Leading the News

CBO Report Forecasts Next Decade Of Federal Health Spending.

Tuesday, the CBO released its latest budget projection, which heralded a prediction that the deficit will shrink to $845 billion in 2013, or its lowest level as a percentage of GDP in over ten years. Among the coverage are reports of spending on healthcare programs like Medicare, Medicaid, and the Affordable Care Act. Many outlets highlight the notably slow pace of healthcare spending growth, the lowest since 2000, with some attributing the slowdown in part to the Affordable Care Act. Still others note that despite the slowdown, spending is still growing. A revision downward of the number of Americans expected to gain coverage under the Affordable Care Act is carried by a few national sources, and an estimate about the cost of overhauling the SGR formula garners some attention.

**CBO: Healthcare Cost Growth Slowest In Over A Decade.** The Hill (2/6, Viebeck) "Healthwatch" blog reports that the CBO "lowered spending projections for Medicare on Tuesday, noting that the program's bills have been 'significantly lower' than predicted for three years straight." The report "revised down its 10-year spending projection for Medicare by $137 billion, or two percent, in its latest long-term economic forecast." It read, in part, "In recent years, healthcare spending has grown much more slowly both nationally and for federal programs than historical rates would have indicated." The article notes that supporters of the Affordable Care Act are attempting to attribute the slowdown at least partially to the law.

In a separate report on the ACA specifically, The Hill (2/6, Viebeck) "Healthwatch" blog notes that in its report, the CBO also estimated "that President Obama's signature healthcare law will cost about $1.3 trillion over the next 10 years," which "represents a slight increase since August, when the nonpartisan budget office estimated that the law would cost about $1.17 trillion before 2022."

The Huffington Post (2/6, Young) reports, "The most striking thing in the report may be the finding that recent years of sluggish health care cost increases had a big impact on CBO's projections for future Medicare and Medicaid spending. The two programs will cost $200 billion less in 2020 than CBO previously thought - a 15 percent difference that amounts to $204 billion in less federal spending on Medicare and Medicaid." Still, the article continues, "federal health care spending remains huge: Between 2014 and 2023, the U.S. government will buy $13.85 trillion worth of health care and Medicare will account for $8.07 trillion of it, the report says."

CQ (2/6, Reichard, Subscription Publication) reports, "Medicare outlays grew by just 3 percent in fiscal 2012, the slowest rate of growth since 2000, according to a Congressional Budget Office report released Tuesday. And that slower pace of Medicare spending growth is projected to continue, with CBO analysts estimating relatively modest growth of 4 percent, or $21 billion, in fiscal 2013."

The Washington Post (2/6, Kliff) "Wonkblog" reports on the "three biggest changes the CBO projects for the Affordable Care Act, Medicare, and Medicaid." They are, first that "Three million fewer
projects for the Affordable Care Act, Medicare, and Medicaid." They are, first, that "Three million fewer Americans will receive health insurance from their employer;" second, that "slower health-care cost growth will cut $200 billion in entitlement spending;" and third, "Employers will pay more fines for not providing insurance – but individuals will pay less."

**CBO Report Projects Steep Rise In Healthcare Costs, Though Growth Slowing.** Reuters (2/6, Morgan) reports that the CBO projected entitlement spending to double to $3.2 trillion a year over the next ten years. The report warned that if Congress does not act, these factors could contribute to a major increase in the national debt. Combined, Federal spending on Social Security, Medicare, and Medicaid reached $1.6 trillion in 2012, $885 billion of which was on healthcare. Part of the factors driving the increase to above $3 trillion by 2012 is $134 billion a year to cover 26 million additional people through the Affordable Care Act.

**CBO Lowers Number Of Americans Expected To Gain Coverage Under ACA.** Bloomberg News (2/6, Wayne) reports, "The number of Americans projected to gain insurance from the U.S. health-care law is eroding, by at least 5 million people, as the Obama administration struggles to implement the $1.3 trillion overhaul amid Republican opposition." A CBO report released on Tuesday says that 27 million people will gain coverage in 2017, down from a projection of 32 million when the law was passed in 2010 and an estimate of 34 million in 2011. Bloomberg adds, "Expectations are being pulled back as the expansion relies on governors to build a network of insurance marketplaces and expand Medicaid, the joint federal-state insurance program for the poor."

The Wall Street Journal (2/6, Radnofsky) also notes the number but adds that the CBO has also increased the number of people expected to lose their employer-provided benefits to 7 million from a 4 million estimate last August. In addition, the CBO says that it now expects Americans to enroll more slowly in the new exchanges.

