

NAHU Newswire

Prepared exclusively for
members of



In affiliation with

**CUSTOM
BRIEFINGS**

Today's News for the National Association of Health Underwriters from Newspapers, TV, Radio and the Journals

Customized Briefing for Brett Houston

December 14, 2009

[From NAHU
Leading the News
Legislation and Policy](#)

[Public Health and Private Healthcare Systems
Consumer Directed Healthcare News](#)

[Also in the News](#)

Leading the News

Reid seeks to line up 60 votes for Senate health bill.

Media coverage of the Sunday talk shows note Senate Majority Leader Harry Reid (D-NV) faces a difficult task in cobbling together a 60-vote majority to advance the healthcare legislation. The newest challenge came as Sen. Joe Lieberman (I-CT) announced he would not support a compromise Medicare buy-in provision, which several media reports suggested contradicted Lieberman's commitment to Senate leaders during the previous week.

The [Washington Post](#) (12/14, Murray) reports that the "next 48 hours will be critical to the fate of healthcare reform in the Senate, as Democratic leaders struggle to settle disputes that stand in the way of holding a final vote this year on the massive package." By mid-week, Senate Majority Leader Reid "must begin the process of ending debate on the \$848 billion bill or risk missing his deadline of final passage by Christmas, pushing the contentious healthcare debate into early 2010." Most of the "undecided lawmakers have refused to commit until the Congressional Budget Office delivers a cost analysis on the coverage alternatives offered last week by a group of five liberal and five conservative Democrats to replace the government insurance option originally included in the legislation."

Lieberman threatens to oppose bill if it includes Medicare buy-in. The [AP](#) (12/14, Woodward) reports that Sen. Joseph Lieberman (I-CT), "whose vote is critical to the bill's prospects, threatened Sunday to join Republicans in opposing healthcare legislation if it permits uninsured individuals as young to 55 to purchase Medicare coverage." The Senator "expressed his opposition twice during the day: first in an interview with CBS, and more strongly later, according to Democratic officials, in a private meeting with" Majority Leader Reid. Democratic aides, "speaking on condition of anonymity, said Lieberman later told Reid he would support a Republican-led filibuster against the bill if it contained the Medicare provision or permitted the government to sell insurance in competition with private companies."

The [New York Times](#) (12/14, A21, Pear, Herszenhorn) reports Lieberman's statement was a "surprise setback for Democratic leaders," and "supporters had said earlier that they thought they had secured Mr. Lieberman's agreement to go along with a compromise they worked out to overcome an impasse within the Democratic Party." Senate Democratic leaders, "including Mr. Reid and Senator Charles E. Schumer of New York, said they had been mindful of Mr. Lieberman's concerns in the last 10 days and were surprised when he assailed major provisions of the bill on television Sunday." A Senate Democratic aide, "perplexed by Mr. Lieberman's stance, said, 'It was a total flip-flop, and leaves us in a predicament as to what to do.'"

The [Wall Street Journal](#) (12/14, A3, Williamson, Hitt, subscription required) reports that in addition to Lieberman, Sen. Ben Nelson (D-NE) also expressed concerns about the Medicare buy-in proposal, noting that he called it "the forerunner of single-payer, the ultimate single-payer plan, maybe even more directly than the public option." The [Washington Times](#) (12/14, Lobianco) and [The Hill](#) (12/14, Zimmermann, subscription required) also cover the story.

McCaskill to vote against bill if CBO score shows costs up. [Politico](#) (12/14) reports Sen. Clare McCaskill (D-MO) "says she'd 'absolutely' vote against healthcare overhaul legislation if it raises costs and the deficit." On Fox News Sunday, McCaskill said, "My

Advertisement

CAN
CORPORATE ANGEL NETWORK

Donate an empty seat on your corporate aircraft to give a cancer patient a lift to *life-saving cancer treatment* at no cost or inconvenience to you.

