



Customized Briefing for Kimberly Barry-Curley

Leading the News Legislation and Policy Public Health and Private Healthcare Systems Consumer Directed Healthcare News August 13, 2014

Growing Your Business

Leading the News

CMS Warns ACA Subsidies Will End For Those Who Do Not Verify Their Citizenship.

The <u>Washington Post</u> **G**(8/13, Goldstein) reports that the Centers for Medicare and Medicaid Services is "warning hundreds of thousands of people who have bought health plans through the federal insurance exchange that their coverage will be cut off at the end of next month unless they quickly provide proof that their citizenship or immigration status makes them eligible for the new marketplace." According to the Post, "310,000 people around the country" have been told that they "have until Sept. 5 to send copies of green cards, proof of citizenship or other documents to show that they qualify for the coverage," and "if they do not, their coverage will end on Sept. 30." The Post says this is "the first step the Obama administration has taken to hold consumers accountable" regarding information they provided when seeking benefits via HealthCare.gov.

According to the <u>AP</u> **f**[](8/13, Alonso-Zaldivar), "Hispanics...may account for a big share of the group." The AP notes that the letters from CMS "are being sent in English and Spanish." The AP goes on to report that as of May, "there were nearly 970,000 people with citizenship or immigration problems," but "about half those cases have now been closed" and the "overwhelming majority of cases are resolved in favor of the <u>enrollee</u>."

The <u>New York Times</u> **1**(8/13, Goodnough, Subscription Publication) reports that CMS Administrator Marilyn Tavenner says "about 450,000 cases with discrepancies related to citizenship or immigration status have been resolved, and an additional 210,000 are 'in progress.'" The Times also reports that "almost half of the unresolved cases involving immigration or citizenship status are in Florida and Texas."

Politico floo (8/12, Norman) reported that CMS's "push to verify information involves only those who enrolled through the federal HealthCare.gov marketplace," and those states that "built their own exchanges are clearing up other application data issues themselves." Bloomberg News floo (8/13, Wayne) noted that "another 1 million people who signed up for coverage hadn't verified their incomes by May," but CMS says "no deadline has been set to cancel their coverage." According to Bloomberg News, "a spokesman for CMS...had no information on the status of people who hadn't verified their income." Bloomberg also reports that the Administration "hasn't said how many people paid their first premium to allow their coverage to take effect."

The <u>Daily Caller</u> **Security** Caller **Security** (8/12, Hurtubise) noted that "a report Obamacare contractor Serco prepared for House Republicans in June" concluded that "3 million applications are plagued with problems related to residency, income, incarceration, Indian status, Social Security number and eligibility for another federal health-care program."

Also reporting this story are the <u>Wall Street Journal</u> **1** (8/13, Radnofsky, Subscription Publication), the <u>Washington Times</u> **1** (8/12), <u>McClatchy</u> **1** (8/13, Pugh, Subscription Publication), the <u>Huffington Post</u> **1** (8/13, Young), the <u>Miami Herald</u> **1** (8/13, Madigan), the <u>Orlando (FL) Sentinel</u> **1** (8/12, Gibson) "Political Pulse" blog, the <u>Business Journals</u> **1** (8/13), <u>The Hill</u> **1** (8/13, Viebeck), <u>Congressional Quarterly</u> **1** (8/13, Subscription Publication), <u>Modern Healthcare</u> **1** (8/12, Subscription Publication), <u>Vox</u> **1** (8/13), and <u>The Wire</u> **1** (8/13).

From NAHU

NEW Membership Campaign!

NAHU is excited to announce our new <u>membership campaign</u>! The campaign will run from June 1 – December 31, 2014. For EVERY four members you recruit you will receive a \$250 American Express Gift Card. There is no limit to the number of times you can win!

Make sure your new recruits list you as the sponsor on their membership application and we will take care of the rest.

For recruitment tips and a listing of our members who have recruited four new members, visit our <u>membership campaign</u> webpage.

Good luck to everyone!



Legislation and Policy

Researchers Say Policymakers Need Clarity Of Purpose For 340B Program.

The Hill **f (B**/13, Viebeck) reports that researchers from the RAND Corporation wrote in a report that the "so-called 340B program faces uncertainty when it comes to eligibility and transparency that pose challenges to healthcare providers and drug companies." Andrew Mulcahy, the report's lead author, said in a statement, "Policymakers need a clear, objective description of the 340B program and the challenges it faces on the road ahead."

