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Customized Briefing for Kimberly Barry-Curley

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Leading the News

Groups make final push to influence health reform.

[CQ HealthBeat](#) (1/13, Norman, subscription required) reports, "It's now or never for those who want their point of view to be heard on the healthcare overhaul, as House and Senate negotiators enter talks over the final version of the legislation." AARP "has focused on affordability of premiums and cost-sharing payments as a key issue in the overhaul. In a letter to congressional leaders, AARP said that for it to support final legislation, it is 'essential' that insurance companies be barred from charging older Americans 'unaffordable' rates linked to their age." Therefore, AARP said that it "would 'strongly' support the House bill with its 2-to-1 age rating." The group "also supports a single, nationwide health insurance exchange, as is structured in the House bill."

[Roll Call](#) (1/13, Roth, subscription required) notes, "Industries and advocacy groups with a stake in healthcare reform legislation are increasingly assuming that Congress will approve an overhaul and are shifting their focus to ensure that their top priorities are protected in the final bill." For instance, America's Health Insurance Plans spokesman "Robert Zirkelbach said the industry is now seeking changes in the legislation that would make it less disruptive to consumers -- such as changing implementation dates so that financial penalties don't kick in before new benefits do."

Meanwhile, the [Los Angeles Times](#) (1/13, Levey, Hook) reports that "consumer groups and other advocates of a 'public option' are continuing to push for more oversight of the insurance industry, in anticipation that the final legislation will not include a government-run health plan to compete with commercial insurers." But "the insurance industry is fighting to head off new federal regulation in favor of provisions in the Senate bill that give states more responsibility to oversee the industry."

Health insurers said to have funneled money to anti-health reform ads. [CongressDaily](#) (1/13, Stone, subscription required) reports that according to "two healthcare lobbyists familiar with the transactions," America's Health Insurance Plans solicited "\$10 million to \$20 million" from Aetna, Cigna, Humana, Kaiser Foundation Health Plans, UnitedHealth Group, and WellPoint to fund "third-party television ads aimed at killing or significantly modifying the major health reform bills moving through Congress." The money was "funneled to the US Chamber of Commerce to help underwrite ads by two business coalitions set up and subsidized by the Chamber. Each insurer kicked in at least \$1 million and some gave multimillion-dollar donations."

The [New York Times](#) (1/12, Seelye) "Prescriptions" blog also covered the story, noting that "even as it funded the negative commercials, the insurers' trade association, America's Health Insurance Plans, has generally been professing support for the idea of an overhaul, while opposing some specific provisions, like a government-run health insurance plan."

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From NAHU

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Legislation and Policy

Obama reportedly favors national insurance exchange over state alternative.

The [Wall Street Journal](#) (1/13, A2, Adamy, Meckler, subscription required) reports that President Obama and his advisers support the establishment of a single national health insurance exchange instead of creating 50 statewide exchanges. The Journal notes that White House Communications Director Dan Pfeiffer refused to confirm any reports on the negotiations involving the White House and Congressional Democrats.

[Bloomberg News](#) (1/13, Donmoyer, Rowley) notes that "during his 2008 presidential campaign, Obama endorsed the concept of a nationwide insurance exchange. The Senate bill calls for each state to set up its own exchange, which House lawmakers say wouldn't be as effective."

The [Washington Times](#) (1/13, Haberkorn) reports that House Democrats "said Tuesday that they plan to fight for the national plan. 'We want to make sure it's the same all over the country,' said Rep. Louise M. Slaughter, New York Democrat."

Liberals, unions criticize Obama for backing "Cadillac plan" tax.

The [Los Angeles Times](#) (1/13, Levey, Hook) reports, "Labor leaders...met Tuesday with senior House Democrats to press their desire to strip out a tax on 'Cadillac' health plans proposed by the Senate. Unions argue that the tax would penalize members who negotiated generous medical benefits in lieu of higher pay. Lawmakers involved in the talks said that one alternative being considered was lifting the threshold at which the tax would be implemented to ensure that middle-class Americans would not be affected."

Harold Meyerson, in his column for the [Washington Post](#) (1/13), writes, "There are some provisions in the pending legislation that, if included in the final bill, may well drape Democratic candidates with 'Kick Me' signs come November. One of these is the excise tax on more costly health insurance policies, a feature of the Senate bill that President Obama supports but that is opposed by organized labor and most House Democrats."

House Democrats stake out stances ahead of merging health reform bills.

The [New York Times](#) (1/13, A20, Pear, Herszenhorn) reports that after meeting with President Obama on Monday and failing to persuade him "to scrap a proposed tax on high-cost health insurance policies, labor leaders took their case Tuesday to Speaker Nancy Pelosi (D-CA), and they said they received a more favorable response." House Democrats also outlined other provisions they would push for in the merging of the healthcare reform bills, including a measure "eliminating the exemption from federal antitrust law that health insurance companies have long enjoyed" and insisting on "a single national insurance exchange."

