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

Customized Briefing for Kimberly Barry-Curley

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Leading the News

Ahead Of Healthcare Summit, Obama To Unveil White House Reform Measure.

Amid persistent partisan tensions, media reports are casting the current White House efforts to revive the President's healthcare reform drive as possibly the last chance for the legislation to pass this year. The [CBS Evening News](#) (2/21, lead story, 2:20, Reid) reported in its lead story, "The President has said again and again that jobs will be at the top of his agenda this year -- but not this week, when his focus will return to the politically explosive issue of healthcare reform." Obama "has invited House and Senate leaders from both parties to Thursday's healthcare summit. It's expected to last at least six hours, and will be televised live." The [AP](#) (2/22) reports that "the White House was expected to post a version of...Obama's plan...on its website on Monday, ahead of his critical and daring summit" with Republicans "at Blair House on Thursday." The White House plan is expected to hew "close to a stalled Senate bill," requiring "most Americans to carry health insurance coverage, with federal subsidies to help many afford the premiums. ... The expected price tag is around \$1 trillion over 10 years."

The [Washington Post](#) (2/22, Shear, Balz) reports that "senior aides to...Obama said the document will propose changes to the healthcare legislation that passed in the Senate late last year, including lower taxes on expensive insurance plans, and higher subsidies for working families to get health coverage. The changes could add up to \$200 billion to the Senate bill's \$871 billion price tag."

In a front-page story, the [New York Times](#) (2/22, A1, Herszenhorn, Pear) reports that the President's plan would also give "the federal government new power to block excessive rate increases by health insurance companies."

The [Los Angeles Times](#) (2/22, Parson) notes that the proposal "would give the Health and Human Services secretary power to block premium increases that were deemed excessive," while setting up "a panel of experts charged with evaluating the healthcare market each year, and determining what would constitute a reasonable rate increase. The board's members would include consumers, doctors, economists, and insurers."

Sebelius Says Obama's Health Plan Will Include Greater Oversight Of Insurers. [Bloomberg News](#) (2/20, Gaouette, Rowley) reported that, in an interview on Bloomberg Television, HHS Secretary Sebelius said that President Obama's "healthcare proposal will include new rules for insurance companies and greater oversight on the industry." She said, "More oversight, more transparency, and new rules for health insurers are going to be part of health reform." Sebelius also "mentioned medical loss ratios, which mandate how much insurers have to spend on health benefits as opposed to administrative costs."

WPost Says Obama Must Back Excise Tax, Medicare Panel. The [Washington Post](#) (2/21), in an editorial, contended that the President's plan must include "an independent commission empowered to recommend changes to Medicare, subject to an up-or-down congressional vote, and an excise tax on high-cost insurance plans." According to the Post, "Without mechanisms such as the excise tax to discipline costs, premiums will continue to rise even if healthcare reform passes," and the White House "has to make that case."

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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

Feinstein Legislation Would Allow Federal Review Of Insurance Rate Increases.

The [San Francisco Chronicle](#) (2/20, Colliver) reported, "Sen. Dianne Feinstein (D-CA) said Friday she'll introduce legislation next week that would give the federal government the power to review and deny large rate increases by health insurers in states like California that lack the authority to regulate premium increases." Calling it "unconscionable," the Senator "joined President Obama and other elected officials in seizing on the proposed 39 percent rate hikes proposed by Anthem Blue Cross on some of its individual members in California to reenergize the debate over national health legislation." The measure "would give the secretary of Health and Human Services regulatory power over insurers in about half the states in the country, those that currently do not have such authority."

Noting that the Anthem proposal has since been postponed, [The Hill](#) (2/19, Young, subscription required) reported, "The company and the insurance lobby insists that premium increases are the direct result of the escalating prices of the medical care they cover but Democrats counter that the companies are reaping high profits that belie their claims of financial difficulty."

Governors Look To Weigh In On Healthcare Reform.

[Reuters](#) (2/22) and [Wall Street Journal](#) (2/22, Thiruvengadam, subscription required) report that governors are pushing for a greater say in healthcare reform. Reuters notes that on Monday, state governors plan to outline their concerns with the healthcare reform plans in Congress. West Virginia Gov. Joe Manchin (D) said, "We're going to be the ones saddled with fixing this problem. ... We're saying, get us into the game." Meanwhile, the Journal reports that some states are beginning to enact healthcare reforms of their own. Rhode Island Gov. Donal Carcieri (R) said, "Most of what's called healthcare reform can be done at the state level." On [NPR's](#) (2/21) "Weekend Edition Sunday," Govs. Joe Manchin and Gary Herbert (R-Utah) discuss healthcare issues.

