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From NAHU
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Leading the News

CBO: Senate bill may not increase most Americans' premiums.

Advertisement

The Washington Post (12/1, Montgomery) reports that as the Senate began debate on its healthcare reform bill, the Congressional Budget Office "said the measure would leave premiums unchanged or slightly lower for the vast majority of Americans, contradicting assertions by the insurance industry that the average family's coverage would rise by thousands of dollars if the proposal became law." The CBO report "was released hours before the Senate began debate on the package," and it "said the legislation would lead to higher average premiums in the relatively small and troubled individual market, where the self-employed and others buy coverage directly from insurers. But that extra cost would buy better coverage, the CBO said, and hefty federal subsidies would drive down payments by nearly 60 percent on average for low- and middle-income families."

USA Today (12/1, Fritze) reports the CBO said "for the 70% of Americans who will sign up for health insurance through a large company in 2016, average premiums would remain steady or fall by as much as 3% compared with prices if the legislation doesn't pass." The Washington Times (12/1, Haberkorn) reports the CBO report says "people who purchase healthcare individually could face premium hikes of up to 13 percent under the Senate healthcare overhaul, but the vast majority of Americans would not be hit by rate increases." CBO "found that the approximately 18 million people who buy insurance on the individual market and qualify for new income-based tax subsidies would see their costs fall by more than half; the 14 million people who don't qualify would see their costs jump 10 to 13 percent." The Wall Street Journal (12/1, A4, Adamy, Hitt, subscription required) also reports the story.

The Hill (12/1, Young, subscription required) reports Senate Democrats and Republicans "seized on" the CBO report "to bolster their arguments on the same day the floor debate formally commenced." To Democrats, "the report affirms the bill offers affordable access to healthcare to tens of millions of people without insurance while offering modest relief to the nearly 160 million people who receive insurance through their jobs." Republicans "contend that the findings prove the Senate legislation would result in higher premiums for millions of people compared to what it would cost them in today's market."

However, in a front-page story, the New York Times (12/1, A1, Pear, Herszenhorn) reports that the analysis "provided Democrats with ammunition against Republicans who have criticized the bill on the ground that it would raise costs for a majority of Americans." The CBO concluded that "for most people who get health insurance through employers -- five-sixths of the total market -- there would be little change in their premiums relative to the amounts projected under current law."

The Christian Science Monitor (12/1, Chaddock) calls the CBO report "highly qualified. Any estimates of the impact of such substantial changes in the health insurance and healthcare sectors must reflect 'considerable uncertainty,' the report concludes." Still, "the nuances quickly fell out of the political firestorm around healthcare reform." The AP (12/1), Bloomberg News (12/1, Nussbaum), and Reuters (12/1, Smith, Whitesides) also cover the story.

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

"Bitterly divided" Senate begins debate on healthcare bill.

The Senate began debate on its healthcare reform bill on Monday, with media reports remarking on the sharp partisan divisions within the chamber, and particularly on a split within the Democratic Party that appears to threaten Senate Majority Leader Harry Reid's (D-NV) ability to marshal the 60 votes needed to pass the bill. The AP (12/1, Espo) reports, "Riven by partisanship, the Senate plunged into a widely anticipated debate Monday over sweeping healthcare legislation that President Barack Obama and congressional Democrats have vowed to approve and Republicans have sworn to block." In a "jab at Republicans that was reciprocated minutes later," Senate Majority Leader Reid said, "We must avoid the temptation to drown in distractions and distortions." The AP adds Minority Leader Mitch McConnell (R-KY) said, "Well, I don't know what's more preposterous: saying that this plan 'saves Medicare' or thinking that people will actually believe you."

The Los Angeles Times (12/1, Hook) reports that Reid "faced a daunting challenge in building the filibuster-proof majority needed for passage. He promised to keep the Senate working through weekends on the 2,074-page, $849-billion bill, in hopes of bringing it to a vote by Christmas and landing it on President Obama's desk for signing before the end of January."

AFP (12/1, Knox) reports the "bitterly divided US Senate on Monday formally launched a historic debate" on the healthcare bill, with "Obama's Republican foes...united against the plan, forcing his Democratic allies to hold difficult behind-the-scenes negotiations to bridge internal divisions and try and rally the 60 votes needed to ensure passage." Reid "warned his colleagues of possible weekend sessions in a bid to meet a self-imposed Christmas deadline for a vote," but McConnell "assailed the plan as an 'experiment' that would eventually lead to 'government-run healthcare' and said Democrats and the White House were wrong to say that 'history is calling.'"