[CongressDaily](#) (1/13, Edney, subscription required) also notes the union leaders' meeting with Speaker Pelosi, adding that "House and Senate Democratic leaders are to meet with President Obama this morning at the White House to discuss healthcare. House Ways and Means Chairman Charles Rangel (D-NY) said he hopes there could be an agreement on the excise tax as early as [Wednesday] after the White House meeting."

Citing "a serious problem," Rep. Rangel does not expect final deal until next month. [Roll Call](#) (1/13, Bendery, subscription required) reports that House Ways and Means Committee chair Rep. Charles Rangel (D-NY) said Tuesday that "negotiators are facing 'a serious problem' in resolving their differences and are not likely to have a final bill until February." Rangel is quoted as saying, "We've got a problem on both sides of the Capitol. A serious problem." Roll Call adds, "Another senior House Democrat familiar with negotiations on the bill said no progress has been made this week on any of the key sticking points in the House and Senate bills, despite steady meetings with union leaders and the White House. 'There's no agreement. No deal on anything. Nothing,' the lawmaker said."

According to [Politico](#) (1/12, Brown), "Senior Democratic aides say they aren't panicking because they believe lawmakers who previously backed the bill understand the Democratic Party is lashed to health reform -- even in the face of polls showing tepid public support, compromises that watered down the bill and mounting electoral angst for the party. Spending a year on healthcare and coming up empty would be worse for Democrats than passing a sweeping overhaul in a politically hostile environment, aides argue."

House employer mandate not expected to be in final health reform bill.

The [Boston Globe](#) (1/13, Wangsness) reports that experts say "Democratic leaders negotiating a compromise healthcare bill appear likely to reject a House provision requiring employers to offer generous coverage to their workers or else pay a steep payroll tax." Rejecting "the strong employer mandate in the House version would represent a substantial victory for business lobbies," according to the Globe. The final bill is expected to hew "much closer to the Senate's relatively lenient approach, which does not include a strong requirement that

employers offer coverage." However, "liberals and union leaders warn that the Senate's approach would not strengthen coverage for many Americans who already have insurance."

Final healthcare bill may require coverage for mammograms beginning at age 40.

The [Wall Street Journal](#) (1/12, Mundy, subscription required) reported that when the US Preventive Services Task Force released guidelines last November that said women in their 40s with normal cancer risk do not require routine breast screenings, physicians, patient groups, and makers of imaging equipment jointly lobbied against the recommendations. In response, the Senate approved an amendment to its health reform bill that ensured coverage for mammograms for women beginning at age 40. Meanwhile, the House passed a resolution that said insurers should not use task-force guidelines to deny women coverage for their routine breast screenings. Congressional aides have indicated that a version of the Senate amendment may be included in the final health reform bill.

CMS memo addresses Medicaid funding expectations.

[CQ HealthBeat](#) (1/13, Reichard, subscription required) reports that a memo "quietly released" last week by Solomon M. Mussey of the CMS Office of the Actuary "bears out a point made by Republicans about health overhaul legislation: savings from Medicare cuts can't in practice be said to finance wider coverage and extend the life of the Medicare hospital trust fund." The memo also reads, "Reduction in Medicare payment updates to Part A providers, based on economy-wide productivity gains, are unlikely to be sustainable on a permanent annual basis." However, "Part A cuts in the Senate bill assume these productivity gains, so in effect the Office of the Actuary is saying that the cuts are likely to be reduced by Congress down the road."

CBO estimates mandated individual insurance plan costs.

[CQ HealthBeat](#) (1/13, Reichard, subscription required) reports that the Congressional Budget Office issued a letter Tuesday estimating what "people would actually have to pay in premiums to comply with" an individual health insurance mandate. The CBO said that "that the cost of a 'bronze plan,' the tier of benefits that people 30 or older would have to purchase, would average between \$4,500 and \$5,000 for individuals and between \$12,000 and \$12,500 for family coverage." Those "below the age of 30 would be permitted to fulfill the mandate by purchasing coverage that paid benefits for catastrophic medical expenses, which is expected to cost considerably less than the bronze plan."

Physician says health reform would lead to higher bills for patients.

In a [Forbes](#) (1/13) commentary, Nirit Weiss, MD, writes, "In its latest round of politics-as-usual, Congress is laboring in secret to merge the House and Senate healthcare bills passed last year. The rumored push for greater subsidies to purchase insurance and expand Medicaid eligibility puts at risk the deficit-neutrality that President Obama has promised." Weiss adds, "It's no secret among physicians, however, that neither bill in its current form would reduce the deficit and that patients would bear the hidden costs of reform." She argues that while the "bills have been carefully crafted so that the Congressional Budget Office can declare them cost-saving," in fact, "patients would be responsible for an additional \$210 billion in direct costs over the 10-year budget projection window, and an even greater increase in total costs."

