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Customized Briefing for Kimberly Barry-Curley

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Leading the News

Obama touts support for healthcare reform from some Republicans.

The [New York Times](#) (10/11, A28, Stolberg) reported that President Obama said in [his weekly address](#) that he "saw an 'unprecedented consensus' around Congressional plans to overhaul the nation's healthcare system, citing the recent statements of a string of Republicans -- most of them former elected officials -- who have issued their own calls to action." The [AP](#) (10/11, Lester) reported that Obama "noted that California Gov. Arnold Schwarzenegger, former Senate Majority Leaders Bob Dole and Bill Frist, all Republicans, and former Health and Human Service chiefs Louis Sullivan and Tommy Thompson, who both served in Republican administrations, have all come out in favor of overhauling healthcare, even though they differ on some specifics."

[Politico](#) (10/10, Gerstein) noted that Obama is "trying to push legislation over the finish line by touting" the "bipartisan support from former Republican lawmakers and officials." [The Hill](#) (10/10, O'Brien) reported that Obama "said the 'final days' of the months-long debate are in sight."

[AFP](#) (10/10) and [Voice of America](#) (10/10, Joselow) also covered the President's remarks.

House GOP could unanimously oppose Democratic healthcare reform bill. The [Washington Post](#) (10/10, Pershing) reported that the House is "so divided" on healthcare reform that a bill may end up passing without "a single Republican supporter. The final vote, likely in late October, is impossible to predict, but lawmakers and aides from both parties said this week that there is a strong chance the GOP will be unanimous in its opposition." That would mark "the second time -- the first came on the economic stimulus package in February -- that the entire House minority rejected one of President Obama's top domestic initiatives."

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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

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.

Legislation and Policy

Democratic healthcare reforms would take three years to implement.

[USA Today](#) (10/12) reports that Democrats have sought "legislation that provides healthcare access for all Americans" for the last sixty years, but "they'll have to wait three more if President Obama gets a bill to sign this year." Under Democratic bills "being considered, federal tax credits to help make health insurance affordable for millions of low- and middle-income households won't start until 2013. Medicare cuts and a sizable chunk of the tax increases to pay for the changes kick in immediately." Obama Administration officials "and Democratic lawmakers say the reason for the three-year wait is the time it's going to take to set up insurance marketplaces, write consumer protection rules and reconfigure the bureaucracy to carry out the legislation."

Some Democrats concerned by three-year delay. The [AP](#) (10/10, Alonso-Zaldivar) reported that under Democratic healthcare reform proposals, "federal tax credits to help make health insurance affordable for millions of low- and middle-income households won't start flowing until 2013 -- after the next presidential election. But Medicare cuts and a sizable chunk of the tax increases to pay for the overhaul kick in immediately." The "eat-your-vegetables-first approach is causing heartburn for some Democrats. Three years is a long time to wait for dessert, and opponents could capitalize on misgivings about the complex legislation to undo what would be a signature achievement for Obama."

Insurance group says Senate plan underestimates family costs by \$4,000.

The [Washington Post](#) (10/12, Connolly) reports that after "months of collaboration on President Obama's attempt to overhaul the nation's healthcare system, the insurance industry plans to strike out against the effort on Monday with a report warning that the typical family premium in 2019 could cost \$4,000 more than projected" under the plan sponsored by Sen. Max Baucus (D-MT). Industry officials "said they intend to circulate the report prepared by PricewaterhouseCoopers on Capitol Hill and promote it in new advertisements. That could complicate Democratic hopes for action on the legislation this week." Meanwhile, Administration officials, "who spent much of the spring and summer wooing the insurers, questioned the timing and authorship of the report, which was paid for by America's Health Insurance Plans (AHIP), an industry trade group."

CBO says tort reform could save \$54 billion over next decade.

The [Washington Post](#) (10/10, Montgomery) reported that Congressional Budget Office analysts said lawmakers "could save as much as \$54 billion over the next decade by imposing an array of new limits on medical malpractice lawsuits -- 10 times more than previously estimated." In [a letter](#) to Sen. Orrin Hatch (R-UT), CBO Director Douglas Elmendorf said new research "shows that legal reforms would not only lower malpractice insurance premiums for medical providers, but also would spur providers to save money by ordering fewer tests and procedures aimed primarily at defending their decisions in court."

The [Washington Times](#) (10/10, Haberkorn) noted that tort reform "has been one of Republicans' top healthcare reform proposals, but it hasn't been embraced by congressional Democrats." Sen. Hatch said, "I think that this is an important step in the right direction and these numbers show that this problem deserves more than lip service from policymakers. Unfortunately, up to now, that has been all the President and his Democratic allies in Congress have been willing to provide on these issues."

