

Customized Briefing for Kimberly Barry-Curley

June 6, 2013

[From NAHU](#)  
[Leading the News](#)  
[Legislation and Policy](#)

[Public Health and Private Healthcare Systems](#)  
[Also in the News](#)

## Leading the News

### House Republicans “On Track” To Overhaul SGR Formula.

[CQ](#)   (6/6, Ethridge, Subscription Publication) reports, “House Republicans said they are continuing to move ahead with legislation to replace Medicare’s physician payment system but will wait to negotiate some of the more contentious issues.” Regarding the sustainable growth rate (SGR) formula overhaul, Rep. Joe Pitts (R-PA), chairman of the House Energy and Commerce Health Subcommittee, indicated that “the panel remains ‘on track’ and continues to work with Democrats and members of the Ways and Means Committee on a replacement measure.” Pitts told reporters after a subcommittee hearing Wednesday: “We’ll have something out there by the end of July for everybody to work on over August.”

## From NAHU



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## Legislation and Policy



### Poll Finds More Americans Viewing ACA Unfavorably.

The [Wall Street Journal](#)   (6/6, O'Connor, Radnofsky, Subscription Publication) reports on a new poll, conducted by the Journal along with NBC News, which found that the gap between Americans who think the Affordable Care Act is a good idea vs. those who think it is a bad idea is the largest it has been since the law was passed in 2010. Indeed, 49% of respondents called it a bad idea, while just 37%



called it a good idea, a difference of 12 points. An even larger gap exists between those who believe the law will leave them better off – 19% of respondents – vs. those who believe it will leave them worse off – 38% of respondents.





## Price To Introduce Bill Offering “Patient-Centered” Alternative To ACA.

The [Washington Times](#)   (6/6, Howell) reports that Representative Tom Price (R-GA), a physician, said Wednesday that he “will try, once again, to push a health care bill that offers a ‘patient-centered’ alternative to President Obama’s sweeping reforms.” His alternative includes plans to offer “tax breaks to make insurance affordable without imposing government mandates,” and high-risk pools to allow for “more price leverage.” Price said, “You can do all of those things without putting the government in charge of the doggone thing.”



[The Hill](#)   (6/6, Wasson) “On the Money” blog reports that an earlier version of this bill “was a leading candidate for a replacement to ObamaCare, although GOP lawmakers failed to unify around any one bill. Price introduced his bill in 2009 as an alternative to the Affordable Care Act, later adding a section to repeal the law.”

## ACA Opponents Have Outspent Supporters Five-To-One On Ads.



In continuing coverage, [The Hill](#)   (6/6, Viebeck) “Healthwatch” blog reports “opponents of President Obama’s healthcare law have outspent supporters by more than 5-1 when it comes to television ads.” Since 2010 when the law passed, “ObamaCare critics have spent \$400 million on television spots compared with supporters’ \$75 million.” The piece adds that the largest buyer of pro-ACA advertisements was HHS, “in a nonpolitical education campaign.”

In related news, [The Hill](#)   (6/5, Joseph) reports that “a conservative super-PAC is launching its second ad in as many weeks against Sen. Mark Pryor (D-Ark.), this time targeting him for his support of ObamaCare.” In the ad, Arkansas resident bill Shroyer says, “When Senator Pryor was the deciding vote for ObamaCare, it was a huge letdown for the state of Arkansas. And people haven’t forgotten that.” Similarly, [The Hill](#)   (6/5, Jaffe) reports that a similar campaign has been funded against Senator Jeanne Shaheen (D-NH). A new ad, from Citizens for a Strong New Hampshire, “characterizes Shaheen as ‘the deciding vote for ObamaCare,’ and features a family deciding what to cut from a meal following hypothetical cuts to their income due to the healthcare law.”



## Lawsuits Cite ACA Anti-Discrimination Provision To Seek Pregnancy Coverage.

In continuing coverage, the [Washington Post](#)   (6/6, Andrews) “Wonkblog” reports on a new lawsuit which, if successful, “could expand the benefits that health insurance plans must cover under the Affordable Care Act.” The National Women’s Law Center is “alleging that five institutions are discriminating against women by excluding pregnancy coverage from the health insurance benefits that they provide to their employees’ dependent children,” basing the case on a provision of the ACA which bans sex discrimination in health coverage. The complaints were filed with the Department of Health and Human Services’ Office for Civil Rights.