(914) 328.1313

statement all along is it has to slow down the increase in healthcare costs over time, and that is bending the cost curve and secondly that it has to be deficit neutral."

McConnell says Democrats in "serious trouble" on healthcare. The [AP](#) (12/14) reports Senate Minority Leader Mitch McConnell (R-KY) "says it's a stretch to think the Senate can finish its massive healthcare legislation before Christmas." On [CBS' Face the Nation](#), McConnell said Democrats "are grappling with internal divisions and negative public opinion about the overhaul taking shape," and added "they're in serious trouble on this."

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

HHS report says health costs will increase under Senate bill.

The [AP](#) (12/11, Alonso-Zaldivar) reported Democrats "got a sober warning Friday that costs will keep going up" under the Senate healthcare bill, "and proposed Medicare savings may harm the program." A HHS report "found that the nation's \$2.5 trillion annual healthcare tab won't shrink under the Democratic blueprint that senators are debating. Instead, it would grow somewhat more rapidly than if Congress does nothing." The analysis also said the "Democrats' plan to squeeze Medicare for \$493 billion over 10 years in savings relies on specific policy changes that 'may be unrealistic' and could lead to cuts in services." It did, however, say the bill "would provide coverage to 93 percent of US residents, reducing the number of uninsured people by about 33 million."

The [Washington Post](#) (12/12, Montgomery) reported the Senate plan "would threaten the profitability of roughly one in five hospitals and nursing homes over the next decade," according to the analysis. The proposal "could prove particularly problematic for institutions that serve large numbers of Medicare patients." The [New York Times](#) (12/12, A12, Pear, Herszenhorn) noted that the report said under the bill, "national health spending from 2010 to 2019 would total \$35.5 trillion. That is \$234 billion, or 0.7 percent, more than the amount projected under current law." The [Washington Times](#) (12/12, Miller) said that the report dealt "an unexpected blow" to the Senate bill.

According to the [Cleveland Plain Dealer](#) (12/12, Koff), the report also said that while 33 million more Americans "would get health coverage through the plan," 17 million workers who have such coverage "would leave their company health plans. Some would decide to enroll in a different plan with lower premiums -- thanks to federal subsidies they could get -- or to enroll in an expanded version of Medicaid if their incomes are low enough."

[CQ HealthBeat](#) (12/12, Norman, subscription required) reported that in the analysis, CMS chief actuary Richard Foster "projects that total national health expenditures would increase by \$234 billion between 2010 and 2019 under the Senate bill. That reflects the net impact of greater use of healthcare by newly insured Americans and other coverage expansions, despite provisions aimed at curbing costs, Foster says." [Dow Jones Newswire](#) (12/12, Yoest) also covered the story.

Medicare expansion seen as a "tough sell."

[USA Today](#) (12/14, Wolf) reports on the Senate proposal to expand Medicare, noting that "liberal Democrats backing the plan see it as a potential salvation for people approaching retirement with chronic diseases or medical risks." But moderate "members of the Democratic caucus have concerns" about the deficit and a government takeover of healthcare, and "Republican opponents say Medicare's low reimbursement rates for hospitals and doctors will drive up premiums for those with private insurance -- or will stop medical providers from accepting new Medicare patients."

Likewise, the [Chicago Tribune](#) (12/13, Levey, Oliphant) called the provision a "tough sell," as "lawmakers on Capitol Hill [still] have to settle thorny questions about who will get access, how much it will cost and who will pay." And "those issues have already sparked a new round of lobbying by doctors, hospitals and other interest groups opposed to an expansion of the nation's most powerful government

insurance program, which often pays less than private insurers."

[CQ Today](#) (12/14, Armstrong, subscription required) notes that while moderate and rural Senate Democrats are "skeptical" of the proposal, "the question is whether they will be more supportive of the proposal once they can actually see it." Senate Democratic leaders are waiting until the Congressional Budget Office score is in before revealing the entirety of the proposal.

