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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

### Obama Calls On Congress To End Debate, Vote On Health Reform.

President Obama Wednesday [urged](#) Congress to proceed to a final, up-or-down vote on healthcare reform. Much of the coverage casts Obama's comments as an endorsement of the "reconciliation" strategy denounced by Republicans. The [CBS Evening News](#) (3/3, lead story, 3:30, Couric) reported that the move is "sure to anger Republicans, who will try to use that to their advantage in congressional elections next November." Obama, CBS' Reid added, addressed "an audience of doctors and nurses," and in "a tone that was forceful and even defiant at times...said the debate is over, it's time to pass healthcare reform." Of GOP demands that the debate start over, for example, Obama said, "Insurance companies aren't starting over. They're continuing to raise premiums and deny coverage as we speak."

The [Los Angeles Times](#) (3/4, Levey, Hook) describes Obama's words as "impassioned" and as "the strongest, most specific language the President has used to drive his healthcare plans forward." In its lead story, [ABC World News](#) (3/3, lead story, 4:20, Tapper) likewise reported, "The President seemed assertive and fired up, and after his remarks, he went back to the Oval Office where he told an aide, 'I feel good about where we are.'" Obama was shown saying, "Every idea has been put on the table. Every argument has been made. Everything there is to say about healthcare has been said. I believe the United States Congress owes the American people a final vote on healthcare reform." [NBC Nightly News](#) (3/3, story 2, 2:40, Todd) said the White House plan included "additional Republicans ideas like medical malpractice reform, and elimination of two special deals made specifically to win over the votes of Democrat senators in Nebraska and Florida."

The [Christian Science Monitor](#) (3/4, Feldmann) reports that Obama's "goal is to finish the legislation by March 29, when Congress begins Easter recess." But, the [AP](#) (3/4, Espo) notes that "while Obama said he wanted action within a few weeks, Senate Majority Leader Harry Reid (D-NV) seemed to hint a final outcome could take far longer." Reid said, "We remain committed to this effort, and we'll use every option available to deliver meaningful reform this year."

In a front-page story, the [New York Times](#) (3/4, A1, Stolberg, Pear) also reports, "Privately, Senate leadership aides said Mr. Obama's deadline could be difficult to meet," since "the final language must still be sent to the nonpartisan Congressional Budget Office for evaluation, a process that takes time. Many aspects of the legislation remain unresolved, and rank-and-file Democrats in the House remain deeply uneasy over both the substance of the bill and the process by which it would be adopted."

The [Washington Post](#) (3/4, Murray, Montgomery) reports, "Obama's endorsement Wednesday of a risky legislative maneuver to complete healthcare legislation sent Democratic leaders scrambling to settle policy disputes and assemble the votes necessary for passage in the coming weeks." The Post cautions that "GOP opportunities to block reconciliation in the Senate will be numerous. The minority party may offer an unlimited number of amendments and can challenge provisions that don't have a clear impact on the federal budget, restricting the bill's contents." Senate Minority Leader Mitch McConnell (R-KY) said, "We're going to scrub the bill thoroughly." The [Washington Times](#) (3/4, Rowland) similarly reports, "Republicans scoffed at Mr. Obama's tough talk, vowing to fight the effort at every turn,

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and to tap the American public's distaste for the measure in the midterm elections."

[Roll Call](#) (3/4, Bendery, subscription required) says that reconciliation, however, "appears to be the only chance Democrats have left to pass a bill." Senate Republican Conference Chairman Lamar Alexander (TN) "said Obama's speech was 'very disappointing' and blasted his plan to 'jam [a health bill] through with a partisan vote.'" Rep. Tom Price (GA), chairman of the Republican Study Committee, "called it 'terribly upsetting' that Obama will try to pass healthcare via reconciliation." [USA Today](#) (3/4, Wolf, Fritze), [AFP](#) (3/4, Knox), and the [Wall Street Journal](#) (3/4, Meckler, Adamy, subscription required) also cover the story.

## 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

### Sebelius Said To Be Well Versed On Insurance Issues.

Ahead of her meeting with health insurance executives on Thursday, [Dow Jones Newswire](#) (3/4, Brin, subscription required) reports that HHS Secretary Sebelius is experienced when it comes to attacking rising premiums. She has a deep understanding of the health insurance industry, according to Dow Jones, due to her past position as Kansas insurance commissioner. Ken Ferber, former WellPoint Health Networks spokesman, said of Sebelius, "My gut about her is that I don't think you can fool her."

