



Customized Briefing for Brett Houston

October 7, 2009

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## Leading the News

### Senate panel delays healthcare bill vote for CBO score.

[Bloomberg News](#) (10/7, Litvan, Jensen) reports that concerns "about the federal budget deficit may thwart efforts by Senate Democrats to pass legislation this month calling for the biggest expansion of the US healthcare system since Medicare's creation in 1965." The Senate Finance Committee, "which had planned to approve its version of a healthcare bill as early as [Tuesday], scrapped a vote to give the Congressional Budget Office time to complete a cost assessment." The delay "threatens to dash plans by Senate Majority Leader Harry Reid (D-NV) to start debate in the full Senate next week after combining the measure with one from the chamber's health committee."

[The Hill](#) (10/7, Young) reports that Senate Finance Committee Chairman Max Baucus (D-MT) "expects his committee will approve healthcare legislation in the coming days, saying an independent cost estimate won't unhinge the bill's progress." Sen. Baucus said, "I expect that we will not have to go back and change because of the CBO score. That's my expectation." The Hill adds the "perceived delay in the CBO score has triggered anxiety about whether that means bad news -- such as a \$1 trillion-plus cost estimate that fails to meet Obama's promise not to add to the budget deficit -- is on the horizon."

**Four Finance Committee members seen as key to panel approval.** The [New York Times](#) (10/7, A16, Pear, Herszenhorn) reports that Democratic Sens. John Rockefeller (WV), Blanche Lincoln (AR), and Ron Wyden (OR), and Republican Sen. Olympia Snowe (ME) "have not indicated how they will vote on the Finance Committee legislation and said Tuesday that they were agonizing over the decision." White House officials "and the committee chairman expect the Democrats to support the bill, if only to advance it to the next stage of the legislative process, the Senate floor, for what is likely to be a raucous, riveting and unpredictable debate." Taken "together, the four senators represent the spectrum of concerns Democrats will face in trying to assemble the 60 votes they need to get a bill through the full Senate using regular procedure. Satisfying each of them, without alienating the others, is the challenge facing Democratic leaders."

[Roll Call](#) (10/7, Pierce, subscription required) reports that Sen. Wyden "surprised Finance Chairman Max Baucus (D-MT) and Democratic leaders last week with harsh criticism about the committee bill, as well as with his last-minute push for an amendment that they contend would tear at the fabric of their healthcare reform plan." Democratic leaders now "resent having to scramble to secure Wyden's support in advance of a final committee vote on the Baucus bill later this week or next."

**Baucus bill includes exemptions for some groups.** [USA Today](#) (10/7, Schouten, Fritze) reports, "Hospitals, coal miners and clinical labs are among the special interests that have won exemptions from taxes and other cost-cutting measures in a healthcare plan crafted by the Senate Finance Committee." Hospitals "secured a 10-year exemption from cost-cutting recommendations that would be made by an independent federal commission charged with controlling spending in the government's Medicare program." In addition, "coal miners, firefighters, and others in jobs deemed high-risk are more likely than others with high-cost insurance policies to avoid a new tax."

**Montana Democrats oppose additional state Medicaid mandate.** [Roll Call](#) (10/7, Drucker, subscription required) reports

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that Sen. Baucus is "facing some friendly fire from two powerful Big Sky Democrats" as Sen. Jon Tester (D-MT) and Gov. Brian Schweitzer (D) "have taken issue with the section of Baucus' healthcare package that calls for the states to contribute to the cost of expanding Medicaid eligibility as a means to provide coverage to millions of uninsured, middle-income Americans who are not poor enough to qualify." Sen. Tester is "withholding a direct appeal to Baucus to strike the proposal pending the outcome of the forthcoming merger of Baucus' Finance bill and legislation previously approved by the Health, Education, Labor and Pensions Committee. But Tester is prepared to press his case to Baucus and Sen. Chris Dodd (D-CT) if the Medicaid expansion survives."

