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Leading the News

Senate defeats GOP amendment to reverse Medicare cuts in healthcare bill.

The Senate voted yesterday to defeat a GOP amendment to the healthcare bill, sponsored by Sen. John McCain (R-AZ), that would reduce Medicare funding by \$460 billion. There was extensive print coverage of the vote, which generally cast the defeat of the amendment in positive terms, although several reports acknowledged Democrats took a political risk. In addition, the Senate approved an amendment by Sen. Barbara Mikulski (D-MD) on women's health.

The [AP](#) (12/4, Espo) reports, "Unflinching on a critical first test, Senate Democrats closed ranks Thursday behind \$460 billion in politically risky Medicare cuts at the heart of healthcare legislation, thwarting a Republican attempt to doom President Barack Obama's sweeping overhaul." The "bid by the bill's critics to reverse cuts to the popular Medicare program failed on a vote of 58-42, drawing the support of two Democratic defectors." The Medicare vote "came not long after the Senate backed a guarantee for all insured women age 40 and older to receive mammograms with no out-of-pocket costs."

The [Washington Post](#) (12/4, Montgomery) reports the Medicare amendment "would have sent the bill back to committee with orders to remove the spending cuts. The amendment effectively would have forced Democrats back to the drawing board after months of negotiations to craft a measure that would extend coverage to 30 million additional Americans without increasing budget deficits." Of "four amendments considered Thursday, McCain's was the most potentially damaging."

Under the headline, "Senate Backs Preventive Health Care For Women," the [New York Times](#) (12/4, A21, Pear, Herszenhorn) reports the Senate "voted Thursday to require health insurance companies to provide free mammograms and other preventive services to women, and it turned back a Republican challenge to Medicare savings that constitute the single largest source of financing for the bill." The "61-to-39 vote on health benefits for women would, in effect, override new recommendations from a federal advisory panel that said routine mammograms should begin at age 50, rather than 40."

The [Washington Times](#) (12/4, Dinan) reports Democrats "successfully defended more than \$400 billion in Medicare cuts, turning back a potentially lethal stab at the measure." Democrats "argued that the cuts -- totaling \$464 billion over 10 years -- would not affect the basic services guaranteed by Medicare, and instead would squeeze insurance companies and hospitals that are overcharging for the level of service they are providing." Notably, AARP, "the large and influential seniors lobby, opposed Mr. McCain's amendment."

[Politico](#) (12/4, Brown) reports in "response to the McCain amendment, Democrats received unanimous support for an alternative from Sen. Michael Bennet (D-CO) that restates principles in the bill -- that the Medicare cuts would not affect guaranteed benefits for seniors."

[Roll Call](#) (12/4, Drucker, subscription required) reports Republicans "vowed to offer measures similar to the McCain amendment to try to force Democrats into tough votes on Medicare, the federal health program for the elderly. McCain said he would keep attacking the issue."

McCain "rebukes" AARP for supporting Medicare cuts in Senate bill. [Reuters](#) (12/4) reports that, following the defeat of his amendment to send the health reform bill back to the Finance Committee, Sen. John McCain (R-AZ) attacked AARP for its support of

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the health overhaul, and for backing Democrats regarding the cuts to Medicare Advantage plans.

Similarly, [The Hill's](#) (12/3, Romm, subscription required) Blog "Briefing Room" reported, "Sen. John McCain (R-AZ) on Thursday rebuked the AARP for opposing his amendment to rollback many of the Medicare changes Democrats included in their healthcare bill." In a tweet sent shortly after the measure was defeated, McCain wrote, "I call on seniors to cut up their AARP cards and send them back to them!" The Hill explains that McCain's amendment, first proposed on Tuesday, "quickly earned the AARP's scorn." In response to it, AARP CEO Barry Rand wrote, "The legislation before the Senate properly focuses on provider reimbursement reforms to achieve these important policy objectives. ... Most importantly, the legislation does not reduce any guaranteed Medicare benefits."

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

AHIP chief refutes Sebelius' prediction that healthcare reform will cut costs.

The [Detroit Free Press](#) (12/4, Anstett) reports that according to America's Health Insurance Plans CEO Karen Ignagni, speaking at the Detroit Economic Club on Thursday, "Americans can expect less from their health coverage, not more, if Congress doesn't add meaningful cost controls to pending federal health reforms." The Free Press contrasts Ignagni's warning with a statement released yesterday by HHS Secretary Kathleen Sebelius, which "contended reforms will lower costs, including for businesses. Citing a recently released analysis by the Congressional Budget Office, Sebelius said small businesses, for example, are 'likely to see' a 1-to-4% reduction in monthly health premiums, by encouraging greater competition, holding down insurance plan administrative costs and other measures."

