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Customized Briefing for Kimberly Barry-Curley

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Leading the News

Senate Democrats appear close to dropping Medicare expansion.

In what the [AP](#) (12/15, Espo) calls an attempt to assure "Christmas-week passage of the bill to extend coverage to tens of millions," Senate Democrats are reportedly close to abandoning a plan to expand Medicare, which had been added last week to their healthcare reform bill. The AP adds that "liberals sought the Medicare expansion as a last-minute substitute for a full-blown, government-run insurance program that moderates earlier insisted be jettisoned. But it drew strong opposition from Sen. Joe Lieberman (I-CT) and quieter concerns from a dozen Democrats."

[McClatchy](#) (12/15, Lightman) reports, "Democrats emerged from a one-hour, 45-minute private meeting Monday night and indicated that the Medicare proposal, which party leaders first floated last week as part of a tentative deal between moderates and liberals, could be gone." The [Los Angeles Times](#) (12/15, Levey, Hook) notes that "even several leading liberal lawmakers appeared resigned to the collapse of their dream of including

either a new 'public option' or an expansion of the existing Medicare program." The Times adds that "the death knell of the Medicare buy-in proposal came Sunday, when" Senate Majority Leader Harry Reid (D-NV) called Sen. Lieberman "to his office after his appearance on 'Face the Nation.'" Lieberman "met with Reid as well as White House chief of staff Rahm Emanuel, deputy chief of staff Jim Messina and Nancy Ann DeParle, the head of the White House Office of Health Reform." In fact, [Politico](#) (12/15, Brown, Raju) reports, the move to drop the Medicare plan came after Emanuel urged "Reid to cut a deal with Lieberman on reform, according to a source close to the negotiations."

In a front-page story, the [Wall Street Journal](#) (12/15, A1, Hitt, subscription required) quotes Reid as saying after the meeting, "Democrats aren't going to let the American people down. ... We all stand shoulder to shoulder." [ABC World News](#) (12/14, story 2, 2:10, Karl) reported that "Reid railed against Republicans" on Monday "for stalling the healthcare bill, but Reid's real problem is in his own party. ... The challenge for...Reid: with no Republican support, every Democrat can be a king. He needs every single one of them to defeat a Republican filibuster. That means Lieberman can kill it and so can Ben Nelson, who also doesn't like expanding Medicare and says he can't vote for the bill unless it includes tighter restrictions on abortion funding."

The [New York Times](#) (12/15, Hulse, Pear) reports, "Senator Tom Harkin, Democrat of Iowa and chairman of the health committee, appeared to be laying the groundwork for a decision to abandon the Medicare buy-in." Sen. Harkin said, "There is enough good in this bill

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The advertisement features the logo for CAN (Corporate Angel Network) with an arrow pointing to the right. Below the logo, the text reads: "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." At the bottom right, the phone number (914) 328.1313 is displayed in a yellow font. The background is a dark blue image of a person in a white lab coat, possibly a doctor or nurse, with their hands clasped.

that we ought to move it" even without the Medicare provision. Sen. Arlen Specter (D-PA), "who switched parties earlier this year to become a Democrat, urged his colleagues not to let obstructionists stand in the way. 'I came to this caucus to be your 60th vote,' he said to a round of applause."

[The Hill](#) (12/15, Rushing, Bolton, subscription required) notes, "Sen. Evan Bayh (D-IN) said the general consensus at the meeting Monday was that dropping the Medicare buy-in provision was 'necessary' to salvage the rest of the legislation." Harkin and Sen. Jay Rockefeller (D-WV), [The Hill](#) adds, "also confirmed the Medicare buy-in would be dropped."

The [Washington Post](#) (12/15, Murray, Montgomery), meanwhile, reports that "the full contents of the legislation probably will not be known until Tuesday, at the earliest, when the Congressional Budget Office is expected to provide an official cost analysis." [USA Today](#) (12/15, Fritze), [CongressDaily](#) (12/15, Edney, Friedman, subscription required), the [Washington Times](#) (12/15, Haberkorn), [Roll Call](#) (12/15, Pierce, Drucker, subscription required), and [FOX News](#) (12/15) also cover the story.