Economist: Non-Expansion States Refusing A "Fantastic Cash-Flow Deal" From Federal Government.

Uwe Reinhardt, an economist, makes a comparison in the <u>New York Times</u> **1 (**8/13, Subscription Publication) "The Upshot" blog between the merits of the decision facing a biotech company contemplating an investment in a new drug and a state's decision about whether or not to expand Medicaid under the ACA. From his comparison Reinhardt draws the conclusion that states refusing to expand Medicaid "in effect vote against one of the most fantastic cash-flow deals ever offered them." Reinhardt also says that the states' citizens, which he compares to shareholders, in non-expansion states "are paying taxes to the federal government to help cover the federal payments made to other states who do accept the new deal, but the state gets nothing in return." Reinhardt argues that the investment would be highly ideal if it weren't about Medicaid expansion.

Public Health and Private Healthcare Systems

Wellpoint To Change Name To Anthem, Strengthen Health Brand.

The <u>Wall Street Journal</u> **(**8/13, Mathews, Subscription Publication) reports that Wellpoint Inc. has announced plans to change its name to Anthem Inc., which is the name the company uses to sell its health insurance products. Joseph R. Swedish, Wellpoint's CEO, said the name change reflects a shift in the company's brand strategy to be more consumer-oriented and recognizable as they increase their presence on the Federal exchanges.

Bloomberg News **f (**8/13, Wayne) adds that Wellpoint, as well as the other large health insurers, "find themselves increasingly marketing directly to consumers, as Obamacare requires most uninsured Americans to obtain coverage and employers thrust more

responsibility for costs on their workers." Swedish said in a phone interview with Bloomberg, "We're no longer a health insurer, we're truly a health plan engaging with individuals as opposed with large blocks of business," and "There's nothing more personal than health-care services....That's why we felt a singular brand was critically important."

Reuters [8/13] and Modern Healthcare [8/12, Subscription Publication) also report on this story.

GNYHA Says Empire Still Has Not Reimbursed Hospitals For Emergency Services.

<u>Crain's New York Business</u> **(**8/13) reports that "hospitals say that they have not been paid for emergency-department services" for Empire BCBS "individual plans sold on the New York State of Health exchange, according to GNYHA," GNYHA "blames Empire's former administrative problems and payment policies," saying that while Empire "is going through the claims backlog now that it has addressed the issue," hospitals "have yet to see much in the way of reimbursement, as Empire is issuing checks for out-of-network emergency services to Empire policyholders, rather than directly to the hospitals." The article adds that "this is the second time that Empire's Obamacare rollout has triggered complaints."

Vermont Governor Dismisses Racine As Secretary of Health Agency.

The <u>AP</u> f(0,12) reports that Vermont Gov. Peter Shumlin (D) announced the departure of Doug Racine as Secretary of the Agency of Human Services "after a troubled year at multiple departments." The announcement came amid controversies surrounding the Vermont Health Connect exchange, which "continues to be plagued by technical problems 10 months after its launch last October." The <u>Burlington (VT) Free Press</u> f(0,12) reports that Racine was "surprised and shocked" about his removal and said in a phone interview that the Governor "mentioned nothing about the technical troubles that have plagued Vermont Health Connect or the issues surrounding the deaths of two young children whose parents have been under state investigation."

The <u>VTDigger</u> f(8/12) also reports on this story.

Physicians Testify Before Legislative Committee On Child Welfare. The AP **f** (8/13, Rathke) reports on one of the controversies that likely underscored Shumlin's (D) decision to fire Racine. Physicians testified today before the Vermont Legislature's Committee on Child Protection about child protection issues in the healthcare system. According to the AP, "The legislative committee was formed this year to examine the workings of the state's child welfare system after the deaths of two toddlers who had been under state supervision. An investigation found there was a lack of communication among agencies involved with one of the children."

Federal Judge Rules Providence Wrong To Deny Health Coverage For Autism Therapy.

The Oregonian **f** (8/13, Manning) reports that a Federal judge has ruled "Providence Health Plan wrongfully denied insurance coverage for groundbreaking autism therapy for two Portland boys." The issue at the heart of the case was whether or not "health insurers have to cover 'applied behavioral analysis,' an intense therapy for autism."

