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Today's News for the National Association of Health Underwriters from Newspapers, TV, Radio and the Journals

Customized Briefing for Brett Houston

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## Leading the News

### Obama appears to call for smaller, bipartisan healthcare reform bill.

In the aftermath of the Democratic loss in the Massachusetts Senate race, President Obama, in an interview with George Stephanopoulos on [ABC World News](#) (1/20, story 2, 4:30), appeared to signal a new tack for his healthcare reform agenda. Rather than trying to push through either the Senate or House bills, Obama said, "I would advise that we try to move quickly to coalesce around those elements of the package people agree on." Stephanopoulos later commented, "Even though he wouldn't say so, what he was really signaling" was "recognizing reality: that the two big bills, the nearly trillion dollar bills, that passed the House and the Senate...are not going to pass this year." But Obama "wants something that everybody can agree on, that's going to be difficult to get."

The [AP](#) (1/21, Alonso-Zaldivar) reports, "No decisions have been made, lawmakers said, but they laid out a new approach that could still include these provisions: limiting the ability of insurance companies to deny coverage to people with medical problems, allowing young adults to stay on their parents' policies, helping small businesses and low-income people pay premiums and changing Medicare to encourage payment for quality care instead of sheer volume of services."

Under the headline "Obama Weighs Paring Goals for Health Bill," the [New York Times](#) (1/21, A1, Stolberg, Herszenhorn) reports on its front page that "it was not clear that even a stripped-down bill could get through Congress anytime soon," and "throughout the day, White House officials and Democratic Congressional leaders struggled to find a viable way forward for the healthcare bill." Adds the Times, "Inside the White House, top aides to the president said Mr. Obama had made no decision on how to proceed."

Likewise, [Politico](#) (1/21, Brown, O'Connor) reports that "after a day of chaotic talks in Congress, sources insisted that the White House hasn't gravitated fully to the stripped-down bill as the only path to saving reform." The move "would amount to a major retreat from Obama's initial vision of near-universal coverage -- a stunning comedown."

The [Wall Street Journal](#) (1/21, Adamy, Meckler, subscription required) runs a similar story under the headline "Obama Retreats On Health," while the [Washington Post](#) (1/21, Murray) reports that one "option for lawmakers would be for House and Senate negotiators to pare back the current bill to a narrow package of popular provisions, including reforms of the health insurance industry, that could win at least a few Republican votes in the Senate." Obama "appeared to endorse such an approach" in his ABC interview, and House Majority Leader Steny H. Hoyer (D-MD) "also said a smaller bill could emerge as the most viable alternative."

[Bloomberg News](#) (1/21, Litvan, Gaouette) notes that Hoyer said, "That's a reasonable alternative. ... You could do it in an individual new bill." The Democrats' "consideration of a pared-down bill is a swift reversal after more than eight months of effort by lawmakers in both the House and Senate." [USA Today](#) (1/21, Page, Fritze, Kiely), [The Hill](#) (1/21, Bolton, subscription required), and the [Washington Times](#) (1/21, Haberkorn, Rowland) run similar stories.

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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

### **Hoyer: Federal workers' healthcare plans will not be subject to excise tax.**

In the [Washington Post's](#) (1/21) "Federal Diary" column, Joe Davidson writes that Rep. Steny Hoyer (D-MD) "says federal employees need not worry about being left out of a provision in pending health insurance legislation that would allow state and local government workers and other unionized employees a five-year delay before possibly being hit by an excise tax on high-cost health insurance plans." Though the Republican win a day earlier in the Massachusetts Senate race left the future of the legislation uncertain, Hoyer "announced Wednesday that federal rank-and-file workers would not be subject to the tax until 2018."

### **USAToday predicts Brown's election will hamper US healthcare system.**

[USA Today](#) (1/21) editorializes, "From all appearances Wednesday, President Obama's year-long attempt to achieve the historically impossible -- affordable access to health coverage for all Americans -- is rapidly dying, if not already dead," as public support fell due to concerns about "tawdry deal making" and "suspicions about the bill's complexity" that "were driven to fever level by fear-mongering." While the voters of Massachusetts may hope that their election of Republican Scott Brown will result in a bipartisan bill, the GOP is "reveling" and "show[s] no signs of compromise." USA Today concludes, "it appears that Washington's polarizing ways, and public anxiety about change, have again left Americans with the most expensive, least reliable healthcare system in the developed world."

