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Customized Briefing for Kimberly Barry-Curley

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Leading the News

Reid prepares to unveil Senate health reform bill.

The [Washington Post](#) (11/18, Murray, Montgomery) reports that "Senate Majority Leader Harry M. Reid (D-NV) scrambled Tuesday to lock down votes behind a healthcare bill that he may present as early as Wednesday." While he "would not confirm that he had received commitments from all 60 members of his caucus to overcome GOP procedural objections and bring the bill to the Senate floor," he did say, "I feel cautiously optimistic that we can do that. I think we're together as a caucus." According to "several senior Democratic aides who have reviewed the CBO data," the CBO has "indicated that the Senate measure would cost far less than the bill the House approved last week, while lowering the federal deficit further over the long term."

However, [The Hill](#) (11/18, Young) reports that a "delay in CBO scoring has begun to complicate Reid's task of rounding up 60 votes in support of the bill." Sen. Reid "has promised not to unveil the bill until receiving the CBO's report," and the "absence of a bill has made it harder for Reid and other Democratic leaders to nail down the support they need within their own caucus -- while making it easier for reticent centrist Democrats to withhold their support."

[ABC World News](#) (11/17, story 4, 1:45, Gibson) reported that Reid "says he is 'cautiously optimistic' he has the votes he needs to start debate on a healthcare reform bill in the Senate."

In its "Live Pulse" blog, [Politico](#) (11/17) reported that Majority Leader Reid "will present the healthcare reform bill to Democratic senators at a special caucus meeting scheduled for 5 p.m. Wednesday, his spokesman said Tuesday night." The announcement "of the meeting went out to Democratic Senate offices Tuesday night, signaling the long wait for the merged bill is about to end."

[Bloomberg News](#) (11/18, Litvan, Jensen) also notes that 5 pm meeting, adding that Reid "said he's close to unveiling legislation to overhaul the US healthcare system even as fellow Democrats raise concerns over issues from abortion to a government-run insurance plan."

In a separate story, [Politico](#) (11/18, Sherman) reports that "House Majority Leader Steny Hoyer (D-MD) said Tuesday he and Senate Majority Leader Harry Reid are 'focused on December 18' as a last day for this session of Congress." However, the Senate "will begin wrestling with its version of healthcare overhaul legislation this week and will likely need to push full-steam ahead to finish by the Hoyer and Reid's target adjournment date." [CQ HealthBeat](#) (11/18, Hunter, subscription required) also covers the story.

Three Democratic senators may hold out on voting to advance bill. The [New York Times](#) (11/18, A18, Hulse) reports that Democratic Sens. Ben Nelson (NE), Mary Landrieu (LA), and Blanche Lincoln (AR) "are proving tough sells" on healthcare reform, "raising the prospect that one or perhaps all three of them could scuttle the bill before the fight over it even begins on the Senate floor." Should the procedural approval fail, Democrats may be forced "to regroup and redraw the measure or even switch to a more contentious procedural shortcut around the need for a 60-vote majority." Still, "senators Landrieu, Lincoln and Nelson have all said they cannot commit to backing the preliminary step until they see the final legislation, which is being written by Mr. Reid and his lieutenants and could be unveiled as early as Wednesday."

CLASS Act to be included in Senate bill. The [AP](#) (11/18, Alonso-Zaldivar) reports that "Senate healthcare legislation expected

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this week is likely to include a new long-term care insurance program to help the elderly and the disabled avoid going into nursing homes, Democratic officials say." The program will be based on the late Sen. Edward Kennedy's Community Living Assistance Services and Supports Act, or CLASS Act, which "would begin to close a gap in the social safety net that's received little attention in the healthcare debate."

The [Wall Street Journal](#) (11/18, A4, Adamy, Hitt, subscription required) also reports that the long-term care program will be in the Senate healthcare reform legislation, as well as a provision to allow states to opt-out of a new government health insurance plan.

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 to vote on physician payment fix on Thursday.

The [AP](#) (11/18, Espo) reports that on Thursday, the House plans to vote on a bill "designed to head off a 21 percent cut in physician fees scheduled for Jan. 1. It is a companion to the controversial healthcare measure that passed earlier this month." However, an analysis by the CBO released Tuesday found that "seniors would pay \$49 billion in higher premiums over the next decade as a result of" the legislation. The bill would require "premiums to pay one-quarter of the cost of Medicare services for doctors and other outpatient services." Both AARP and AMA called for passage of the bill, and Brendan Daly, spokesman for House Speaker Nancy Pelosi (D-CA), said, "Taken together with the health insurance reform bill...it's a good deal for seniors."

House Medicare payment fix efforts seen as obscuring costs. In an editorial, the [Wall Street Journal](#) (11/18, A18, subscription required) compares a fix to Medicare payments to physicians that the House is expected to vote on soon to a Ponzi scheme, noting that not including it in the healthcare reform legislation and not restricting it to the paygo requirement are accounting tricks which obscure the costs of the legislation. While the Journal notes that the sustainable growth rate should be fixed, it concludes that the way the House is going about it amounts to a value-added tax.

