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Customized Briefing for Kimberly Barry-Curley

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## Leading the News

### White House agreement with drugmakers survives amendment in Finance Committee.

[Roll Call](#) (9/25, Drucker, Pierce, subscription required) reports that the continuing markup in the Senate Finance Committee "now appears likely to spill over into next week, due in large part to the sheer number of amendments filed against" Chairman Max Baucus' (D-MT) bill. Baucus, "who had hoped to conclude the markup by week's end, hedged when asked if that goal would be met."

[Bloomberg News](#) (9/24, Litvan, Jensen) reports that Baucus "fended off challenges from both parties to his proposals" on the third day of the markup. Baucus joined with Democrats Thomas Carper (DE) and Robert Menendez (NJ), and all 10 of the committee's Republicans, to "defeat a proposal by fellow Democrat and Florida Senator Bill Nelson that would have required drugmakers to provide \$106 billion in rebates over 10 years. The proposal would have torpedoed an earlier deal Baucus reached with the industry."

The [New York Times](#) (9/25, A18, Pear, Calmes) notes that the defeat of the Sen. Nelson amendment was a "big victory" for President Obama, as it "upheld a deal reached in June by the White House and the drug industry." The [Washington Post](#) (9/25, Connolly) points out that the "White House and the drug lobby make an unusual -- and unusually powerful -- team."

[The Hill](#) (9/25, Young) called the amendment, which "would have expanded prescription-drug coverage to people on Medicare," the "most awkward political moment yet for" Baucus.

[CongressDaily](#) (9/25, Edney, subscription required) explains that Nelson's amendment would have allowed "low-income Medicare beneficiaries to receive the same drug discounts as those who get prescriptions through Medicaid. About \$50 billion raised from the move would" have enabled "the federal government to close what is known as the doughnut hole, a coverage gap where seniors must pay the full cost of prescriptions."

[CQ Today](#) (9/25, Armstrong, subscription required) points out, however, that Nelson's "proposal would have gutted President Obama's deal with the industry group PhRMA. The agreement calls for the industry to contribute no more than \$80 billion to the health overhaul. As part of the deal, PhRMA members have agreed to provide 50 percent discounts to seniors who fall into the so-called 'doughnut hole' gap in prescription drug coverage that forces many of them to pay out-of-pocket for their drugs for part of the year." The [Wall Street Journal](#) (9/25, subscription required) and the [Washington Times](#) (9/25, Haberkorn) also cover the vote by the Finance

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Committee.

**Sen. Kyl expresses anger over "massive government takeover."** In the [Washington Post](#) (9/25), Dana Milbank writes that Sen. Jon Kyl (R-AZ) "was speaking to his fellow Finance Committee members about an amendment to the healthcare bill Thursday morning when he suddenly started shouting at his colleagues. 'We don't believe in a massive government takeover!' the Arizonan bellowed." After several minutes, Baucus "tried, gently, to interrupt. 'Senator? Senator? You made your point.' Kyl ignored him."

**Sens. Rockefeller, Schumer say final bill will contain public option.** [The Hill](#) (9/25, Young) reports Senate Finance Committee members Jay Rockefeller (D-WV) and Charles Schumer (D-NY) said a "public option health insurance program will be part" of healthcare reform, "despite acknowledging the proposal likely will not survive committee action." Schumer said, "The healthcare bill that is signed into law by the President will have a good, strong, robust public option." Rockefeller agreed. [Roll Call](#) (9/25, Pierce, subscription required) reports both said their "own proposals to create one face steep odds in the Finance Committee on Friday."

[Bloomberg News](#) (9/25, Gaouette, Jensen) reports that Sen. Schumer called Friday "the opening day in the big fight. ... The healthcare bill that will be signed by the President will have a good, strong, robust public option."

## From NAHU

NAHU has produced a new public service announcement about taking the time to get health care right. Click [here](#) to listen to the PSA.

## Legislation and Policy

### Senate Republicans threaten to block HHS nominees over letter to Humana.

The [AP](#) (9/25, Davis) reports that on Thursday, Senate Minority Leader Mitch McConnell (R-KY) and seven other Senate Republicans said that "wouldn't allow President Barack Obama to fill health posts until his administration stops barring insurers from telling the elderly how Democrats' health overhaul could affect their benefits." In a letter to HHS Secretary Kathleen Sebelius, they demanded "she immediately lift what they called a 'gag order' that calls on private companies that contract with Medicare to stop communicating with their elderly customers about the measure's potential effects."