## 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.**

## Public Service Announcement

**H1N1 CPT Codes Established.** As part of its comprehensive attack on the H1N1 pandemic, the federal government has asked the AMA Current Procedural Terminology Editorial Panel to create CPT codes for the H1N1 vaccine and immunization service. The government is also eager to disseminate this information as broadly and quickly as possible to the health care provider community. The Panel has established 90470 as the new code for H1N1 immunization administration and counseling. Code 90663 was revised by the Panel to refer specifically to the H1N1 vaccine product. Both codes are effective immediately.

## Legislation and Policy

### Both parties said to have concerns over proposed individual mandate.

The [Washington Times](#) (10/7, Haberkorn) reports a "proposed requirement that all Americans carry health insurance has been met with skepticism by both Republicans and Democrats who, as the bills head to the House and Senate floor, are worried about its impact." Conservatives say "that the cost of purchasing coverage would amount to a new tax on Americans, particularly those making less than \$250,000, violating a campaign pledge by President Obama." Democrats are "leery of passing the mandate without enough tax subsidies for low- and middle-class Americans to help them obtain coverage."

### Majority of House Democrats oppose tax on "Cadillac" coverage.

[Politico](#) (10/7, Smith, O'Connor) reports that more than "half of the Democrats in the House have signed on to a letter denouncing a key element of the Senate Finance Committee's healthcare legislation as labor unions draw a line in the sand on paying for reform." The Democrats are "attacking a plan to finance expanded healthcare by taxing expensive health insurance plans." The plan, "sometimes cast as a tax on 'Cadillac' plans, would in fact include the healthcare plans of many public employees and union members and has triggered a revolt from Obama's labor supporters and their many allies on the Hill."

### Prevention may not cut healthcare costs.

[Bloomberg News](#) (10/7, Dodge) reports that while both Democrats and Republicans are asserting in the healthcare debate that "prevention saves money." In fact, "economists and policy analysts who study the issue have a different message: Sorry, it doesn't work that way." Two economists Bloomberg quotes "both say the expense of more tests for more healthy people exceeds the savings generated by early treatment of the cases caught." They note that while "early intervention is desirable...since no one wants to neglect a treatable disease. It just won't cure the chronic condition of rising healthcare costs."

### Panel experts say malpractice cost fears overstated.

[McClatchy](#) (10/7, Heid) reports on "a panel discussion organized by the O'Neill Institute for National and Global Health Law at Georgetown University" on Tuesday. The panel of academics agreed that "curbing medical malpractice litigation isn't the 'silver bullet' that's needed to slay the werewolf of rising healthcare costs." The panelists, all legal, medical, or economic experts, "said politicians made points that were anecdotal rather than statistical and tended to make bloated claims about the negative impact of medical malpractice litigation on healthcare costs."

## **Drugmakers seen as winners in Senate Finance reform bill.**

[Bloomberg News](#) (10/7, Jensen, Wechsler) reports, "Pfizer Inc., fellow drugmakers and hospital companies such as Community Health Systems Inc. are winners in the newest version of a US Senate committee plan to expand Americans' access to healthcare after agreements they struck with the White House remained intact." Pfizer and other drug "companies overcame attempts to torpedo a deal they made with Finance Committee Chairman Max Baucus (D-MT) and Obama that limits their contribution to the overhaul to \$80 billion over 10 years." Still, the Senate may discuss the issue on the "floor because some senators want the industry to contribute more to cut costs and raise revenue. If the pharmaceutical makers can keep the deal in place, they'll come out ahead in the debate, analysts said."

## **State experiences with healthcare reforms said to show weaknesses.**

In a [Wall Street Journal](#) (10/7, subscription required) op-ed, Peter Suderman of Reason magazine says state guaranteed issue and community rating regulations, which prohibit insurance companies from denying coverage for a preexisting condition and require insurers to charge the same premium regardless of the age, sex, or health of consumers, have prohibitively raised premiums. Suderman says the state experience suggests these regulations have failed and will fail at the national level as well.

## **Gov. Bredesen says health reform may cost Tennessee \$730 million.**

The [AP](#) (10/7, Johnson) reports that "Tennessee Gov. Phil Bredesen (D) said Tuesday a healthcare reform proposal in the US Senate could cost the state more than \$730 million." He said that over five years, the measure would cost the state "about \$570 million at the low end to \$1.2 billion at the upper end." Still, Gov. Bredesen "said those figures could soon change."