The Time (2/6, Rogers) "Swampland" blog runs a chart from the CBO report which accounts for the costs of the Affordable Care Act over the next ten years, which "will cost about $1.165 trillion over the next ten years, after taking into consideration $455 billion worth of penalty payments, taxes, and other effects on tax revenue and outlays." According to the blog, "While the net cost of the coverage provisions remains the same as the prior CBO report, there have been revisions in regards to how many people will be covered over the next ten years." The change in coverage figure was revised downward from 30 million to 27 million.

**CBO Revises SGR Overhaul Costs Down.** CQ (2/6, Reichard, Subscription Publication) reports, "Buried deep inside a Congressional Budget Office report released Tuesday is an estimate that overhauling the Medicare physician payment formula over the next decade would cost just $138 billion," which is "dramatically lower than the roughly $300 billion CBO has previously estimated." According to the article, "American Medical Association President Jeremy Lazarus seized on that nugget from page 31 of the report, issuing a statement late Tuesday saying 'now is the time to end this failed policy once and for all and protect access to care for seniors now and in the future.'"

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**From NAHU**

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**Legislation and Policy**

**GOP Governors' Expansion Of Medicaid May Be ACA "Turning Point."** Politico (2/6, Haberkorn, Millman) reports, "A handful of Republican governors are bucking their party and going ahead with key pieces of President Barack Obama's health care law - and so far, they're not being cast out by the GOP as Obamacare traitors." Though nationally the "heated politics" surround the Affordable Care Act "have hardly died down," Republicans like Ohio's John Kasich "are expanding Medicaid or building an insurance exchange without facing similar opposition at home." Politico calls this "a turning point in the fight over Obamacare," as outside of Washington, DC, Republicans live "with the reality that there's nothing they can do to stop the law, so some are trying to carry it out on their own terms."

However, the CNN (2/5, Liptak) "Political Ticker" blog reports that Ohio's Republican Governor John Kasich's decision to expand Medicaid under the Affordable Care Act "drew the ire of some Republican activists, who had viewed him as a model of small government conservatism and a potential candidate for the 2016 presidential nomination." The article notes that "Kasich isn't the first Republican to sign on to the Obamacare provision – he joins Jan Brewer of Arizona, Brian Sandoval of Nevada, Susana Martinez of New..."
Mexico, and Jack Dalrymple of North Dakota in endorsing the Medicaid expansion." And, further, "Governors Chris Christie of New Jersey and Bob McDonnell of Virginia, also potential presidential candidates, have yet to detail their plans on the Medicaid expansion."

**Optional Medicaid Expansion Leaves Many Uninsured.** The *Washington Post* (2/6, Kliff) "Wonkblog" looks into the reasons given by Ohio Governor John Kasich, as well as other Republicans who have chosen to expand Medicaid in their states, yet notes that "they aren't swaying all governors." Currently, "Ten states have opted out of the expansion. Eleven more, according to the Advisory Board Company, are sitting on the fence - and that includes a few with Democratic governors, like West Virginia and North Carolina." That leaves 10.4 million Americans who could have been covered by expansion but "live in states that have either decided against the expansion, or are still unsure."

**Blog Looks At Positives Of Making Medicaid Expansion Optional.** Harvard Professor John McDonough writes in his *Boston Globe* (2/6) blog "Health Stew" about what he likes to call the "Roberts Rule," or the option to expand Medicaid under the Affordable Care Act which was opened by Chief Justice John Roberts during last June's Supreme Court ruling on the healthcare law. He writes, "The June 2012 Supreme Court decision making the Medicaid expansion a state option will turn out, politically, to be enormously positive, perhaps even a game changer, for the future of the Medicaid expansion in particular and the ACA in general." He explains that though he would have preferred the expansion to be mandatory, this ruling may show the negatives of not expanding as extolled by Republicans.

**Barro Explains Why Opposition To Medicaid Expansion Is "Nuts."** Editorial writer Josh Barro lays out why "opposition to Medicaid expansion is nuts" in a post for the *Bloomberg News* (2/5) "Ticker." He writes that the prescriptions followed by Republicans opting out, "declare Medicaid expansion even when there's almost no cost to state taxpayers; purposefully exclude your state's residents from federal insurance subsidies, are the dying gasps of a political movement that can't understand it was defeated."

