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Customized Briefing for Kimberly Barry-Curley

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## Leading the News

### Sen. Landrieu defends Louisiana's additional Medicaid funding as part of health reform.

The [AP](#) (2/5, Werner) reports that in "an impassioned speech on the Senate floor," Sen. Mary Landrieu (D-LA) "insisted the Medicaid boost" now known as "the Louisiana Purchase" was not "the price for her vote" and "she noted that state Republicans backed the deal. Defiantly, she said she would do it all over again if she had to. 'I don't need this job badly enough -- maybe some people do, I don't -- to throw the people of my state under the bus to protect myself politically,' Landrieu said in an impassioned speech on the Senate floor." The AP notes that, "in recent weeks, Obama has also alluded to messy dealmaking as a reason for public skepticism about the healthcare bill," but he "hasn't referred specifically to Landrieu's deal and Landrieu said Thursday that the administration supported it."

According to [The Hill](#) (2/5, Rushing, subscription required), Landrieu said "she attached it to the healthcare bill at Gov. Bobby Jindal's (R-LA) request and that it was not a condition of her support for the bill. ... 'Nothing about this effort was secret -- it was public from the very first meeting that happened at the governor's mansion in January,' Landrieu said." Jindal's office released a statement Thursday reading in part, "I'm against the healthcare bill and always have been. ... I am glad the healthcare bill is dead."

According to the [Baton Rouge Advocate](#) (2/5, Shields), "Landrieu listed several issues Thursday that she said caused her to support the measure including the elimination of a government-run option and her desire to provide extended insurance coverage for foster care and adopted children." The [Washington Times](#) (2/5, Haberkorn), [Roll Call](#) (2/5, Drucker, subscription required) and the [New Orleans Times-Picayune](#) (2/5, Tilove) also cover the story.

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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.**

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## Legislation and Policy

### Senate Democrats retain healthcare reform's special deals.

[Politico](#) (2/5, Brown, O'Connor) reports, "The healthcare bill is in trouble, but a series of narrow deals - each designed to win over a wavering senator or key interest group -- is alive and well, despite voter anger over the parochial horse-trading that marked the rush toward passage before Christmas." According to Politico, "With the exception of Nebraska Democratic Sen. Ben Nelson's 'Cornhusker Kickback'...none of the other narrow provisions that Senate Majority Leader Harry Reid inserted into the bill appear to be in any kind of danger as Democrats try to figure out the way ahead." Politico adds, "Not only that, House liberals want to reopen the labor deal struck just days before Democrats lost their 60-vote majority -- not to dial it back but to provide more generous protections from the tax on Cadillac insurance plans."

### Drugmakers may be harder hit by piecemeal approach to health overhaul.

On the front of its Business Day section, the [New York Times](#) (2/5, B1, Wilson) reports that the healthcare reform legislation that is currently "on a back burner in Washington" would have given drugmakers "tens of millions of newly insured customers and a large degree of regulatory certainty," for which "the pharmaceutical industry had agreed to pay a relatively small price: \$8 billion a year in discounts and fees." A piecemeal approach to reform, according to the Times, may look worse for drugmakers. A proposed "tax on profits from some patents and other intangible assets parked in overseas tax havens by American companies" could hit pharmaceutical makers hard, and the industry may be "held to some of the cost pledges" of the health overhaul "without receiving the offsetting political protection."

***Pfizer CEO's support for Obama reform plan said to have backfired.*** Kim Strassel, in her column for the [Wall Street Journal](#) (2/5, subscription required), notes Pfizer CEO Jeffrey Kindler's early support for President Obama's healthcare reform plan. Strassel identifies Kindler as a Democrat, and partially credits him for securing PhRMA's support for the White House reform effort. Strassel argues that Kindler's outreach was a break from the behavior of previous Pfizer CEOs and has not paid off, as the reform legislation remains stalled and Republicans are now extremely wary of working with Kindler and his allies.

