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Customized Briefing for Kimberly Barry-Curley

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Leading the News

Obama "cautiously optimistic" about prospects for health reform.

President Obama Tuesday met with Senate Democrats at the White House to discuss healthcare reform. While reports reflect the President's statements cautious optimism and his effort to infuse his fellow Democrats with an added sense of urgency about the legislation, a number of analyses cast doubt on prospects for passage before Christmas. [ABC World News](#) (12/15, lead story, 2:30, Gibson) reported, "The President said [Tuesday] he is cautiously optimistic he'll be able to sign a bill by Christmas. But that's less than two weeks away -- not much time" and "not many good omens." ABC (Karl) added, "There is a reason the President is only cautiously optimistic. Even after his forceful message today, Democrats still don't have the 60 votes they need to pass the bill."

[McClatchy](#) (12/16, Lightman) reports that "Obama tried mightily Tuesday to jolt the Senate's stalled healthcare overhaul effort, but after an hour-long closed-door meeting with Senate Democrats, the fate of his top 2009 domestic priority remains unclear." McClatchy adds that "time for pre-Christmas action is running out...because Senate rules are likely to require several days of procedural votes that will need 60 members to cut off debate." Moreover, "many Democrats remained circumspect about the bill." Sen. Evan Bayh (D-IN) said Tuesday, "We're all being urged to vote for something and we don't know the details of what's in it."

The [New York Times](#) (12/16, A32, Stolberg, Pear) notes that Obama "is confronting an increasingly sharp divide on the Democratic left, with liberals in the Senate and the House split on a critical question: How much of what they want is enough?" Senate "liberals signaled on Tuesday that they would hold their noses and vote for a version of the measure that would strip out some of their most cherished provisions, including an expansion of Medicare and the possibility of a government-run insurance plan." But "the House seemed unwilling to fall in line. The majority leader, Representative Steny H. Hoyer (D) of Maryland, said flatly on Tuesday that the House would not 'simply take the Senate bill' and adopt it unchanged."

The [Washington Times](#) (12/16, Haberkorn) reports, "Obama told reporters after the meeting that the Senate's bill...meets all the standards that he originally requested in an address to a joint session of Congress in September." However, "he also acknowledged that the emerging compromise will not make all his fellow Democrats happy." Obama said, "The final bill won't include everything that everybody wants." He added, "No bill can do that. But what I told my former colleagues today is that we simply cannot allow differences over individual elements of this plan to prevent us from meeting our responsibility to solve a long-standing and urgent problem for the American people."

The [Boston Globe](#) (12/16, A1, Wangsness, Milligan) covers the story on its front page. [AFP](#) (12/16, Knox), the [Wall Street Journal](#) (12/16, Hitt, Adamy, subscription required), [Roll Call](#) (12/16, Drucker, Pierce, subscription required), and [The Hill](#) (12/16, Zimmermann, subscription required) also report on the White House meeting.

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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

Poll finds 53% disapprove of Obama on healthcare; majority oppose Senate bill.

On [ABC World News](#) (12/15, story 2, 1:45, Gibson), George Stephanopoulos discussed a new ABC News/WPost poll that shows "53% disapprove of how...Obama is handling healthcare right now. A majority disapprove of the bill that's now before the Senate, but the Democrats believe, and the White House firmly believes, that the punishment for failure is far worse than passing an unpopular bill. They believe they can sell it down the road."

The [Washington Post](#) (12/16, A6, Balz, Cohen) reports that according to the poll, "a bare majority of Americans believe government action is needed to control runaway healthcare costs and expand coverage to the roughly 46 million people without insurance. But public opposition to the health reforms under consideration has hit a new high, and there are signs that the political fight has hurt...Obama's general standing with the public." The Post adds, "The survey underscores the political risks for Obama and the Democrats as they push to enact healthcare legislation. Democrats think passage of the bill will give them a political boost, despite the fractious debate surrounding the legislation. But they are moving ahead in the face of sharp national divisions, with no guarantee their efforts will be rewarded politically."

Drug reimportation amendment defeated in Senate.

The [Los Angeles Times](#) (12/16, Levey, Hook) reports, "In a victory for President Obama and his allies in the pharmaceutical industry, the Senate today turned aside a bid by a bipartisan group of lawmakers to make it easier to import cheaper prescription drugs from Canada and Western Europe -- a proposal that threatened to derail the Democrats' landmark healthcare bill." The vote on the amendment, sponsored by Sens. Byron Dorgan (D-ND) and John McCain (R-AZ), was 51-49 in favor, but 60 votes were needed for approval. The Times calls the amendment "politically charged" and notes that the FDA was among its critics.

According to the [AP](#) (12/16, Fram), the defeat of the amendment handed "drugmakers a victory that may help secure passage of President Barack Obama's healthcare overhaul." Afterwards, "the alternative amendment by Sen. Frank Lautenberg (D-NJ) also failed on a 56-43 vote. The House bill is silent on the issue."

