



Customized Briefing for Brett Houston

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Leading the News

Obama Signs 1099 Repeal Bill.

The [AP](#) (4/15) reports, "President Barack Obama has signed the first rollback of last year's healthcare law, a bipartisan repeal of a burdensome tax-reporting requirement that's widely unpopular with businesses."

The [Washington Post](#) (4/15, Sonmez) "2chambers" blog reports, "The move marked the first successful effort by Congress to repeal a portion of Obama's signature health-care legislation." Last week, the Senate "voted 87-to-12 to repeal the 1099 provision. The House passed the measure in March on a bipartisan 314-to-112 vote." The White House announced that the President had signed the bill into law, and said that the measure "repeals the expansion in the Affordable Care Act of requirements for businesses to report information to the Internal Revenue Service on payments for goods of \$600 or more annually to other businesses and increases the amount of overpayment subject to repayment of premium assistance tax credits for health insurance coverage purchases through the Exchanges established under the Affordable Care Act."

[Reuters](#) (4/15, Zakaria) quotes the President as stating, "I was pleased to take another step to relieve unnecessary burdens on small businesses." He added, "Small business owners are the engine of our economy and because Democrats and Republicans worked together, we can ensure they spend their time and resources creating jobs and growing their business, not filling out more paperwork." [Bloomberg News](#) (4/15, Rubin) also covers the story.

From NAHU

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Group Spotlights Health Insurance Trade Associations' Political Contributions.

[The Hill](#) (4/14, Pecquet) "Healthwatch Blog" reported that health insurance agents and brokers, "who are lobbying to be excluded" from the medical-loss ratio provision in the healthcare reform law "gave lawmakers more than \$3.18 million in the 2010 election cycle, Consumer Watchdog said Thursday." The \$3.18 million represents the "contributions from the top three" trade associations for agents and brokers: the "National Association of Insurance and Financial Advisors, the Independent Insurance Agents and Brokers of America and the National Association of Health Underwriters," according to data from the Center for Responsive Politics. Republicans received "two-thirds" of the contributions. The bill's "main sponsors, Rep. Mike Rogers (R-Mich.) and John Barrow (D-Ga.), received \$16,000 and \$12,500 respectively," according to Consumer Watchdog.

Legislation and Policy

Several Moderate Democrats Vote To Preserve Health Reform Funding.

The [AP](#) (4/15, Cassata) reports, "Tough re-election campaigns looming, a handful of moderate Senate Democrats voted on Thursday to keep the money flowing to President Barack Obama's healthcare law despite increasing public opposition to the year-old overhaul." Last week's budget agreement "required a separate vote on cutting off money for the year-old healthcare overhaul. The effort failed, 53-47, falling 13 votes short of the 60 votes needed for passage, but it put lawmakers on record -- an outcome relished by Republicans looking ahead to 2012." Some moderate Democrats who voted against the measure included Sens. Claire McCaskill (D-MO), Jon Tester (D-MT) and Ben Nelson (D-NE).

HHS Unveils New Program To Help States Administer Medicaid.

[CQ](#) (4/15, Norman, Subscription Publication) reports, "States have been demanding less federal bureaucracy when it comes to administering their Medicaid programs, and the Obama administration signaled Thursday it's hearing them loud and clear with an announcement of four initiatives to give 'new flexibility' to states to boost their programs." HHS officials said that "under a new program created in the healthcare law (PL 111-148, PL 111-152), up to \$1 million will be sent to each of 15 states so they can devise better ways to care for so-called dual eligibles, people who qualify for Medicare and Medicaid." In addition, "HHS officials...said Secretary Kathleen Sebelius approved a demonstration project for New Jersey that will extend health coverage to 70,000 uninsured people through the Work First New Jersey program."

GOP Lawmakers Complain About Proposed Bonuses For MA Plans.

[CQ](#) (4/15, Adams, Subscription Publication) reports that Sen. Orrin G. Hatch (R-UT) and House Ways and Means Committee Chairman Dave Camp (R-MI) "complained Thursday that the Department of Health and Human Services is bypassing Congress by giving private Medicare Advantage plans extra money through a bonus program." The healthcare law included "a 3.5 percent reduction in payments to the Medicare Advantage health plans run by private insurers. But, HHS officials have announced that they would be giving performance bonuses

to some plans through a demonstration program," which in effect provides them with an increase rather than the decrease mandated by the law. Hatch and Camp wrote in a letter to HHS Secretary Kathleen Sebelius, "While we appreciate the administration's newfound support for the MA program, we are concerned about CMS' use of this payment demonstration authority and the lack of transparency in accounting for taxpayer dollars."

Individual Market Deductibles May Be "Substantial."