CMS Document Outlines "Overlap" Between Medicare And Exchange Plans.

The <u>Congressional Quarterly</u> **G**(8/13, Reichard, Subscription Publication) reports that a new Federal document has disputed "the notion that the worlds of Medicare and exchange coverage never overlap." If opting for an exchange plan over Medicare, CMS says there are two "important points" to consider. The first is that "those who decide to enroll in Medicare after their initial exchange coverage period ends" may be subject to "a late enrollment penalty for as long they have Medicare." The second point is that "people with exchange coverage don't have to drop their existing arrangements when they become eligible for Medicare" although "if they are entitled to Part A without paying premiums, as most Americans are, they won't be able to get any tax credits from the exchange once Part A coverage begins."

Virginia Democrats "Push" For Details Regarding Medicaid Expansion Debate Agenda In The Legislature.

The <u>Newport News (VA) Daily Press</u> **(**8/12, Ress) reports that Democrats in Virginia's state legislature are pushing to figure out the "scope" of the Medicaid expansion debate slated to occur next month. There has been no "firm word" on "what they'll tackle – or even what kind of legislation, if any, they'll consider." House Minority Leader David Toscano (D) "decided to push things along by writing to Speaker of the House William J. Howell, R-Stafford, asking him to issue rules and procedures for next month's special session."

Georgia Had Highest "Jump" In Medicaid Enrollment Among Non-Expansion States.

The <u>Athens (GA) Banner-Herald</u> **(**8/12, Miller) reports that Georgia's "Medicaid and PeachCare enrollment jumped 16 percent since October," which was "the highest percentage increase among states that rejected the expansion of Medicaid" under the ACA. This figure, released by HHS last week, is inconsistent with data released by Georgia's state Medicaid officials, who say the increase was a "much smaller" 5.6%. Officials say this is an example of the "woodwork effect" of the Medicaid expansion debate. The national discussion prompted those who were already eligible for Medicaid of PeachCare to enroll.

The <u>St. Louis Post-Dispatch</u> **f**(8/13) reports on how Missouri had the "single largest drop" in Medicaid enrollment according to the same data.

Blue Cross Blue Shield Pushing For 9.8% Premium Increase In Vermont.

The Burlington (VT) Free Press (8/12) reports that Blue Cross Blue Shield defended its 9.8% premium increase proposal in Vermont by saying that it needed to account for risk in covering more expensive claims. Paul Schultz, actuarial director at Blue Cross, said that with 58,000 subscribers who bought Vermont Health Connect insurance plans, accounting for 90% of the health exchange business, "it made sense to be cautious." Schultz also said, "It would be imprudent to do otherwise when you have a lot of skin in the game." The Green Mountain Care Board, having heard the testimony, will make a decision in coming weeks. The VTDigger (8/12) also reports on this story.

Massachusetts Health Connect To Vote On Employer Insurance Penalty.

Business Insurance **G**(8/12, Geisel) reports that the board of directors of the Massachusetts Health Connector will take a vote "for the second and final time to repeal regulations relating to a landmark state statute that required employers to either offer health care coverage to their employees or pay a fine." Massachusetts Gov. Deval Patrick (D) had "sought repeal of the mandate," arguing "it was no longer necessary to have such a requirement because of the subsequent passage of federal health care reform legislation."

Subsidies Challengers: GOP President Could Undo Coverage "In A Stroke Of The Pen."

<u>Congressional Quarterly</u> **f** (8/13, Subscription Publication) reports that "a Republican president could reverse the Internal Revenue Service's interpretation of who qualifies for health law insurance subsidies 'in a stroke of the pen' and undo coverage in states served by the federal exchange, two architects of the conservative legal challenge to subsidies said Tuesday." The piece explains that "Michael Cannon and Jonathan Adler are testing the IRS interpretation of the law in the Halbig v Burwell and King v Burwell cases that were the subject of rulings July 22 by two federal appeals courts."

Challenges Could Give Governors More Control Over ACA Coverage. The <u>National Journal</u> (8/13, Subscription Publication) reports that this "round of court challenges could soon allow governors to decide whether to provide subsidized coverage on the insurance exchanges as well." The piece notes that "the decision is a complex one, and particularly uncomfortable for Republican governors, most of whom are opposed to any action that would make the ACA work better." Furthermore, "allowing the subsidies to expire would cripple the very foundation of the law, but it could also incur the wrath of the health and business communities, along with their constituents."