Also noting the FDA's stance, [Bloomberg News](#) (12/16, Gaouette, Jensen) reports that drugmakers "got support for their position from the" FDA in a Dec. 8 letter from Commissioner Margaret Hamburg. She wrote that there are "significant safety issues related to confusion in distribution and labeling." In response to the letter, Sen. McCain criticized the Obama Administration, saying that "the timing of the letter suggested a change in position" as "President Barack Obama supported importation in the past."

"It's really regrettable that the special interests again prevail," Sen. McCain said, according to [Reuters](#) (12/16, Heavey). Reuters also notes that both Obama and McCain supported drug imports during the presidential campaign.

[Roll Call](#) (12/16, Pierce, Drucker, subscription required) reports that the vote followed "an intense lobbying effort by the White House and Democratic leaders" against the amendment. Approval of the Dorgan amendment "could have scuttled a deal the pharmaceutical industry made with President Barack Obama and Senate Finance Chairman Max Baucus (D-MT) to lower prescription drug costs under healthcare reform." Roll Call adds that "with Republicans attempting to be spoilers by reversing their previous opposition to the proposal, 24 Senate Democrats who supported the bill last year voted to kill the amendment."

The [Wall Street Journal](#) (12/16, Mundy, subscription required) notes that even though the amendment failed, senators are preparing other amendments to bring the bill closer to the House's language, which requires more concessions from drugmakers.

[CQ Today](#) (12/16, Ethridge, subscription required) explains, "While Dorgan's language enjoys broad support in the Democratic Caucus, the administration's deal with industry likely sapped support for the amendment. And Lautenberg's offering may have offered

political cover for lawmakers looking to support some importation language without jeopardizing the administration deal."

Internist says task force guidelines may determine what insurers cover.

In an op-ed in [USA Today](#) (12/16), Marc Siegel, internist and associate professor of medicine at NYU Langone Medical Center, calls the US Preventive Services Task Force "the bane of practicing doctors everywhere." He notes the task force's recent mammography guidelines, adding that they are now studying Pap tests before reviewing "the elderly and the usefulness of hearing aids; the effect of falls; and coronary heart disease screening and whether or not it is cost effective to intervene." He says that if healthcare reform passes the "guidelines might soon...be used to determine the tests and procedures that insurance, beginning with Medicare, will be compelled to cover." He argues that the task force's guidelines are unlikely to be the same as what he recommends, and the organization "oversimplifies medical outcomes to death rates only, essentially ignoring quality of life."

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Health reformers urged to broaden Medicare advisory board's powers.

In her column in the [Washington Post](#) (12/16, Marcus), Ruth Marcus worries that some of the health cost savings in healthcare reform may be "illusory." She writes, "Let's hope the higher savings materialize -- but include a backup plan if they don't." Noting that the Senate bill "already contains a...new Independent Medicare Advisory Board that would recommend changes," she argues for the inclusion of a proposal by Sen. Mark Warner (D-VA). The measure would expand "the board's mandate to include recommendations for controlling private-sector health costs -- though these, unlike the Medicare proposals, would not have a fast track to congressional approval." Marcus writes, "Lawmakers should embrace the Warner proposal and beef it up to give the board real power, not just the ability to make suggestions that sit on a shelf."

AARP supports Senate efforts to close Medicare doughnut hole.

[The Hill's](#) (12/16, Zimmermann, subscription required) reports, "The AARP officially endorsed the Senate health bill on Tuesday, giving Democrats a shot in the arm as they struggle to unite their caucus. AARP CEO A. Barry Rand announced the group's support in a letter to Harry Reid, tying his group's support to Reid's pledge to close the Medicare 'doughnut hole.'" The [Washington Post](#) (12/16) "44 Politics and Policy" blog also covers the story.

In contrast, [CongressDaily](#) (12/16, subscription required) reports, "AARP pushed Tuesday for passage of the Senate bill, though it did not exactly lend the measure a full endorsement. The White House and Majority Leader Reid praised AARP for its support after the seniors' lobby thanked Senate Democrats for pledging to close the 'doughnut hole' coverage gap in the Medicare prescription drug benefit during a conference with the House."

Speed, intensity of lobbying against Medicare buy-in said to be effective.

The [Washington Post](#) (12/16, Goldstein) reports, "Four days before the Senate jettisoned the idea of expanding Medicare to younger Americans, a dozen Senate Democrats, including some of the chamber's most liberal members, dispatched a stern letter warning that the proposal would make it harder for elderly patients in parts of the country to find care." The letter is seen as attesting "to the effectiveness of a ferocious campaign by influential hospital and physician lobbyists to defeat the idea." It also "underscores the

difficulty of forging policy and political deals in the warp-speed, supercharged environment in which Congress is trying to reshape the nation's healthcare system." The Post notes that the Medicaid buy-in proposal lasted only six days, collapsing before many of its details were even made public.

