



[Leading the News
Legislation and Policy](#)

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

Leading the News

Sen. Baucus to broaden subsidies, reduce impact of new tax in his healthcare plan.

The [New York Times](#) (9/22, Pear, Herszenhorn) reports that "the chairman of the Senate Finance Committee, Max Baucus (D-MT), said Monday that he would modify his healthcare bill to provide more generous assistance to moderate-income Americans, to help them buy insurance." In an interview, Sen. Baucus also "said he would make changes to reduce the impact of a proposed tax on high-end health insurance policies." The Times adds that "it was not immediately clear how much Mr. Baucus would increase the proposed subsidies." The chairman's "changes could add \$28 billion to the 10-year cost of his bill, which was originally estimated at \$774 billion by the Congressional Budget Office. The revised bill, though, could still meet President Obama's stipulation that healthcare legislation not add to the federal budget deficit."

The [Washington Post](#) (9/22, Montgomery, Murray) reports that Baucus is responding to the "mixed, even grumbling reviews" with which his plan was received, and "is preparing major revisions to it." The [AP](#) (9/22, Werner) notes that "Baucus faces the difficult task of keeping his 13 committee Democrats on board without moving so far to the left that he alienates Sen. Olympia Snowe (R-ME) the only one of the panel's 10 Republicans seen as likely to vote for the bill." Snowe "and a number of Finance Committee Democrats have raised concerns about whether subsidies in Baucus' bill are generous enough to make insurance truly affordable for low-income people."

The [Washington Times](#) (9/22) notes that "the 23 members of the Senate Finance Committee have introduced a slew of amendments - 267 from Democrats and 292 from Republicans" -- to the plan.

Addressing the potential changes, the [Wall Street Journal](#) (9/22, Hitt, subscription required) reports that Baucus said Monday, "Affordability is a big question that I heard about frequently over the last week." [Politico's](#) (9/22) Carrie Budoff Brown reports in a blog entry that "under the current bill, the amount people would pay for premiums is capped at 13 percent of income, which progressives view as too high. But Baucus is looking to lower the amount, which would bring his legislation more in line with the Senate Health, Education, Labor and Pensions Committee bill and the House bill." Brown adds that "it's also possible that Baucus makes changes to the 35 percent excise tax on insurers that offer generous health plans. Both Republicans and Democrats have raised concerns that the tax will hit the middle class." [Roll Call](#) (9/22, Drucker, subscription required) runs a similar report.

Legislation and Policy

Advertisement

The advertisement features the CAN logo (Corporate Angel Network) with an arrow pointing right. Below the logo, the text reads: "Donate an empty seat on your corporate aircraft to give a cancer patient a lift to life-saving cancer treatment at no cost or inconvenience to you." At the bottom right, the phone number (914) 328.1313 is displayed in a yellow font.

CMS warns insurers on misleading seniors about health reform.

The [AP](#) (9/22, Alonso-Zaldivar) reported that on Monday, a CMS notice "warned insurance companies...they face possible legal action for allegedly trying to scare seniors with misleading information about the potential for lost benefits under healthcare legislation in Congress." The letter read in part, "As we continue our research into this issue, we are instructing you to immediately discontinue all such mailings to beneficiaries and to remove any related materials directed to Medicare enrollees from your websites." The letter by CMS official Teresa DeCaro is linked to an investigation HHS launched into "Humana after getting a complaint from Sen. Max Baucus (D-MT)." On Monday Sen. Baucus said, "It is wholly unacceptable for insurance companies to mislead seniors regarding any subject -- particularly on a subject as important to them, and to the nation, as healthcare reform."

[Bloomberg News](#) (9/22, Donmoyer) also notes that Sen. Baucus "accused health insurer Humana Inc. of using 'scare tactics' in letters urging senior citizens to oppose healthcare overhaul legislation."

WSJournal accuses Baucus of pressuring Humana. In an editorial, the [Wall Street Journal](#) (9/22, subscription required) criticizes Sen. Max Baucus (D-MT) for complaining to the Centers for Medicare and Medicaid Services after Humana, Inc. asked its Medicare Advantage participants to contact members of Congress to oppose spending cuts proposed in Baucus' bill to the Medicare Advantage program.

Obama, Democrats target insurance companies.

The [Washington Times](#) (9/22, Rowland) reports President Obama and Democrats "have gone from praising health insurers to demonizing their erstwhile partners as they try to rally support for a healthcare overhaul." Democrats "say insurance companies make a good 'bad guy' to help mobilize supporters, though they acknowledge they're walking a tight line and need the insurers to stay at the negotiating table." But the companies "say the attacks are an unfair response to their years-long effort to reduce healthcare costs."

Rep. Cantor warns against enhanced government role in healthcare.