The [Los Angeles Times](#) (10/10, Hart), however, reported that the analysis shows the savings would be "far lower than advocates have estimated," and would be "unlikely to cut healthcare spending significantly."

Lobbyists winning fight over healthcare cost reduction measures.

On its front page, the [New York Times](#) (10/11, A1, Kirkpatrick) reported that "most of the serious proposals to fulfill President Obama's original vow" to reduce healthcare costs "have fallen victim to organized interests and parochial politics," and now, the "two initiatives with real bite that are still in contention -- a scaled-back 'Cadillac tax' on high-cost health plans and a nonpartisan Medicare budget-cutting commission -- are under furious assault." Lobbying by healthcare providers has "dimmed the prospects of various proposals to cut into their incomes," and neither of the two initiatives appears in the healthcare bills now moving through Congress.

Home state interests color lawmakers' votes on healthcare bills.

The [Washington Times](#) (10/12, Haberkorn) reports that home-state health industries "are poised to play significant roles in lawmakers'

votes on the healthcare bills as they make it to floors of the House and Senate." A proposal from Senate Finance Committee Chairman Max Baucus (D-MT) "to impose a \$4 billion annual tax on medical device makers has been met with staunch opposition from lawmakers with large medical companies in their home states" such as Minnesota and Indiana. But the "most significant home-state sway could be over the public option," as proposals "to establish a government insurance plan tied to Medicare rates, strongly favored by liberal Democrats, have been knocked down by lawmakers from rural states, where doctors sometimes aren't fully reimbursed for treating Medicare patients."

Younger voters most likely to support healthcare reform.

The [Washington Times](#) (10/11, Badanes) reported that while "senior angst and anger have been on vivid display as President Obama struggles to sell his healthcare reform package politically," younger voters "are disproportionately fans of Mr. Obama and his healthcare plan, polls show. A Pew Research Center study found that 66 percent of adults younger than 30 voted for Mr. Obama. Nearly 70 percent of these voters favor expanding the role of government as a way to solve the nation's problems, including medical coverage."

Elderly oppose reform, but seen as benefiting from government spending. In a [New York Times](#) (10/12, A22) "Editorial Observer" column, Eduardo Porter says one of the "troubling dynamics behind President Obama's attempt to overhaul the healthcare system is the way it has cut along demographic lines." A New York Times/CBS poll last month shows "only 20 percent of people 65 and over support the president's efforts," and "only 31 percent say the federal government should guarantee health insurance for all Americans." The "age gap sheds light on a deep generational inequity. In the United States, as in most industrial countries, government spending skews heavily in favor of the old."

Reps. Waxman, Stupak to hold hearing on "underinsurance" next week.

[The Hill](#) (10/10, Allen) reported that House Democrats plan to call health insurance executives before the Energy and Commerce Committee "to defend their business practices." Commerce Chairman Henry Waxman (D-CA) and Oversight and Investigations Subcommittee Chairman Bart Stupak (D-MI) will hold a hearing next Thursday "on the issue of 'underinsurance,' what the pair described as the phenomenon of being 'insured but not covered.'"

"Michelle's Law" takes effect.

The [AP](#) (10/10, Ramer) reports "Michelle's Law," a federal law permitting college students "to take up to a year off school for medical reasons and remain on their family's health insurance plan," took effect Friday. The law "is named for Michelle Morse, who died of colon cancer at age 22 in 2005, six months after graduating from Plymouth State University." She maintained a full course while undergoing chemotherapy "because she otherwise would have been dropped from her parents' health insurance plan."

North Dakota insurer scandal raises concerns about co-op option.

The [Washington Post](#) (10/10, Vick) reported on a "scandal" at Blue Cross Blue Shield of North Dakota over perks paid for by policyholders. The issue "resonated deeply" in the state, since the insurer "is essentially a cooperative, owned by policyholders. It is an arrangement close to the model promoted by powerful lawmakers as an alternative to the 'public option' that would put the federal government in the insurance business." [NDpeople.org](#), a "liberal group," says the case "illustrates the danger of assuming that the cooperative model would assure virtuous behavior."

Lawmakers protest proposed Medicare cuts for radiation oncology services.

