42 percent. Black voters support it 68-20 percent and white voters 50-38 percent, the poll shows."



**HHS Reportedly "Waiting" For Medicaid Expansion Waiver Request From Jindal.** The [New Orleans Times-Picayune](#)   (3/29, Alpert) reports that, according to an unnamed HHS official, "the Jindal administration, which says it needs more flexibility before it will consider joining the Medicaid expansion created by the federal health overhaul law, hasn't yet asked the people who could provide it." The official, who asked not to be identified, stated: "While we are not currently in talks with Governor Jindal's office, we welcome conversations with him and other state officials on the expansion of Medicaid in Louisiana." However, Louisiana Health and Hospitals (DHH) Secretary Bruce Greenstein, said that "Jindal put forward ideas for Medicaid reform and requested a meeting with the President" in January, "which has gone unanswered."



In other Louisiana news, the [Baton Rouge \(LA\) Advocate](#)   (3/29, Shuler) reports that, according to the Public Affairs Research Council (PAR), a new Louisiana Department of Health and Hospitals "analysis showing a potential \$368 million savings from expanding Medicaid should prompt legislators to exert their authority in the decision-making process." Although "Gov. Bobby Jindal has rejected the Medicaid expansion, contending it is too costly for the state and does not provide flexibility for states to move away from traditional rules and regulations," PAR officials claim that "this newly projected fiscal impact, along with the likelihood of improved health care outcomes by providing more coverage to more people, are among the most critical factors to be taken into consideration." In a statement, PAR called for Jindal to "lay out his alternative path for health care coverage for Louisiana's uninsured if he continues to reject the Medicaid expansion."



**Kasich Calls Resistance To Medicaid Expansion In Ohio Politically Motivated.** The [Columbus \(OH\) Dispatch](#)   (3/29, Vardon) reports that "Gov. John Kasich continued his push for Medicaid expansion in Ohio by framing Republican lawmakers' resistance as politically motivated." During a kick-off for Minority Health Month, sponsored by the Ohio Commission on Minority Health, Kasich defended "his proposal to offer health coverage to 275,000 more poor Ohioans by expanding Medicaid eligibility to include adults earning up to 138 percent of the federal poverty level. There has been noted objection to Kasich's proposal in the GOP-dominated Ohio House, where lawmakers stand opposed to Obamacare in general and are skeptical of the government's pledge to fully fund state Medicaid expansion for three years and 90 percent of it after a period of several years."

The [Columbus \(OH\) Business First](#)   (3/29, Ghose) reports that, according to a study released by Families USA, "tax credits will help more than 900,000 Ohioans afford health coverage under Obamacare." The report found that "tax credits to subsidize health insurance premiums under Obamacare would be available to about 916,000 Ohioans." As a result, "about 8 percent of Ohio's population



would meet the income requirements for the subsidy to buy mandated insurance coverage, including 830,000 Ohioans in households where at least one person is employed."



**Study Shows Benefits Of Medicaid Expansion In Pennsylvania.** [The Hill](#)   (3/29, Viebeck) "Healthwatch" blog reports on a new study, out of the RAND Corporation, which found that "expanding Medicaid under President Obama's healthcare law would add \$3 billion in economic activity and sustain more than 35,000 jobs in Pennsylvania." Further, the study found that "the state's bank account would grow by \$2 billion annually under the expansion, which would provide more than 240,000 residents with healthcare coverage." However, "the state would pay \$53 million in 2014 and \$611 million by 2020 to support the larger Medicaid program, according to RAND."



The [Harrisburg \(PA\) Patriot-News](#)   (3/29, Wenner) reports, "The upsides, according to RAND, are that Pennsylvania's uninsured rate would drop to five percent, and hospitals would see a substantial reduction in the amount spent on caring for the uninsured."



In a separate account, the [Harrisburg \(PA\) Patriot-News](#)   (3/29, Wenner) reports that "Gov. Tom Corbett will consider the conclusions of a new study that points out advantages of expanding Medicaid in Pennsylvania, according to a spokesman." However, "he's also aware the study was sponsored by the Hospital & Healthsystem Association of Pennsylvania, which backs the expansion, and wants to make sure it doesn't reflect a 'vested interest,' spokeswoman Christine Cronkright said."



Also reporting are the [Central Penn Business Journal](#)   (3/29, Scott) and the [Philadelphia \(PA\) Business Journal](#)   (3/29, George, Subscription Publication).

**Arkansas Chamber Of Commerce Endorses Medicaid Expansion Private Option.** The [AP](#)   (3/29, DeMillo) reports that "the Arkansas State Chamber of Commerce/Associated Industries of Arkansas said it was backing the so-called private option proposal" to Medicaid expansion currently being considered by state lawmakers. Randy Zook, the group's president and chief executive officer, said in a statement, "Arkansas has a unique and special opportunity to help address health care coverage needs for low-income Arkansans through a private insurance model. Our hope is that by increasing enrollment in the private insurance market and encouraging competition in the health insurance marketplace, we will see more Arkansans obtain health care coverage and ultimately lower costs for those services."

The [Fort Smith \(AR\) City Wire](#)   (3/29) notes that "the State Chamber and AIA are among the most influential business lobbying groups at the state capitol and represent major employers and mid-size and small businesses across Arkansas."



**Medicaid Expansion Debate Continues In South Carolina.** The [State \(SC\)](#)   (3/29, Holleman) reports that the South Carolina "House vote turning down Medicaid expansion didn't end the debate" as "advocates on both sides of the issue spoke to a gathering of business leaders Thursday, offering much the same arguments for and against expansion of coverage of low-income adults in the state under the Affordable Care Act." Although Tony Keck, director of the state Department of Health and Human Services urges parties to "move forward with the common ground we have," Thornton Kirby, president and CEO of the S.C. Hospital Association, and Charles Beaman, CEO of Palmetto Health, "took the viewpoint that expanding Medicaid is an economic no-brainer."