Proposal to expand Medicare said to be fraught with problems. The [AP](#) (12/14, Alonso-Zaldivar) reports, "Senate Democrats are talking about allowing aging baby boomers into [Medicaid], but it's far from free." The AP adds, "On the plus side, Medicare is widely accepted, with 74 percent of doctors saying they are taking all or most new patients. But, many people in their late 50s are still supporting 20-year-olds, even teenage children. Would the Democrats let Medicare cover kids as well?" Meanwhile, "the program's long term financial outlook is in question, with its giant trust fund for inpatient care projected to become insolvent in nine years."

Athenahealth CEO questions longevity of Obama's healthcare initiatives.

In an opinion piece for the [Wall Street Journal](#) (12/12, subscription required), staff writer Joseph Rago interviews Jonathan Bush, chairman and CEO of Athenahealth, which helps develop information technology services for physicians. According to Bush, the most pressing issue with US healthcare is that there's "no landscape of choices, or choosers." He says that the complexities of the health system means that "few doctors in America know the actual value of the services they render," and worries that if central health planning doesn't last, eventually people "will start leaking out into the [private] market once we run out of Obama energy."

Healthcare executive discusses Senate reform plans.

In his column in the [Los Angeles Times](#) (12/12), David Lazarus profiled Howard Kahn, the chief executive of LA Care Health Plan, which "bills itself as 'the nation's largest public health plan.'" Kahn "gives cautious approval to the compromise plan unveiled in the Senate last week," saying, "The most important thing is that we move forward and expand coverage. ... This compromise would do that." The current system, he says, "is sufficiently dysfunctional, it's not worth defending as it stands today." Kahn "advocates a revamping of our current system so that private insurers remain the dominant players but are more strictly regulated in terms of how much coverage they provide, to whom, and for how much."

Leahy, Whitehouse call for end to insurers' antitrust exemption.

In a [Washington Post](#) (12/13) op-ed, Sens. Patrick Leahy (D-VT) and Sheldon Whitehouse (D-RI) wrote, "As the Senate considers historic reforms to healthcare and the health insurance industry, it should repeal the health and medical malpractice insurance industries' exemption from federal antitrust laws. The exemption, enacted nearly 65 years ago, has served the financial interests of the insurance industry at the expense of consumers for far too long." The senators argue that "American families, doctors and hospitals rely on insurance. It is important to ensure that the prices they pay for this insurance are established in a fair and competitive way. Repealing the health insurance industry's unfair exemption from federal law is one important step toward meeting the healthcare needs of all Americans."

Widely supported insurance provision may have little effect.

[CQ HealthBeat](#) (12/12, Norman, subscription required) reports, "Both House and Senate bills would allow young adults to remain on their parents' health insurance policies until their mid-20s. It is being touted as a way to extend health insurance to the 'young invincibles,' who have the highest rate of uninsurance." The proposal "has universal support," according to CQ, but "health policy experts are not so sure that it would have a big impact on the number of uninsured America." In one study, which included 25 "states that have moved on to mandate addition of young people to parents' policies, the effect has been minimal."

Critics target long-term care provision.

The [New York Times](#) (12/14, A21, Pear) reports on the CLASS Act, or the long-term care insurance program included in the healthcare reform bills. "Advocates for older Americans and people with disabilities see the program as a long-overdue effort to address needs that will explode as baby boomers age," but critics argue "that the program is unsustainable and that it could ultimately create serious fiscal problems for the government." According to the Times, the program "paradoxically...accounts for more than half of the bills' deficit reduction in the first 10 years -- because the government would pay out far less in benefits than it would collect in premiums. But costs would grow later." Richard Foster, chief actuary of CMS, has reservations about the provision, saying, "There is a very serious risk that the program would become unsustainable."

