

# NAHU Newswire

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Today's News for the National Association of Health Underwriters from Newspapers, TV, Radio and the Journals

Customized Briefing for Kimberly Barry-Curley

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## Leading the News

### Some states pursue their own healthcare reform efforts.

The [Wall Street Journal](#) (2/2, Mathews, subscription required) reports that with healthcare reform stalled in Congress, legislators in at least 11 states are pursuing their own efforts to expand healthcare coverage. The Journal reports that California and Missouri bills would create statewide single-payer systems, while Virginia and New Jersey, among others, are mulling expansions of state aid.

**Virginia Senate approves preemptive individual mandate exemption.** The [Washington Post](#) (2/2, Helderman) reports, "Virginia's Democratic-controlled state Senate passed measures Monday that would make it illegal to require individuals to purchase health insurance, a direct challenge to the party's efforts in Washington to reform healthcare." According to the Post, "The bills, a top priority of Virginia's 'tea party' movement, were approved 23 to 17 as five Democrats who represent swing areas of the state joined all 18 Republicans in the chamber in backing the legislation." The Post adds, "The action in Virginia...could indicate that the president is failing to reassure members of his own party that current reform efforts remain worthwhile."

**Conservatives push state constitutional amendments against health insurance mandates.** The [AP](#) (2/2, Lieb) reports, "Conservative lawmakers in more than two-thirds of the states are forging ahead with constitutional amendments to ban government health insurance mandates." Because federal law trumps those of the states, such measures may have little effect, but the AP asserts it shows "the continued political potency of the issue for conservatives, who have used it extensively for fundraising and attracting new supporters."

## From NAHU

We know many of you have been extremely active with legislative issues and we want to thank you for your hard work and assure you it is making a difference. We are seeing some inroads on the legislative front and continue to work diligently with Congress to keep things on the right track.

The next few months will be the most intensive of times for our association's government affairs efforts. We have every reason to believe that health system reform legislation will move forward, and we need to preserve the role of agents and brokers and ensure continuance of the private market. It is for these reasons that we have decided to reinstate our Grass Roots Initiative Program. GRIP is a voluntary donation program created some years ago for our legislative expenses at the national level.

We are now soliciting both individual and chapter contributions to GRIP, and would greatly appreciate any additional help as there is still much to be done on the legislative and regulatory front. **Please click [here](#) to make a donation to GRIP today.**

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### Obama requests increased HHS budget.

The [New York Times](#) (2/2, McNeil) reports that President Obama's budget request for the Department of Health and Human Services was \$81.3 billion, compared to \$79.6 billion last year. According to the Office of Management and Budget, "the first priority...was to support health insurance reform by strengthening policy on the use of computerized records, financing research to compare the effectiveness of different medical treatments, and creating health centers to get more care to populations that lack it."

[CQ HealthBeat](#) (2/2, Norman, subscription required) reports that HHS Secretary Kathleen Sebelius "said the budget is aimed at strengthening working families, investing in a foundation for future growth and 'bringing a new level of accountability and transparency to government.'" It includes "\$25.5 billion for a six-month extension of Medicaid money" intended to continue "an increase in the federal match." Meanwhile, Obama proposed to cut anthrax vaccine research, a Children and Families Services job demonstration program, three congressionally earmarked projects in the Health Resources and Services Administration in Alaska and Mississippi and the Rural Communities Facilities Program.

The [Washington Post](#) (2/2) reports that the administration requested "\$1.6 billion more for child care and an additional \$290 million for community health centers." The [Wall Street Journal](#) (2/1, Yoest, subscription required) also mentioned the increase in requested funding for health information technology and comparative effectiveness research, with the Agency for Healthcare Research and Quality getting \$611 million next year. Additionally, \$561 million would go towards dealing with Medicare fraud. [Reuters](#) (2/1) reports that the budget request does not include specific spending from healthcare reform legislation.

The [AP](#) (2/2, Alonso-Zaldivar), the [Time](#) (2/1, Pickert) "Swampland" blog, [CQ Today](#) (2/2, Wayne, subscription required), and [Kaiser Health News](#) (2/1, Carey, Appleby) also covered the story.

### Obama's healthcare reform frustrations said to echo Clinton's failure in 1994.

In the "My Time" column for the [Washington Post](#) (2/2), Abigail Tafford compares the recent woes of President Obama's healthcare reform efforts to those of the Clinton administration. Tafford says that while the two initiatives had "very different strategies," they were each "undermined by fatal delays," which "frittered away the public's post-election enthusiasm for reform while allowing opponents to mount a counterattack." Tafford points out that Obama's plan "has come much closer to fruition than the Clinton plan did," and says that his administration "is determined to keep trying."

### Senate exempts efforts to fix Medicare sustained growth formula from budget rule.

[CQ HealthBeat](#) (2/2, Reichard, subscription required) reports, "Senate passage Jan. 28 of legislation raising the debt ceiling may lead to a five-year Medicare doctor payment fix blocking" 21 percent cut in payments that is mandated by "the controversial 'Sustained Growth Rate' (SGR) formula." While "the Senate instituted pay-as-you go budget rules," it also exempted from those requirements funding required to pay for fixing the SGR formula.

### Virginia bill would require some health plans to cover autism treatment.

The [AP](#) (2/1, Lewis) reported on a family that "among thousands of Virginia households left to choose between moving to a state that mandates insurance coverage for autism treatments or staying put and risking financial ruin." However, Virginia legislation "that would compel healthcare plans to underwrite the autism treatment" faces "a critical test in the General Assembly" this week. Still, the bill "would not mandate coverage for all plans," cover "children up to 9 years of age," and "would apply only to small- to moderate-sized employers who provide fully insured coverage to their employees."

