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Customized Briefing for Brett Houston

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Leading the News

AARP voices support for proposed Medicare cuts in Senate healthcare bill.

The [AP](#) (12/3, Espo) reports, "With a Senate showdown looming, the politically potent AARP rode to the rescue of Democrats on Wednesday, supporting \$460 billion in Medicare cuts to help pay for landmark healthcare legislation. As Republicans pressed to restore the cuts, AARP said Democrats merely were recommending elimination of waste and inefficiency within the giant healthcare program for seniors." A. Barry Rand, AARP's CEO, wrote in a letter to lawmakers, "Most importantly, the legislation does not reduce any guaranteed Medicare benefits." Rand added, "AARP believes that savings can be found in Medicare through smart, targeted changes aimed at improving healthcare delivery, eliminating waste and inefficiency, and aggressively weeding out fraud and abuse." The AP notes that the organization "has played an influential role all year on healthcare, working with the Obama Administration as well as Democratic leaders to help pass legislation."

[USA Today](#)'s (12/3, Fritze) "On Politics" blog also discusses Rand's letter to senators, reporting, "The AARP, which has supported the healthcare effort, said in a letter today that it believes the money can be found in Medicare by targeting waste and abuse." Notably, "Republicans, including" Sen. John McCain (R-AZ), "have argued for months that it will be hard to cut billions from Medicare without reducing services the program provides."

According to [The Hill](#)'s (12/3, Romm, subscription required) "Blog Briefing Room," "The nonpartisan AARP and two left-leaning seniors' groups on Wednesday separately urged Senate lawmakers to reject an amendment that would strip some Medicare changes from the chamber's healthcare bill." Even though "the amendment's author, Sen. John McCain (R-AZ), stressed upon introducing his effort this week that it would shield seniors from Democrats' proposed cuts, the three seniors groups on Wednesday independently concluded McCain's proposal would do both Medicare and the entire healthcare reform process more harm than good."

Nevertheless, [CongressDaily](#) (12/3, Edney, subscription required) reports, "AARP gave a boost to Democrats with the endorsement of their Medicare cuts, but included a warning in the letter as well." In his letter, Rand wrote that "more should be done to strengthen Medicare -- including closing the Medicare Part D coverage gap, or 'doughnut hole,' as pledged by the President." Notably, "David Certner, AARP's legislative policy director, said Wednesday the organization is working with senators on proposals to close the doughnut hole." CongressDaily points out that "AARP waited until a final House vote was near to endorse the chamber's bill, and will likely operate on the same timeline to make a decision on the Senate bill." [Reuters](#) (12/3, Whitesides, Smith) also covers the story.

USA Today calls criticisms of Medicare cuts "deceptive and irresponsible." [USA Today](#) (12/3) editorializes, "Scaring seniors about losing their Medicare benefits is deceptive and irresponsible, but it's a political winner." USA Today cites "an effort by Sen. John McCain (R-AZ) to remove the nearly \$500 billion in Medicare cuts from the Senate measure," noting McCain's argument that "the cuts are so big, they'll inevitably and unfairly harm seniors' healthcare." But, "even the nation's leading advocacy group for the aging, AARP, opposes McCain's amendment, noting that the Senate plan 'does not reduce any guaranteed Medicare benefits.'" USA Today

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concludes, "What's scary isn't what will happen to seniors and their Medicare benefits. They'll be fine. What's frightening is how many people will continue to suffer with bad insurance or none at all if the scare tactics succeed."

McCain claims cuts to Medicare would impact seniors' access to quality care. In an op-ed in [USA Today](#) (12/3), Sen. John McCain (R-AZ) writes, "The Democrats have proposed slashing Medicare by nearly \$500 billion...to create a new federal government-run healthcare entitlement" packaged "as 'healthcare reform.'" Noting that "the bulk of these cuts come directly from Medicare Advantage," which "provides the only choice in the Medicare program for seniors who want additional benefits or better options," McCain contends that "the Congressional Budget Office assumes that the Democrats' bill would cut Medicare Advantage benefits by more than half." McCain concludes, "Simply put, the Democrats' proposed cuts to Medicare would impact seniors' access to quality care," which "is a price that Americans should not be asked to pay."

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

Senate agrees to vote on four health reform amendments Thursday.

[The Hill](#) (12/3, Young, subscription required) reports that on Wednesday, "Senate Democrats threatened to pull out the procedural stops to force votes on amendments to the healthcare reform bill on the floor as the GOP continues to object to advancing the legislation." The Democrats also said they are "prepared to keep the Senate in session until Christmas or beyond in order to complete work on the bill before New Year's." Sen. Bill Nelson (D-FL) said, "The Republican leadership is stalling us, so we have decided we are going right through Christmas."

The [Washington Times](#) (12/3, Haberkorn) reports that "the Senate slogged through its third day of debate over the first amendments to the healthcare bill." However, "late Wednesday night, leaders reached an agreement to hold votes on the first two amendments offered, as well as alternatives, on Thursday."