**Democrats Seen As Eager To Question Insurers On Rates.** [CQ HealthBeat](#) (3/4, Reichard, subscription required) reports that Democrats have been "issuing lots of invitations to insurers to come to Washington." Along with a meeting Thursday between HHS Secretary Sebelius and health insurance executives, the House Ways and Means Committee spoke with WellPoint CEO Angela Braly last week regarding premiums and will invite "Braly and other executives back for another hearing before his committee's Oversight and Investigations Subcommittee." The invitations "are occurring at a time when Obama has pledged an all-out effort to get an overhaul across the finish line."

### Abortion Debate Complicates House Passage Of Health Reform.

The [Washington Times](#) (3/4, Haberkorn) reports, "The abortion battle that riddled the healthcare overhaul debate is finding new life amid a once-overlooked provision to fund community healthcare centers," because "pro-life advocates say the Democrats' healthcare bill would send millions of dollars to community healthcare centers without restrictions to keep the money from being used to fund abortions, potentially expanding access to the procedure." The Times adds that "House members are being lobbied to oppose the bill because of the funding and because of concern that federal money would cover abortion-inclusive insurance plans."

### Senate Hearing Investigates Abuse Of Medicare Part D.

[CQ HealthBeat](#) (3/4, Norman, subscription required) reports that at a hearing by the Senate Committee on Homeland Security and Governmental Affairs' subcommittee on federal financial management, government information, federal services and international security on Wednesday, "Senate Democrats took aim at the Medicare Part D prescription drug program...raising questions about how vulnerable the four-year-old initiative is to abuse by people seeking drugs to sell or use for their own addictions." During the hearing, Robert Vito, regional inspector general for evaluation and inspections at the HHS Office of Inspector General (OIG), said that "to date, oversight by CMS, plan sponsors and benefit integrity sponsors has been 'limited.'"

### Missouri House Gives First Nod To Measure Meant To Block Mandatory Health Insurance.

The [AP](#) (3/4, Blank) reports that the Missouri Legislature's House gave its first approval Wednesday "to a constitutional amendment that seeks to block a government mandate to buy health insurance, taking aim at a key provision in federal legislation to overhaul healthcare." The amendment "would ban penalties or fines from being levied against individuals and employers who opt out of insurance and pay directly for their own healthcare," while "medical providers could not be penalized for accepting direct payments for healthcare." Sponsor Rep. Tim Jones "said Congress is overstepping its authority." The Missouri House approved the amendment on a 113 to 40 vote, but the measure will need another vote there before going to the Senate. If it passes there, voters would consider it in November.

## Oklahoma House Defeats Measure To Increase Medicaid Co-Pays.

The [Oklahoman](#) (3/4, McNutt) reports that the state's "House of Representatives quashed a proposal Wednesday to increase a doctor's visit fee on low-income Oklahomans at a time the state is reeling from its worst economic conditions in decades." The bill "would have required all medical providers taking part in the state's SoonerCare Medicaid program to collect a \$5 co-payment," up from \$3 for adults and no co-payment for children. Rep. Scott Inman said, "We're talking about absolutely the poorest people in the state of Oklahoma. ... Is this the time to do this?" The measure died in a 56 to 32 vote. The [AP](#) (3/4) also briefly reports the story.

## Public Health and Private Healthcare Systems

### Advocates Push For Permanent Fix To Medicare Part B Therapy Caps.

[CQ HealthBeat](#) (3/4, Norman, subscription required) reports, "Advocates for patients and providers said at a Capitol Hill news conference on Wednesday that they're grateful for a brief reprieve from caps on Medicare Part B therapy services enacted by Congress, but remain worried about what's going to happen yet this year and the impact on individuals." CQ notes that "more than 40 groups...have united to push for a long-term solution when it comes to therapy under Medicare." The current extension ends March 31, and relies on a healthcare overhaul bill to pass. The Senate healthcare reform bill contains a one-year extension, and the House would extend the program for two years.

### Connecticut City Switches Healthcare Administrators To Save \$1 Million Annually.

The [Bristol \(CT\) Press](#) (3/3, Collins) reported that Bristol will drop Anthem Blue Cross Blue Shield as its health insurance administrator for an estimated annual \$1 million in savings. Instead, "Cigna will administer city healthcare benefits, MetLife will oversee dental benefits and Medco will handle prescriptions," if the change is approved by the city's board of finance. Bristol "is self-insured so it pays its employees' medical bills. The city's savings are expected to come from \$329,000 in direct administrative cost reductions and the rest from lower healthcare provider reimbursements. The Press notes that city employees will not pay more for the new administrators, but some of their physicians and dentists may not be in-network providers.