Sen. Lieberman's opposition to Medicare buy-in sparks outrage among liberals. Sen. Joe Lieberman's (D-CT) announcement on Sunday that he would filibuster any Senate healthcare reform bill that includes a Medicare buy-in has sparked a wave of notably harsh criticism from liberal supporters of the Democrats' reform plan. In a front-page story, the [New York Times](#) (12/15, A1, Herszenhorn, Kirkpatrick) reports that Sen. Lieberman "threatened on national television to join the Republicans in blocking the healthcare bill, President Obama's chief domestic initiative," but "within hours, he was in a meeting at the Capitol with top White House officials." According to the Times, Democratic senators "suggested that they were on the verge of bowing to Mr. Lieberman's key demands," although "many Democrats" have "suggested he is catering to insurance industry interests back home." The Times adds that "campaign finance advocates" claim Lieberman is "an insurance industry puppet," who "wants to protect private health insurers from competition because he has received more than \$1 million insurance company campaign contributions since 1998."

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

White House report finds reform will lead to lower health costs.

The [Washington Times](#) (12/15, Haberkorn) reports that an analysis from the White House Council of Economic Advisers on Monday "found that the healthcare overhaul bills on Capitol Hill would reduce the growth rate of national and private healthcare costs by 1 percent over 'an extended horizon.'" The report "said that while the nation's healthcare spending would rise initially as millions of additional people get coverage, within five to ten years the rate of increase would fall."

[Bloomberg News](#) (12/15, Gaouette) notes that head of the White House Council, Christina Romer, explained that "a tax on expensive insurance plans in the Senate bill would trim about half a percentage point from private spending, with additional savings elsewhere." But "Republicans questioned the accuracy of the Romer's projections," with House Minority Leader John Boehner (R-OH) saying, "Instead of putting out more phony reports, the White House should acknowledge what independent experts have found: The Democrats' healthcare bill will increase costs."

[CQ HealthBeat](#) (12/15, Norman, subscription required) notes that the same day that the council "saw spending on a downward track in the House and Senate legislation, a second report commissioned by the private Peter G. Peterson Foundation forecast the opposite."

CBO would consider insurance industry part of government if medical-loss ratio raised more.

[CQ Today](#) (12/15, Armstrong, subscription required) reports that a CBO memo from Dec. 13 says that "further tightening the limits on health insurer profits and administrative costs could essentially amount to making the industry captive to the federal government." The memo, "requested by Senate Republicans, says that limiting health insurer profits and administrative costs by a certain amount would cause the budget office, or CBO, to essentially consider them an extension of the federal government for budget purposes." The CBO explained that "if insurers were forced to spend 90% of premium dollars on patient care, that would make them part of the federal government," but the 85% currently present in the Senate bill "would not."

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Senate to vote on four amendments to healthcare measure.

[Roll Call](#) (12/15, Drucker, subscription required) reports that Senate Majority Leader Harry Reid (D-NV) and Minority Leader Mitch McConnell (R-KY) "on Monday evening reached a unanimous consent agreement to hold votes Tuesday on four amendments" to the healthcare reform bill currently before the Senate. "Set for a vote are a motion to commit related to taxes offered by Sen. Mike Crapo (R-ID) and a Democratic alternative to that measure proposed by Finance Chairman Max Baucus (D-MT). ... Also, Sen. Byron Dorgan (D-ND) will finally get a vote on his prescription drug importation amendment. The Democrats are divided on this measure; Sen. Frank Lautenberg (D-NJ) is offering an alternative."

In a separate article, [Roll Call](#) (12/15, Drucker, subscription required) further reports, "A group of moderate Democrats have repeatedly joined the Republicans in supporting losing amendments aimed at removing Medicare cuts and tax increases from Reid's bill, and the GOP believes there are only so many of these losses centrist Members of the majority can stomach before they walk away from the healthcare package in its entirety." Senate Republican Conference Chairman Lamar Alexander (TN) said Monday, "We're being successful at helping the American people understand what this bill costs, what it will do to them, and as a result of that, the American people are turning against the bill and the Democratic Senators are hearing from them." Crapo's motion "proposes that families earning up to \$250,000 a year -- or individuals earning up to \$200,000 -- do not have their taxes raised to pay for healthcare reform."

In apparent nod to AARP, Reid says final bill will close Medicare "doughnut hole."

The [AP](#) (12/15, Espo) reports, "In a gesture that Democrats said was aimed at the AARP," Senate Majority Leader Harry Reid "promised

late" on Monday "that any final compromise with the House would completely close a gap in Medicare prescription drug coverage generally known as a 'doughnut hole.' The Senate bill goes only part way toward that goal." And "less than two hours later, AARP CEO A. Barry Rand dispatched a letter to the Nevada Democrat saying his organization 'urges timely passage' of the measure."