CLASS Act will not cover costs, economist argues. In an op-ed in the [Wall Street Journal](#) (12/14, subscription required), Scott Harrington, a healthcare management professor at University of Pennsylvania's Wharton School, looks at the CLASS Act included in both healthcare reform bills, and argues that the provision is not fiscally responsible as its supporters claim. While the provision looks like it will reduce deficits over ten years, Harrington writes that that is due to budgeting tricks, and over the long term the CLASS Act will not

cover its costs.

Public Health and Private Healthcare Systems

MedPAC draft recommendation finds current payment levels sufficient for two sectors.

[CQ HealthBeat](#) (12/12, Reichard, subscription required) reported that indications by MedPAC on Friday suggest that "two of the more obscure healthcare sectors in the Medicare program -- 'IRFs' and 'Eltacks' -- seem to be doing just fine at current payment levels." Inpatient rehabilitation facilities, according to a MedPAC draft recommendation, "make large profits on Medicare patients, with Medicare margins averaging 9.5 percent in 2008." Meanwhile, "Medicare also dominates payment" among eltacks, "the informal name for long-term care hospitals." In the sector, "profit margins on Medicare patients averaged 3.4 percent in 2008 and MedPAC staff projects they will increase to 5.8 percent in 2008 with the switch to a new patient classification system that is expected to increase payments." The draft recommendation would have HHS eliminate 2011 payment updates for the sectors.

Consumer Directed Healthcare News

Columnists offer advice for people expecting to lose COBRA subsidies.

In a "Patient Money" column on the front of the [New York Times](#) (12/12, B1) "Business Day" section, Walecia Konrad writes about those who are unemployed and face the end of their COBRA subsidies. According to Konrad, "now that the subsidy is ending for the first of its recipients, many don't know where to turn. What is more, the way the stimulus act is written, the subsidy will no longer be available to any newly laid-off workers." However, "there is a big push in Congress to extend the benefit," and an extension may also appear in "the pending jobs bill." Konrad also offers advice for people in danger of losing their COBRA subsidy.

MP McQueen also writes on COBRA subsidies in a "Health Costs" column in the [Wall Street Journal](#) (12/14, subscription required). He suggests alternate plans for those who are expecting to lose their COBRA subsidies, including cheaper COBRA plans and private insurance.

Also in the News

New Jersey hospital charges found to be four times higher than actual costs.

The [Newark Star-Ledger](#) (12/13, Livio) reported on a study by the New Jersey Health Care Quality Institute, which found that the state's "hospital 'charges' -- the price list used to negotiate the cost of a bill for the uninsured and for insured people who use a hospital outside their network -- are four times higher than the actual cost of treating a patient." The high charges "mean astronomical bills after a hospital stay," and "insurers contend they also force higher premiums for anyone with health insurance." Still, hospital executives argue that "the vast majority of the 1.3 million uninsured people in New Jersey never pay the full sticker price." New Jersey's Health and Senior Services Commissioner Heather Howard also "said she is not overly concerned about the impact of charges because few people actually pay them."

Subscriber Tools

- [Unsubscribe](#)
- [Change Email Address](#)
- [Send Feedback](#)
- [Email Help](#)
- [Archives](#)

Advertise with Custom Briefings: Reach key professionals every morning ▶

NAHU Newswire is a digest of the most important news selected from thousands of sources by the editors of Custom Briefings. The National Association of Health Underwriters does not receive any revenue from the advertising herein. The presence of such advertising does not endorse, or imply endorsement of, any products or services by the National Association of Health Underwriters.

This complimentary copy of NAHU Newswire was sent to brett@neebco.com as part of your NAHU membership. View Custom Briefings' [privacy policy](#).

Neither Custom Briefings nor the National Association of Health Underwriters is liable for the use of or reliance on any information contained in this briefing.

For information about other member benefits, please contact NAHU Member Service Center at 703-276-0220 or membership@nahu.org.
National Association of Health Underwriters | 2000 N. 14th Street Suite 450 | Arlington, VA 22201
Copyright © 2009 by Custom Briefings | 11190 Sunrise Valley Drive, Suite 130 | Reston, VA 20191