USA Today (12/1, Kiely) notes that Reid "said he is 'confident' the Senate will pass a healthcare bill, but it will take extra work on weekends in December to get it done." In an interview, Reid said, "The healthcare debate is historic. It's the most important thing any of us here has ever been involved in." Reid "vowed to keep the Senate in session every weekend in December to finish the bill, saying 'we have some things to work through.'"

Insurance costs expected to increase for many as COBRA subsidy ends.

The Los Angeles Times (12/1, Kristof) reports, "Millions of unemployed Americans face the prospect of a huge increase in health insurance costs, thanks to the looming expiration of" the COBRA subsidy. The stimulus act included a temporary subsidy for "the often crippling cost of buying health insurance through a former employer's plan after a layoff." While "the White House wants to extend the subsidies," and "some Democratic lawmakers are pushing to include an extension in legislation that party leaders are developing to boost job growth," the Times notes that "finding money for an extension remains a major challenge, especially at a time when Democrats are struggling to pay for their planned healthcare overhaul."

In its "Prescriptions" blog, the New York Times (11/30, Seelye) noted that "a new report by Families USA found that the average COBRA premium varies widely from state to state -- and in nine states is actually higher than the average unemployment insurance check." Families USA executive director Ron Pollack "said that the broader healthcare legislation in Congress would help by establishing new insurance marketplaces with tax credits -- but they would not be set up for several years, leaving millions of people stranded in the interim."

The Hill (11/30, Romm, subscription required) "Blog Briefing Room" noted that "a slew of efforts in both chambers of Congress could extend the program for about six months," but they remain "lodged in committee."

In fact, some Republicans are expected to oppose any extension, citing deficit concerns, according to Reuters (12/1, Smith).

The AP (12/1, Werner) notes that while "it's not clear how many workers are using the COBRA subsidy...the Congressional Budget Office and the Joint Committee on Taxation estimated early on that 7 million would do so."

Without the subsidy, "family coverage would eat up a whopping 83.4 percent of the $1,333 average monthly national unemployment insurance benefit, according to" the Families USA report, McClatchy (12/1, Pugh) explains. "In nine states, the full COBRA family premium exceeds the average monthly state unemployment benefit, the study found." The Cleveland Plain Dealer (12/1, Perkins) also covers the story.

Republicans request HHS analysis of Senate health bill.

In its "Blog Briefing Room," The Hill (11/30, Zimmermann, subscription required) reported, "Senate Republicans are asking the Health and Human Services Department to perform an actuarial analysis of the Senate health bill." In a letter to HHS, Sens. Chuck Grassley (R-IA) and Mike Enzi (R-WY) "said more information is needed on the bill before a floor vote." According to the Hill, "Republicans have so far sought to slow down debate on the bill. Requesting additional studies may be one tactic to do that."

Activists prepare lobbying blitz, ad buys as debate begins.

Roll Call (12/1, Roth, Murray, subscription required) reports, "As the Senate launches into an expected marathon healthcare debate this month, interest groups are working furiously to shape -- or spike -- the current legislation." According to Roll Call, "The union-backed coalition Health Care for America Now, which supports Democratic proposals, has spent weeks assembling memos for 'friendly' Senate offices to incorporate into their healthcare messaging," and "abortion-rights supporters are expected to descend on Capitol Hill on Wednesday." Conservatives for Patients' Rights announced "the start of a $250,000 ad buy that targets 14 Senators in 10 states," while "two business coalitions, led by the US Chamber of Commerce, are also continuing ad campaigns. ... The ads, sponsored by the Employers for a Healthy Economy and Start Over, are running on national cable and in nine states."

Few Senators eager to negotiate deal on public option.

Roll Call (12/1, Pierce, subscription required) reports there's an "air of mystery surrounding just who among Senate Democrats is going to broker a critical compromise on the public insurance option." Few senators "besides Majority Leader Harry Reid (D-NV) appear willing to have their name attached to whatever messy accord the Senate will have to agree to in order to get the healthcare reform bill off the floor, even as many are working behind the scenes to find the legislative sweet spot." When asked "how he was going to secure a filibuster-proof 60 votes to end debate on his $848 billion measure and move to final passage this year, Reid earlier this month named a trio of Senators -- Conference Vice Chairman Charles Schumer (D-NY) and Sens. Tom Carper (D-DE) and Mary Landrieu (D-LA) -- who were working on a deal, but not all three appeared pleased with being identified."

White House defends stability of proposed Medicare cuts.

