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Customized Briefing for Kimberly Barry-Curley

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Leading the News

Democrats plan to avoid formal conference committee on health reform.

The [AP](#) (1/5, Espo) reports that Congressional Democrats "intend to bypass traditional procedures when they negotiate a final compromise on health care legislation, officials said Monday, a move that will exclude Republican lawmakers and reduce their ability to delay or force politically troubling votes in both houses." According to Democratic aides, "the final compromise talks would essentially be a three-way negotiation involving top Democrats in the House and Senate and the White House, a structure that gives unusual latitude to" Senate majority leader Harry Reid (D-NV) and House Speaker Nancy Pelosi (D-CA). The AP also reports that Democratic aides "said there are no plans to appoint a formal House-Senate conference committee."

The [Los Angeles Times](#) (1/5, Oliphant) also cites anonymous Democratic aides who said the House "would be likely to take up and amend the Senate bill before sending that bill back to the Senate for a vote. In theory, the Senate could amend the new version and send it back to the House, triggering another round in a process sometimes called 'ping-ponging,'" but "Democratic leaders will seek to draft a compromise version of the healthcare overhaul that would be acceptable to both the House and Senate, opening the way for final congressional action later this month or in early February."

According to [The Hill](#) (1/5, O'Brien), Rep. Henry Waxman (D-CA) "told constituents...on Monday that there would be no formal conference, with agreements between House and Senate leaders packaged into a single amendment to the bill." Rep. Raul Grijalva (D-AZ), co-chairman of the Congressional Progressive Caucus, "who had previously demanded a conference, said he was disappointed by the latest developments," but "stopped short of saying he would oppose the health legislation without a formal conference."

[CongressDaily](#) (1/5, Edney, subscription required) notes, "Leaders blame their decision to bypass a formal conference on Senate Republicans, who pledged to use procedural hurdles required with a conference committee to hamper passage of a final overhaul bill."

The [Washington Times](#) (1/5, Haberkorn) notes that skipping the conference "gives Democratic leaders the ability to quickly work through hundreds of differences between the 2,000-page bills and to keep control over the deals they will need to make on politically touchy topics such as abortion, taxes and Medicare cuts." [CQ Today](#) (1/5, Armstrong, subscription required) and [Roll Call](#) (1/5, Pierce, Dennis) also cover the story.

Hispanic caucus may drop reform demand in return for Obama citizenship pledge. [Politico](#) (1/5, O'Connor) reports that the Congressional Hispanic Caucus "might relent in their push to let undocumented immigrants buy insurance on the exchange if the president pushes a comprehensive overhaul of the country's immigration laws -- one that grants immigrants who seek a path to citizenship the right to purchase this insurance."

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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

Obama, Democratic leaders to discuss health reform strategy.

[Politico](#) (1/5, O'Connor) reports that Energy and Commerce Committee chair Rep. Henry Waxman (D-CA), Education and Labor chair Rep. George Miller (D-CA), Rules chair Rep. Louise Slaughter (D-NY) and Ways and Means chair Rep. Charlie Rangel (D-NY) are scheduled to meet with Speaker Nancy Pelosi (D-CA) Tuesday afternoon "to start setting the parameters for negotiations with the Senate." After that meeting, Pelosi and House Majority Leader Steny Hoyer (D-MD) "will head to the White House for an early-evening meeting" with President Obama. Politico notes that Senate Majority Leader Harry Reid (D-NV) and majority whip Sen. Dick Durbin (D-IL) "will participate in the meeting via conference call because neither has returned to Washington from the holiday break."

[CNN](#) (1/5) adds that the "the House Democratic leadership also plans to hold a conference call Tuesday with their entire caucus." Another, "similar conference call was held shortly before Christmas. Since then, House Democratic aides have drafted an analysis laying out the differences between the House and Senate bills." [Reuters](#) (1/5, Smith) also covers the story.

Pallone: Surtax on wealthy will be dropped in favor of "Cadillac plan" tax.

[Bloomberg News](#) (1/5, Jensen, Dopp) notes that the House "opted to use a surtax on the wealthiest Americans to pay for its 10-year, \$1 trillion bill," but Rep. Frank Pallone (D-NJ), chairman of the House Energy and Commerce panel's health subcommittee, "said that idea will probably fail in talks with the Senate, which intends to tax high-end insurance plans and raise money in other ways."

Tennessee governor "moderately outraged" over reform's inconsistent treatment of states.