**Sebelius Vows To Uphold Medicaid Expansion Promises.** In continuing coverage, *Politico* (2/6, Millman) reports, "In a message targeted at states undecided about expanding Medicaid under the health care law, Department of Health and Human Services Secretary Kathleen Sebelius stressed Monday that the White House won't back away from its promise to fund the expansions, even amid mounting battles over the federal budget." Sebelius said "states hesitant to sign up for the Medicaid expansion under the Affordable Care Act shouldn't fear that the federal funding commitment will disappear when states boost their Medicaid rolls." She told reporters after speaking at the National Health Policy Conference in Washington, DC, "This isn't a bait and switch. We're not saying come in, and we're going to change the underlying framework."

**Obama Signals Willingness To Cut Medicare In Fiscal Cliff Deal.** *Modern Healthcare* (2/6, Zigmond, Subscription Publication) reports, "The Obama administration on Tuesday signaled its willingness to make changes in Medicare and other entitlement programs as it urged Congress to delay automatic federal spending cuts scheduled for March 1." In discussing the healthcare aspects of a possible compromise, Obama said, "I've offered sensible reforms to Medicare and other entitlements, and my healthcare proposals achieve the same amount of savings by the beginning of the next decade as the reforms that have been proposed by the bipartisan Bowles-Simpson fiscal commission."

**Cantor Outlines Healthcare Priorities For Republicans.** *CQ* (2/6, Attias, Subscription Publication) reports, "House Majority Leader Eric Cantor struck familiar themes on health care in a Tuesday speech laying out policy priorities for the new Congress, while steering clear of some of the more polarizing proposals that Republicans have offered in the past." Cantor "criticized the 2010 health care overhaul and advocated for a repeal of the law's tax on medical devices." Still, "while he pushed for changes to Medicare and more flexibility for states under Medicaid, he didn't directly appeal for a premium support model like what House Budget Chairman Paul D. Ryan, R-Wis., has proposed for Medicare or for the block-granting of Medicaid."

**Consumer Groups, Unions Disappointed In IRS Rule.** *Bloomberg BNA* (2/6) says the IRS "disappointed consumer groups and unions when it released a final rule Jan. 30 that could leave some families without affordable health insurance coverage or premium tax credit subsidies to help pay for it." Timothy Jost at the National Association of Insurance Commissioners "hoped IRS would allow families to receive the subsidies in situations where a family member has coverage that meets the Affordable Care Act requirement for 'affordable' employer-sponsored coverage but the family cannot afford family coverage. Instead, IRS went with a stricter reading of the statute that does not allow families to receive premium tax credits through the online health insurance exchange markets that will begin operating in 2014." The American Academy of Pediatrics argues that the final rule makes it necessary for Congress to reauthorize the CHIP.
Corbett "Cannot Recommend" Medicaid Expansion For Pennsylvania.

The Hill (2/6, Viebeck) "Healthwatch" blog reports that Pennsylvania Governor Tom Corbett (R) "said Tuesday that he 'cannot recommend' expanding Medicaid under President Obama's healthcare law." In a letter to HHS Secretary Kathleen Sebelius, Corbett wrote, "Our initial estimates show that a Medicaid expansion under the [Affordable Care Act] would cost Pennsylvania almost $1 billion of new state taxpayer dollars through fiscal year 2015-2016, ultimately rising to a total cost of over $4.1 billion of new state taxpayer dollars by the end of fiscal year 2020-2021. Without reform, the only way to support these costs would be a large tax increase on Pennsylvania families." As the blog notes, "The decision breaks a recent trend of Republican governors who oppose the healthcare law agreeing to push its Medicaid expansion in state legislatures."

The AP (2/6, Levy) reports, "Gov. Tom Corbett said Tuesday that he will not pursue an expansion of Pennsylvania's Medicaid program, at least for now, echoing the longstanding complaints of other Republican governors about the cost, inflexibility and inefficiency of Medicaid." He announced his decision in a letter to HHS Secretary Kathleen Sebelius, and as part of his budget proposal, "simultaneously."

CQ (2/6, Adams, Subscription Publication) reports that Corbett explained his decision Tuesday, saying, "Washington is asking us to expand Medicaid as part of the Affordable Care Act without any clear guidance or reasonable assurances. Washington must provide a clear answer about what this expansion would cost the taxpayers of our state. The federal government must authorize real flexibility and innovative reforms that empower us to make the program work for Pennsylvania."

