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Leading the News

House Democrats unveil health reform plan.

Media coverage of the House Democrats' healthcare reform bill noted White House praise for the measure, even as it highlighted the potential difficulties Speaker Nancy Pelosi (D-CA) may encounter within her caucus and vis-à-vis the Senate. The [CBS Evening News](#) (10/29, story 6, 0:25, Couric) reported that the bill "got an immediate thumbs-up from President Obama. It does include a public option for government-run health insurance, and the Democrats say the plan would extend coverage to 96% of Americans. Total price tag: nearly \$900 billion over 10 years paid for by deep cuts to Medicare and an income tax surcharge on the wealthiest Americans." The [New York Times](#) (10/30, A20, Pear) notes that "Obama welcomed the House bill as 'a historic step forward' and said it met two of his criteria." Said Obama, "It is fully paid for and will reduce the deficit in the long term."

The [AP](#) (10/30, Espo), however, reports, "The Congressional Budget Office said the cost of additional coverage alone was slightly more \$1 trillion over a decade. But that omitted other items, including billions for disease prevention programs," as "another \$230 billion or more in higher fees for doctors treating Medicare patients, included in an earlier version of the bill, was stripped out and will be voted on separately." [ABC World News](#) (10/29, story 3, 2:40, Gibson) similarly reported, "Price tag? Just over \$1 trillion, too expensive for Republicans and even some Democrats. Indeed, there is suspense in the House about whether this bill can be passed, just as there is in the Senate about whether their version can be passed."

The [Washington Post](#) (10/30, Murray, Pershing) reports, "For weeks, House Democratic leaders have huddled behind closed doors, seeking to stitch together a 218-vote majority from disparate Democratic blocs," and "as many as 40 conservative Democrats remain unhappy with abortion-related provisions and are threatening to vote no. But with a debate on the House floor expected to begin late next week, most major differences appear to have been bridged." The [Washington Times](#) (10/30, Haberkorn, Rowland) notes that "top Democrats said Thursday that they have the votes to pass the bill, possibly by Veterans Day."

[USA Today](#) (10/30, Fritze) reports, "The new House proposal is similar to one drafted by Democrats months ago," but "in an effort to make the bill more appealing to moderates in her party, Pelosi altered some of the fine print. The proposed government-run 'public option,' for instance, would negotiate for how much to pay doctors and hospitals rather than relying on government-set rates, as Medicare does." The [Los Angeles Times](#) (10/30, Levey, Hook), [AFP](#) (10/30), the [Wall Street Journal](#) (10/30, Vaughan, Yoest, subscription required), and [The Hill](#) (10/30, Allen, Soraghan) also cover the bill's unveiling.

CBO says House bill would mean 96% coverage. [CQ HealthBeat](#) (10/30, Reichard, subscription required) reports that according to an analysis released by the Congressional Budget Office Thursday, the House healthcare overhaul bill would "cost \$894 billion over the 2010-2019 period and reduce the federal deficit during that period by \$104 billion followed by a 'slight' deficit reduction' in the second decade. The percentage of non-elderly legal residents with coverage would rise from 83 percent to 96 percent. ... The 96 percent coverage rate nearly meets the demand of the hospital industry that 97 percent be covered to fulfill an agreement with the White House agreeing to \$155 billion in Medicare cuts over a 10-year period."

[Dow Jones Newswire](#) (10/30, Vaughan) points out that the CBO also said that the bill would cost \$1.055 trillion, though penalties for

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non-compliance would offset some \$161 billion of this, resulting in the \$894 billion figure.

According to [Bloomberg News](#) (10/30, Faler), the CBO report says the bill would "cut the federal budget deficit by \$104 billion over the next 10 years" and would "slightly reduce" the deficit in the subsequent decade. ... The CBO assessment may ease concerns about the cost of the legislation. President Barack Obama has said he will not sign a healthcare overhaul bill that adds 'one dime' to the deficit." However, the CBO "cautioned that the plan's price tag might prove much higher if lawmakers don't stick to their cost-savings plans, which it said could be difficult."

Tax on wealthy not tied to inflation. [CQ Today](#) (10/30, Rubin, subscription required) reports that since the income levels at which more wealthy earners would be taxed to pay for healthcare reform is not indexed for inflation in the House bill, "more and more people each year would face a tax that is being sold as a levy on millionaires. It's a significant change in approach that will help align revenues and costs in the latest version of the bill, but it will invite criticism and comparisons to the alternative minimum tax, which has affected far more people than it was supposed to."

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.**

Legislation and Policy

House, Senate reform bills said to vary widely.

