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Customized Briefing for Kimberly Barry-Curley

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Leading the News

In wake of Brown win, health reform obstacles mount.

Media reports and analyses are describing Scott Brown's upset win in the Massachusetts Senate race as a very serious blow to the President's healthcare reform agenda. The healthcare push, the [AP](#) (1/20, Alonso-Zaldivar) reports, is "not dead," but was sent "to the emergency room in fragile condition." While Democratic leaders are exploring avenues to push a bill through, media reports cast those efforts very much as an uphill battle. So much so that the [New York Times](#) (1/20, A13, Hulse) reports that "House Democrats appeared to rule out the idea of quickly approving a Senate-passed healthcare measure and sending it to President Obama." In fact, DCCC chairman Chris Van Hollen (D-MD) took a clear shot at the Senate measure last night, saying, "Healthcare was also part of the debate, and the people of Massachusetts were right to be upset about provisions in the Senate bill like the Nebraska purchase and other special deals." The [Washington Post](#) (1/20, Murray, Montgomery) likewise, reports that "the White House and Democratic leaders in Congress spent Tuesday searching for ways to keep their hard-fought healthcare overhaul alive," but "no workable Plan B emerged."

The Democratic stance moving forward may have been affected by statements from a number of Democrats who are expressing misgivings about the options put forth so far. [USA Today](#) (1/20, Kiely, Fritze) notes that "Massachusetts Rep. Barney Frank (D), a strong supporter of the healthcare legislation, said Brown's victory means Congress will have to 'start over on healthcare.' He said he will vote against any bill rushed to the floor before Brown can be sworn in."

[Roll Call](#) (1/20, Pierce, subscription required) reports that "many House Democrats dismissed the suggestion" of adopting the Senate bill "after a Caucus meeting Tuesday evening." Rep. Stephen Lynch (D-MA) told reporters, "If it comes down to that Senate bill or nothing, I think we're going to end up with nothing. I don't hear a lot support on our side for that bill."

In another possible area of contention, were the House to vote on the Senate bill, the [Washington Times](#) (1/20, Haberkorn) reports that "Rep. Ahn 'Joseph' Cao of Louisiana, the only Republican to vote for the bill in November, won't support it again if the House's strict abortion restrictions are not preserved, his spokeswoman said Tuesday." Cao's "defection would...slice Democrats' vote margin even further. The health bill passed 220-215, just two more than the 218 required for passage."

The [Washington Post](#) (1/20, Murray, Montgomery) quotes Sen. Russ Feingold (D-WI) after the election saying, "It's a serious problem, and it's probably back to the drawing board on healthcare, which is unfortunate, because everybody agrees we have to do something about healthcare."

The [Wall Street Journal](#) (1/20, Adamy, Bendavid, subscription required) quotes GOP Sen. Susan Collins (R-ME), sometimes mentioned as a swing Republican vote, saying of the Senate bill, "People in my state, Massachusetts, and elsewhere were appalled at the process by which the bill was negotiated behind closed doors, it had special deals inserted to win votes and was rammed through the Senate with only limited debate. ... If this bill is pushed through despite the message sent from Massachusetts, I believe it will spur a

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tremendous backlash."

Snowe called a possible 60th Senate health reform vote. [CQ HealthBeat](#) (1/20, Reichard, subscription required) reports on the possibility of Sen. Olympia Snowe (R-ME) voting for a final healthcare reform bill. Sen. Snowe "has worked long and hard on healthcare overhaul issues, and she cast a 'yes' vote on overhaul legislation in the Senate Finance Committee on grounds that the status quo is no longer tenable." On Tuesday, White House Press Secretary Robert Gibbs said "that President Obama is pursuing Snowe's vote to get the measure across the finish line. 'The president continues to work hard' toward that end, Gibbs said." According to CQ, Democrats "seem likely to keep pursuing Snowe, however futile the effort might be."

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 33% support, 46% oppose Obama health reform.

[NBC Nightly News](#) (1/19, story 4, 2:40, Williams) reported that in a new [NBC News/Wall Street Journal poll](#), "just 33% believe" the President's healthcare reform plan is "a good idea, but 46% believe it's a bad idea. A number that's nearly doubled" since the plan was unveiled last spring. The [Wall Street Journal](#) (1/20, Meckler, subscription required), in an article titled, "Americans Are Worried Congress Will Make A Bad Healthcare System Even Worse," also reports on the poll's healthcare findings.

Pelosi vows to pass health reform.

[CQ Today](#) (1/20, Armstrong, Wayne, subscription required) reports that "Democratic leaders vowed Tuesday to enact a healthcare overhaul despite the potentially crippling loss of a Senate seat in a Massachusetts special election seen nationally as a referendum on the healthcare effort." House Speaker Nancy Pelosi (D-CA) vowed, "We will have a healthcare bill. ... Regardless of what happens in Massachusetts, we will make it happen."