## Impact Of ACA On Part-Time Employment Hard To Predict.

[CQ](#)   (6/6, Reichard, Subscription Publication) reports on the difficulty of predicting what effect the Affordable Care Act will have on part-time employment across the country. Although “there’s been no shortage of news reports and predictions by opponents of the law suggesting that” it will increase “part-time jobs as employers scramble to avoid higher health insurance costs,” the real impact is still unknown.

## Exchange Boards Hiring Navigators Amid Concerns About Program.



[Modern Healthcare](#)   (6/6, Block, Subscription Publication) reports that state exchange organizations are “starting to hire people to help consumers through the enrollment process that will begin on Oct. 1.” However, they’re doing so amid “concerns of conflicts of interest, shoddy training and the potential for fraud.” The article notes that “some lawmakers and industry stakeholders—particularly insurance brokers—have raised concerns that the navigators and assisters will lack appropriate training and that HHS’ proposed regulations on their roles don’t adequately protect consumers from conflicts of interest and misuse of private data, such as Social Security numbers.”



## Debate Continues Over Causes Of Healthcare Cost Slowdown.

[Modern Healthcare](#)   (6/6, Evans, Subscription Publication) reports that experts are looking into the new studies which have found a



slowdown in growth for healthcare costs, “puzzling over how big an impact the Great Recession” had and whether “the current lower spending is actually good for Americans’ health.” One factor pointed to in the article is a decision during the recession to forgo voluntary medical treatment.

## **Analysis Finds Colorado Exchange Unlikely To Lead To “Rate Shock.”**



The [Denver Post](#)   (6/6, Booth) reports that an analysis of the rates to be offered on Colorado’s new health insurance exchange found them to be “just right.” According to the advocacy group Colorado Consumer Health Initiative, their findings should calm fears about so-called “rate shock” under the Affordable Care Act.

In related news, the [Denver Business Journal](#)   (6/6, McCrimmon, Subscription Publication) reports that “Federal health officials have required Colorado to create contingency plans in case the state’s health exchange can’t function as planned by the beginning of October.” Documents “show that Colorado health exchange managers are preparing for three primary problems that could undermine the planned Oct. 1 launch,” including a Federal data hub that does not work, the “failure of Colorado’s Medicaid systems to mesh with exchange systems,” and “failure of the exchange’s own IT system to be able to determine if people qualify for tax credits.”

## **Hatch Questions Rising Cost Of ACA Tax Credits.**

[The Hill](#)   (6/6, Baker) “Healthwatch” blog reports that Senator Orrin Hatch (R-UT) is “seeking more information about the cost of providing tax credits to help people pay for their insurance premiums” under the Affordable Care Act. The latest White House budget estimated the cost at around \$32 billion in 2014, a figure which has “more than doubled” over the past few years. In a letter to cabinet officials, Hatch “requested a breakdown of the factors that contributed to the rising cost estimates.”

## **Wonkblog Looks Into Young, Male Demographic “Crucial” To ACA.**





The [Washington Post](#)   (6/6, Kliff) “Wonkblog” looks into the importance of the “middle-income 25-year-old male,” a “crucial” demographic to the Affordable Care Act. The article notes that as older, sicker Americans are likely to enter the insurance market thanks to the Affordable Care Act, “of the 7 million people that the Obama administration expects to enroll in health coverage in 2014, officials think they need 2.7 million to be young adults, in order to prevent premiums from spiking for everyone else.”

## **Public Health and Private Healthcare Systems**



### **Study Finds Medicare More Likely To Offer Upside-Only ACO Arrangements.**

[Modern Healthcare](#)   (6/6, Landen, Subscription Publication) reports that “commercial insurers participating in accountable care arrangements are less likely than Medicare to use payment models featuring the ‘upside-only’ shared-savings preferred by providers, according to an analysis released Wednesday by the Premier healthcare alliance.” The study, which looked at 85 ACO payer arrangements, found that “more than one-third of these are for upside-only shared savings—where savings are split evenly between insurers and providers and there are no penalties imposed for failing to meet goals.” However, the vast majority are offered through Medicare programs, and just 21% by commercial payers.



### **Pence To Reverse Medicaid Cuts In Indiana.**

The [AP](#)   (6/6) reports, “Gov. Mike Pence announced Wednesday he was undoing a series of Medicaid rate cuts that Indiana made while weathering the recession.” Indiana “plans to spend \$37 million more each year reimbursing providers.” According to a Pence spokeswoman, “the increase would amount to 2 percent more for hospitals, nursing facilities, home health and immediate care providers.” The [Evansville \(IN\) Courier & Press](#)   (6/6, Bradner) reports, “That will allow the state to restore services that it once offered — including dental and vision coverage for adults who are enrolled in Medicaid, as well as lab work and radiology and speech and hearing therapy.” Further, it “also allows for what state officials said would be a net 2 percent increase in the reimbursement rate paid through Medicaid to hospitals and immediate care centers, nursing homes and home health care providers.”