CQ HealthBeat (12/1, Reichard, subscription required) reports that despite the claim of Republicans that Medicare cuts are an "unrealistic" way of financing the Democratic overhaul of healthcare, "White House officials insist that is not the case." Office of Management and Budget Director Peter Orszag claims that "a different fiscal and policy-making climate in coming years will help ensure that Medicare cuts that help finance wider coverage will in fact stick." Meanwhile, "hospitals taking the brunt of the cuts say they'll stick with agreed-upon reductions -- but they warn that Democrats have work to do to keep up their end of the bargain." Rick Pollack, executive vice president of the American Hospital Association, "said that Senate Democrats must amend their proposal to boost coverage levels in order for Medicare cuts agreed to by hospitals to be binding."

Public Health and Private Healthcare Systems

Massachusetts to consider college insurance mandate.

The AP (12/1) reports Massachusetts lawmakers "are weighing a bill to require every full and part-time college student" in the state to "have at least the basic level of health insurance required under the state's landmark 2006 healthcare law. Under the proposal, any public or private institution of higher learning that fails to insure its students would face fines of $1 per student for every day the student remains uninsured." The fines would then be "deposited in the state's Health Safety Net Trust Fund, which helps cover the health costs of the uninsured." The bill is "scheduled for a public hearing Thursday."

Six Massachusetts hospitals sue state over Medicaid, Medicare reimbursements.

The AP (12/1) reports, "Six Massachusetts hospitals are suing the state" alleging that it "violated a law requiring healthcare providers be adequately reimbursed for caring for Medicaid and Medicare patients." The facilities are "'disproportionate share hospitals' because at least

63 percent of their patients are covered by public insurance."

The Boston Globe (12/1, Weisman) reports that the plaintiffs -- Berkshire Medical Center, Signature Healthcare Brockton Hospital, Cape Cod Hospital, Holyoke Medical Center, Merrimack Valley Hospital, and Quincy Medical Center -- are "seeking millions of dollars from the state" for setting "repayment rates so low they do not cover the cost of...medical care."

The hospitals claim "the state's below-market reimbursement rates," at "between 40 percent and 86 percent of the costs of...care," are "pushing them to the brink of financial ruin," the Boston Herald (12/1, McConville) reports. But, a spokeswoman for the state's Executive Office of Health and Human Services said, "We recently increased state payments to disproportionate-share hospitals by 10 percent."

The Cape Cod Times (11/30, McCormick) reported that "the problem was compounded by the state's healthcare reform of 2006, which put more patients on public health insurance, hospital officials say." The Boston Business Journal (12/1, Donnelly) also covers the story.

Idaho healthcare groups seek to widen scope of suit over Medicaid reimbursements. The AP (11/30, Boone) reported, "A group of private agencies that serve hundreds of severely developmentally delayed people across Idaho have asked a federal judge to allow them to broaden their lawsuit against the state and Medicaid over reimbursement rates." The groups allege that the Idaho Department of Health and Welfare's cuts to "reimbursement payments by as much as 55 percent...would put them out of business, infringe on the care provided to more than 2,000 adults and children, conflict with federal law and violate state law because the rate structure was never vetted by the Idaho Legislature." An attorney representing the healthcare groups said that they are seeking to "amend the complaint to say not only was the 2009 rate change invalid but some of the prior rate changes going back to 1997" were invalid as well. The attorney stated, "We think we're going to find that previous rate cuts were just as illegal as the rate cut attempted in 2009."

Medicare Fraud Strike Force said to be having an impact.

The Washington Times (12/1, Neubauer, Seper) reports on the Medicare Fraud Strike Force, which began in 2007 in South Florida and has since "expanded across the country." The strike force has "indicted more than 300 healthcare providers nationwide and has broken up operations that accounted for more than $700 million in fraudulent Medicare claims." According to "former US Attorney R. Alexander Acosta...the decision in Washington to make such coordinated efforts permanent is starting to have an impact." He also noted, however, that "more needs to be done to make a real dent in the kickback and false-billing schemes." HHS Secretary Kathleen Sebelius "said the strike force has a 'proven record of success' using a data-driven approach to identify unexplainable billing patterns and investigate providers for fraudulent activity."

Seniors said to be overwhelmed by number of Medicare drug plans.

Kaiser Health News (12/1, Galewitz) reports, "Seniors have until the end of the year to switch Medicare drug plans to get a better deal. But many will pass up the chance to save hundreds of dollars a year in prescription costs." According to Kaiser, this is because, "with dozens of drug plans on the market, many seniors get overwhelmed at the prospect of changing plans, even if a different one would better suit their needs and lower their costs." According to CMS, "only an average of 7 percent of the 17 million seniors on Medicare drug plans switch plans each year. ... Experts on Medicare say this suggests that millions of beneficiaries could be paying more than they should for their drug coverage."

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