[Roll Call](#) (1/20, Bendery, subscription required) called the Speaker "bullish" on the overhaul's passage. And "top Democrats insisted that negotiations on a final healthcare package are continuing as planned and pointed to the fact that they have already sent key revenue and investment provisions to the Congressional Budget Office for review."

Congress urged to evaluate more pilot projects in health reform bills.

In an op-ed in the [Wall Street Journal](#) (1/20, subscription required), Mark McClellan, director of the Engelberg Center for Health Care Reform at the Brookings Institution, writes that the current healthcare reform legislation does not include enough provisions to help reveal which pilot projects and proposals reduce costs in a fast manner. The legislation must include better ways to evaluate payment plans and projects to find which improve care and reduce costs, McClellan argues.

Health reform legislation seen as adequately extending coverage.

In an op-ed in the [Wall Street Journal](#) (1/20, subscription required), Uwe E. Reinhardt, political economy professor at Princeton University, writes that the current healthcare reform legislation does well in extending health-insurance coverage to those who currently cannot afford it. The legislation also makes important first steps in slowing the rise in healthcare spending. Reinhardt argues against the notion that allowing consumers greater access to healthcare cost information will lead to large savings, noting that similar pilot projects have not seen the expected results.

Deal on high-cost health insurance tax leaves some provisions untouched.

[CQ Today](#) (1/20, Rubin) reports on notable provisions that survived the Senate Democrats and White House deal with union and labor leaders on the proposed tax on high-cost insurance plans. According to CQ, "supporters of the tax...held firm on several core principles," including leaving "the inflation-indexing benchmark" untouched. This means that "very little changed about the impact the tax would have on federal revenues in the second decade of the healthcare overhaul, and it will continue to be a significant factor behind Democrats' claims that their bill would reduce the federal deficit over the long run."

Public Health and Private Healthcare Systems

Anthem Blue Cross partners with California hospitals to improve safety, cut costs.

The [Los Angeles Times](#) (1/20, Helfand) reports that Anthem Blue Cross is partnering "with California's three regional hospital associations" to "better share ways to improve patient safety and cut costs, leaders of the initiative said." The insurer is "contributing \$6 million" to help "doctors, nurses, and other health professionals at California hospitals...meet quarterly in person or over the Internet during the next three years to compare their practices and data for reducing medical problems." The initiative is aimed at reducing the number of medical errors, repeat visits, infections, and "births induced early for nonmedical reasons," which contribute to increasing "healthcare costs and insurance premiums."

Public protests potential BCBS of Rhode Island's individual insurance plan rate hikes.

The [Providence Journal](#) (1/20, Salit) reports, "A dozen people attending a public hearing...railed against Blue Cross & Blue Shield of Rhode Island's request to hike insurance plans for individuals by an average 10.2 percent." But, Blue Cross executive Norman Benoit "said...a 10.2-percent increase won't even help the plans break even." Meanwhile, "Attorney General Patrick C. Lynch supported a rate hike only slightly lower -- 9.5 percent -- based on an actuarial study completed independently for his office by a consultant." Hearing officer John A. Cogan is expected to "make a recommendation to" Health Insurance Commissioner Christopher F. Koller based on "testimony provided during the quasi-judicial process."

Physicians appeal UnitedHealth's acquisition of Health Net membership renewals.

The [Hartford \(CT\) Courant](#) (1/19) reported that the Connecticut State Medical Society is "appealing the approval last month by state regulators of UnitedHealthcare's acquisition of renewal rights to Health Net's membership rolls." The medical society "argues that the Connecticut Insurance Department improperly denied physicians the capacity to intervene in the state regulator's legal proceeding on Nov. 23." The case also names as plaintiffs Dr. Kathleen LaVorgna, the medical society's president, and Dr. Michael Deren, one of only "three thoracic surgeons in New London County, a region he has said would have too few insurance options in Health Net's absence."

Molina Healthcare to buy Unisys HIT arm.

The [AP](#) (1/20) reports Long Beach, CA-based Molina Healthcare "said Tuesday it will buy Unisys Corp.'s health information management business for \$135 million in cash. The business helps states design and run programs that are used to support Medicaid and other healthcare entitlements," Molina said. Unisys has "\$110 million in annual revenue, and holds contracts with the states of Idaho, Louisiana, Maine, New Jersey, and West Virginia, as well as a contract to provide drug rebate administration services for Florida Medicaid program."

[Health Data Management](#) (1/20, Goedert) points out that Molina "contracts with state governments to offer Medicaid managed care plans in nine states. They are California, Florida, Michigan, Missouri, New Mexico, Ohio, Texas, Utah and Washington. The company also offers plans for the SHIP and Medicare in multiple regions of the nation."

According to [Modern Healthcare](#) (1/20, Zigmond, subscription required), the "deal -- still subject to regulatory approvals and closing conditions -- is expected to close in the first half of 2010," and about "900 employees" from Unisys will become Molina employees "after the deal is completed."

West Virginia lawmakers seek revised estimate for Medicaid expansion.