The Huffington Post (2/5, Young) notes, "By rejecting the Medicaid expansion under President Barack Obama's health care reform law, Corbett becomes the 11th Republican governor to turn down federal funding to provide health benefits to low-income residents. Pennsylvania now joins Idaho, Maine and a swath of states from Georgia to Texas in refusing to add more people to Medicaid, which is jointly managed and financed by the federal and state governments."

Noting the reaction to his announcement, the Philadelphia Inquirer (2/6, Worden) reports, "Simultaneous boos and cheers broke out among legislators in the House chamber on Tuesday when Gov. Corbett said he had no immediate plans to expand Medicaid eligibility for low-income Pennsylvanians under the federal Affordable Care Act." Further, "The partisan reaction - among the strongest during his 45-minute budget speech - continued with instant news releases and social-media cheers and jeers, underscoring the political battle that still lingers concerning the federal health-care overhaul known as Obamacare."

Other Pennsylvania sources covering the announcement include the Allentown (PA) Morning Call (2/6, Darragh), the Pittsburgh Post-Gazette (2/6, Toland), and the Philadelphia Business Journal (2/6, Gough, Subscription Publication).

Pleased With Budget, Pittsburgh Paper Calls Passing On Expansion A "Misstep." In an editorial, the Pittsburgh Post-Gazette (2/6) praises Pennsylvania Governor Tom Corbett's proposed budget, announced Tuesday, as "a giant step to raise significantly more money for road and bridge maintenance, bringing the pension system for state and school district employees in line with what the private sector offers, and breaking Pennsylvania's monopoly on liquor sales." Of the decision not to expand Medicaid under the Affordable Care Act, however the paper writes that Corbett made a "misstep."

Utah Asks Feds To Run State Exchange For Individuals.

The AP (2/6) reports, "Utah Gov. Gary Herbert has asked the federal government to run the state's health insurance exchange for individuals while the state maintains its existing marketplace for small businesses." Herbert "made the request Tuesday in Washington D.C. during a meeting with U.S. Health and Human Services Secretary Kathleen Sebelius." The state "had previously considered expanding its three-year-old marketplace to offer plans to individuals," but Herbert "says they decided this combination will be a win-win for both the state and the federal government."

The Deseret (UT) News (2/6, Roche) reports that Herbert "told reporters in a conference call that the response he received from the secretary was that the administration 'wants to find a way to get to yes.' He said he expects another meeting with Sebelius on the issue within the next 10 days."

The Huffington Post (2/6, Young) adds, "In a way, the outcome isn't terribly surprising. Utah's seven-year-old health insurance exchange, Avenue H, doesn't provide crucial functions that Obamacare exchanges must perform, including allowing people to use them to enroll in Medicaid."

The Salt Lake (UT) Tribune (2/6, Stewart) reports that Herbert called the idea "a proverbial win-win." He said, "It allows Utah to stay true to its principles and objectives and the feds to...pick up the slack."

Snyder's Medicaid Expansion Decision For Michigan Expected Thursday.

The AP (2/6, Eggert) reports that Michigan Governor Rick Snyder is expected to include his plan for Medicaid expansion in his
Hundreds Rally To Urge Medicaid Expansion In Oklahoma.

The AP (2/6, Murphy) reports, "Hundreds of people rallied at the state Capitol on Tuesday and urged Oklahoma Gov. Mary Fallin to reconsider her rejection of a Medicaid expansion that would provide health insurance to an estimated 200,000 working poor in the state." In total, "about 200 people gathered on the north steps of the Capitol" to protest, while "organizers delivered more than 5,000 signatures from an online petition urging the Republican governor to reconsider her decision." Fallin rejected the option to expand the state's Medicaid program back in November, and has "also said the state would not participate in the creation of an insurance exchange."

The Tulsa (OK) World (2/6, Green) reports that a spokesman for the governor said Fallin would not be changing her mind on the issue. "Governor Fallin has made her decision and is not going to revisit the issue," the spokesman said. "As she has said repeatedly, she does not support either Obamcare or the unaffordable Medicaid expansion contained within it. She is focused on pursuing an Oklahoma plan to improve health and wellness in the state."

Few Support New Hampshire Bill To Block Medicaid Expansion.

The AP (2/6, Ramer) reports, "A bill to ban New Hampshire from expanding its Medicaid program as part of the federal health overhaul law attracted scant support at a public hearing Tuesday. Instead, opponents dominated the debate, arguing that expansion would help struggling families, hospitals and the state's economy." As the article explains, "The state is deciding whether to expand eligibility to include anyone under age 65 who earns up to 138 percent of federal poverty guidelines, which is about $15,000 for a single adult, but a bill before the House Health, Human Services and Elderly Affairs Committee would block the state from taking that step."