Sen. Snowe asks CBO for data on reform bill.

[USA Today's](#) (12/4, Fritze) On Politics blog reports that Maine Sen. Olympia Snowe (R), the only Republican to vote for "any version of President Obama's healthcare legislation, wrote the Congressional Budget Office Thursday seeking more information on how the proposal would impact insurance premiums." Snowe "wants to know more about how the legislation would affect small businesses and is also looking for a state-by-state analysis of expected premium changes. Snowe has been courted by Democrats, including President Obama, as a possible Republican supporter of the legislation. But she has also made clear she is firmly opposed to some of the provisions in the legislation, including a proposed government-run insurance program."

NYTimes praises CBO study finding premiums will not rise. The [New York Times](#) (12/4, A34) editorializes that the "health insurance industry frightened Americans -- and gave Republicans a shrill talking point -- when it declared in October that proposed reform legislation would drive up insurance costs for virtually everyone by as much as thousands of dollars a year. The nonpartisan Congressional Budget Office persuasively contradicted that claim this week." In its "long-awaited study, the C.B.O. estimates that most Americans would pay the same or less in premiums in 2016, after reforms have kicked in, than they would pay under current law."

Analysis indicates Senate reform bill would drive up premiums. [Modern Healthcare](#) (12/4, Vesely, subscription required) reports, "Incentives and penalties in the Senate healthcare reform bill are insufficient to bring healthy young people into the individual and small-group insurance market and would thereby drive up premiums," according to an [analysis](#) released by the BlueCross and BlueShield Association. Average annual medical claims under the Senate "bill's reformed individual market will be 54-percent higher than today by 2019," according to the report. Moreover, "today's uninsured, once covered, will have medical claims about 20-percent higher than current enrollees in the individual market."

[CongressDaily](#) (12/4, Hunt, subscription required) notes that the report contradicts a [report](#) by the CBO, which "showed nongroup premiums would rise 10 percent to 13 percent by 2016." Oliver Wyman Associate Jason Grau explained that the "study differs from CBO's...because it makes different assumptions." He pointed out that under current law, insurers can "reject consumers for pre-existing

conditions" and other problems, thus leaving the individual market "healthier." Driving the cost increase "will be a shift in the individual market as sicker people join."

Sen. Kyl expects Sen. Nelson amendment on abortion to fail.

[The Hill](#) (12/4, Bolton, subscription required) reports Senate Republican Whip Jon Kyl (AZ) "said he expected that all but a few Republicans would support" Sen. Ben Nelson's (D-NE) amendment, "which would restrict access to abortions for women who receive federal subsidies." But the amendment "is likely to be subject to the Senate's 60-vote threshold, and Kyl does not expect 20 votes on the other side to back the controversial change." The Hill adds that liberal Democrats "were confident the measure, based on an amendment Rep. Bart Stupak (D-MI) succeeded in adding to the House bill, would not pass the upper chamber."

[Politico](#) (12/4, Brown) reports Sen. Nelson "reiterated his vow to filibuster a bill without stronger anti-abortion language, saying his position is 'non-negotiable.'"

[CQ HealthBeat](#) (12/4, Hunter, Armstrong, subscription required) reports Sen. Nelson said his efforts to translate the House-passed language into a Senate amendment had proved "more complicated than he originally expected," and he "said he hoped the delay would help him round up Republican cosponsors." Nelson's stance "further complicates Senate Democratic leaders' efforts to muster the 60 votes they will need to limit debate and force a vote on the healthcare bill (HR 3590) itself."

Governors urge cost control in healthcare reform.

[CQ HealthBeat](#) (12/4, Norman, subscription required) reports that the leaders of the National Governors Association have underlined the importance of cost containment in the process of overhauling healthcare, especially "as their states struggle under intense budget pressures." Vermont Gov. Jim Douglas (R) said Wednesday that the Senate version of the overhaul legislation provided "more flexibility overall for states." The NGA also expressed concerns about the cost of implementing the overhaul, with Gov. Douglas saying "there's no doubt" it would be costly to set up the health exchanges and expand Medicaid enrollment.

Despite AMA backing, other medical groups oppose Senate health bill.