The [New York Times](#) (12/3, A32, Pear, Herszenhorn) also reports that "Democrats and Republicans said Wednesday night that they had broken an impasse over the seemingly simple question of how and when to vote on the first amendments." Senators said they planned to "vote Thursday on four proposals dealing with two issues: how to guarantee additional health benefits for women and how to squeeze nearly a half-trillion dollars from Medicare over 10 years without adversely affecting older Americans."

According to [Roll Call](#) (12/3, Drucker, subscription required), "The deal came after three days of squabbling over the pace of the amendment process, with Democrats accusing the GOP of stalling and Republicans lobbing countercharges." [Dow Jones Newswire](#) (12/3, Yoest, subscription required) also reports on the late agreement.

CMA opposes Senate healthcare legislation. The [Los Angeles Times](#) (12/3, Hennessy-Fiske) reports, The California Medical Association, joining "a handful of other state medical associations...in Florida, Georgia and Texas," is "opposing healthcare legislation being debated in the US Senate this week, saying it would increase local healthcare costs and restrict access to care for elderly and low-income patients." Specifically, physicians "are concerned that the Senate bill would shift Medicare funding from urban to rural areas, shift responsibility for Medicare oversight away from Congress by creating an independent Medicare commission and decrease Medicare reimbursement rates in the long term." On the other hand, "healthcare legislation passed by the House would raise Medicare reimbursement rates to what" is considered "a much more reasonable scale."

Orszag defends Senate health overhaul's cost-containment provisions.

[The Hill](#) (12/2, Young, subscription required) reported that Peter Orszag, the director of the White House Office of Management and Budget, on Wednesday "issued a strong defense of the cost-containment measures in the Senate healthcare reform bill

Wednesday, arguing that the legislation does more than any in history to tackle inflating spending." He "emphasized two proposals in the bill that face resistance from a large number of Democrats: Creating an independent commission to establish Medicare payment policies and enacting an excise tax on high-cost insurance plans designed to encourage employers and individuals to choose less expensive insurance and consume fewer healthcare resources."

The [AP](#) (12/3, Babington), however, leads noting that Orszag said "that it may take decades for America to have an efficient healthcare system even if Congress passes a major overhaul this year." Orszag said, "It will be years to decades' before the nation has a properly working healthcare system that rewards quality over quantity." He also "noted that some improvements to the healthcare system are already in the works," citing health IT and comparative effectiveness provisions in the economic stimulus bill.

During his meeting with reporters, [CQ HealthBeat](#) (12/3, Reichard, subscription required) reports, "Orszag outlined -- and rejected -- two main and self-contradictory lines of attack on the bill: that it's too timid in terms of cost control and that its Medicare cuts are too deep to be politically realistic." He said, "It would have been easier just to do a blunt savings and coverage expansion bill -- that is not what is happening here." [Reuters](#) (12/3, Heavey) also covers the story.

Changes to Medicare commission could include cuts to hospital industry. [CongressDaily](#) (12/3, Edney, subscription required) reports, "A commission created by the Senate healthcare overhaul bill to make Medicare cost-cutting recommendations is facing some changes before final passage, including an attempt to offer up hospitals for reductions, an industry that had avoided the cutting block." OMB Director Peter Orszag "touted the Medicare Commission Wednesday as a pillar of 'fiscally responsible health reform.' But, he indicated the panel would be altered in response to claims that it had been weakened when Senate Finance Chairman Max Baucus (D-MT) promised the hospital industry it would be exempt." Notably, "Baucus exempted hospitals from the commission's purview as part of the \$155 billion cost-cutting deal made with the White House earlier this year to help fund the overhaul."

Sen. Coburn looks to strip Louisiana Medicaid subsidies from Senate health bill.

[Roll Call](#) (12/3, Pierce, subscription required) reports that Sen. Tom Coburn (R-OK) on Wednesday announced that he will "seek to strike a provision sought by Sen. Mary Landrieu (D-LA)" from the Senate healthcare reform bill that Sen. Landrieu "says would provide her state with \$300 million in additional Medicaid subsidies." Coburn and other "Republicans have argued that the provision was added to 'buy' Landrieu's Nov. 21 vote in favor of starting debate on the healthcare measure." A spokesman for Landrieu called Coburn's move a "political stunt," adding "that Landrieu continues to support the provision, which has been supported by the entire Louisiana Congressional delegation and 'explicitly and repeatedly requested' by Republican Gov. Bobby Jindal."

In announcing the amendment, a spokesman for Sen. Coburn said, "Dr. Coburn believes it's immoral for the Reid bill to cut Medicare benefits for seniors while financing special-interest, pork-barrel projects for vulnerable incumbents," [The Hill](#) (12/2, Romm, subscription required) reported. The Hill adds that "Coburn's effort is likely to garner serious support from Senate Republicans, who have long chided Majority Leader Harry Reid (D-NV) for including the hurricane assistance money in the chamber's bill in the first place."