[CQ HealthBeat](#) (4/15, Norman, Subscription Publication) reports, "The deductibles for the minimum health insurance coverage that some people will be required to buy under the healthcare law could be 'substantial,'" according to a study released by the Kaiser Family Foundation. The study predicts that people "earning below 400 percent of the federal poverty level will be eligible for subsidies, though the highest earners in that group could still face some pretty substantial cost-sharing." Deductibles are estimated in the analysis -- which is "pegged to 2014, the first year of the individual mandate -- to be at least \$2,750 for the least comprehensive single plan in the individual and small group market." Meanwhile, the Department of Health and Human Services "has not yet determined what benefits must be included in the plans."

High Deductibles In Healthcare Law May Represent A Win For Conservatives. Ezra Klein wrote in his [Washington Post](#) (4/14) blog that "as the Kaiser Family Foundation's Drew Altman [points out](#), the law includes very high-deductible plans that leave individuals with a lot of exposure to costs and thus incentive to save money -- an approach that conservatives have been advocating for a long time -- even though it never gets credit for including that idea." Altman wrote, "The left got 32 million people covered and reforms that eliminate the worst abuses in the health insurance system. And the right got a further push, beyond the momentum already underway in the market, towards just the kind of 'skin in the game' insurance they have always believed will help control healthcare costs."

Oklahoma Governor Rejects \$54.6 Million Federal Grant To Create Health Insurance Exchange.

The [AP](#) (4/15, Talley) reports that Oklahoma Gov. Mary Fallin (R) "reversed course Thursday by rejecting a \$54.6 million federal grant to help create a health insurance exchange for uninsured Oklahoma residents that is required by the new federal health care law." Fallin, "who previously said she would accept the money, said legislative leaders have agreed to consider using state and private funds to create the Health Insurance Private Enterprise Network." That "program will identify private health insurance plans offered in Oklahoma, what they cover and how much they cost."

[Modern Healthcare](#) (4/15, Barr, Subscription Publication) reported, "Separately, the state's insurance commissioner, John Doak, announced that he will return a \$1 million grant received under his predecessor as part of the Patient Protection and Affordable Care Act for health insurance premium rate reviews, according to a news release." In the new release, Barr announced that "the department will continue to perform such rate reviews, but without federal funding."

Massachusetts AG Seeks Authority To Prohibit Nonprofit Insurers' Payments To Board Members.

The [Boston Globe](#) (4/15, Weisman, Bierman) reports, "The battle over payments to board members at nonprofit health insurers escalated yesterday, as state Attorney General Martha Coakley pressed for legislation that would give her authority to prohibit the fees, while two large Massachusetts health insurance companies again said the

money they pay directors is well spent." Coakley's office released a report that "said the insurers' longtime practice of paying directors can't be justified." However, both Harvard Pilgrim Health Care and Tufts Health Plan "yesterday defended their fee-paying practices against Coakley's criticism."

Boston Papers Critical Of Insurers. The [Boston Herald](#) (4/15) editorializes, "It shouldn't require a tongue-lashing from Attorney General Martha Coakley to convince the state's large nonprofit health insurers that throwing big money at their very part-time board members is a colossally bad idea." The Herald added, "The insurers tried to make the case for the payments, citing competition with national for-profit insurers for qualified directors as well as the unique expertise they bring to the board room, all of which Coakley found unconvincing. We do, too."

Florida Senate Bill Aims To Turn Over Medicaid To HMOs.

The [Miami Herald](#) (4/15, Caputo) reports, "The Medicaid reform bill passed Thursday along party lines in the Florida Senate's budget committee is so loaded with controversy that parts of it won't pass the Florida House. Or the federal government, which pays for most than half the program, could reject the plan entirely." Notably, this "plan seeks to reduce long-term costs by turning over nearly all of the management of the system to HMOs and other managed-care companies throughout the state."

Oregon Senate Committee Approves Legislation To Create Health Insurance Exchange.

[The Oregonian](#) (4/15, Graves) reports that an Oregon "Senate committee approved a bill today that would extend health care in 2014 to nearly all Oregonians through a government-subsidized insurance marketplace called an exchange." The legislation, "now headed for a vote on the Senate floor, would create the exchange as a public corporation with a governing board, and it would play a key role in both state and federal efforts to reform health care."

Colorado Legislature Approves Bill That May Cause 2,000 Children To Lose Health Coverage.

The [Colorado Independent](#) (4/15, Boven) reports that a "bill that may cause 2,000 low-income children to drop out of a Colorado health care assistance program" has "won the" Colorado "Legislature's approval." The legislation, "if signed into law by the governor, will require charging families who make between 205 and 250 percent of the federal poverty level (FPL) up to \$50 dollars a month to have their children enrolled in the Children's' Basic Health Plan (CHP)."

Massachusetts House Budget Proposal Would Allow Non-Negotiable Cuts To Union Employee Healthcare Plans.

