

Customized Briefing for Kimberly Barry-Curley

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Leading the News

Sen. Baucus' health proposal garners criticism from both parties.

Media coverage of Sen. Max Baucus' (D-MT) healthcare reform proposal, which included stories on all three network newscasts, focuses on the negative reception afforded the plan by key lawmakers from both parties. [NBC Nightly News](#) (9/16, story 3, 1:25, Williams), for example, reported that the Baucus plan "landed with a decided thud." NBC's O'Donnell added, "Forget bipartisanship: Right now, no GOP support and some Democrats aren't happy either." [ABC World News](#) (9/16, lead story, 2:35, Karl) also reported that the plan, "the healthcare bill that tracks closest to what the President outlined in his speech last week," hit "Capitol Hill with a thud." While no Republican backed the proposal, "more troubling for the White House was the avalanche of Democratic opposition. Democrat Ron Wyden (OR) told us the bill would force many people to buy health insurance that they can not afford." Sen. Jay Rockefeller (D-WV) "called the bill 'a big, big tax on the middle class.'"

[The Hill](#) (9/17, Allen) reports that "if the Baucus bill is what blazes the trail, Democratic leaders will continue to have a problem with a large bloc of liberals who, while they may no longer need to see the words 'public option' in print, see the Baucus bill as an affront to their core principles and an abandonment of the president's goals."

The [CBS Evening News](#) (9/16, lead story, 3:30, Couric) referred to "a major step backwards on the rocky road to healthcare reform." Addressing the lack of GOP backing for the Baucus plan, CBS's Cordes added that "the Republicans will tell you the problem was that they just weren't given enough time."

In a front-page story, the [Boston Globe](#) (9/17, A1, Wangsness) reports that "lawmakers in both parties said it was unaffordable, particularly for low- and middle-income people." While Republicans "pronounced it 'dead on arrival'...liberal Democrats and unions recoiled at Baucus' proposal to compromise with moderates on the government-sponsored insurance option by establishing nonprofit insurance co-ops instead."

The [Los Angeles Times](#) (9/17, Levey, Hook) notes that "healthcare bills developed by senior House Democrats and by the Senate health committee both include provisions to create a so-called public option." The Baucus plan "instead would create of a series of private health insurance cooperatives, which Baucus and other centrist Democrats say could offer the same protections as a new government plan." [USA Today](#) (9/17, Fritze), [McClatchy](#) (9/17, Lightman), [Reuters](#) (9/17, Smith, Whitesides), [Wall Street Journal](#) (9/17, A1, Hitt, et al., subscription required), the [Financial Times](#) (9/17, Luce), and [AFP](#) (9/17, Parisse) run similar reports, focusing on Wednesday's bipartisan criticism of the bill.

Despite bipartisan criticism, some see plan as likely vehicle for eventual deal. While much of the media commentary this morning focuses on the criticism of the Baucus plan upon its release Wednesday, some analysts believe the proposal could ultimately lead to a healthcare overhaul measure actually passing Congress and getting to the President's desk. The [AP](#) (9/17, Espo), for example,

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notes all the criticism but reports that the bill's "mere release marked a critical turning point in Congress' long and tumultuous debate over Obama's top domestic priority." The [Washington Post](#) (9/17, A1, Connolly), in a front-page analysis, reports that "on the surface, it appears that no one is happy" with the bill, "and that may be the best news...Obama has had in months," because "behind the rhetorical fireworks was a sense that the fragile coalition of major industry leaders and interest groups central to refashioning the nation's \$2.5 trillion health system remains intact."

Legislation and Policy

Groups voice concerns about Baucus' health reform plan.

[CQ HealthBeat](#) (9/17, Norman, subscription required) reports, "An odd marriage of health industry groups, unions, liberal advocates for the public option, and libertarians all found something to dislike in the long-awaited, \$774 billion health overhaul proposal announced Wednesday by Senate Finance Committee Chairman Max Baucus (D-MT)." The medical device industry, physicians, union leaders, Karen Ignagni, president and CEO of America's Health Insurance Plans, and the liberal group MoveOn.org, among others, all criticized the proposal. Notably, physicians "were unhappy that Baucus proposed only a one-year fix of the Medicare physician payment formula."

Meanwhile, the [Washington Times](#) (9/17, Haberkorn, Dinan) also reports that "advocacy groups spoke out against the proposal." For instance, "America's Health Insurance Plans, the trade group of insurance companies, said new fees for insurers would raise costs for consumers."

Labor leaders denounce Baucus reform plan. [Bloomberg News](#) (9/17, Rosencrantz) reports that AFL-CIO leaders "denounced a proposed overhaul of the US health system introduced today by Senator Max Baucus, saying it fails to pressure insurance companies for savings and would tax health plans." At the AFL-CIO convention on Wednesday, delegates "chanted 'bullshit' in response to the plan." AFL-CIO President John Sweeny said that the proposal "absolutely fails to meet the most basic healthcare needs of working families" and "fails to put pressure on private insurers to control healthcare costs."