COBRA extension seen as vital for families in need.

In her column for the [Washington Post](#) (12/3), Michelle Singletary writes that the employer-provided subsidy COBRA gives former employees the opportunity to temporarily continue their health coverage at their employer group rates, although "many families can't afford the premium." She notes existing legislation that would extend the subsidy, and says "it's important that Congress act soon before people drop their COBRA coverage." She calls it "appalling" that failing to provide an extension would mean "many people have already lost this subsidy just before Christmas and during the middle of the debate on comprehensive healthcare reform."

Health reform said to be losing sight of its goals.

In her column in [Time](#) (12/3), Karen Tumulty writes, "Pretty much everyone agrees that the healthcare legislation now making its way through both houses of Congress would do some things well." But, she adds, many of reform's "goals of keeping costs down and transforming the system are being quietly ambushed by politics." She points to comparative effectiveness research, MedPAC expansion, and pilot projects as three examples of areas that have either been weakened or show a lack of resolve on healthcare reform. On comparative effectiveness, Tumulty notes "the recent uproar over" mammogram guidelines and HHS "Secretary Kathleen Sebelius furiously [trying] to distance the Administration from the recommendation" as evidence that "any similarly controversial recommendation based on comparative-effectiveness research would almost certainly be neutered by Congress."

Public Health and Private Healthcare Systems

Florida Medicaid class-action trial to commence next week.

The [AP](#) (12/2) reported that Florida has "spent about \$2 million defending a class-action lawsuit," which claims the state is

"violating federal Medicaid requirements." The case, "scheduled for trial next week, claims 390,000 children did not get a medical checkup in 2007 and more than 750,000 received no dental care." Experts say that many "doctors and dentists won't accept Medicaid. Florida's reimbursement rates are so low that "less than 9 percent of Florida dentists" are Medicaid providers. Moreover, in many counties, there are "only one or two dentists willing to receive Medicaid patients and then they limit the number of Medicaid patients they do see," attorney Stuart Singer said. He filed the lawsuit in 2005 on behalf of Florida Pediatric Society, the Florida Academy of Pediatric Dentistry and all Floridians under age 21" who are or could be eligible for Medicaid.

Tennessee issues enrollment hold on low-income children, adult health programs.

The [Tennessean](#) (12/2, Sanchez, Ross) reported, "Tennessee has cut off enrollment for two health insurance programs for low-income people." On Monday, the state "stopped accepting new CoverKids applicants" and "stopped enrolling adults in CoverTN." The Center on Budget and Policy Priorities said Tennessee "became the only state in the nation to have frozen enrollment for a children's health insurance program funded largely with federal money." With a "projected \$1.5-billion shortfall in the state's \$29-billion budget and every department facing cuts, there is no extra money. ... To stay within their budgets, CoverKids and CoverTN had to stop signing up new people, said Joe Burchfield, spokesman for the programs." According to Burchfield, no current enrollees "will lose coverage, but new people can't enroll until more funding is found."

Uninsured

Most California hospitals fail to provide written charge estimates for uninsured patients.

The [San Francisco Chronicle](#) (12/2, Colliver) reported, "Uninsured patients trying to price-shop among California hospitals for procedures may have a tough time getting the information they requested," according to a study by Rand Corp. published in the Journal of General Internal Medicine. Under a state law, hospitals are required "to provide, upon request, a written estimate of charges that an uninsured patient would be billed based on the service and length of stay." Researchers found, however, "that only 28 percent of California's 353 acute-care hospitals responded to letters from a fictional uninsured patient seeking pricing information for a common elective procedure."

What's more, of the 98 hospitals that "responded to the Rand letters," 15 failed to "provide quotes for the procedures, but sought additional information such as billing codes," the [Sacramento Bee](#) (12/2, Calvin) reported. Meanwhile, 55 "gave partial estimates based only on hospital services, not including the cost of paying doctors," and "18 did not specify what the quotes would cover." The study did not identify "which hospitals responded to the" letters, but, researchers noted that "for-profit hospitals responded at a lower rate than the nonprofit hospitals."

Also in the News

Two-thirds of surveyed employers expect to implement changes to avoid "Cadillac tax."

[McClatchy](#) (12/2, Appleby) reported, "Two-thirds of employers would raise deductibles, change insurers, or scale back coverage to avoid the so-called 'Cadillac tax' on high-cost benefits proposed in the Senate Democrats' healthcare bill, according to a survey to be released Thursday by consulting firm Mercer." Pollsters also discovered that flexible spending accounts are "among the things employers might change or drop." This would probably "shift more costs to workers, but could help accomplish one of the goals touted by economists and policymakers who support the excise tax: slowing medical spending." But "labor unions strongly oppose the tax," saying "it unfairly would penalize workers in firms that have higher proportions of older or sicker workers and those that have forgone wage increases to keep better health benefits."

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