Sen. Levin criticized over deal to exempt BCBS of Michigan from paying new tax.

In a commentary in the [Detroit News](#) (1/13), Grace-Marie Turner, president of the Galen Institute, a nonprofit research organization focusing on health reform, writes that "in voting for the comprehensive health overhaul bill last month," Sen. Carl Levin (D-MI) "made a special deal with the Senate leadership to exempt one special big business interest -- Blue Cross Blue Shield of Michigan -- from paying any portion of a new health insurance premium tax the Senate bill would create." Since "the Blues would be exempt from the new tax, other health insurers in Michigan and elsewhere would have to pick up a bigger share of the bill, estimated to cost \$70 billion nationwide over 10 years." Thus, according to Turner, "Michiganians who are enrolled in other health plans that must pay the new tax will be subsidizing those who have coverage with Blue Cross Blue Shield who don't have to pay."

Public Health and Private Healthcare Systems

Obama faulted for not nominating a CMS administrator.

David Leonhardt, in his column on the front of the [New York Times](#) (1/13, B1) Business Day section, notes that President Obama "has not yet nominated anybody to run Medicare" which "suggests that the White House is not giving enough attention to what will happen once Mr. Obama signs a bill." Leonhardt says Medicare "will need to begin creating pilot programs meant to reduce wasteful care and reward good care," and Medicaid "will have to plan a huge expansion. The independent Medicare oversight board will have to be formed."

Gov. Paterson wants increased federal Medicare and Medicaid subsidies.

The [AP](#) (1/13, Gormley) reports New York Gov. David Paterson (D) "is trying to build a coalition of several big states as he seeks a federal takeover of healthcare costs for the elderly poor who receive benefits under both Medicare and Medicaid." Paterson and New York Lt. Gov. Richard Ravitch (D) "have already spoken with officials in California and other big states, which they wouldn't name because they are still considering the idea." Paterson "said the federal takeover of the 'dual membership' cases would cost the federal government \$70 billion and avoid catastrophic cuts to education and other areas, as well as tax increases at the state level."

Ohio Insurance Department promotes awareness of insurance claim-review option.

The [Columbus \(OH\) Business First](#) (1/13) reports that few "Ohioans in 2008 took advantage" of the state's Patient Protection Act, which "allows for independent reviews of denied health-insurance claims," according to a [report](#) from the state's Insurance Department. Data indicate that "independent firms reviewed 136 claims that had been denied for medical necessity or experimental treatment reasons." The claims involved "benefits totaling about \$1.8 million," and "about two in three cases were affirmed in favor of the insurer." The claims found in favor of the patient (about 21%) "resulted in \$385,081 in previously denied benefit payments." Notably, Department spokesperson Robert Denhard said the 2008 figures "preceded a major push" to promote the Act to consumers through pamphlets and a [website](#). ... "We're working to get the word out to people," he said.

Pennsylvania to increase adultBasic health plan fees.

The [Pittsburgh Post-Gazette](#) (1/13, Twedt) reports, "Beginning March 1," uninsured Pennsylvanians "who choose to pay an at-cost monthly premium" while waiting for an opening in the state's adultBasic health insurance program "will see their monthly premium go from an average of \$330 to \$600. The rate hike affects about 3,000 people." Meanwhile, the roughly "41,000" people already in the adultBasic program will "see their monthly premiums go from \$35 to \$36. But their copayments will double and benefits that previously were offered at no charge...will now carry a 10-percent coinsurance fee." Pennsylvania Insurance Department spokesperson Melissa Fox "said funding for the program is fixed, with no increases budgeted, while use of the benefits has increased. ... 'In order to keep folks in the program, the benefit package was reduced and the premiums needed to increase,'" she explained.

Also in the News

Critics say concierge practices leave out patients who cannot afford fees.

The [AP](#) (1/13, Murphy) reports that "concierge, boutique or retainer practices" often "charge annual fees that range from \$1,500 to \$10,000 or more" to provide patients with "longer, more in-depth appointments with doctors as well as extras normally not covered by insurance." Most patients using such practices "still need insurance in addition to this fee, and they still pay co-pays and other coverage-related costs." Now, "organizations that help start" concierge practices are reporting "brisk growth," which Lori Heim, president of the American Academy of Family Physicians, said is "a reflection of" the nation's "very dysfunctional healthcare system." Critics of these types of practices, however, contend that they are not accessible to "people who can't afford better care."

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