The [Richmond Times-Dispatch](#) (9/22, Brown) reports that House Minority Whip Eric Cantor (R-VA) "predicted" Monday that "differences could be bridged to produce acceptable legislation." Cantor and Rep. Robert C. Scott (D-VA) appeared "at a Richmond Times-Dispatch Public Square discussion on healthcare reform at the newspaper's downtown offices." The Times-Dispatch notes that "in response to a question from the audience, Rep. Scott said, 'Eric and I agree on 80 percent. Unfortunately you can't do the 80 percent without some of the 20 percent. That's where the rub is.'" Rep. Cantor "warned against reforms that would allow the government to interfere in the relationship between patients and their physicians. He also cautioned about the potential for government healthcare programs to deny medical care in some cases."

In his [Washington Post](#) (9/22) "Washington Sketch" column, Dana Milbank writes that an "attempt to calm the anger, coming on the final day of a summer of hot rhetoric, represents an interesting calculation." Cantor said, "All of us know the ascendancy of our party is going to be premised on whether people really believe that we're deserving of leadership again, not that we're just here throwing bombs or obstructing, that we're thoughtful, responsible."

[The Hill](#) (9/22, Hooper) notes that Cantor "was asked several times on Monday about the GOP's lack of a specific healthcare reform plan. ... Cantor earlier this year said House Republican leaders would release an alternative healthcare plan, but have not done so yet. House Republicans have introduced several different health bills, as opposed to one concrete alternative." [Roll Call](#) (9/22, Kucinich, subscription required) also reports on the Cantor-Scott appearance.

House bill expected to contain "public option," income tax hike on wealthy.

The [AP](#) (9/22, Werner) reports that House Speaker Nancy Pelosi (D-CA) said on Monday, "We will have legislation that will be passed in a matter of weeks, it will be signed in a matter of months by Barack Obama and it will have a very positive impact on America's families." The Speaker also reiterated that "the House couldn't pass a bill without a public insurance plan."

[The Hill](#) (9/22, Soraghan) reports that it is "likely that the House bill will include an income surtax on the wealthy and a public option more to the liking of liberals in her caucus." A "Democratic leadership aide" tells The Hill, "That's where the caucus is."

Hospitals uneasy over provision to expand RAC program in Baucus bill.

[Modern Healthcare](#) (9/22, Lubell, subscription required) reports, "Hospitals and others in the healthcare industry are expressing trepidation over a provision in the newly released Senate Finance Committee reform bill to expand" Medicare's "controversial" Recovery Audit Contractor (RAC) program. Currently, RAC audits "payments made in Medicare's fee-for-service program." But the bill "championed by Finance Committee Chairman Max Baucus (D-MT) would extend the RAC program to Medicaid, Medicare Part D, and the Medicare Advantage program." Critics object to the RAC program "because of its reliance on third-party auditors who are paid an incentive fee based on the amount of payments deemed inappropriate." The program allows the auditors "hired by the CMS to keep 9 percent to 12.5 percent of payments they identify as improper and collect from providers."

Former Missouri governor touts medical malpractice reforms.

In an op-ed for the [Wall Street Journal](#) (9/22, A23, subscription required), former Missouri Governor Matt Blunt (R) writes about his state's experience with malpractice reform. To counteract the problem of what Blunt calls "junk lawsuits," Missouri required malpractice cases to be tried in the county where the alleged injury occurred, and revised laws so malpractice defendants were only required to pay a full judgment if their fault exceeded 50 percent. Missouri also capped non-economic damages. Blunt writes that Missouri's medical malpractice claims are at a 30-year low with average payouts lower than in 2005, and touts his state's reforms as a model for national tort reform.

Op-eds debate medical liability caps. In response to an [Atlanta Journal-Constitution](#) (9/22) "Pro & Con," which asks, "Should liability damage caps be a part of healthcare reform?," Heritage Foundation Fellow Randolph W. Pate says "Yes." Although caps on "noneconomic damages can bring rationality to medical malpractice damage awards and lower liability insurance costs," the tort system is "slow, unpredictable and costly." Moreover, other innovative "proposals exist, such as "early offer" programs...and special medical courts." But Attorney C. Andrew Childers, a member of the Georgia Trial Lawyers Association, says "No. ... Taking away patient rights -- by capping damages and limiting their 7th Amendment right to trial by jury -- does not improve the quality of our healthcare system or produce cost savings."

Author calls for Medicare for all.