The [New York Times](#) (12/4, A21, Sack) reports, "Even though the American Medical Association offered qualified support for the Senate healthcare bill this week, many other medical groups are unqualified in their opposition." The Times notes that such groups as the American College of Surgeons and the American Society of Cataract and Refractive Surgery have banded together and written Senate Majority Leader Harry Reid (D-NV) about "taking issue with a variety of provisions in the Senate bill. They include the establishment of a Medicare advisory board with the authority to set reimbursement policy, increased reporting on physician errors and outcomes, an excise tax on elective cosmetic surgery, and measures that might increase payments to primary-care doctors at the expense of specialists."

Healthcare reform seen as stymied by legislative agenda.

The [Wall Street Journal](#) (12/4, A4, Hitt, Bendavid, subscription required) reports that the crowded legislative agenda, filled with such Administration priorities as banking regulation reforms, is increasing the likelihood that Congress will not be able to meet its goal of passing healthcare reform legislation by the end of 2009. The Journal notes that there was marginal progress on the bill in the Senate this week, but notes that economic and foreign policy issues are distracting Washington from healthcare reform.

Missouri lawmakers advocate autism therapy bill.

The [AP](#) (12/4, Lieb) reports, "Missouri's top House official," Rep. Dwight Scharnhorst, "pledged his support for legislation requiring health insurers to cover an expensive" autism therapy "known as 'applied behavioral analysis (ABA).'" Proposed legislation would "require group health insurance plans to cover up to \$72,000" in ABA annually for "autistic people under age 21." Businesses with "50 or fewer employees," however, would "be exempt" if the requirement would raise their premiums "by at least 5 percent." But, insurers' lobbyists warn that ABA coverage "could raise premiums by more than 3 percent and prompt thousands of people" to cancel their insurance.

Meanwhile, according to the [Kansas City Star](#) (12/4, Noble), the bill's supporters "estimate that premiums would rise by less than 1 percent." Missouri Gov. Jay Nixon (D) "appeared Thursday with several Missouri lawmakers to call for prompt passage" of the ABA bill; and "House Speaker Ron Richard, a Republican, promised quick action and said he would support the bill that ultimately emerges from the House." Identical bills "were filed in the House and Senate."

Public Health and Private Healthcare Systems

UnitedHealth Group wins preliminary approval of \$350 million settlement.

[Bloomberg News](#) (12/4, Glovin) reports that UnitedHealth Group, Inc., "won a judge's preliminary approval of a \$350 million settlement of a

class-action lawsuit claiming that the company colluded with others to underpay doctors." On Dec. 3, "US District Judge Lawrence McKenna unsealed his tentative authorization of the settlement," according to a spokesman for the American Medical Association, the group that "brought the lawsuit in 2000 with the Missouri Medical Society, the New York State Medical Society, and others." That lawsuit "sought damages for physicians who it claimed were harmed by the insurer's long-term use of the database operated [by] Ingenix." Bloomberg News notes, "The case is *The American Medical Association v. United Healthcare*, 00-cv-2800, US District Court, Southern District of New York (Manhattan).

Oklahoma's Medicaid program seeks more state money.

The [AP](#) (12/4) reports, "More people are enrolled in Oklahoma's Medicaid program than ever before, but the healthcare services they receive will likely be cut as officials roll back costs due to a deepening statewide budget shortfall," according to Mike Fogarty, the CEO of the Oklahoma Health Care Authority, the state's Medicaid provider. OCHA is "seeking \$240.5 million in additional state dollars for the fiscal year beginning July 1, largely to maintain its healthcare services at existing levels."

[Tulsa World](#) (12/4, Hoberock) reports that Fogarty outlined "proposed cuts during a meeting Wednesday of the House Appropriations and Budget Subcommittee on Health. Agencies have been told to reduce monthly budgets by 5 percent through the remainder of the fiscal year." Rep. Doug Cox (R-Grove) "told agencies appearing before the panel...that shortfalls could reach 25 percent, adding that 5-percent cuts won't make up that amount. ... The agency needs to make \$16.8 million in cuts in state appropriations, which will be an overall cut of \$69.6 million" when matched with federal dollars.

Missouri governor criticized for failing to include more children in CHIP.

An editorial in the [St. Louis Post-Dispatch](#) (12/4) chides Missouri Gov. Jay Nixon (D) for promising to "provide health insurance to all Missouri children" on the campaign trail. "But now that he's actually governor? Not so much. Children's advocates have been pressing him since July to take simple steps that would identify and enroll children who already are eligible for Medicaid and the state Children's Health Insurance Program or SCHIP. They got their answer last week: No." The Post-Dispatch points to "simple strategies" that could reduce the number of uninsured children, and rejects concerns voiced by a Nixon spokesperson about the cost of expanding coverage.

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