The [Nashville Business Journal](#) (1/4, Gee) reported, "In order to secure votes for the Senate version of the bill, the blow of Medicaid expansion was softened for some states." Others, however, would bear a "huge load" as they struggle to "climb out of the recession," stated a "very distraught and concerned" Gov. Phil Bredesen (D-TN), who was also "'moderately outraged' at the inconsistent treatment states could receive." The governor maintained that the "deal-cutting is bad policy and that he expressed his displeasure to Tennessee's congressional delegation."

WSJournal claims Nelson's Medicaid deal is unconstitutional.

The [Wall Street Journal](#) (1/5, subscription required), in an editorial, endorses the claim from some Republican state attorneys general that the deal secured by Sen. Ben Nelson (D-NE) regarding Nebraska's Medicaid liability is unconstitutional insofar as it violates the principal that federal spending must not reward certain states at the expense of others. The Journal cites the 1937 Supreme Court case *Helvering v. Davis* to substantiate its position.

Migrants protest changes to Hawaii health plan.

[Modern Healthcare](#) (1/5, Vesely, subscription required) reports, "Hawaii is starting a new free health plan for some Pacific Island migrants but is meeting resistance from the people it aims to cover." The state has offered free healthcare to "people from Micronesia, the Marshall Islands, and Palau...since the mid-1990s" through "existing state health programs." Facing "a budget crunch" last year, Hawaii began offering "less-generous benefits" through "a new state health plan called Basic Health Hawaii." But, the migrants "were granted a temporary restraining order in federal court halting implementation of Basic Health Hawaii." Hawaii has offered "new proposed coverage rules for Basic Health Hawaii," although "the migrants may file another lawsuit against the state on grounds it is violating the equal

protection clause under the 14th Amendment."

Children's insurance coverage expands in Kansas.

On its website, [KTKA-TV](#) Topeka, KS (1/5) reports "thousands of Kansas children" became eligible for low-cost health insurance yesterday "because of an expansion of the State Children's Health Insurance Program." The Kansas SCHIP program "will increase from 200 percent of the federal poverty level to 250 percent." Andy Allison, acting executive director of the Kansas Health Policy Authority, said the expansion would make it easier for "thousands of working families who either can't afford or don't have access to private insurance."

Public Health and Private Healthcare Systems

Insurers enter 2010 amid atmosphere of health-reform, economic uncertainty.

[Modern Healthcare](#) (1/5, Vesely, subscription required) reports, "Analysts are not optimistic about the health insurance sector this year," largely because of the inconclusive outcome of the healthcare overhaul and economic factors. Additionally, "tightened rules" for private Medicare Advantage 2010 plans are already "causing some insurers to exit the market," and the healthcare reform bills include additional MA cuts. "These factors 'are expected to make the 2010 marketing season more challenging for healthcare insurers as they attempt to retain their current members and convince new seniors to buy' MA plans, noted Joel Levine and Stephen Zaharuk of Moody's Investors Service. The cuts in proposed health legislation "only compound this issue," they added.

Texas hospital settles Medicare fraud allegations.

The [Fort Worth \(TX\) Star-Telegram](#) (1/4, Barbee) reported, "Texas Health Arlington Memorial Hospital will pay the federal government just shy of \$1 million to settle allegations that it submitted improper claims to Medicare for interpretation of blood tests that in reality didn't need analysis, the US attorney's office announced." The attorney's office said that "the former president of the hospital arranged to pay a doctors' group for uncompensated charity care and running a blood gas lab, though a contract required that payments be made only for interpretation of blood tests."

The [Dallas Business Journal](#) (1/5) reports, "Investigators claim that instead of reducing the compensation or revising the contract, Arlington Memorial's then-president agreed to pay the physician group." The attorney's office said that "the corporate parent of Arlington Memorial Hospital disclosed" the payments "to the Office of Inspector General for the Department of Health and Human Services." Still, "Arlington Memorial Hospital has not admitted any wrongdoing and denies all liability."

Miami man indicted for Medicare fraud.

The [Miami Herald](#) (1/5, Weaver) reports on the case of Ihosvany Marquez, who was "detained without bond Monday by a federal magistrate judge on charges of submitting \$55 million in false claims to Medicare for bogus HIV and cancer services at his seven clinics in Miami-Dade and Orlando." Medicare "paid Marquez and other partners in the alleged conspiracy about \$22 million from 2005 to 2007, according to an indictment."