## Brown's Proposed Medi-Cal Cuts May Begin This Summer.

The [Sacramento \(CA\) Business Journal](#)   (6/5, Robertson, Subscription Publication) reports, "As health care providers rallied in protest at the Capitol on Tuesday, officials said Gov. Jerry Brown's proposed cuts to the Medi-Cal program could start this summer." Although "the cuts will start at \$917 million for fiscal year 2013-2014 and grow to \$1.4 billion a year later," H.D. Palmer, a spokesman for the California Department of Finance, claimed "these figures include both state and federal matching funds." Palmer added that "actual savings to the state general fund in ongoing cuts and retroactive collections are projected to total \$458.8 million in fiscal 2013-14."

## CMS Data Show Medicare Spending Decline In Dallas County.





The [Dallas Morning News](#)   (6/5, Landers) reports, "In data released for the first time earlier this week, the federal Centers for Medicare & Medicaid Services showed average spending per Medicare beneficiary in Dallas County fell 2.2 percent between 2010 and 2011 — the latest year for which data is available." Further, "seniors and others covered by the federal insurance program spent on average \$10,394 in 2010, and \$10,162 in 2011." The Morning News notes, "The per capita spending decline goes against a trend of steady increases in spending over the last several years and could indicate hospitals and doctors are restraining the amount of care they order."



## CMS' Social Security, Medicare Report Highlights America's "Debt Problem."

In the [Washington Examiner](#)   (6/6), columnist Philip Klein writes, "Last Friday, the trustees overseeing Social Security and Medicare issued their annual report, which found the programs were carrying a long-term deficit of \$66 trillion." Although the "Trustees now anticipate Medicare's various programs running a combined long-term deficit of \$42.9 trillion," Klein notes that "Paul Spitalnic, acting chief actuary for the Centers for Medicare and Medicaid Services, in a statement at the end of the report cautioned that even these projections were overly optimistic, because the changes to Medicare envisioned by President Obama's national health care law were likely to prove unsustainable." He concludes, "The longer the nation avoids making reforms to reduce its debt trajectory, the more difficult Americans' choices will become down the road."

## Medicaid Expansion Battles Continue Across US.



Medicaid expansion coverage is light Thursday, with just a handful of national reports given to progress in Arizona, where the House Speaker gave up his plight to block Governor Jan Brewer's plan for expansion from coming to a vote, and Wisconsin, where a joint legislative committee blocked a bill expanding the program there. Mississippi, New Hampshire, and Ohio each receive one notable mention.



**Arizona Moves Step Closer To Vote On Medicaid Expansion.** The [Huffington Post](#)   (6/5, Wing) reports, "Citing frustration over a lengthy stalemate with Gov. Jan Brewer (R) and a lack of support for his alternative, Arizona House Speaker Andy Tobin (R) said Tuesday that he'd allow a vote on a budget that includes the governor's plan for a longterm expansion of the state's Medicaid program." According to the Post, "Tobin's decision marks the end of a three-week standoff, during which Brewer had kept her vow to veto all legislation until the state Legislature addressed a budget proposal, already passed by the state Senate, that included Medicaid expansion." The [Phoenix Business Journal](#)   (6/5, Subscription Publication) also reports on the vote.

And in an overview piece, [Politico](#)   (6/6, Cheney) says, "Arizona Gov. Jan Brewer has become an unlikely warrior for Obamacare." Despite her opposition to the law, "she's so determined to put the Obamacare Medicaid expansion in place in her state that she's vetoing any legislation that reaches her desk until the Republican Legislature caves." Brewer "insists that expansion saves money and saves lives." The story notes the support of other Republican governors for Medicaid expansion, but Brewer stands out because of her having held "rallies with advocates who typically battle Republicans, given speeches, aired commercial and traveled the state pushing the message." If the legislature approves the expansion, opponents have promised to have it placed on the ballot which may suspend the law until the vote. Brewer insists that the Medicaid expansion is separate from the rest of the ACA which she opposes.





**Wisconsin's Joint Finance Committee Rejects Medicaid Expansion.** The [AP](#)   (6/6, Bauer) reports from Madison, WI, "Republicans on the Legislature's finance committee finished revising Gov. Scott Walker's executive budget as the sun rose Wednesday morning, inserting provisions that would cut income taxes, expand private school vouchers and allow bounty hunters to nab bail jumpers."