The [Washington Post](#) (12/15, Murray, Montgomery) reports, "Closing the gap was AARP's top priority in the Senate, and the group had signaled that it could withdraw its tentative support for the bill without that change." The Post goes on to quote from Bond's letter, "With your commitment to closing the doughnut hole in conference, consistent with the President's pledge...AARP is pleased to support your efforts to obtain cloture, and urges timely passage of this legislation by the Senate."

Sen. Cornyn calls Senate health reform bill "ill-conceived."

In an op-ed in the [Dallas Morning News](#) (12/15), Sen. John Cornyn (R-TX) writes, "In the Senate debate over healthcare reform, our priority should be to lower costs for American families and small businesses." The current bill, he argues, "will actually increase costs throughout the system, specifically for those who purchase health insurance on their own." Sen. Cornyn calls the senate bill "ill-conceived," writing that it "would raise taxes, cut Medicare and cost \$2.5 trillion in the first 10 years of implementation. Perhaps worst of all, the Senate bill would increase healthcare premiums for millions of American families and small businesses." He concludes, "I believe we should reject this Senate bill and return to our original goal of lowering healthcare premiums."

Public Health and Private Healthcare Systems

Congressional proposal creates concern among dialysis providers, drugmakers.

The [New York Times](#) (12/15, A26, Sack) reports, "A Congressional proposal to help pay for drugs needed by transplant recipients to prevent rejection of donated kidneys has run into opposition from dialysis providers, drug companies, and the National Kidney Foundation." Leading Democrats have put forth a proposal that "would extend Medicare coverage of immunosuppressant drugs beyond the current limit of 36 months after a kidney transplant. To pay for that extra coverage, a change would be made in the formula used to reimburse dialysis treatment." That, opponents say, "would help transplant recipients at the expense of dialysis patients by effectively reducing government reimbursements for dialysis." What's more, the "bundled-payment mechanism may force some clinics to close." A letter by a "coalition of dialysis providers, nephrologists," and some drugmakers "instead proposed to pay for expanded drug coverage by delaying when Medicare would start covering kidney patients who also have private insurance."

Fleshing out the "124-page public comment outlining" the Kidney Care Partners' concerns about the "proposed rule from the CMS for renal-care providers," [Modern Healthcare](#) (12/14, Zigmund, subscription required) reported that the group states that "if CMS determines to move forward with its proposal, the agency must develop adequate data to ensure appropriate reimbursement and track patient outcomes following implementation, and the CMS should delay implementation of policy until such issues are addressed." The comment "also highlighted concerns about home dialysis, saying the CMS should either maintain home dialysis training services outside the bundle or create a separate payment that recognizes the incremental costs of training services."

Medicare recipients find this year's prescription-drug plans confusing, more expensive.

The [Hartford \(CT\) Courant](#) (12/15, Sturdevant) reports that the people on Medicare going through the annual enrollment process, which ends "Dec. 31," are finding the program "more expensive" and laden with confusion and uncertainty. Most "stand-alone prescription plans" and private Medicare Advantage plans that include drug coverage are "seeing ballooning out-of-pocket expenses and rising premiums at a time when Social Security payments are flat." Medicare prescription-drug premiums "are up 11 percent" and the "so-called doughnut hole...has increased each year since 2006." Moreover, the health reform debate is adding apprehension about "drastic changes" slated for private Medicare. ... 'It's difficult for people who have more than a few drugs to find a plan that covers all of them. And, there's very little coverage during the doughnut hole,'" said Judith Stein of the Center for Medicare Advocacy.

California's Healthy Families funding hits regulatory hurdle.

The [Los Angeles Times](#) (12/15, Bailey) reports that CMS "officials are casting doubt on a last-gasp funding scheme by California to keep nearly 700,000 children from being yanked from [Healthy Families], its government health insurance program for the working poor." In

September, California lawmakers approved "a 2.35% tax on health insurers that serve the poor that would help raise nearly \$100 million to keep Healthy Families afloat." But CMS Operations Director Cindy Mann "said in a letter to state health officials last month that a preliminary review of the proposal found that it failed to meet the rules for such taxes." Mann wrote, "We recognize that the California Legislature may need to adjust state laws. ... We will work with the state to clarify policy and resolve any outstanding issues."

Massachusetts to cut funding for mental illness program.

The [Massachusetts Republican](#) (12/15, Ring) reports Massachusetts Gov. Deval L. Patrick (D) is cutting a \$2.4 million clinical program intended to assist the severely mentally ill. Instead, the funding "will be used to finance the jobs of 84 case managers in the state Department of Mental Health." The Program for Assertive Community Treatment includes over 120 patients with "severe mental illness, including schizophrenia and bipolar disorder," and "uses a team approach to provide intense levels of psychiatry and nursing."

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