Comparing the House and Senate healthcare reform bills, [Dow Jones Newswire](#) (10/30, Yoest) finds that they differ on large issues including the public option. The House bill, for instance, does not include the option for states to opt-out of a public option like the Senate bill is expected to. Likewise, the House bill extends Medicaid more than the Senate bill. Dow Jones also notes differences in the bills' approaches to Medicare Part D coverage and revenue sources.

Public option would not be available to most. The [San Francisco Chronicle](#) (10/29, Lochhead) reported that under current legislation being considered, "the vast majority of Americans would have no access to a public option even under its most expansive versions. House and Senate bills limit the option to the smallest businesses and to individuals who cannot get insurance, or whose healthcare costs exceed 12.5 percent of their income. Even seven years into an overhaul, an estimated 90 percent of Americans, including nearly everyone who has employer-based coverage now, would be shut out of a public option."

Reform bills would cap annual out-of-pocket expenses. [McClatchy](#) (10/30, Lightman) reports that patients would be protected from "huge medical bills" under current House legislation. "There will be a cap on annual expenditures, out-of-pocket expenditures,' Rep. Steny Hoyer (D-MD) the majority leader in the House of Representatives, declared this week. Bills pending before the House and the Senate would set different limits, but virtually everyone agrees on a key principle: 'You shouldn't go bankrupt' because of your medical costs, said Elizabeth Carpenter, a policy analyst at the New America Foundation, a center-left research center."

Florida legislator asks insurers to stop denying coverage to cancer patients in clinical trials.

The [AP](#) (10/29) reported that Florida Sen. Don Gaetz (R) "wants insurance companies and HMOs to stop denying coverage of routine medical treatment, such as doctor's visits and X-rays, for...cancer patients participating in clinical trials." But, "if the insurers won't do it voluntarily," state Sen. Gaetz "says he'll introduce a bill in the next legislative session that forces them to." In a meeting with industry lobbyists, Sen. Gaetz said they can "work with him now to draft a voluntary agreement requiring coverage or battle him in the Legislature this spring when he pushes the bill." But, he noted that "he's not asking companies to cover anything that they don't already cover for their members before they enter clinical trials."

Twenty private Medicare plans in Oregon to terminate coverage.

The [Oregonian](#) (10/30, Hunsberger) reports that Medicare's open enrollment season begins next month, and "at least nine insurers will eliminate 20 plans in Oregon come January, leaving about 16,000 retirees shopping for a new one." The piece highlights "Roy Porter, 65, of Portland. His insurer, Health Net, Inc., is terminating its plan, dubbed Sage, just months after he suffered a heart attack. A comparable replacement from Health Net will cost him at least an extra \$42 a month." State officials say a "new federal requirement that plans offer a preferred provider network likely caused" the terminations. The plans expected to have trouble finding providers in rural parts of the state, said Lisa Emerson, Oregon's SHIBA program manager. Meanwhile, Regence BlueCross BlueShield of Oregon is "increasing the premium for nearly 24,000 MedAdvantage Enhanced enrollees from \$121 a month to \$176. That's a 45-percent jump."

CMS proposes revisions to improve Medicare drug, health plan performance.

[American Medical News](#) (10/29, Silva) reported, "The Centers for Medicare & Medicaid Services issued a proposed rule Oct. 9 that seeks to improve the performance of Medicare prescription drug and health plans." The agency "is proposing to: increase its ability to identify and approve qualified drug and health plans," to "improve protections from discriminatory cost-sharing by clarifying plan requirements on out-of-pocket costs and cost-sharing," and to "eliminate duplication by requiring meaningful differences between an insurer's various product offerings." The revisions are intended to "clarify program requirements for more than 4,000 plan offerings and improve protections for beneficiaries."

Government set to decide on slashing Medicare payments for imaging.

[Dow Jones Newswire](#) (10/30, Favole, subscription required) reports that the government could decide Friday on a controversial plan to cut Medicare reimbursements to doctors who use such medical imaging scanners as MRIs and CT scans to screen patients for such ailments as heart disease or cancer, noting that the CMS proposed the cuts to prevent overuse and to drive down healthcare costs.

New York prosecutors hand down Medicaid fraud indictments.

The [New York Times](#) (10/30, A28, Eligon) reports that prosecutors in Manhattan have indicted some 11 people on Medicaid fraud charges, noting that in several cases, suspects' incomes substantially exceeded the threshold to qualify for the program. "Prosecutors said that the defendants filled out applications to receive Medicaid...and gave incorrect information about their income, assets and where they live."