[American Medical News](#) (10/12) reports, "A bipartisan group of senators sent a letter to the Dept. of Health and Human Services protesting proposed cuts for radiation oncology services in the Medicare physician fee schedule." According to the American Society for Radiation Oncology, "the rates for certain cancer services would be reduced by up to 44 percent" under the fee schedule, even though "the Centers for Medicare & Medicaid Services projects the overall impact of the payment reductions to be 19 percent." The letter stated that the cuts might "force community-based cancer centers to close," urging "CMS to consider recalibrating payments to support primary care in a way that does not place a disproportionate burden on any one specialty group."

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Vermont plan for managing chronic illness basis of Medicare pilot program.

The [AP](#) (10/12, Ring) reports that a program in Vermont "is getting recognition from the federal government." So much so, "the Obama Administration announced a new, three-year Medicare pilot program" last month based on what's happening there. Vermont's Blueprint for Health, "begun in 2003, aims to reach patients with chronic conditions, keep them healthier and, ultimately, save money by heading off expensive hospitalizations and procedures. Already, emergency" department "visits are down." Indeed, "it's healthcare at its most basic, but in some ways it's revolutionary." Thus, variations of the plan "are being used as a model in the national healthcare reform legislation now being considered by Congress, said Ken Thorpe, of Emory University...who helped develop the Vermont program and is working with Congress on national reform."

CMS proposes stricter rules for Medicare prescription-drug, health plans.

[CQ HealthBeat](#) (10/10, subscription required) reported, "The Centers for Medicare and Medicaid Services (CMS) announced Friday a proposed regulation to 'improve protections for all enrollees' in some 4,000 prescription drug and health plans in the Medicare program." This "proposal aims to keep plans from designing cost-sharing provisions in a way that discriminates against sicker beneficiaries. It would prevent the same organization from offering multiple plans lacking 'a meaningful difference' in terms of premiums, out-of-pocket costs, and covered drugs, a protection that aims to cut down on duplicative plans that confuse seniors trying to sort through plan choices." In addition, the proposal includes a requirement that "plans collect information on prescription drugs that aren't related to payment, an effort to help Medicare analyze how people are using the program's prescription drug benefit."

GAO report indicates pattern of potential overuse of services in Medicare.

[American Medical News](#) (10/12, Silva) reports that a Government Accountability Office report assessing "the level of physician services used" in Medicare, showed that "patients experienced few problems accessing doctors, and the use of services increased nationwide from 2000 to 2008." In addition, "physician willingness to accept Medicare patients also increased during that time, as did payments." But, the report indicated "a pattern of potential overuse of services, especially in more densely populated urban regions and in the eastern part of the US." The GAO stated that "large metropolitan areas were much more likely to be 'potentially overserved,'" receiving "substantially more evaluation and management services, minor procedures and imaging services than did those living in other areas."

Michigan senior citizens criticize potential Blue Cross rate hikes.

The [Detroit Free Press](#) (10/11, Anstett) reported, "As commissioner of Michigan's Office of Financial and Insurance Regulation, [Ken] Ross will make the final decision by Dec. 4 on whether to grant Blue Cross Blue Shield of Michigan a 31.2 percent rate increase that affects 210,000 seniors with supplemental Medicare policies through the Blues." In light of this, "hundreds of people have called his office, mostly to complain, since Ross approved interim rate hikes in August of 4.7 percent for Blue Cross Medigap policies." He also "approved rate hikes averaging 22 percent for some 200,000 people who buy their own Blue Cross insurance outside of a workplace." Nevertheless, the agency is "likely to play a significant role creating and regulating the health insurance exchanges through which people would purchase coverage, some with federal subsidies, under several bills pending before Congress."

Humana launches COPD Management Program for some TRICARE military families.

The [San Antonio Business Journal](#) (10/9) reported, "Humana Military Healthcare Services has rolled out a new benefit for TRICARE customers in the South Region" on Oct. 1. Families "now have access to a Chronic Obstructive Pulmonary Disease (COPD) Management Program." Specifically, "patients will be able to call a dedicated registered nurse to receive education and coaching on how to deal with this lung disease."

More employers expected to offer consumer-directed health plans.

The [AP](#) (10/12, Murphy) reports that more employers this year are expected to offer consumer-directed health plans as an option. The plans "can chop premium payments by nearly 20 percent and give consumers a tax break." Still, they "vary from employer to employer and require careful comparison with other choices before making the switch." The plans "have become more popular" recently because "companies like the lower premiums and the fact that these plans encourage workers to use the plans more judiciously," benefits consultants say. The AP notes data from the Kaiser Family Foundation and the Health Research and Educational Trust that show "that 31

percent of employers offering benefits but not a consumer-directed plan were 'somewhat likely' to provide one next year. Another 11 percent said they were 'very likely.'"

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