Boustany says reform would increase seniors' healthcare costs.

In an op-ed in the [Washington Times](#) (12/16), heart surgeon and Rep. Charles Boustany, Jr. (R-LA), writes, "For years, declining physician reimbursements because of cost-cutting measures led to fewer doctors accepting new Medicare patients." Soon, Boustany argues, "seniors could be forced to compete with a large new pool of Medicare enrollees for coveted doctor's office visits and services" under a "proposed expansion of enrollees in Medicare to younger Americans." At the same time, Senate health reform legislation "contains drastic funding cuts that would further worsen the problem," possibly causing some seniors to "see their benefits reduced or the premiums increased." Boustany concludes, "I know we can do better addressing Medicare's looming budget disaster in a responsible way that cannot be accomplished with these arbitrary reductions."

Public Health and Private Healthcare Systems

US charges 32 with Medicare fraud in three states, expands crackdown.

The [AP](#) (12/16, Kennedy) reports that "federal agents arrested 26 suspects in three states Tuesday, including a doctor and nurses, in a major crackdown on Medicare fraud totaling \$61 million in separate scams." HHS and the Department of Justice said that the 32 suspects arrested in Miami, Brooklyn, and Detroit "lined up bogus patients and otherwise billed Medicare for unnecessary medical equipment, physical therapy and HIV infusions." With Tuesday's arrests, the "Medicare Fraud strike force formed by the Justice and Health departments has now charged suspects accused of bilking Medicare of more than \$1 billion in less than two years." Also on Tuesday, HHS Secretary Kathleen Sebelius announced "the operation will expand to Tampa, Fla., Baton Rouge, La., and Brooklyn."

[CNN](#) (12/16) reports, "The largest case, in Miami, involved a doctor and nurses who allegedly ordered home healthcare services that were not medically necessary. 'When someone sends fraudulent bills to Medicare, they are stealing American taxpayer dollars that are intended for those most in need,'" said Assistant Attorney General Lanny Breuer."

The [Miami Herald](#) (12/16, Weaver) reports that the indictments "represented yet another Justice Department crackdown on Miami, dubbed the nation's Medicare fraud capital. 'But no matter what type of Medicare fraud is committed or where, there is one common denominator -- greed,'" Breuer said. The Herald notes that Miami-Dade was targeted because of a "disproportionate amount of Medicare dollars spent in Miami-Dade in 2008." The "county is home to just 2 percent of the nation's diabetic patients eligible for the federal program," but accounted for more than half of Medicaid spending on diabetes treatments.

[Bloomberg News](#) (12/16, Hurtado) notes the expansion, explaining that the "units are multi-agency teams of federal, state and local investigators operated by the departments of Justice and Health and Human Services. 'Medicare fraud is not a victimless crime,' Breuer said at a news conference. 'It hurts every American taxpayer by raising the costs of healthcare.'"

[Modern Healthcare](#) (12/16, Blesch, subscription required) says that the "expansion of the multiagency teams is the second since May, when the Justice Department and HHS announced the government would dedicate more resources toward the problem. The first strike force hit Miami in 2007, which subsequently was replicated in Los Angeles in 2008 and in Detroit and Houston in 2009. Their work has led to 250 guilty pleas and more than 20 convictions at trial."

Wisconsin's state healthcare plans face \$1B budget shortfall.

The [Milwaukee Journal Sentinel](#) (12/16, Marley) reports that Wisconsin "may be forced to cut more than \$1 billion over the next 18 months from BadgerCare Plus" and other state healthcare programs. Since April, the state's "Department of Health Services has been working on a plan to find an estimated \$608 million over two years from an array of cost-saving moves, including rewriting contracts, increasing the use of generic drugs, reducing hospital and pharmacy reimbursements and delaying payments." However, the "Legislative Fiscal Bureau has warned lawmakers that the state may need to cut an additional \$450 million or so from the programs because of the sharp increase in enrollment." As of Nov. 30, "about 700,000 people were enrolled in BadgerCare Plus alone," an increase of "more than 70,000 since the start of the year."

BlueShield coverage-notification letter causes customer confusion.

In his column in the [Los Angeles Times](#) (12/16), David Lazarus writes that BlueShield of California "has notified individual policyholders that their coverage could be immediately dropped. ... 'If your premiums are not paid in full and received by the due date, your policy will be canceled,'" the letter says. But BlueShield says the change, effective Jan. 1, "won't be quite as dire" as the letter indicates, partly "because of a California law requiring minimum grace periods" and partly because BlueShield "will continue providing 28-day grace periods."

BlueShield spokesperson Aron Ezra "said the policies affected by the contract change...require at least 10-day grace periods. However, he said BlueShield's practice" of giving "28-day grace periods...isn't changing. ... What's changing is the loss of" an additional 15-day grace period. Still, because the "letter caused 'concern and confusion,'" BlueShield is mailing new letters this week, Ezra said.

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