The Joint Finance Committee “also approved Walker’s plan to reject a federally funded expansion of Medicaid.” The AP adds, “All 12 Republicans on the committee voted to pass the spending plan; the panel’s four Democrats voted against it.”


[Wisconsin Public Radio](#)   (6/6, McCollum) reports that “Walker says he is pleased the Joint Finance Committee approved a rejection of federal Medicaid expansion dollars.” However, “critics say the move will leave thousands of people without health care in Wisconsin.”



**Mississippi Democrats Unveil Medicaid Expansion Proposal.** The [Jackson \(MS\) Clarion Ledger](#)   (6/6, Gates) reports, “Mississippi Democratic lawmakers unveiled their proposed health care coverage plan today that is modeled after a proposed plan in Arkansas that would use federal Medicaid dollars to pay for private insurance coverage.” The proposed plan, called the Mississippi Market Based Health Insurance Coverage Plan, “would create a state-based health insurance exchange that would be administered by the state Department of Insurance in cooperation with the state Division of Medicaid.” Rep. Cecil Brown (D-Jackson) stated: “It would save the state money in two ways: First, as working adults join the exchanges and receive health insurance, they can move their eligible children from the CHIP (children insurance program) onto a family policy. Second, the federal government will pay 90 percent of almost all of the administrative costs associated with setting up the eligibility programs.”



The [AP](#)   (6/6, Pettus) reports that Mississippi Democrats “said their plan has elements to please people from both parties: It would fulfill their wish to reduce the number of uninsured people, while giving Republicans a market-based approach to the coverage.” However, “a spokesman for Republican Gov. Phil Bryant said the Democrats’ new proposal is nothing but a repackaging of Medicaid expansion, which the governor has long opposed.”

The [Memphis \(TN\) Commercial Appeal](#)   (6/5, West) and [WJTV-TV](#)   Jackson, MS (6/6) also report on the story.



**New Hampshire Senate To Vote On Medicaid Expansion Today.** [CQ](#)   (6/6, Adams, Subscription Publication) reports, “The GOP-controlled state Senate in New Hampshire is likely to vote on Thursday to study the idea of broadening Medicaid rather than allowing an expansion starting in 2014.” However, “Democrats hope that Republicans will accept the expansion in the next few weeks.” CQ adds, “The version of the two-year state budget that the state Senate will consider Thursday would effectively delay any expansion” and “would create a commission to study Medicaid and make an interim report by Dec. 1 and a final report by a year later, on Dec. 1, 2014.”

**Ohio Senate Drops Kasich’s Controversial Medicaid Expansion Proposal.** The [Toledo \(OH\) Blade](#)   (6/6, Provance) reports, “The Ohio Senate’s take on a \$62 billion, two-year budget is headed for a vote today, complete with \$1.4 billion in tax relief for small business owners and more money for K-12 schools than either the House or Gov. John Kasich had proposed.” However, the plan “lacks Mr. Kasich’s controversial proposal to expand Medicaid eligibility under the federal health-care law. The expansion is not expected to make a comeback when a House-Senate conference committee meets to hammer out a compromise between the two chambers’ versions.”



**Kansas Hospitals, Providers Respond To Failed Medicaid Expansion Bid.** The [Wichita \(KS\) Eagle](#)   (6/5, Ryan) reports, “With the close of the legislative session on Sunday and no definitive word from Gov. Sam Brownback, it appears the issue of Medicaid expansion in Kansas is dead – at least for the foreseeable future.” According to David Hadley, chief financial officer for Via Christi Health, “the news is a blow to hospitals and providers across the state that were pushing for the expansion” because “hospitals will be hit with the cuts, but Medicaid won’t cover more people.” Hadley stated: “(This) makes it hard to continue to pick up costs on a long-term basis. There are a lot of things still hanging that nobody knows the answer to.”

**Medicaid Expansion Advocates Rally In Pennsylvania.** The [Williamsport \(PA\) Sun-Gazette](#)   (6/6, Reuther) reports that Medicaid expansion advocates “turned out for a rally at Williamsport’s city hall urging Gov. Tom Corbett and the state Legislature to bring some \$43 billion in funding to help the uninsured.”