### Report Says Massachusetts Cities And Towns Could Save Millions By Joining State Health Plan.

According to the [Boston Globe](#) (3/3, Murphy), a Boston Foundation report says Massachusetts cities and towns should be allowed to salvage their budgets by joining a state health insurance plan similar to private-sector plans. Currently, state law allows local municipal unions to effectively block such a move. The Boston Foundation said changing the law is "the single most important step the Legislature can take to address the budget crisis of the cities and towns."

### Court Rejects California Health Budget Cuts.

The [AP](#) (3/4, Lin) reports that, in separate cases, a federal appeals court on Wednesday "shot down two budget cuts" made by California Gov. Arnold Schwarzenegger (R) and state lawmakers. "One was to reduce the state's contribution to the wages of home care workers by \$2 an hour, from a maximum of \$12.10 an hour to \$10.10. The other was to cut Medicaid payments by 5 percent to pharmacists, hospitals and adult day care providers." The state was expecting to save \$79 million and \$177 million from the cuts, respectively.

The [San Francisco Chronicle](#) (3/4, C2, Egelko) notes that "Federal law doesn't prohibit Medi-Cal reductions, Judge Milan Smith said in one of Wednesday's decisions, all issued by the same three-judge panel. But he said the state must first conduct a study to make sure that the rates cover reasonable costs of care."

### Idaho To Begin Charting Medicaid Cuts Thursday.

The [Idaho Statesman](#) (3/3, LaMay) reported that an Idaho Legislature committee will begin examining how to cut Medicaid Thursday, and the process is likely to be painful as it considers "where the least harm will be done to the smallest amount of people," according to one

state legislator." Some core medical services are protected by federal law for Idaho's 213,000 Medicaid enrollees, most of whom are children, but the state faces a budget "knee deep in red ink," and "a \$29 million shortfall in state funding for Medicaid." Legislators can "delay, freeze or reduce payments to doctors who treat Medicaid patients and...cut patient access from a list of services that includes many dental, vision, mental health and disability benefits."

## North Carolina Governor Targets Medicaid Fraud.

The [AP](#) (3/4) reports that North Carolina Gov. Beverly Perdue said Wednesday that she intends to introduce a program "in the next couple of weeks" to help the state find Medicaid fraud and waste. Perdue said "Attorney General Roy Cooper has agreed to prosecute those people" the program identifies as receiving "unnecessary health services and providers overprescribing certain drugs." North Carolina expects to "spend \$250 million more on Medicaid than budgeted" this year.

## South Carolina May Slash Services For 26,000 People With Disabilities.

The [AP](#) (3/4) reports that South Carolina "lawmakers are considering cutting all services for nearly 26,000 people with disabilities as" the state attempts to address a \$560 million budget gap without having to raise taxes. Last week's "budget approved by a House committee...would provide services only for 4,800 people with disabilities living in group homes or institutions." Meanwhile, "more than half of the proposed cuts in the current version of next year's \$5 billion budget -- about \$113 million in all -- affect Medicaid and other human services programs," and "the Department of Disabilities and Special Needs would see its funding slashed by \$42 million."

## Growing Your Business

### Tax Problems Can Be Costly For Small Businesses.

In an article that offers small firms tips on filing their taxes, the [AP](#) (3/4, Rosenberg) reports, "Small business owners who compile their own income tax returns" can fall "into some common quicksand pits. The mistakes can be costly if they raise a company's tax bill unnecessarily or subject it to penalties and interest in the future." The article details a number "of the common problems business owners encounter at tax time," and offers some quick solutions.

### Small Pennsylvania Businesses Say Healthcare Costs Top Concern.

The [Pittsburgh Tribune-Review](#) (3/4, Napsha) reports that a survey conducted in Pennsylvania finds that healthcare costs are the top concern of 71 percent of 250 responding small businesses, ahead of taxes. The results of the Small Business State Opinions survey were released Wednesday by a regional business council that conducted it in February. The Tribune-Review notes, "Small-sized employers often believe they are overpaying for health insurance for employees," with some reporting annual increases that range from seven to 12 percent a year. Typical responses are "revising cost-sharing between employees and employers and the use of wellness programs."

## Also in the News

### Insurers Said To Pay Providers At "Widely Different" Rates For Similar Services.

[Bloomberg News](#) (3/4, Babcock) reports that, according to a report by the Massachusetts attorney general's office, "Insurers pay providers at 'widely different rates' for similar services." In fact, "some large hospitals and physician groups have the clout to charge more." Medical records show that chest "scans in late 2006 billed at \$3,232 by the" Hospital of the University of Pennsylvania, while "UnitedHealth Group Inc. paid \$2,586.60, or 80 percent." According to a spokeswoman for the University of Pennsylvania Health System, "Charges for diagnostic services are set to be consistent with other services provided within the Health System with what are considered comparable services in terms of capital investment required and resource utilization."

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