Sen. Hatch argues that current Democratic proposals cost too much, rely on big government. In a [USA Today](#) (9/17) op-ed, Sen. Orrin Hatch (R-UT), "the No. 2 Republican on the Senate Finance Committee," calls on Congressional Democrats "to do what American families are demanding" -- step back and "start over on a truly bipartisan bill. Using a partisan 'reconciliation' process to jam a bill that deals with one-sixth of our economy with 20 hours of Senate debate...would be one of the most irresponsible actions that the majority could take." The current bills "would saddle Americans with higher taxes, more unemployment and fewer healthcare choices." Moreover, at a time when "government-run programs such as Medicare and Medicaid are headed for financial insolvency, the last thing we need is another big federal spending bill that puts the focus on Washington instead of our families."

USA Today: Baucus plan is a good start to fixing healthcare.

[USA Today](#) (9/17) editorializes, "It was always a long shot" that the "Gang of Six" senators "would agree on a bipartisan plan." Still, bipartisanship on health reform "is far preferable to a single-party approach." And although it is "far from ideal," the measure introduced by Sen. Max Baucus (D-MT) "would make some important progress toward fixing a system" that "unconscionably" sentences millions "to bankruptcy, inadequate care or no care at all." Most importantly, the Baucus bill "embraces the grand bargain that's on the table to cover as many Americans as possible" -- an insurance mandate. Therefore, USA Today argues, "for Republicans to insist on starting over at this point is disingenuous. ... The time to begin fixing what's wrong with American healthcare is not next year. It's now."

Bill would allow more federal funds for state Medicaid programs. [Reuters](#) (9/17, Lambert, Smith) reports on the gains to state Medicaid programs under Sen. Baucus' bill. The bill would "increase federal Medicaid funding for states that cover recommended preventive services and immunizations at no extra cost," Baucus said in a summary of the bill. The summary also notes that the government "would provide additional funding to states for services for newly eligible Medicaid beneficiaries" under the Medicaid expansion provisions. The moves are seen as potentially assuring state legislators who worried unfunded mandates could stretch their budgets further.

CBO says Baucus plan would cut deficit. The [Washington Post](#) (9/17, Montgomery, Murray) reports that CBO Wednesday called Baucus' plan "laudably frugal," forecasting that it "would generate more than enough cash to expand coverage to nearly 30 million more Americans, reducing budget deficits by nearly \$50 billion over the next decade and by even more after that -- a goal Obama and other Democrats have set as one of the most critical objectives of healthcare reform."

The [Christian Science Monitor](#) (9/17, Belsie) reports that according to CBO, the "projected net cost for the decade" would be "\$500 billion." Meanwhile, "conservatives charge the opposite of the CBO's projections: healthcare costs will go up and quality will go down."

The [Wall Street Journal](#) (9/17, A4, Adamy, subscription required) reports that the projected savings wouldn't manifest themselves for years, and notes that in order to realize them the bill would cut \$409 billion from Medicare in the next 10 years.

Tax on high-cost insurance policies likely to be focus of debate.

[CQ Today](#) (9/17, Rubin, subscription required) reports, "The largest revenue-raising provision in" Sen. Baucus' "healthcare overhaul bill -- a tax on high-cost insurance policies -- is likely to be the focus of intense debate in the weeks and months ahead." In order "to raise money and also slow the growth of healthcare spending, the bill would impose a 35 percent non-deductible excise tax on insurance companies that offer plans costing more than \$8,000 a year for individuals, and \$21,000 for families. The tax takes effect at those thresholds in 2013, and would affect about 8 percent of taxpayers." While Baucus calls this "a tax...on insurance companies," opponents contend that "plans covering groups of older workers, employees in dangerous manual-labor industries, and residents of high-cost states are more expensive, even though the benefits may not be generous."

Columnist says health reform would increase insurance choice.

In her column in the [Houston Chronicle](#) (8/17), Lisa Falkenberg writes that critics insist health reform "would shrink patients' options on plans and treatment," but these people are assuming "we've got a vast amount of choice now. The numbers suggest otherwise." Falkenberg cites several studies to substantiate her claim. For example, earlier this year, a GAO report found that "in most states a single insurer dominates the market. ... Texans are lucky not to be living in one of the states, such as Hawaii and Alabama, where one insurer covers more than 70 percent of the health insurance market."

Public Health and Private Healthcare Systems

Sebelius unveils Medicare "medical home" pilot program.

The [AP](#) (9/17, Kerr) reports that HHS Secretary Kathleen Sebelius, along with Vermont Gov. Jim Douglas (R), [announced](#) "a new Medicare pilot program Wednesday to strengthen primary care services for patients and cut costly emergency room visits -- by offering financial incentives to doctors." The three-year program, "modeled after a program being tested in Vermont," is based on the "medical home" idea, and would provide "financial incentives for doctors to spend more time with patients and offer better care by coordinating with specialists."