### Progressives to plan how to reintroduce public option.

[CongressDaily](#) (2/5, Edney, subscription required) reports that after holding smaller talks, "progressives plan next week to reach across the Capitol and plot a strategy to revive the public option." On Tuesday, Rep. Raul Grijalva (D-AZ), co-chairman of the Congressional Progressive Caucus, and his caucus' health task force will meet "with a handful of progressive senators" including Sen. Bernie Sanders (I-VT). "Progressives plan to discuss the different mechanisms at their disposal to put the public option back in play and push Senate Majority Leader [Harry] Reid (D-NV) to bring it to the floor."

### California seen as having much to gain from health reform.

The [AP](#) (2/4, Barbassa) reported, "Among states, California arguably has the most to gain from an overhaul of its healthcare system: it has the greatest number of uninsured residents in the country and the largest public insurance program for the poor, which struggles to serve 6.5 million people while reimbursing doctors at one of the nation's lowest rates." The AP calls Californians "frustrated," as they all agree that "change is desperately needed, even if they disagree passionately on what that change should look like." The AP describes California's healthcare troubles, and past efforts to solve them, such as a plan "calling for a single-payer healthcare system" passed by the state Senate last week, which Gov. Arnold Schwarzenegger (R) vowed to veto, and a healthcare reform plan negotiated by the governor and Democrats, which failed due to budget constraints.

### Massachusetts urged to help state small businesses with high insurance costs.

In a column in the [Boston Globe](#) (2/5), Scot Lehigh writes on "the burden small businesses toil under in Massachusetts" due to high health insurance costs. Small businesses do not have the buying or negotiating power that municipalities and larger companies have, Lehigh notes, which leads to higher costs and "much steeper" yearly increases. While in the Massachusetts House, "there's a widespread recognition of the problem small businesses face," there is also "considerably less agreement about what to do." Lehigh notes the concerns of different strategies, and concludes, "If Massachusetts wants a vibrant small business sector, this is an issue Beacon Hill can't ignore any longer."

## Maine panel considers ban on payment limits by health insurers.

The [AP](#) (2/4, Adams) reported that a bill currently before Maine's Insurance and Financial Services Committee would "prohibit health insurance companies from setting annual and lifetime limits on the amounts they will pay." Advocates are seeking the committee's backing for the bill, arguing that "removing caps on payments would...address a core fear of consumers -- that they won't have insurance coverage when they need it the most." For their part, insurers contend that "eliminating the caps will have a cost that would be reflected in higher premiums."

### Public Health and Private Healthcare Systems

## Anthem plans to raise rates for some individual policies.

The [Los Angeles Times](#) (2/5, Helfand) reports that Anthem Blue Cross, "California's largest for-profit health insurer, is moving to dramatically raise rates for customers with individual policies, setting off a furor among policyholders and prompting state insurance regulators to investigate." The company "is telling many of its approximately 800,000 customers who buy individual coverage...that its prices will go up March 1 and may be adjusted 'more frequently' than its typical yearly increases." According to brokers, customers have called complaining of Anthem "premium increases of 30 to 39%, saying they come on the heels of similar jumps last year."

## Four larger employers admitted to Utah insurance exchange.

The [Salt Lake Tribune](#) (2/5, Beebe) reports that the Utah Health Exchange insurance program, "a Web-based marketplace for health insurance" aimed at small-group employers, "was opened Thursday to a limited number of bigger employers by state leaders hoping to prove Utah can reform health insurance without federal help." In the exchange, "employers will have another insurance option to provide their employees, while the Governor's Office of Consumer Health Services will gain more experience building a state-sponsored health insurance marketplace that could gain wide appeal in Utah." According to the Tribune, "the exchange has had limited success" so far with its "low participation and unexpectedly high premium costs."

The [Deseret News](#) (3/5, James Thalman) reports that the exchange has worked "in fits and starts the past year, with about 400 people enrolling in plans through 13 businesses in the exchange." More than 130 "had originally enrolled to seek insurance plan options, but most gave up because the site was problematic and difficult to navigate."

## Short-term Medicare physician payment fix, rehab payment cap delay may be included in jobs bill.

[CQ HealthBeat](#) (2/5, Reichard, subscription required) reports that on Thursday, Senate Finance Committee Chairman Max Baucus (D-MT) said "that his work on developing a Democratic bill to increase jobs may include short-term fixes to prevent cuts in Medicare payments to doctors and for outpatient rehabilitation services." Senate Democratic leaders hope to have the jobs bill passed "before members leave town Feb. 12." In the meantime, several senators wrote a letter to HHS Secretary Sebelius, "urging the Obama Administration to impose an administrative delay on cutting off rehabilitation services," which began Jan. 1. "A two-month delay of a 21 percent cut in Medicare payments to doctors expires March 1."