The Concord (NH) Monitor (2/6, Timmins) reports, "An hour into the hearing, four people, including [sponsor Rep. Bill] O'Brien, had testified for the bill and 45 others were waiting to speak against it. Opponents included the New Hampshire Hospital Association, the New Hampshire Fiscal Policy Institute, The Children's Alliance of New Hampshire and the New Hampshire Medical Society."

Also reporting are the Nashua (NH) Telegraph (2/6, Landrigan) and the New Hampshire Union Leader (2/6, Arlinghaus).

Open Letter Implores Jindal To Reconsider Medicaid Expansion.

The Baton Rouge (LA) Advocate (2/6, Shuler) reports, "A varied group of organizations and individuals on Tuesday urged Gov. Bobby Jindal to agree to the Medicaid expansion included in the federal health care overhaul." An open letter to Jindal noted that the expansion "could provide health coverage to 400,000 Louisianians, most of whom are currently uninsured, and bring in billions of new federal dollars." Additionally, the letter said, the expansion would "benefit Louisiana's families, businesses, health care providers and the economy - all at little cost to the state budget." Jindal maintains that the expansion lacks flexibility and would be too costly for the state.

Analysis Finds Financial Benefits For Wisconsin In Medicaid Expansion.

The AP (2/6, Bauer) reports, "Democratic lawmakers and others who are calling on Gov. Scott Walker and Republicans who control the Legislature to expand Medicaid coverage in Wisconsin pointed to a new analysis Tuesday that said the state could save $65 million by accepting the federal money." The analysis, which was conducted by the nonpartisan Legislative Fiscal Bureau, determined that "the savings would come by replacing state money to cover childless adults with money from the federal government made available under President Barack Obama's health care overhaul law." Walker isn't expected to announce his decision on Medicaid until the release of his budget on Feb. 20.

Branstad Maintains Opposition To Medicaid Expansion In Iowa.

The AP (2/6) reports, "Iowa Gov. Terry Branstad hasn't changed his opposition to increasing the Medicaid rolls in Iowa despite a decision by the Republican governor of Ohio to support expansion of that state's Medicaid program, an aide said Tuesday." According to
Branstad's spokesman Tim Albrecht, the governor "still believes raising the Medicaid eligibility limits would be too costly. Branstad does support continuing the IowaCare program, a state and federally funded plan that provides limited health coverage to low-income adults, Albrecht said."

**Editorial: McCrory's Quest To Fix "Broken Government" Should Extend To Medicaid Flaws.**

In an editorial, the Greensboro (NC) News & Record notes that Gov. Pat McCrory "says he'll fix 'broken government,' and he won't find anything more in need of repair than the state's multibillion-dollar Medicaid program." A report issued last week by State Auditor Beth Wood found that administrators of the program "were more concerned about extending coverage to more individuals than about cost-saving efficiencies ... and administrative expenses were significantly higher in North Carolina than in any state of comparable size." According to the News & Record, McCrory and Dr. Aldona Wos, the new HHS secretary, "deserve the chance to make good on their promises."

**Bill To Repeal Colorado Health-Insurance Exchange Dies.**

A Denver Business Journal blog says Republican and Democratic state lawmakers on Tuesday killed state Rep. Janak Joshi's bill that would have repealed the state's health-benefit exchange, which Joshi deemed a fiscal burden on Coloradans.

**Florida Gov. Scott Not Impacted By Other Republicans Eyeing Medicaid Expansion.**

A Florida Times-Union blog reports Gov. Rick Scott's top budget-writer, Jerry McDaniel, "says that a growing number of Republican governors opting to expand Medicaid under the Affordable Care Act, or Obamacare, are not impacting the administration's decisions. Scott did not include funding for the expansion in his 2013-2014 budget proposal, but said it was 'not the day' to decide on the issue rather than dismissing the proposed expansion." McDaniel told the House Appropriations Committee Tuesday, "We just think there are too many unanswered questions right now."

**Medicaid Expansion Would Affect 8.8% Percent Of North Carolina's Adult Population.**

A Triangle Business Journal blog reports, "With the General Assembly debating whether to expand the state's Medicaid program, a new study finds that expansion would affect nearly 9% of North Carolina's adult population." According to Pew Center on the States' 2013 State of the States report, 8.8% of the adult population is affected by the debate in North Carolina. Some states "have much larger chunks of their adult population affected in the debate. For example, in New Mexico, which will expand, 18% of adults will come under coverage."