West Virginia's Democratic Governor Opposes Individual Mandate. The [New York Times](#) (2/21, A16, Pear) reports that at the National Governors Association meeting, West Virginia's Democratic governor Joe Manchin "criticized proposals that would require everyone to carry insurance with benefits specified by the federal government." Manchin is quoted as saying, "One size does not fit all. We need flexibility to make sure our citizens are insured. I should not be mandated to take care of somebody who is having a hard time financially but is very healthy."

WSJournal Applauds State Moves On Healthcare. Editorializing that there are moves in more than 30 states to block the federal government from requiring citizens to purchase healthcare and guaranteeing the right to pay directly for healthcare without penalty or fine, the [Wall Street Journal](#) (2/20, A12, subscription required) says state legislators are ahead of their Washington counterparts on the issue, and suggests that they be invited to next week's summit.

Reid Says White House On Board With Public Option Reconciliation Strategy.

[The Hill](#) (2/20, O'Brien, subscription required) reported that Senate Majority Leader Harry Reid (D-NV) said on Friday that Democrats "will finish their health reform efforts within the next two months by using" the reconciliation process. During an interview shown in Nevada Friday night, Reid said, "I've had many conversations this week with the president, his chief of staff, and Speaker Pelosi and we're really trying to move forward on this. ... We'll do a relatively small bill to take care of what we've already done. We're going to have that done in the next 60 days."

According to [The Hill](#) (2/20, Young, subscription required), "The public option, the left's favorite part of healthcare reform, is mounting an unexpected comeback. ... Ironically, it's a shift that would have been unthinkable before" Sen. Scott Brown (R-MA) won, because Democrats "gained a huge incentive to use reconciliation, a tactic Reid had previously ruled out," and "even Reid appears to be on board."

The Hill adds, "Reconciliation seems set to move ahead, based on Reid's comments during an interview on Nevada television Friday."

Vote Count For Reconciliation Seen As Uncertain. [The Hill](#) (2/22, O'Brien, subscription required) reports, "It's 'not clear' whether enough Democrats will defect on a majority-vote procedure on health legislation to stop it, the Senate's top Republican said Sunday." McConnell said that opposition to reconciliation "would be bipartisan, but hedged as to whether it would be strong enough to block such a tactic." While "some Democratic senators, like vulnerable incumbent Sen. Blanche Lincoln (LA)...have said they oppose the process...it's not clear that enough Democrats would buck the process to actually block it."

[The Hill](#) (2/22, O'Brien, subscription required) reports that Sen. Ben Nelson (D-NE), addressing a Democratic Party dinner in Lancaster County, NE, said this weekend, "I don't know if there's a happy ending for healthcare."

Cadillac Tax Said To "Fall Equally On Nonunion Plans."

The [Washington Post](#) (2/22, MacGillis) reports that "because organized labor took the lead in opposing" the "proposed tax on high-cost insurance plans in the Senate's healthcare legislation," an "assumption took hold that it would hit unions the hardest." Yet, "according to a new analysis, the conventional wisdom about the tax is wrong: The tax would actually fall equally on nonunion plans. At least 80 percent of the workers whose plans would be subject to the tax in 2019 would be in nonunion jobs, according to the analysis by Ken Jacobs of the University of California at Berkeley Labor Center and William H. Dow, a professor of health economics at Berkeley."

Minnesota Lawmakers Urged To Overturn Veto Denying Healthcare Expansion.

The [AP](#) (2/20) reported that advocates rallied Saturday in front of Minnesota Gov. Tim Pawlenty's (R) governor's mansion to protest the governor's "veto of a bill that would have extended a healthcare plan for 30,000 low-income adults. The demonstrators are urging the Legislature to override the governor." The governor "cut off funding for the General Assistance Medical Care program starting April 1. He wants to shift some patients into another state health plan."

Minnesota's [Pioneer Press](#) (2/22, Hoppin) reports that after Gov. Pawlenty "vetoed an overwhelmingly bipartisan bill rescuing a healthcare program aimed at the poorest Minnesotans," state House Minority Leader Kurt Zellers (R-Maple Grove) may have a difficult time sustaining the veto. "It is no easy task -- Democrats need just three Republicans to maintain their 'aye' votes to override the veto -- it is shaping up to be the first big test of Zellers' leadership."

Public Health and Private Healthcare Systems

Study Finds Medicare Advantage Premiums Increased In 2010.

The [AP](#) (2/19, Alonso-Zaldivar) reported a study released Friday by consulting firm Avalere Health found that "seniors who signed up for popular private health plans through Medicare are facing sharp premium increases this year -- another sign that spiraling costs are a problem even for those with solid insurance." The study "found that premiums for Medicare Advantage plans offering medical and prescription drug coverage jumped 14.2 percent on average in 2010, after an increase of only 5.2 percent the previous year." The AP added that the findings "are bad news for President Barack Obama and his healthcare overhaul" in that the increase in premiums "followed a cut in government payments to the private plans last year," with more cuts called for in Democratic reform legislation. [CongressDaily](#) (2/19, subscription required) also covered the story.