**Rep Boehner argues Brown's election shows rejection of Democrats' agenda.** In opposition to USA Today's editorial, Rep. John Boehner (R-OH) writes in a [USA Today](#) (1/21) op-ed that the American people showed they "do not want Washington Democrats' government takeover of healthcare." Boehner argues that Democrats lost the confidence of the people and "working families are rejecting Democrats' job-killing agenda -- even in the bluest of blue states." Boehner predicts that in response, "Democrats will continue to circle the wagons, wasting even more time and energy Congress should be devoting to helping small businesses create jobs and getting the nation's fiscal house in order."

### **Sen. Landrieu says health reform efforts should continue.**

The [AP](#) (1/20, McGill) reports that Sen. Mary Landrieu (D-LA) said "that efforts to reach a consensus on healthcare should continue" despite the GOP now having 41 seats in the Senate, as she "defended the Senate's version of healthcare overhaul legislation - and language in it that provides up to \$365 million in Medicaid money for Louisiana." That provision led to accusations from conservatives "opposed to the bill that she traded her vote."

**Lawmakers, various groups strive to save health reform.** [Roll Call](#) (1/21, Roth, subscription required) reports, "Industries and groups with a stake in the outcome of the healthcare reform debate hastily regrouped Wednesday to determine their next move in the aftermath of the Massachusetts Senate election." Ralph Neas, "president of the National Coalition on Health Care, which has been supporting overhaul efforts," said, "Meetings are happening everywhere in this town." Neas "predicted that major interest groups, as well as the Democratic leaders, will try to find a way shortly to push through healthcare legislation." Roll Call says that many "business and ideological groups have invested considerable time and effort in the healthcare legislation as it moved through Congress." Notably, the "major hospital groups, which agreed to \$150 billion in savings, had also signed off on the legislation, as had the senior citizens group AARP and the American Medical Association."

**Minneapolis Star-Tribune calls for continued push on healthcare reform.** The [Minneapolis Star-Tribune](#) (1/21) editorializes, "The costly, wasteful US healthcare system is an embarrassment. The right thing to do -- the moral imperative -- is to fix it." However, Congress is "on the verge of a cut-and-run that could set the nation on a catastrophic course," with Republicans in position to

filibuster "healthcare legislation the country so desperately needs." Still, that Administration shares some of the blame, as "the White House's health team -- led by Health and Human Services Secretary Kathleen Sebelius -- has been weak and ineffective." The Star-Tribune concludes, "Obama must take back the reins and be loud and clear in challenging Democrats and Republicans not to abandon a pressing national need."

## Health reform seen as lacking "easy-to-sell" benefits.

[MSNBC.com](#) /Kaiser Health News (1/21, Rau) reports, "As a candidate, Barack Obama promised to pass a health plan with important benefits for the average American. For the typical family, costs would go down by as much as \$2,500 a year. Adults wouldn't be required to buy insurance." Yet, one "year later, the healthcare proposals in Congress lack many of those easy-to-sell benefits, which became victims of the lengthy process of trying to win over wavering lawmakers, appeasing powerful special-interest groups, and addressing concerns about the heavily burdened Treasury." One sticking point has been the financing for expanded access, which is slated to come from Medicare Advantage cuts. AARP and Democrats say the cuts would not impact seniors, but "Republicans and others [say] that seniors would pay the price."

## Insurers, advocates differ on Missouri bill mandating coverage of autism therapy.

The [AP](#) (1/20, Lieb) reported that "big differences remain between insurers and advocates for autistic children who are urging Missouri to mandate coverage of" applied behavioral analysis, "a costly but promising behavioral therapy." On January 19, Missouri "House and Senate committees each heard testimony...on proposals that would require insurers for small and mid-sized employers to offer policies covering the diagnosis and treatment of autistic children." While "advocates prefer a proposal that would require insurers to pay up to \$72,000 annually for the treatment of people up to age 21," lobbyists from the insurance industry "say that" applied behavioral analysis "is too costly and lasts too long."

## Public Health and Private Healthcare Systems

## CIGNA to offer individual private medical insurance outside US.

The [AP](#) (1/21) reports CIGNA Corp. on Wednesday [announced](#) it will "develop and offer individual private medical insurance in nations outside the US." The company's "CIGNA International unit will also provide private medical insurance to individual expatriates and high net worth individuals." The [Philadelphia Business Journal](#) (1/21, George) notes that CIGNA named Keith Biddlestone to "lead CIGNA International's individual private medical insurance effort when he joins the company Feb. 1. He is coming to CIGNA from Bupa International, where he spent more than 25 years in a variety of healthcare leadership positions in both Europe and the Asia-Pacific regions."