AMA urges action on Medicare payments to physicians. [CQ HealthBeat](#) (11/17, Reichard, subscription required) reported, as the House of Representatives prepares to take up a bill (HR 3961) this Thursday on physician payments, "American Medical Association official Nancy Nielsen predicted Tuesday that the House will pass legislation overhauling Medicare payments to doctors and urged senators to drop the 'pretense' that voting against an overhaul is fiscally responsible." A former AMA president, Nielsen "said it's time for lawmakers to stop putting one- or two-year patches to fix" the Sustainable Growth Rate (SGR) formula for the physician payments. CQ adds that the "odds of Senate passage look long, however. Senate Finance Committee Chairman Max Baucus (D-MT) said Tuesday that he doesn't think a doctor payment overhaul that isn't paid for will get through the Senate," a sentiment echoed by Senate Budget Committee chairman Kent Conrad (D-ND). [CongressDaily](#) (11/18, Edney, subscription required) also covers the story.

AARP asked to rescind endorsement of House health bill.

[Politico](#) (11/18, Sherman) "Live Pulse" blog reports, "House Republicans trained their fire on the AARP Tuesday, asking them to revoke their support of Democratic healthcare overhaul in light of new numbers that show deeper cuts to Medicare than previously known." The letter to AARP CEO Barry Rand also charged that the bill "raises healthcare costs, unfairly and unnecessarily imposes massive Medicare cuts, and jeopardizes seniors' access to quality, affordable care." In response, AARP spokesman Jim Dau said, "AARP endorsed the America's Affordable Health Choices Act because it would get our country closer than we've ever been to building a healthcare system that works for everyone." Dau added, "AARP has fought to make sure that any final reform package strengthens traditional Medicare benefits and closes the dreaded coverage gap in Medicare's prescription drug program, as well as" limit discrimination "against clients based on their age."

[CongressDaily](#) (11/18, Hunt, subscription required) notes Dau's comments, and adds that the AARP spokesman said, "While we commend the spirit behind H.R. 4038 [the Republican alternative], it unfortunately does not meet these goals." Furthermore, Dau pointed out that a recent AARP survey shows that "members support this bill [the House's] and our endorsement of it by more than 2 to 1."

Public Health and Private Healthcare Systems

GAO upholds Health Net's TRICARE protest.

The [Sacramento Bee](#) (11/18, Calvin) reports, "Federal investigators said they have found improprieties in the bidding process" that helped Aetna "land a \$16-billion military health contract at the expense of Rancho Cordova-based Health Net Federal Services." In [documents](#) made public Tuesday, the GAO said Aetna "hired the former chief-of-staff of the Pentagon's TRICARE management agency, who might have furnished the company with proprietary information that helped it win the contract." The agency recommended that the "Pentagon 'conduct a new evaluation of the offerers' proposals,' including 'a thorough review regarding the scope of the former (TRICARE) employee's access to nonpublic proprietary information.'" Health Net spokesperson Molly Tuttle said the GOA "findings seemed very strong." The GAO also the "identified five other issues requiring further review"; and said the award process "did not adequately assess Aetna's qualifications to handle such a massive federal account."

According to the [Sacramento Business Journal](#) (11/18, Robertson), the GAO recommends that Aetna "be excluded from the competition, leaving Health Net 'as the only viable awardee.'" Moreover, it suggests that Health Net "be reimbursed the cost of filing the protest, including attorneys' fees." The agency will "send a letter to defense officials detailing the flaws and the recommendation, said Michael Golden, managing associate general counsel for the bid protest division at the GAO"; and Defense officials will "have 60 days to respond." Aetna cannot determine whether the GAO's "decision 'will have any effect upon the ultimate outcome of the contract award,' Aetna spokesperson Fred Laberge said in an email. 'Aetna believes it made a very strong proposal for the TRICARE contract,'" he added.

Report: Over \$98 billion wasted by government agencies.

The [AP](#) (11/18) reports, "More than \$98 billion in taxpayer dollars spent by government agencies was wasted, much of it on questionable claims for tax credits and Medicare benefits, representing an increase of \$26 billion from the previous year. In all, about 5 percent of spending in federal programs in fiscal year 2009 was improper, according to new details of a government financial report that were released Tuesday." The AP adds, "President Barack Obama is expected to sign an executive order within the next week aimed at cracking down on government waste and fraud, particularly in Medicare and other benefit programs." The AP notes that, overall HHS had "\$55.1 billion, or 9.4 percent of its budget in questionable spending." That includes "improper payment rates of 7.8 percent and 15.4 percent in the Medicare fee for service and Advantage programs, respectively."

Medical equipment interests call for end to Medicare competitive bidding.