Proposed Legislation Targets Employer Contributions Received By Congress For DC Exchange Coverage.

<u>Roll Call</u> **f (**8/13, Subscription Publication) reports that "Democratic Reps. Dan Maffei of New York, John Barrow of Georgia and Ron Barber of Arizona, are targeting the employer contributions members of Congress receive for coverage in the D.C. health care exchange," and "unlike the contentious amendment offered by Louisiana GOP Sen. David Vitter, their bill would not eliminate contributions for staffers." Barrow "said staff aren't responsible for the 'perverse incentives in Obamacare' that prompted some employers to kick people off their coverage."

Poll: Ohio Sees Decrease In Percentage Of Uninsured.

The <u>Columbus (OH) Business First</u> **f** (8/12) reports that on Tuesday, the Ohio Health Issues Poll was released, showing that "about 11 percent of Ohio adults remain uninsured in the first year of full implementation of Obamacare – a dramatic drop from a steady 17

percent to 19 percent rate over the past eight years." The piece notes that "the rate is the lowest since the survey began before the Great Recession in 2006 when 12 percent of respondents were uninsured." The <u>Cincinnati Business Courier</u> **(**8/12) also reports this story.

ACA Said To Be Improving Addiction Treatment For Parolees, Probationers In Multnomah County, Oregon.

The <u>Portland (OR) Tribune</u> **f**[](8/13, Korn) reports that "Ginger Martin, deputy director of the Multnomah County Department of Community Justice, is excited about how the Affordable Care Act is changing the face of addiction treatment for parolees and probationers under her charge." Martin commented, "There are certainly fewer barriers to getting treatment now than there were."

Senate Candidate In New Hampshire Says ACA Will Result In Heavy Burdens For Businesses.

The <u>New Hampshire Union Leader</u> **f** (8/12) reports that "Senate Republican hopeful Scott Brown said the Affordable Care Act, which he wants to repeal, will result in heavy burdens for businesses over the next year." Brown "criticizes the narrow insurance network in New Hampshire for creating fewer health care options."

Consumer Directed Healthcare News

Study: States Allocated \$31 Billion Last Year For Employee Health Insurance.

The <u>Washington Post</u> (8/12, Chokshi) writes that a new report released by the Pew Charitable Trusts measured how much money states spent on employee health insurance. The findings were that "on average, states spent \$808 in premium payments per employee per month," although that number "varied widely by state — in part due to factors policymakers can control, and in part to those they cannot." The report resisted assigning rankings for states due to many factors that skewed the measures that cannot be controlled by policymakers, such as "age, gender and health status of enrollees and regional differences in pricing and physician practices." The <u>AP</u> f(8/13, Karnowski) reports that the Pew study found that "Minnesota state employees get 94 percent of their health care costs covered by insurance." Ninety-four percent is "higher than the national average" of 92 percent for state workers, "richer than the average plans offered for sale" under the ACA, "roughly equivalent to platinum plans sold" on MNSure, the state's health insurance exchange, and "better than the plans most private employers provide," which usually fall in the 80 percent range. This makes the state plan "among the most generous" offered nationwide.

The <u>Arizona Republic</u> **f**[**b**](8/12) reports on the how Arizona's state benefits measure up to the rest of the country while the <u>Tampa Bay</u> (<u>FL) Times</u> **f**[**b**](8/13, Mitchell) provides the same analysis for Florida.

Growing Your Business

DC Health Link Launches Mobile App.

The <u>Washington Business Journal</u> **f** (8/13, Reed, Subscription Publication) reports on the launch of DC Health Link's "Small Biz Health Insurance" mobile app, which has a broker GPS to "help your business find someone nearby and directly add their phone number into a contact list" as well as a readable list of the "hundreds of small business health plans made available from four major insurers." Due to security concerns, the app does not have the capability for users to enroll in health plans from their phone.

Tuesday's Lead Stories

- Tax Forms Said To Get More Complicated Under ACA.
- Medicaid Enrollment Grows Even In States That Have Not Embraced Expansion.
- Federal Audit Finds Texas At Fault Over Medicaid Fraud.
- UnitedHealthcare Children's Foundation To Award Grants For Children's Medical Bills.

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