The [AP](#) (1/20, Breen) reports, Delegate Don Perdue, chairman of West Virginia's House Health and Human Resources committee, "asked West Virginia to re-examine its estimate that federal healthcare legislation could cost the state hundreds of millions of dollars." According to estimates provided by the state's Department of Health and Human Resources, the expansion of Medicaid envisioned by the House version of the bill "would cost West Virginia \$725 million by 2019," while the Senate plan would cost "nearly \$148 million" more.

The [Charleston Daily Mail](#) (1/20, Gavin) reports, "Several lawmakers, as well as the group West Virginians for Affordable Healthcare,

contend that the agency's figures are based on faulty logic and therefore inflated."

The [Charleston \(WV\) Gazette](#) (1/20, Long) reports that according to DHHR spokesman John Law, the group "assumed that the 193,000 was a 2010 figure, so they projected that it would expand to 260,000 by 2019." However, "the 193,000 is already a 2019 estimate, Energy and Commerce staff said," which means "DHHR expanded the number a second time."

Kentucky budget spares Medicaid reduction.

The [Louisville Courier-Journal](#) (1/20, Yetter) reports that Kentucky Gov. Steve Beshear's (D) budget predicts "savings of about \$108 million in the next two years in the state's share of" Medicaid, "the government health plan that now serves nearly 790,000 poor and disabled Kentuckians." But, the budget "doesn't propose any cuts," and instead says payments "would rise to \$6.2 billion in the second year of the biennium." Beshear also proposed cutting "a \$20-a-month premium that some parents must pay for the Kentucky Children's Health Insurance Program, or KCHIP."

Audit faults oversight of Utah's Medicaid costs.

The [Salt Lake Tribune](#) (1/20, Rosetta) reports that a legislative audit conducted by consulting firm Milliman Incorporated has determined that "Utah's Medicaid program isn't providing enough oversight of its managed care plans." The auditors "found \$6 million to \$12 million that could be saved if two providers -- Molina Healthcare Utah and Select Access -- matched the rates of the lowest-cost provider, Healthy U." The audit also showed that the "jointly-run state and federal program overpaid for emergency room care in fiscal year 2009 by \$7 million." Auditors recommended "possible routes to more savings, such as reducing ER visits," and returning to flat fees for Medicaid, "which give plans an incentive to control costs."

Also in the News

California rules limit HMO wait times.

The [AP](#) (1/20) reports that California is "poised to become the first state to set time limits for doctors to see patients" under [regulations](#) released by the state's Department of Managed Health Care. The rules will "require family practitioners in HMOs to see patients seeking an appointment within 10 business days." The deadline "for specialists is 15 days," and patients seeking "urgent care that does not require prior authorization" must be seen "within 48 hours." The [NPR](#) (1/20, Costello) "Planet Money" blog reports that "telephone calls to doctors' offices will have to be returned within 30 minutes, and physicians or other health professionals will have to be available 24 hours a day."

The [Los Angeles Times](#) (1/20) reports that the new rules also stipulate that mental healthcare patients "must be treated within 10 business days." Additionally, "X-rays, lab tests, acupuncture and other ancillary services must be provided within 15" business days, and "urgent dental care must be provided within 72 hours," while "non-urgent dental services within 36" business days.

The new rules, reports the [New York Times](#) (1/20, A14, Archibold), are "meant as a big step toward speeding care for the state's 21-million HMO members, who often endure long waits for basic service." According to the [Santa Rosa \(CA\) Press-Democrat](#) (1/20, Espinoza), HMOs have "until Sept. 1 to come up with a plan for complying with the new rules. After that, they have until Jan. 17, 2011 to fully implement the new deadlines."

HMOs, physicians say new rules may increase costs, compromise care. The [Los Angeles Times](#) (1/19, Helfand) reported that the California Association of Health Plans called the regulations "a 'reasonable compromise' but predicted higher costs as a result." Moreover, some doctors "say the plan could compromise medical care by forcing them to hustle more patients through their offices, a problem that is already expected to grow as millions of uninsured Californians sign up for insurance under the national healthcare overhaul." Meanwhile, HMOs "contend that they face pressures of their own to find enough doctors to serve their growing ranks of members." But, state officials, say doctors can extend the wait time "if they determine that a delay will 'not have a detrimental impact on the health of the enrollee.'"

Experts say hospital could recoup costs of treating injured, uninsured patients from perpetrator.

The [Las Vegas Sun](#) (1/19, Kanigher) reported that University Medical Center in Las Vegas "does not sue the criminals who cause injuries to uninsured patients because the hospital believes it does not have legal standing to do so." But, "legal experts say there is at least an outside chance that UMC could successfully recoup its costs from a perpetrator." A spokeswoman explained that "if the victim did not have insurance," the medical center would try to get the patient "covered either under social services or Medicaid." State law would allow the hospital to "attach a lien on any judgment that the victim...receives after successfully suing the perpetrator," but UNLV Boyd School of Law Professor Keith Rowley "said the hospital should never be allowed to force the victim to sue or compel the patient to assign that right to the hospital."

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