### Legislation would ease Utah CHIP access for legal immigrant children.

Utah's [Salt Lake Tribune](#) (2/2, Villasenor) reports on SB44, legislation that would remove "a provision requiring legal immigrant children to live in the United States for five years before they are eligible for Medicaid or the Utah Children's Health Insurance Program [CHIP], which aid low-income families." Although the "bill died last year in the House, Sen. Luz Robles, D-Salt Lake City, resurrected the push to give health insurance to about 800 legal immigrant children through SB44." Since "SB44 would be funded with money outside its current budget, Robles said her legislation would not affect the space available for children who are currently eligible for CHIP."

## Texas insurer initiates "medical home" program.

The [Dallas Morning News](#) (2/2, Roberson) reports Blue Cross Blue Shield of Texas "said Monday it is implementing a program in five North Texas counties to better emphasize wellness and manage diseases." The insurer is said to have created a "medical home" program, which "refers to a coordinated system of primary care physicians, specialists and pharmacists sharing a patient's information electronically." Texas' Blue Cross Blue Shield vice president and CMO Eduardo Sanchez "said the company's effort to improve health requires a partnership with physicians, which he called the 'quarterback guiding patients through the complex healthcare system.'"

## Poor economy forcing states to reduce health insurance programs.

[Kaiser Health News](#) (2/2, Appleby) reports, "The troubled economy is forcing....states to pare back health insurance programs for low-income people, even as growing joblessness boosts demand for help." Also, while "federal stimulus money has sheltered state Medicaid programs," when the money runs out in December there could be "Medicaid eligibility cuts, on top of looming cuts in states' adult health programs."

**North Carolina forced to make cuts to Medicaid services.** The [AP](#) (2/2, Robertson) reports that Medicaid leaders in North Carolina say the program "is on track to spend \$250 million more than budgeted this year despite the Legislature's demands to cut more than \$500 million from the Medicaid agency." Now, up to 3,000 people could completely lose personal care services, while service providers believe the plan "could reduce service hours for many patients by 40 to 50 percent." State Health and Human Services Secretary Lanier Cansler said the agency was attempting to "make certain that we pay for the services that are clinically appropriate and necessary and stop paying for services that may be something someone wants but is not something someone needs."

## Florida lawmakers push for statewide expansion of Medicaid reform program.

The [Florida Times-Union](#) (2/2, Larrabee) reports that managed-care organizations in Florida "pressed Monday for lawmakers to move forward with a planned statewide expansion of the Medicaid reform program" tentatively set for 2011. However, "advocates for Medicaid recipients ... asked lawmakers to proceed with caution about viewing managed-care as the solution with the joint state-federal program providing care to low-income Floridians." Council Chairman Dean Cannon (R) "said lawmakers were looking for wider solutions than simply expanding mandatory managed care."

## Ohio adopts prescription drug changes for Medicaid recipients.

The [Cleveland Plain-Dealer](#) (2/2, Tribble) reports that "about 1.5 million Ohioans" who enrolled in state Medicaid managed care plans "will be forced to change the way they get their prescriptions" as of Monday. The change "is expected to save about \$243 million in the state's budget," although "local community activists are concerned that the switchover will confuse people and lead to not getting their medications on time." Ohio Medicaid Program Director Tracy Plouck said the state Department of Jobs and Family Services "has sent letters to managed care enrollees describing the switchover."

## Hawai'i distributing \$14.4 million in federal funds to hospitals to help pay for uninsured.

The [Honolulu Advertiser](#) (2/2) reports that Hawai'i "is distributing \$14.4 million in new federal money to private and public hospitals statewide to help defray the cost of providing care to uninsured and underinsured patients." This total "includes \$7.5 million for 16 private hospitals and \$6.9 million for all public hospitals of the Hawai'i Health Systems Corporation."

### Senior Market News

## Washington state relocates Medicaid recipients into adult family homes to save millions.

The [Seattle Times](#) (2/2, Berens) reports that thousands of Medicaid recipients in Washington state "have been steered by the state from expensive nursing homes into adult family homes, which cost the state one-third as much." Kathy Leitch, an assistant secretary at the state Department of Social and Health Services "said the relocations have saved it an estimated \$105 million in 2008 alone," and the savings "are used to help others who are entitled to long-term-care benefits." However, an investigation by the paper turned up hundreds of cases in which "medically fragile adults ... are handed over to amateur caregivers who are inadequately trained to keep them safe."

### Also in the News

## Missouri regulators crack down on fraudulent health insurance providers.

The [St. Louis Business Journal](#) (2/2) reports, "Missouri regulators have moved to shut down more than a dozen companies that promise

health plans but have allegedly left consumers with thousands of dollars in unpaid medical bills." In an order filed Monday, the Missouri Department of Insurance "demanded that 14 companies and 12 individuals" respond to the charges and said they "could face cease-and-desist orders and a \$250,000 fine." The department indicated that it had received "complaints from nearly 150 consumers" regarding services that were advertised as insurance.

## Hospital officials, physicians criticize draft EHR rules.

[CQ Weekly](#) (2/1, Adams, subscription required) reported, "The administration has touted digitizing health information as a critical first step in its overhaul of the nation's healthcare system," but the effort "is becoming ever more mired in opposition." As much as \$28 billion will go to help buy the systems. However, "many hospital officials and physicians say the first drafts of the rules, released a few weeks ago by the Department of Health and Human Services, are so rigid and demanding that very few providers could meet the standards" even as ""HHS has not yet finalized a separate list of requirements for computer program vendors, making it even tougher for hospitals to install or upgrade systems by the deadline.

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