The [Worcester \(MA\) Telegram & Gazette](#) (4/14, Monahan) reported, Massachusetts House Democrats "picked a fight with municipal labor unions yesterday, with budget proposals that would allow cuts to employee healthcare plans without negotiations." If approved, the "healthcare plan authority called for in the House 2012 fiscal budget would allow cities and towns to unilaterally adopt new coverage and impose higher premiums, copayments and deductibles." In addition to an "estimated \$799 million in savings from MassHealth coverage for low-income residents," the House plan would cut "\$4.5 million from state disease prevention programs."

Auditor Report Shows Illinois' All Kids Insurance Program Costly To Taxpayers.

The [Chicago Sun-Times](#) (4/14, Thomas) reported that the "expansion of All Kids health insurance program cost Illinois more than \$74 million in unpaid premiums last year," according to a report released Thursday by state Auditor General William G. Holland. The state's "KidCare child health insurance program was expanded in 2006 to include uninsured children" whose family income was "greater than 200 percent of the federal poverty level and undocumented immigrant children." Because these "children -- nearly 95,000 in 2010 -- don't qualify for federal funds," state taxpayers are paying the "cost of covering them."

Advocates: Utah Medicaid Plan Would Hurt Seniors, Low-Income People.

The [Salt Lake Tribune](#) (4/15, Henetz) reports, "Advocates for elders and low-income residents in Utah see Republican plans for cutting Medicare and Medicaid costs as an unfair approach that could mean the loss of billions of dollars to Utah." The plan, which was unveiled "last week by House Budget Chairman Rep. Paul Ryan, R-Wisc., would repeal key provisions in the year-old Affordable Care Act, privatize Medicare and cut \$1 trillion from Medicaid funding for states. The states would get set amounts, which would cap spending rather than adjusting it for changing needs and new enrollees. Congress is expected to vote on the proposal Friday."

Florida's Controversial Medicaid Proposal Would Cut Transplant, Cancer-Medication Funding.

The [St. Petersburg \(FL\) Times](#) (4/15, Caputo) asserts that the Medicaid reform bill, which "passed Thursday along party lines in the Florida Senate's budget committee, is so loaded with controversy that parts of it won't pass the Florida House." And if it does, the "federal government, which pays for more than half the program, could reject the plan entirely." The Senate plan seeks to "reduce long-term costs by turning over nearly all of the management of the system to HMOs and other managed-care companies throughout the state." But, the "big sticking point" is that the Senate "wants to deeply cut and rename a program called the Medically Needy, which provides transplant and cancer patients with expensive medicines."

Tennessee Among States Chosen To Help CMS Develop New Healthcare Model For Dual-Eligible Recipients.

The [Nashville Business Journal](#) (4/14, Subscription Publication) reported, Tennessee is "one of 15 states" that was named Thursday by the Centers for Medicare and Medicaid Services as "states that will help design new ways to meet the medical needs of the country's poorest and most chronically ill citizens." The program was developed to "find ways to provide more efficient and less confusing care for those eligible for both Medicare and Medicaid services." Tennessee will "receive up to \$1 million" under the program to "design strategies for implementing person-centered models that fully coordinate primary, acute, behavioral and long-term supports and services for dual eligible individuals," according to a news release.

Also in the News

Experts Say Encouraging Healthy Behavior Is Essential For Healthcare System.

[USA Today](#) (4/15, Kennedy) reports that as "the House takes up Rep. Paul Ryan's budget proposal that caps Medicare spending and turns it over to private insurers, some healthcare industry experts say it won't work without a key piece: encouraging healthy behavior." While "the House voted to repeal the Prevention and Public Health Fund...which provides \$750 million to prevent tobacco use, heart disease, stroke and cancer," many health industry experts at the Atlantic Health Care Forum did not react positively towards Ryan's plan. Notably, Blue Cross/Blue Shield President Chet Burrell "said the gap between the money provided for Medicaid and Medicare and actual health costs would continue to grow without a push for behavioral change." Also, National Institutes of Health Director Francis Collins said that intervention to encourage a healthier lifestyle is not cheap but that over time it is cheaper.

Boston Mayor Announces Agreement With City Unions To Curb Health Insurance Costs.

In a front-page story, the [Boston Globe](#) (4/15, A1, Ryan) reports that "Boston's labor leaders signed an unprecedented agreement with Mayor Thomas M. Menino yesterday that will require municipal workers to pay \$70 million more for their health insurance over the next four years and deliver substantial savings to the city as early as June."

The [Boston Herald](#) (4/15, Wedge) reports that "under the deal, city employees' health-care premiums would increase 2.5 percent over two years while they would pay an additional one percent toward Medicare." In addition, the deal "calls for plan changes for city employees that would result in higher co-pays." But, "in order for it to become effective, the City Council must approve the agreement, union leaders must get authorization from members and the Legislature and Gov. Deval Patrick (D) need to pass a reform package by Dec. 31."

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