The [Wall Street Journal](#) (9/17, Zhang, subscription required) explains that the medical home model focuses on keeping those with chronic conditions healthy enough to avoid expensive treatments and hospital trips through coordinated care. Sebelius said, "It's better for doctors, better for patients, and better for our national balance sheet, which is why this program has such widespread endorsement."

Medicare changing Extra Help Program's eligibility requirements.

In "Managing Your Money," the [Boston Globe](#) (9/17, Boynton) reports, "Beginning January 1st 2010, Medicare is changing its eligibility requirements for the Extra Help Program, making it easier to qualify." The program "helps low income individuals pay their Medicare Part D prescription plan premiums, deductibles, and copays." Beginning in 2010, Medicare "will no longer include the cash value of life insurance in the calculation of your resources, and they will no longer include the value of help received from others for household expenses (such as food, rent or utilities) in the calculation of your income." Medicare "will be sending a notice to those who previously applied but were not eligible in February 2010, encouraging them to reapply."

Nephrologist says proposed Medicare rule may discourage home dialysis.

In continuing coverage, [USA Today](#) (9/17, Rubin) reports that, according to nephrologist Christopher Blagg, MD, professor emeritus of medicine at the University of Washington, "Medicare's just-released proposed rule for revamping how it pays for treating chronic kidney failure could discourage dialysis centers from training patients to dialyze at home." This is because "the rule 'bundles' the reimbursement for dialysis into a single payment." To date, Medicare "has been paying an extra \$12 or \$20 for treatments during which centers train patients to dialyze at home, but the proposed rule, released late Tuesday, eliminates that," and, "without an extra payment for training...dialysis centers won't make up the cost until a patient has been dialyzing at home...for a year or two," Dr. Blagg said.

CMS says Louisiana owes \$362 million in healthcare overpayments.

The [AP](#) (9/16, DeSlatte) reports, "Louisiana received a \$362 million debt collection notice Tuesday from Washington healthcare officials, but state officials say they're planning to appeal the move." The Centers for Medicare and Medicaid Services "formally notified Louisiana that its state-run charity hospitals were overpaid federal healthcare dollars in the mid-1990s for care provided to uninsured patients." Now, CMS "wants Louisiana to repay the money." Louisiana Health and Hospitals Secretary Alan Levine "said the state plans to appeal the

Uninsured

Uninsured numbers rose in state-by-state HHS analysis.

The [South Florida Business Journal](#) (9/17) reports that on Wednesday, HHS Secretary Kathleen Sebelius "released a state-by-state analysis of last week's US Census numbers regarding the uninsured." The figures showed that "the number of uninsured increased to 46.3 million in 2008 from 39.8 million in 2001" nationally, and the HHS added this week that in Florida the number of uninsured "has increased to 3.6 million in 2008 from 2.8 million in 2001." Sebelius said, "Our healthcare system has reached a breaking point. ... The status quo is unsustainable, and continuing to delay reform is not an option."

The [New Orleans Times-Picayune](#) (9/17, Tilove) notes that the numbers suggest "that a rising tide of uninsured Americans threatens to swamp the nation's healthcare system." The Times-Picayune notes that in Louisiana the numbers "had risen from 792,000 in 2001 to 869,000 in 2008," and that the "situation is especially profound in...small towns and rural areas."

Other news outlets reporting on their states' uninsured rates include the [Business Journal of Milwaukee](#) (9/17, Hess), which notes that the number of uninsured in Wisconsin grew 37 percent between 2001 and 2008, and that "private coverage is eroding under the status quo," as the "percentage of people with employer-based coverage decreased" 7.4 percent.

In New York, "some 165,000 New Yorkers from high-income households are now uninsured," the [New York Daily News](#) (9/16, McAuliff, Bazinet) reported. Sebelius said, "It's clear that losing insurance isn't a problem that plagues only the poor or the unemployed -- it could happen to anyone." In Nevada, uninsured numbers rose by 162,000, according to [KTVN-TV Reno NV](#) (9/17). And in Kansas, the [Wichita Business Journal](#) (9/17) notes that the number of uninsured went "up 15 percent" to 330,000 by 2008.

Census data used to argue against reform critics. In his column in the [Los Angeles Times](#) (9/17), Michael Hiltzik argues that the Census data "effectively punch[es] holes in the most common misrepresentations that reform opponents make about the uninsured." Hiltzik uses the data to argue against a bevy of reform criticisms, and concludes that "the ranks of the uninsured are large, and with every employer who decides he can't cover his workers anymore and every bump up in the unemployment rate, they grow larger." The uninsured "can't be wished away, and if the opponents of reform were committed to an honest debate, they'd stop trying."

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