The costs would come from provisions calling "for states [to establish] new insurance exchanges and an expansion of the Medicaid program for the poor and uninsured," the [Kingsport Times-News](#) (10/7, Hayes) explains. Bredesen said, "These are not precise calculations. ... The proportion of people who come into the program who are eligible now ... you just try to make the best estimates you can and be reasonable about them."

## **Public Health and Private Healthcare Systems**

## **Sebelius refuses to rescind CMS memo to insurers.**

[CQ HealthBeat](#) (10/7, Norman, subscription required) reports that HHS Secretary Kathleen Sebelius sent a letter to Republican leaders in the Senate declining "to back down over a memo sent by Medicare officials warning health insurers against misleading communications about Medicare cuts." She "indicated that the [CMS] will continue its review to determine whether health insurers have violated marketing guidelines when it comes to distribution of information to enrollees." Senate Republicans including Senate Minority Leader Mitch McConnell (KY) previously "said they will not consent to time agreements on the floor for HHS nominees unless the memo, which they call a gag order, is revoked." Notably, the Senate HELP committee plans to consider the nomination of Regina Benjamin for Surgeon General on Wednesday.

[CongressDaily](#) (10/7, Hunt, subscription required) notes that the "Senate Finance Committee is set to meet this week to consider the nominations of Jim Esquea to be HHS' assistant secretary for legislation and Bryan Samuels for commissioner of children, youth and families."

## **Poll indicates Massachusetts residents harbor "mixed feelings" about 2006 healthcare law.**

The [AP](#) (10/6) reported, "A new survey" conducted by the ACEP reveals that Massachusetts residents are harboring "mixed feelings about the state's 2006 healthcare law." Although "59 percent of those polled said there is more access to healthcare now, 63 percent said the cost of healthcare has increased." Investigators also noted that "compared with 2006, about a third of those who'd visited an" ED "said they spent less time waiting now, compared with 23 percent who said they spent more time."

## **Patient sues California insurer for not covering liver transplant in Indiana.**

The [Los Angeles Times](#) (10/7, Girion) reports that a 61-year-old man who contracted hepatitis in the 1970s "was gravely ill when Anthem

Blue Cross of California agreed to pay for a liver transplant." When his condition quickly worsened, his doctor suggested the patient look to surgeons in Indiana where wait-list times are considerably shorter. Anthem "would not pay for a transplant" there, however, so Ephram Nehme "sued the company, accusing it of putting its bottom line ahead of his medical needs." For its part, Anthem contends "that he was not sick enough to qualify for an exception." The case "offers a rare glimpse into the life-and-death decisions insurers make behind closed doors and illustrates one of the most emotional questions in healthcare: Who should decide what is best for a patient -- doctors or insurers?"

## Also in the News

### Insurers, physicians help develop treatment recommendations for overweight patients.

[USA Today](#) (10/6, Rebelo) reported, "Despite the growing obesity epidemic, some physicians find it difficult to talk to heavy patients about their weight -- and even harder to help them lose weight." But, "as the debate continues on healthcare reform, medical experts believe primary-care physicians need to launch a full-fledged attack against obesity because it cuts years off people's lives, reduces their quality of life, and accounts for billions of extra dollars in health expenses." Now, the STOP Obesity Alliance, "a coalition of professional groups, businesses, unions, insurers, and healthcare providers," is developing "recommendations for physicians on how to guide and treat overweight patients."

### Violent criminals seen as turning to Medicare fraud.

The [AP](#) (10/7, Kennedy) reports, "Lured by easier money and shorter prison sentences, Mafia figures and other violent criminals are increasingly moving into Medicare fraud and spilling blood over what was once a white-collar crime." Lewis Morris, lead attorney at the Department of Health and Human Services' inspector general's office, said, "Building a Medicare fraud scam is far safer than dealing in crack or dealing in stolen cars, and it's far more lucrative." According to Miami FBI spokeswoman Judy Orihuela, "We've seen more people that used to be involved in (dealing) drugs are switching over to healthcare fraud because it's not as dangerous." Meanwhile, "it's unclear how many violent crimes are tied to Medicare fraud because most of them are carried out by someone within the hoax who attacks another person taking part in the crime."

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