In a [Los Angeles Times](#) (9/22) op-ed, author Theodore Roszak writes, "Liberal defenders of President Obama's campaign for healthcare reform have tried to allay the fear that the 'public option' is a scary government 'takeover' of the health insurance industry by citing Medicare as a benign example of a government-funded and administered program." But Roszak questions why it "has...not occurred to the champions of reform that instead of telling people that the public option is 'like Medicare,' we might simply let the public option be Medicare?" Roszak contends that approach would "reduce all the complexities to one clear-cut public-option solution." He concludes, "'Medicare for Everybody' is practically self-explanatory -- and very nearly bulletproof."

Public Health and Private Healthcare Systems

CMS measure requires companies responsible for compensation claims to register online.

[The Oklahoman](#) (9/22, Burkes) reports that Oklahoma companies "responsible for tracking and reporting workers' compensation claims must register online by Sept. 30 with CMS." And starting "April 1, employers will be required to begin quarterly online reporting of all workers' comp and liability claims to Medicare, as a way to prevent claimants from double-, or triple-dipping Medicare and/or private insurance benefits for a single claim." The penalty for not reporting will "be \$1,000 per claim per day." According to CompSource Director Don Holman, such reporting "has been a requirement since Medicare was established, but few companies complied." However, a "2007 act, requiring the online reporting, gives the obligation some teeth, Holman said."

Group evaluates CMS' proposed PPS for dialysis services.

[Modern Healthcare](#) (9/21, Ziqmond, subscription required) reported that last week, "renal-care providers...wasted no time analyzing the

CMS' newly proposed prospective payment system (PPS) for facilities that provide dialysis services to Medicare beneficiaries with end-stage renal disease (ESRD)." Members of the "Kidney Care Partners -- a coalition of patient advocates, dialysis-care providers, and manufacturers who work to improve the lives of patients with chronic kidney disease -- analyzed the new PPS" and decided to "assign five task forces to analyze the rule" in order to "address payment, legislative and clinical issues." Specifically, the group is concerned with "inclusion of oral drugs in the bundled payment; a 'significant increase' in patient co-pays; and the appropriateness of the case mix." Under the proposed CMS rule, "the beneficiary co-insurance amount" would "be 20 percent of the ESRD bundled payment amount, including applicable case-mix adjustments and outlier payments."

Michigan considers cutting up to 12 percent from Medicaid funding.

[Crain's Detroit Business](#) (9/22, Greene) reports that "Michigan's hospitals, doctors, and nursing homes are fighting against potential eight percent to 12 percent Medicaid budget cuts in Lansing this week that they believe could weaken their efforts to take care of the poor and disabled." Michigan lawmakers are seeking "to cut \$2.8 billion out of the state's \$40 billion-plus budget." Michigan hospitals argue that a potential 12 percent Medicaid budget cut "would amount to \$203 million in lost funding for hospitals, including \$54 million in general funds and \$149 million in lost federal matching funds." The move could "devastate providers -- hospitals, doctors, and nursing homes," according to one hospital advocate.

Also in the News

Experts debate degree of patient control over EHRs.

[Healthcare IT News](#) (9/21, Manos) reported that at a "meeting of the HIT Policy Committee, some experts said policies that require too much patient control" of electronic health records (EHRs) "could hamper a patient's health in a medical emergency, while others said not enough control could put their lives at risk in other ways." Still, "most privacy experts agree that without the public's trust in the privacy and security of their records, healthcare IT can't advance." Deborah Peel, MD, a practicing psychiatrist and founder of the non-profit organization Patient Privacy Rights, claimed that "a lack of safeguards...poses risks to a person's well-being, livelihood and financial stability." Deven McGraw, director of the Center for Democracy and Technology's Health Privacy Project, noted however, that "requiring consent for every exchange of health information is sometimes not the best approach for ensuring privacy."

Subscriber Tools

- [Unsubscribe](#)
- [Change Email Address](#)
- [Send Feedback](#)
- [Email Help](#)
- [Archives](#)

Advertise with Custom Briefings: [Reach key professionals every morning](#)

NAHU Newswire is a digest of the most important news selected from thousands of sources by the editors of Custom Briefings. The National Association of Health Underwriters does not receive any revenue from the advertising herein. The presence of such advertising does not endorse, or imply endorsement of, any products or services by the National Association of Health Underwriters.

This complimentary copy of NAHU Newswire was sent to kim@neebco.com as part of your NAHU membership. View Custom Briefings' [privacy policy](#).

Neither Custom Briefings nor the National Association of Health Underwriters is liable for the use of or reliance on any information contained in this briefing.

For information about other member benefits, please contact NAHU Member Service Center at 703-276-0220 or membership@nahu.org.

[National Association of Health Underwriters](#) | 2000 N. 14th Street Suite 450 | Arlington, VA 22201

Copyright © 2009 by [Custom Briefings](#) | 11190 Sunrise Valley Drive, Suite 130 | Reston, VA 20191