[CQ HealthBeat](#) (11/17, Reichard, subscription required) reported, "Officials representing Pittsburgh area medical equipment suppliers and consumers joined with two members of Congress on Tuesday to urge that Medicare drop its competitive bidding program for products such as wheelchairs, hospital beds and feeding equipment." The suppliers argued that, in the name of savings, Medicare would sacrifice services needed by the disabled and elderly to keep the equipment safe and working properly. Reps. Glenn Thompson (R-PA) and Jason Altmire (D-PA), joined in criticism of the CMS plan and urged support for a repeal bill. A CMS spokesperson, responding in a statement, defended the bidding program as required by Congress, consistent with safety concerns and holding down costs in an area "where fraud and abuse has been a significant problem."

California insurance department unveils online PPO report card.

[KNSD-TV](#) San Diego (11/17, 9:12 p.m. ET) reported, "California has unveiled a new consumer [report card](#) on five healthcare providers and not one received a top rating. The Department of Insurance graded insurers in categories such as diabetes treatment and cancer checks; and it gave awards of up to four stars. Aetna, CIGNA and Health Net of California got three stars; UnitedHealth Care and Anthem BlueCross got two; BlueShield of California was not graded because they did not supply information."

The [AP](#) (11/18) explains that the online report card grades preferred provider organization (PPO) insurers. The [scores](#) "rely on a combination of customer feedback and how well the care of a sample of policyholders rates when compared with [standards](#) set" by the National Committee for Quality Assurance. CIGNA said it "is pleased with its first grade." Anthem BlueCross issued a statement saying the report is "an important barometer for improving quality, safety, transparency and wellness." Aetna said it "implements initiatives based on such rankings." BlueShield "said a computer-system upgrade made it impossible to provide data this year." Calls to other insurers "weren't immediately returned." California also issues an HMO report card, which has "been in place since 2002."

State senators suggest pulling Florida out of Medicaid.

The [Miami Herald](#) (11/18, Kennedy) reports that Florida state Sens. Mike Haridopolos (R-Melbourne) and Don Gaetz (R-Niceville) "said the state should consider dropping out of the federal-state Medicaid program to avoid a planned expansion and create its own healthcare system for low-income residents." The state senators hope to "advance plans to seek a federal waiver that would allow Florida to retain the \$18.2 billion in state and federal funding needed to finance the program next year, but without the strings typically attached by Washington." They also "want authority to create a Florida program outside federal regulations contained in the recently approved House healthcare overhaul, which they warned could expand by 1 million the number of Floridians qualifying for Medicaid."

UniCare to discontinue Texas health insurance plan.

The [Austin \(TX\) American Statesman](#) (11/18, Eaton) reports, "UniCare is planning to stop providing health insurance to more than 180,000 customers in Texas." Spokesperson Tony Felts said the company is "financially sound" but there are "some competitive pressures in the Texas market that made it difficult to continue to be able to offer affordable health insurance." He said UniCare has "entered into an agreement with Health Care Service Corp., the parent company of BlueCross BlueShield of Texas, to provide guaranteed replacement coverage." According to Texas Department of Insurance spokesperson John Greeley, "BCBS has pledged 'approximately equal premiums' as long as customers switch by Dec. 1." Meanwhile, Felts said UniCare will "continue to offer life, disability, dental and vision coverage" in Texas; and it will "continue to contract with Texas to provide benefits to 20,000 Medicaid enrollees."

Uninsured

Adults awaiting Wisconsin health coverage could reach 20,000 by March.

The [AP](#) (11/18, Bauer) reports, "A no-frills health insurance plan for poor, childless adults may not be ready until March," Michigan's state "lawmakers were told Tuesday. 'There are already about 7,000 people on a waiting list and that could grow to 20,000' by the time the program is ready," Wisconsin Medicaid Program Director Jason Helgerson said at a hearing "before the state Senate and Assembly health committees." The waiting list "was started last month after enrollments were capped for the more expansive BadgerCare Plus Core Plan."

According to the [Milwaukee Journal Sentinel](#) (11/18, Marley), "BadgerCare Plus Core has room for about 54,000 people." However, about "88,000 people have applied for the program" and the state "has not yet determined how many of them are eligible." Those deemed eligible after the plan has reached full capacity will "be put on the waiting list and would qualify for the temporary insurance program lawmakers plan to create."

Growing Your Business

Recession forcing small businesses to cut, scale back employee health insurance plans.

The [AP](#) (11/18, Lieb) reports, "Across the country, businesses already strapped by the economy to turn a profit are sacrificing or scaling back employee health insurance plans because of their escalating costs. The crunch has particularly socked smaller employers, who have become a centerpiece in the debate over how to overhaul the nation's healthcare system." In fact, recently, "small business owners have pleaded their case to the White House and Congress." In response, "top Democrats in both the House and Senate have announced probes into how health insurers price their policies for small businesses. And lawmakers have proposed a variety of insurance rating changes, mandates, and tax breaks to try to control costs."

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