## Medicaid, CHIP programs covered 2.6 million more children last year.

[Kaiser Health News](#) (2/4, Galewitz) reported that, according to a study released Thursday by HHS and the Department of Agriculture, "About 2.6 million previously uninsured children gained coverage last year in government health programs. ... The gains were due to increased need because of the recession and stepped-up recruitment efforts by some states." HHS Secretary Sebelius "attributed much of the increase in enrollment in the programs to Congress last February reauthorizing CHIP, which gave states millions of new dollars to expand coverage and financial incentives to make it easier to enroll children." She said, "Most of these families would not have had the help without" the reauthorization.

In a column in the [St. Louis Post-Dispatch](#) (2/5), Dr. Bob Wilmott, chief of pediatrics at Cardinal Glennon Children's Medical Center, offers advice on how to find if your child is eligible for CHIP programs, writing, "Your child needs and deserves the benefits that come with having a regular healthcare source."

### Senior Market News

## West Virginia delegates push for state to fix Medicaid home care programs.

West Virginia's [Charleston Gazette](#) (2/5, Long) reports that on Thursday, every member of the West Virginia House of Delegates

"sponsored a petition 'to keep our seniors in their own homes.'" The petition "asks state government to fix funding problems in the state's Medicaid in-home care programs," and was signed by "more than 10,600 West Virginians." The Gazette explains that "more than 900 elderly and disabled West Virginians are medically approved" for the Medicaid waiver in-home program, "but are getting no services, because the state Department of Health and Human Resources has frozen enrollment." The [Charleston Daily Mail](#) (2/5, Rivard) also covers the story.

## Also in the News

### Illinois Supreme Court strikes down medical malpractice law.

The [New York Times](#) (2/5, A13, Sack) reports that "the Illinois Supreme Court on Thursday overturned the state's five-year-old medical malpractice law because it limited compensation to injured patients for pain, suffering, and other non-economic harms." The court wrote that "the legislature, in enacting the 2005 law, violated the state Constitution's separation of powers clause by imposing decisions that should be reserved for judges and juries."

The [Wall Street Journal](#) (2/5, Koppel, subscription required) reports that the measure was initially intended to rein in increasing medical-liability insurance costs. Tort reform advocates saw the ruling as a setback, arguing that medical-malpractice suits play a large role in increasing healthcare costs.

But, the [Chicago Tribune](#) (2/4, Japsen, Sachdev) reported that "consumer groups and insurance industry officials say the fact that rates have stabilized" has "more to do with insurance market cycles."

[Crain's Chicago Business](#) (2/4, Colias) reported, "In declaring the jury-award caps unconstitutional, the court's decision also scraps several other insurance reforms included in the original law that both sides have said helped ease liability costs." One such reform is "a provision that forced" the state's largest malpractice insurer "to disclose the data it uses to set rates."

"Lawyers and other opponents of caps say those price controls were the real reason that malpractice insurance rates have gone down, rather than the presence of caps," the [St. Louis Post-Dispatch](#) (2/5, McDermott) reports. The [AP](#) (2/4), [Reuters](#) (2/4), the [Peoria Journal Star](#) (2/5, Kravetz), and [Modern Healthcare](#) (2/4, Blesch, subscription required) also covered the story.

**Chicago Tribune calls Illinois decision "disastrous."** The [Chicago Tribune](#) (2/4) editorialized, "The Illinois Supreme Court on Thursday threw out a sound law passed by the General Assembly in 2005 to protect healthcare in this state." The court's "disastrous" move "declares that caps on medical malpractice awards violate the state constitution's separation-of-powers clause." But, "the 2005 law eased" a "crisis," where "doctors were leaving" because "malpractice premiums in Illinois were particularly egregious." The Tribune concludes that as a result of the decision, "doctors and hospitals and patients in Illinois will almost certainly face new risks."

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