**Kasich Seeks Flexibility In Expanding Medicaid In Ohio.**

The Columbus (OH) Dispatch reports, "As Gov. John Kasich seeks to provide tax-funded health insurance for 275,000 Ohioans through an expansion of the state's Medicaid program, the Republican governor also is negotiating with senior White House officials for a deal to alter one of the key components of President Barack Obama's health-care law." In his budget proposal revealed Tuesday, Kasich "warned that Ohio will reverse the decision if the federal government goes back on its promise to cover 100 percent of expansion costs over the next three years." He also "disclosed that senior Obama aide Valerie Jarrett called him last week to discuss possible 'flexibility' from federal regulators for a Medicaid expansion, which the U.S. Supreme Court declared last year was optional for states."

**Christie Undecided, Facing Pressure To Expand Medicaid In New Jersey.**

The PhillyBurbs.com reports that New Jersey Governor Chris Christie "may not be a fan of the Obama administration's health care reform law, but pressure is building on the Republican governor to embrace one of its major components: an expansion of Medicaid to give more poor adults access to government care." Advocates are saying that decisions by Republican Governors, most recently Ohio's John Kasich, to expand Medicaid "will put more pressure on Christie to follow suit and have New Jersey join the 17 states that so far have opted to expand their Medicaid rolls." The article notes that, "Christie has been largely mum on the issue, saying recently that he wouldn't discuss it until he reaches a decision."

**Students, Groups Rally In California For Single-Payer Healthcare.**
The Sacramento (CA) Business Journal (2/5, Robertson, Subscription Publication) reports, "Coordinated marches and rallies will be held across the state Feb. 11, sponsored by the California Health Professional Student Alliance and the Campaign for a Healthy California, a coalition of labor, professional and nonprofit organizations that support the concept of Medicare for all." Approximately 600 people, including medical professionals, are expected to attend the rally. "Despite advances made through the Affordable Care Act, health practitioners' actions are tightly controlled by insurance companies, they say. Only a single-payer system can cut those strings, they claim."

### CMS Unveils Information About PPACA Exchange Record System.

LifeHealthPro (2/5) says CMS published a notice Wednesday in the Federal Register that gave some information about the workings of a new system of records to support the new health insurance exchanges (HIX). The exchanges "are supposed to use one application process to help consumers find out whether they are eligible for health coverage subsidies or for exemptions from the PPACA 'shared responsibility' health insurance ownership mandate. An exchange program 'Data Services Hub' will help exchanges get eligibility information and check applications by pulling data from" the several agencies. The exchanges "also will share 'personally identifiable information' (PII) with the health insurers that sell coverage through the exchanges; 'Navigators,' or official PPACA exchange ombudsmen; 'marketplace assistants,' or exchange employees who help consumers use the exchange; and insurance agents and brokers."

### Public Health and Private Healthcare Systems

#### Florida Blue Positions Itself For ACA Implementation.

The New York Times (2/6, Abelson, Subscription Publication) reports, "Since Patrick J. Geraghty arrived here a year and a half ago to lead the state's largest health insurer, Florida Blue, he has expanded its operations in Medicare and Medicaid, entered arrangements with hospitals and doctors, bought a medical group, and dabbled with a new private sector marketplace that allows employees to choose plans from different insurance companies." Geraghty has also sought to position Florida Blue for 2014, when most of the ACA requirements take effect. Florida Blue has "announced plans to work with a number of health systems to improve the quality of care while reducing costs." For example, Geraghty "is working with executives at Moffitt Cancer Center on an accountable care organization, in which the two would save money by, say, reducing scans or choosing an equally effective but less expensive chemotherapy treatment."

#### Humana CEO Addresses Reform During Conference Call.

The Louisville (KY) Business First (2/5, Subscription Publication) reports Humana chief James Murray "said Monday during an investor conference call that the company still is examining how to provide both individual and small group coverage through the [health] exchanges." To participate in 10 markets on the individual exchange, Murray said Humana will "will also have to participate on the shop for the small group. And so that will cause us to change some of what we were thinking around the small group participation on the exchange to work collaboratively with our HumanaOne businesses to figure out where we're going to go state-by-state and market-by-market."

### Tuesday's Lead Stories

- Kasich Announces Support Of Medicaid Expansion In Ohio.
- Over $100M In Medicare Payments Made To Prisoners, Illegal Immigrants.
- WellCare Seals South Carolina Medicaid Deal.

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