## GAO: CMS needs to know more about private plan marketing abuses.

[CQ HealthBeat](#) (1/20, Reichard, subscription required) reported that a GAO study found that "while the Centers for Medicare and Medicaid Services took steps to counter inappropriate marketing by private health plans in the Medicare program in the three years ending in February 2009, it lacks a mechanism for determining the full extent of marketing abuses." Before June 2008 the centers weren't tracking notices of non-compliance with marketing regulations or warning letters. "GAO recommended that CMS gather more information on the extent of inappropriate marketing," to which CMS agreed. Rep. Pete Stark said, "This report reaffirms that private insurance companies won't behave without the government holding them accountable."

## Connecticut suit against Health Net said to be first utilization of authority provided by ARRA.

[Modern Healthcare](#) (1/21, subscription required) reports, "States are beginning to police health information privacy breaches under new authority provided" by the American Recovery and Reinvestment Act. Connecticut Attorney General Richard Blumenthal's lawsuit filed against Health Net last week alleging the insurer failed to secure "patient medical records and financial data...or promptly notify customers" of the breach is "widely agreed to be the first such case." Digital privacy experts are applauding "the move, saying states -- already charged with defending consumer protections -- are well-suited for the job." Blumenthal is seeking "civil penalties under HIPAA," which according to the stimulus law, "cannot exceed \$1.5 million per year." Meanwhile, Health Net "said there is no evidence" the data has been misused.

## Senior Market News

## Experts advise Oklahomans to plan ahead for LTC.

[NewsOK.com](#) (1/21, Burkes), powered by The Oklahoman's, reports, "The Oklahoman received several calls and emails after the Jan. 10 article on Medicaid eligibility for nursing home costs, which average \$48,000 a year here." Financial aid through the state's SoonerCare is "only available to applicants who have no more than \$2,000 in savings, and whose gross monthly incomes don't exceed \$2,022." Elder law attorneys recommend "advance financial planning," which insurance agents say includes "long-term care policies." Insurance agent Connie Morgan recommends buying a policy "under the Oklahoma LTC Partnership. ... If you buy a \$100,000 policy and use up all of those benefits, then assets equal to those benefits will be disregarded if you apply for Medicaid," Morgan explained. She suggested "people should buy a two- to three-year policy with as much coverage as they can afford."

### Also in the News

## Tullman, Ballmer predict momentum within health IT adoption.

The [Nashville Business Journal](#) (1/21, Wortham) reports Allscripts Healthcare Solutions Inc. chief executive Glen Tullman took part in healthcare technology events in Nashville this week, along with Microsoft chief executive Steve Ballmer. Tullman "said his company's sales are up 30 percent year-over-year, and e-prescribing is up 150 percent." Ballmer expressed a disconnect between the role information technology currently plays in healthcare delivery and the need for such technology: "We look at the healthcare industry and say, 'It's not working.' Yet more than most industries, it is all about information -- getting the right information to the right person at the right time." Ballmer added that he is "optimistic. The money is coming. The national debate has been engaged. And now is the time where our industry may be able to step up with some enabling factors and make an even bigger difference."

[WPLN-AM Nashville \(TN\)](#) (1/20, Farmer) reports online that Tullman, speaking as part of a panel at a Nashville Health Care Council event, addressed the issue of connectivity between electronic health record systems. He acknowledged he is "one of those vendors" who occasionally refuses to connect with other systems. However, "when a big customer gets us in a room and says, 'the two of you will connect.' We say, 'we can't,' and they say 'or we won't pay you.' And we say, 'let's get about connecting.' And it happens very quickly."

## CMS seeks input on anti-self referral rules.

[American Medical News](#) (1/20, Sorrel) reported, "Physicians have until Jan. 25 to comment on the Centers for Medicare and Medicaid Services' recent changes to federal anti-self-referral rules that have forced many physician-hospital arrangements to fold or restructure." Under a rule that went into "effect Oct. 1, 2009, CMS instituted broad revisions that interpret an entity to include not only the party that directly bills Medicare for designated health services, but also those providing the services." As a result, "physician groups are considered to have a direct ownership stake in the designated health services they perform, barring referrals unless they can meet stricter...exceptions." The agency is seeking "input on whether CMS should define or clarify what it means for a physician-owned entity or its employees to be performing designated health services under certain arrangements."

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