Sebelius Points To Medicare Advantage Premium Increases. [CQ HealthBeat](#) (2/20, Reichard, subscription required) reported that, on a [post](#) on the White House blog, HHS Secretary Sebelius "seized on a study showing double-digit premium increases charged by Medicare Advantage plans as a new example of punitive pricing by insurers." She referenced a study conducted by the "consulting firm Avalere Health. It found that the private health plans in Medicare that offer prescription drug coverage charge monthly premiums this year that are 14 percent higher than in 2009." CMS spokesman Peter Ashkenaz "said in a statement that while Medicare Advantage enrollment is rising, 'these plans continue to be paid, on average, 13 percent higher' than providers in traditional Medicare. He added that 'plans need to explain their premium increases to their enrollees.'"

NYTimes Encourages Congress To Extend Medicaid Match.

The [New York Times](#) (2/21, WK7), in an editorial, noted that "as part of last year's stimulus bill, Congress made the sound decision to temporarily enhance -- by a projected \$87 billion -- the federal matching money for state Medicaid programs," which "has already proved enormously important in offsetting the cost of new enrollees, avoiding harmful program cuts, stabilizing state budgets, and saving jobs in the healthcare industry." The Time added that "the extra stimulus money runs out at the end of this year," and "unless Congress acts soon to extend the funding for at least six months, many hard-pressed states will be forced to reduce Medicaid benefits or make other cuts in services that are likely only to deepen the recession."

New York Mandate That Insurers Accept All Applicants Said To Drive Up Premiums.

The [Los Angeles Times](#) (2/21, Levey) reported, "Spurred by heart-wrenching stories of sick people denied health coverage, the state of New York...passed a relatively simple law requiring insurers to accept all applicants," but "two decades later, New York's experience offers a cautionary tale. ... Premiums in New York are now the highest in the nation," and "nearly one in seven New Yorkers still lacks health coverage, a greater proportion than before the law was passed." According to the Times, "Laws allowing consumers to buy insurance at any time often saddle companies with a lot of high-cost customers," which "drives up premiums, pushing away younger, healthier people who are vital to a functioning insurance system."

Michigan Budget Proposal Includes Medicaid Cuts, Physician Taxes.

[Crain's Detroit Business](#) (2/22, Greene) reports that "Michigan providers received more bad news on Feb. 11 when Gov. Jennifer Granholm announced her proposed 2011 budget would continue the 8 percent Medicaid cuts implemented last year to hospitals, physicians, long-term care and mental health providers." The "budget also included revenue from a proposed 3 percent tax on physician gross receipts, which is intended to raise \$300 million from physicians and another \$527 million in federal matching dollars."

Michigan Proposal To Cut Non-Mandated Medicaid Services Said To Be Disastrous. The [Detroit Free Press](#) (2/21) editorialized that "a Republican Senate proposal to reduce Medicaid coverage in Michigan to only mandated federal services" might sound "sensible...for cost-cutting," but "could set the state up for disaster." The Free Press explains that "most nonmandated services, including prescription drug coverage, are programs that prevent or reduce far more expensive events such as emergency room visits and hospitalization, which the state is mandated to cover. Imagine diabetics without insulin, or heart patients without blood thinners, and you get the picture."

Montana To Keep An Extra \$8.7 Million In Medicaid Funds.

The [Missoulian](#) (2/20, Dennison) reported that HHS Secretary Sebelius announced that "Montana gets to keep an extra \$8.7 million in Medicaid funds this year that normally would be paid to the federal government." The funds are due to the government "using federal stimulus funds to reduce the amount of payments that states make to cover part of prescription drug costs for patients eligible for Medicaid." Anna Whiting Sorrell, director of Montana's Department of Public Health and Human Services, said that "the extra funding is 'wonderful news,' and will be considered as the Schweitzer administration decides where to cut state spending to balance the budget."

North Carolina Keeps \$152 Million In Medicare Funds. The [Raleigh News & Observer](#) (2/22, Bonner) reports, "The federal government will cut the state's Medicare prescription drug bill by \$152 million, according to Gov. Bev Perdue (D). The \$152 million is the state's share of the \$4.3 billion in temporary Medicare cost cuts announced last week."

Some California Blue Cross Customers See 69% Premium Hikes.

[MarketWatch](#) (2/20, Britt) reported that "while lawmakers and President Barack Obama are lamenting premium hikes of up to 39% that Anthem Blue Cross of California plans to charge policy-holders," some in the state have seen rate hikes as high as 69%. "More perplexing is that Anthem seems to be driving up prices even higher on what is known in the industry as 'invincibles,' or policy-holders under 30 that are generally considered at low health risk. These are the customers that the industry desperately needs to help spread out the risks and costs from sicker patients." MarketWatch notes that the development "raises questions about the extent of Anthem's planned price hikes in California."

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