Louisiana launches anti-Medicaid fraud initiative. The [New Orleans Times-Picayune](#) (10/30, Moller) reports on an announcement from Louisiana health officials that some 700 companies that provide in-home care will "face comprehensive audits...as part of a first-of-its-kind effort to root out fraud and abuse" in companies suspected of Medicaid fraud. "Health and Hospitals Secretary Alan Levine said his agency plans to contract with 'up to six' auditing firms that will review the companies' billing practices to determine if they are providing all the services for which they are billing the government through the Medicaid program. Companies suspected of overbilling Medicaid, or otherwise defrauding the program, will be referred to the state attorney general's office for prosecution, Levine said."

Judge dismisses antitrust suit against UPMC, Highmark.

The [AP](#) (10/30) reports, "A federal judge has dismissed an antitrust lawsuit against the University of Pittsburgh Medical Center and insurer Highmark Inc." West Penn Allegheny Health System, which brought the suit, alleged "UPMC refused to contract with other health insurance companies at reasonable rates."

The health system claimed that in exchange, UPMC received "higher reimbursement rates and an agreement to lowball payments to West Penn Allegheny," in a scheme to put the health system "out of business," [Modern Healthcare](#) (10/30, Blesch, subscription required) reports.

The [Pittsburgh Tribune-Review](#) (10/29) reported that the health system argued that together, UPMC and Highmark "conspired to monopolize the market and stunt West Penn Allegheny's growth." For its part, UPMC claimed that "there are no facts to allege a conspiracy," including "a face-to-face meeting, a letter, or an email exchanged" with the insurer.

In his dismissal, US District Judge Arthur J. Schwab wrote that the suit "was 'inconsistent,'" noting that "on one hand, West Penn Allegheny alleges that it suffered financial hardship and has a need for capital, [while] also admitting that it has experienced an increase in unrestricted cash," the [Pittsburgh Post-Gazette](#) (10/30, Toland, Twedt) reports.

New Jersey launches six-month pilot to ensure newborns have health insurance.

The [Newark \(NJ\) Star-Ledger](#) (10/30, Graber) reports that under a "six-month pilot program announced yesterday," nine New Jersey hospitals "will begin checking whether babies born in their maternity wards have health insurance." Under the program, hospital workers "will check to see if newborns are covered through a parent's policy. If not, they will recommend" the state's "NJ FamilyCare and help parents submit applications. State officials said illegal immigrants can enroll their newborns, who would be US citizens, without fear of prosecution." The state estimates "27,000 babies are born each year in the nine participating hospitals. Adding them to the state rolls would cost \$43.4-million a year in combined state and federal dollars," according to Department of Human Services spokesperson Suzanne Esterman.

The [AP](#) (10/30) notes that "under 'Insured for Sure,' officials will assist uninsured parents to submit a one-page NJ FamilyCare application online. The program offers free or subsidized health insurance coverage to children from lower-income families and, in some cases, covers their parents."

Consumer Directed Healthcare News

Some consumers said to be fooled by fraudulent health insurance.

[McClatchy](#) (10/30, Lerner) reports on a number of companies which "are taking advantage of the recession and the growing number of uninsured people...to sell 'health coverage' that evaporates when customers try to use it, or provides far less than promised." McClatchy recounts instances of consumers being duped by misleading insurance companies, adding that "just last month, Minnesota Attorney General Lori Swanson sued two out-of-state companies over allegations they misled customers with phony claims about their health plans. Ten more investigations are under way, she said."

Uninsured

Study suggests uninsured children 60% more likely to die regardless of medical condition.

The [Los Angeles Times](#) (10/30, Roan) "Booster Shots" blog reports, "An analysis of 23 million hospital records from 37 states shows that a lack of health insurance likely played a role in the deaths of nearly 17,000 US children over a 17-year period," according to a [study](#) in Friday's Journal of Public Health, Researchers at Johns Hopkins Children's Center "examined records from 1988 to 2005" and found that "uninsured kids were 60% more likely to die, regardless of their medical condition." [Time's](#) (10/30, Guthrie) "Wellness" blog notes that lead author Fizan Abdullah, MD, said that although "the study can't establish causation, it does mirror similar findings in adults."

According to [HealthDay](#) (10/30, Pallarito), First Focus President Bruce Lesley said that "data from the US Institute of Medicine have shown that people who are uninsured have a higher mortality rate." Moreover, although the Obama Administration's CHIP reauthorization "insures about 7-million kids in the country," Lesley said that about "6.5-million children who are eligible for Medicaid or CHIP remain uninsured." He says "enrollment barriers are part of the problem"; First Focus endorses "legislative proposals to move toward a 'default enrollment' system." Notably, the study includes some data from the period before CHIP was enacted in 1997, meaning "fewer kids are uninsured today than two decades ago," but Dr. Chang said, that "would not skew the risk of death from lack of insurance."

[AFP](#) (10/30) also covers the study and points out that it emphasized that "some seven-million children in the US currently uninsured, the problem needed addressing immediately."

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