[GSA Business](#)   (3/29, Jackson) reports that "Beaman said that rejecting the expansion of Medicaid in South Carolina will hurt hospitals across the state. The health care reform act makes significant cuts to reimbursement for treatment of Medicaid patients, but providers expected to make that up as more uninsured people received coverage through Medicaid." However, "Keck's concern was with the unbridled growth in health care costs, and he said that expanding Medicaid would not help the trend."

**State Senate President Predicts Florida Will Expand Medicaid.** The [Orlando \(FL\) Business Journal](#)   (3/29, Sexton, Subscription Publication) reports that "Senate President Don Gaetz calls health care a divisive issue and one that people 'scream about and pray about and read about,'" which is why he "said it's logical that the Florida Legislature is not quickly moving forward with its response to the federal health care law and whether to use federal dollars to provide health care to residents." Gaetz, who "made his fortune in health care, predicted that the Legislature will come to terms and tap into an available \$51 billion over the next 10 years." Gaetz stated: "It's way too early to pull the fire alarm."



## Growing Your Business



### Survey Finds Majority Of Small Business Owners Confused About ACA.







The [Insurance and Financial Advisor](#)   (3/28) reports that, according to a new survey conducted by eHealth, Inc., the parent company of eHealthInsurance.com, an online health insurance marketplace, a majority of small business owners "incorrectly believe health care reform requires them to provide health insurance for employees in 2014, or that they'll be taxed if they don't offer health insurance next year." The survey found "that only 18% of small employers believe they can confidently define or explain health insurance exchanges. Nearly two-thirds, 62%, admit to not understanding exchanges at all, while 20% say they have only a vague understanding of the role exchanges are expected to play."



## Also in the News



### FBI, HHS Agents Raid Florida Office Of Universal Health Care.



The [AP](#)   (3/29) reports that agents from the FBI and Department of Health and Human Services "have executed search warrants at the St. Petersburg offices of a health care insurance company under investigation for possible fraud and mismanagement." Officials from both agencies confirmed that the raid took place at Universal Health Care. According to the AP, the Florida Department of Insurance Regulation "has accused Universal of financial irregularities including possible fraud."



The [Tampa \(FL\) Tribune](#)   (3/29, Boatwright) reports that, on Tuesday, a US "bankruptcy court trustee accused company executives of a 'pattern of dishonesty or gross mismanagement,' saying they had arranged for personally beneficial 'side deals' and paid themselves multimillion-dollar bonuses." According to the trustee, "Universal paid company founder and president Dr. Akshay Desai a \$2.5-million bonus last year, on top of his \$900,000 salary, and gave other top executives \$2.2 million in bonuses and other compensation." The Tribune notes that "about two dozen agents with the FBI and federal Department of Health and Human Services' Office of the Inspector General descended on Universal's downtown headquarters at 100 Central Ave. about 8 a.m. Thursday."

The [Tampa Bay \(FL\) Times](#)   (3/29, Martin) reports that "the FBI would not comment about the investigation Thursday. Investors, some of whom put their life savings in Universal, said the agents would likely focus on Desai, Universal's former CEO and until recently a member of the state board of education and finance chairman of Florida's Republican Party." The Times adds that, "as FBI agents poured into Universal's headquarters Thursday morning, employees realized that the end of the company meant an end, also, to their paychecks and health insurance." The [Tampa Bay Business Journal](#)   (3/28, Meinhardt, Subscription Publication) and the [Bradenton \(FL\) Herald](#)   (3/29) also provide a report of the story.



[Central Florida News 13](#)   (3/29, Pettiford, Maloney) reports that raid "comes a day after more than 800 employees found out they were losing their jobs." Employees in the office "were told by agents to leave their desks and evacuate the building just after 8 a.m.," right after many had just clocked in for work. The report goes on to say that employees also "snapped photos as FBI agents removed files from storage cabinets," and that agents were looking for computers too.

[WTVT-TV](#)   Tampa, FL (3/28, Mesmer) reports that one employee, Niki Shepherd, said, "They came in, they said, 'Get away from the desks, federal warrant, please go outside.'" Ryan Lynch, a special agent with HHS, Office of the Inspector General said, "Our primary mission is to investigate allegations of health care fraud. ... Put it this way; we have a federal search warrant that was signed by a federal judge."

[WFTS-TV](#)   Tampa, FL (3/29, Roberts) reports that approximately 20 FBI agents participated in the HHS-led "Strike Force search operation," on Thursday morning. David Couvertier, the Tampa Field FBI spokesperson said that the FBI was assisting HHS with their search.

[WFTS-TV](#)   Tampa, FL (3/29, Jackson) reports that Jenny Basile, who started working for Universal Health Care about a month ago said, "If I had known the FBI was going to come in or it was in this kind of trouble, I don't think I would have made the trip."

### California Woman Sentenced To 13 Years In Prison For Medicare Fraud.

The [AP](#)   (3/29) reports that Uben Rush, 54, "has been sentenced to 13 years in prison for defrauding Medicare of some \$8 million," according to the US Attorney's Office In Los Angeles. The "unusually stiff sentence" was imposed by US District Judge George H. King who told Rush it was "necessary to deter crimes against Medicare."

## Thursday's Lead Stories

- [Possible Premium Growth Under ACA Garnering More Attention.](#)
- [Grassley, Hatch Push HHS For Plans To Implement Sequester Cuts.](#)
- [California To Transition Dual-Eligibles Into New Managed Care Program.](#)
- [Florida Businesswoman Accused Of Medicaid Fraud.](#)

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