Florida Doctors Insurance Co. completes acquisition.

[Modern Healthcare](#) (1/4, Robeznieks, subscription required) reported, "The Florida Doctors Insurance Co.'s acquisition of the Physicians Preferred Insurance Co., or PPIC, and its managing general agency, Physicians Preferred Insurance Management," first announced Oct. 16, 2009, "has been completed." A PPIC news release said that in "a vote representing 84.8 percent...of the company's outstanding shares of stock," 97 percent voted in favor of approving the deal. The Florida Financial Services Department's office also approved the deal.

Senior Market News

Study finds Massachusetts lagging in assisted-living options.

The [Boston Globe](#) (1/5, Lazar) reports that a recent study from Harvard Medical School has determined that assisted-living programs are "far less available" in Massachusetts than in the majority of the rest of the nation. The state was determined to have "about half as many assisted living slots per resident 65 or older as the national average." The study, appearing in today's journal Health Affairs, also found that assisted-living facilities "are disproportionately located in more upscale areas." The Globe notes that the assisted-living boom "has been fueled by private dollars, because Medicaid typically does not pay for such care," and theorizes that this "means developers have built where the money is."

COBRA extension assists unemployed workers.

In the [USA Today](#) (1/5) "Your Money" column, Sandra Block writes, "A defense spending bill signed into law Dec. 19 expands a subsidy for unemployed workers who want to continue their former employer's health insurance coverage." Under the COBRA legislation, "workers who leave their jobs can continue their former employer's coverage for up to 18 months." Block adds that the extension is also retroactive, which means "unemployed workers who lost their subsidy before the legislation was enacted are still eligible for six more months of subsidized premiums, according to the Department of Labor."

Also in the News

Healthcare spending in 2008 increased at slowest pace in 48 years.

The [New York Times](#) (1/5, A12, Pear) reports, "Health spending grew in 2008 at the slowest pace in 48 years as the recession throttled back the explosive growth of health costs," according to a CMS report. "Health spending topped \$2.3 trillion in 2008, up 4.4 percent from the previous year," but "the rate of growth in 2008 was down from 6 percent in 2007 and an average increase of 7 percent a year in the decade from 1998 to 2008." The Times adds, "By slowing the growth of health spending, the recession achieved what a generation of public officials tried unsuccessfully to accomplish."

The [Wall Street Journal](#) (1/5, A4, Adamy, Johnson, subscription required) notes that while healthcare spending growth did slow, it still grew faster than the overall economy in 2008. Government statistician Micah Harman said, "The fact that the recession had a more profound and immediate impact was not something that we've seen in recent history."

In the report, CMS said that Medicare and Medicaid "cost the federal government 8 percent more in 2008 than in 2007," [Bloomberg News](#) (1/5, Gibson) reports. The agency said that national health spending growth continues "to outpace growth in the resources available to pay for it. ... Monitoring the drivers of health-care spending growth will continue to be an important aspect of meeting the nation's health-care needs with the limited resources available in an uncertain fiscal future."

According to the [AP](#) (1/5), "The eye-popping figure of \$2.3 trillion -- that's \$7,681 per person -- underscores the challenges confronting President Barack Obama and lawmakers seeking to overhaul the system." Jonathan Blum, "a top official at" CMS, said, "This report contains some welcome news and yet another warning sign. ... Health care spending as a percentage of GDP (gross domestic product) is rising at an unsustainable rate. It is clear that we need health insurance reform now."

However, [USA Today](#) (1/5, Fritze) notes that "the report, which also shows private insurance premiums rose 3.1% in 2008, provided ammunition to both sides of the debate." Rep. Dave Camp (R-MI) said, "I agree we need reform. ... But both the House and Senate Democrat bills make the problem worse by increasing the cost of health care." [Reuters](#) (1/5) also covers the story.

Age may be important factor in determining risk for abdominal surgery.

The [New York Times](#) (1/5, D6, Rabin) reports, "Common abdominal surgery like removal of the uterus or the gallbladder may pose a greater risk to older patients than generally reported." According to a new study, "five percent of those 65 and older died within 90 days of surgery and...17 percent developed complications." The findings, published in the Dec. issue of the Archives of Surgery, also suggested that the rate of postsurgical complications "increased with age, to 22 percent for patients in their late 80s and early 90s, from 14.6 percent for those in their late 60s."

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