## Former Opponent Of ACA Now Working For Company Pushing For Law.



[Politico](#)   (6/6, Haberkorn) reports that former Representative Jason Altmire (D-PA), who voted against the Affordable Care Act in 2010 “amid intense pressure to support it,” is now “the public face of a Florida insurance company that is trying to put the law into place.” Now “senior vice president at Florida Blue, a Blue Cross Blue Shield health insurer, Altmire travels around Florida explaining how the law will operate and works with business partners on how to implement it. He’s particularly focused on the exchanges — the web portals where Florida Blue and other health insurers hope that customers will buy their health plans beginning in October.” This, the article explains, puts Altmire “in the position of trying to make a success out of a complex law that he opposed.” Altmire said in an interview, “From where I am right now, the key point is we want the law to succeed.”

## Health Insurers To Increasingly Focus On Freelancers.



The [Bloomberg BusinessWeek](#)   (6/5) “The New Entrepreneur” blog reports that the “My Business, My Health” study released by Cigna this week demonstrates that insurers are paying increasing attention to freelancers. The study, based on surveys from 250 self-employed Americans, found that “twenty-five percent of respondents were uninsured,” while “sixty percent of those lacking health coverage said they put business priorities ahead of personal health.” Notably, “the Freelancers Union says there are 42 million freelancers in American, and the Robert Wood Johnson Foundation predicts the ranks of the self-employed will grow by 1.5 million next year, as health exchanges make high-quality insurance accessible to independent workers.”



### Also in the News



## Medicare Fraud Crackdown Leads To Push For Tighter Regulations.





[USA Today](#)   (6/6, Kennedy) reports that the Administration has “revoked the ability of 14,663 providers and suppliers to bill Medicare” over the past two years. That is “nearly two and a half times the number revoked over the previous two years,” according to new HHS statistics. The Obama Administration is also pushing for tighter measures for fighting healthcare fraud, including a rule that would allow those who report fraud to earn up to \$9.9 million in reward money. Currently, reporters of fraud may receive up to \$10,000 for tips leading to recovery.

## Virginia To Receive Medicaid Fraud Settlement After Cuccinelli Alleges IRS Retaliation.

The [AP](#)   (6/6, O'Dell) reports that Attorney General Kenneth T. Cuccinelli “said Wednesday that the Internal Revenue Service is blocking the release of \$125 million owed to Virginia from a Medicaid fraud settlement.” At a news conference, Cuccinelli claimed that Virginia “is entitled to the money because it led an investigation that resulted in Abbott Laboratories paying \$1.5 billion to settle allegations that it promoted an anti-seizure drug for uses that were not approved by the Food and Drug Administration.” According to Cuccinelli, “nobody the federal government has disputed that Virginia is entitled to the money, but the IRS has refused to complete a simple two-page form that would allow the Treasury Department to cut a check.”

The [Washington Post](#)   (6/6, Vozzella) reports that Cuccinelli, the Republican nominee for governor, speculated the IRS’ refusal to pay \$125 million owed to Virginia may be “in retaliation for his legal battles with the Obama administration.” Cuccinelli indicated that “he has been seeking the money for eight months” and that it “should have been paid within weeks or a couple months after Abbott forfeited the money in October, following an investigation that found the pharmaceutical giant had promoted the drug, approved for epileptic seizures, migraines and mania, for the ‘off-label’ purpose of sedating elderly nursing home patients.”

Cuccinelli stated: “There’s incompetence or there’s malevolence. The level of incompetence here is so astoundingly high that it does become hard to believe that even a federal agency like the IRS is capable of that,” the [Washington Examiner](#)   (6/6, Contorno) reports. However, “the Treasury Department, in a letter dated Wednesday obtained by The Washington Examiner, noted that the federal government had ongoing discussions about the money with Cuccinelli’s office and corresponded as recently as May 24.” In the letter, the Treasury Department “agreed to turn over \$10 million to Virginia immediately and more than \$100 million more once Cuccinelli provides a list of projects the money would fund, prompting Cuccinelli to claim victory Wednesday evening.”

The [Richmond \(VA\) Times-Dispatch](#)   (6/6, Nolan) reports, “Confirmation of the release of the money came in a letter sent by the Executive Office for Asset Forfeiture to Deputy Virginia Attorney General John Childrey late Wednesday.” The [Newport News \(VA\) Daily Press](#)   (6/5, Wilson) reports, “Cuccinelli said in a press release that he had confirmed with the Treasury Department that the state would receive \$115 million.”

### Wednesday's Lead Stories

- [CDC Data Shows 50 Million Americans Struggle With Healthcare Bills.](#)
- [In New “Strategy,” Democrats Embracing ACA Ahead Of Midterms.](#)
- [Study Finds States Will Lose Billions In Funding Without Medicaid Expansion.](#)

• [Former Louisiana DHH Accountant Accused Of Medicaid Fraud.](#)

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