The Republicans said they "would delay confirmation of almost a dozen nominees for Health and Human Services positions, including Dr. Regina Benjamin to become surgeon general," [Bloomberg News](#) (9/25, Donmoyer) reports, noting that the "conflict erupted this week when Senate Finance Committee Chairman Max Baucus (D-MT) accused insurer Humana Inc. of using 'scare tactics' in letters urging senior citizens to oppose his legislation."

In response, HHS spokesman Nicholas Papas said, "We have serious concerns that certain communications from a major insurance company violated CMS regulations and our investigation will continue," the [Washington Post](#) (9/24, Hilzenrath) "44" blog reported. Other positions that could be affected by the senators' threat include CMS administrator and assistant secretary for public affairs.

The [Louisville Courier-Journal](#) (9/25, Carroll) notes that the senators told Sebelius, "Your department has done this by imposing an industry-wide gag order without apparent justification or basis in law, contradicting your past public guidance and the plain language and spirit of the First Amendment, among the most sacred tenets of our democracy."

Papas defended the CMS letters to insurers, [CQ HealthBeat](#) (9/25, Norman, subscription required) reports. He said, "Seniors on Medicare should not be subjected to misleading information about their Medicare benefits."

[Politico](#)'s (9/24, Frates) "Live Pulse" blog noted that, along with Sen. McConnell, the Republicans' letter was signed by Sens. "Jon Kyl (AZ), Lamar Alexander (TN), John Thune (SD), Lisa Murkowski (AK), John Cornyn (TX), Charles Grassley (IA), and Mike Enzi (WY)."

**CMS' "gag order" seen as proof government will not play fair.** The [Washington Times](#) (9/25) criticizes the "gag order" being placed on critics of Medicare reform, particularly Humana, Inc., which sent a letter to its customers urging them to contact Congress about Sen. Max Baucus' reform proposal to cut funding for Medicare Advantage. The Times says the Centers for Medicare and Medicaid Services' "explicit threat of removing Humana from the Medicare system has barred the company from sending any more letters to its customers while the bureaucracy takes its time investigating the letter." The move is a "fair warning to anyone who thinks a government insurance plan will play fair with its private competitors."

## **GOP, business split over health reform.**

The [Wall Street Journal](#) (9/25, King, subscription required) examines how the healthcare debate is splitting the business community from its traditional Republican allies. While many Republicans oppose Democratic reform efforts as expensive and intrusive, some in the business sector want reform due to skyrocketing health insurance costs.

**Survey: 81 percent of small business owners support health insurance exchange concept.** The [Philadelphia Business Journal](#) (9/25, George) reports that small businesses "believe healthcare reform is necessary and important in getting the economy back on track," according to a study by Small Business Majority. The "small business advocacy organization" surveyed "randomly selected" small businesses in 17 states "and found price is the primary obstacle in obtaining health insurance." In the poll, "67 percent of respondents agreed that healthcare reform is urgently needed to fix the US economy." In addition, "an average of 81 percent of small business owners support the concept of a marketplace or exchange" from which business owners and individuals can purchase insurance.

## **WSJournal says White House rushing reform for political reasons.**

The [Wall Street Journal](#) (9/25, A14, subscription required) says in an editorial that Office of Management and Budget Director Peter Orszag's statement earlier this week that healthcare reform should be completed "over the next six weeks or so, maybe sooner," is far too fast. The Journal says the Obama Administration's real goal at this point is to get any bill signed into law before the President's approval ratings fall further, and before the gubernatorial elections in New Jersey and Virginia.

## **House votes to eliminate Medicare Part B premium increases.**

The [AP](#) (9/25, Ohlemacher) reports the House voted 406-18 Thursday "to eliminate all premium increases for Medicare Part B, which provides coverage for doctor's visits." The bill goes next to the Senate, "where the Finance Committee is expected to take it up soon, though no hearings were scheduled." [Roll Call](#) (9/25, Dennis, subscription required) reports House Majority Leader Steny Hoyer (D-MD) was "one of just five Democrats to vote against the bill." Hoyer said wealthier seniors "should not have been spared the premium increase."

## **Both parties seek seniors' support in healthcare debate.**

The [Washington Times](#) (9/25, Haberkorn) reports, "Senior citizens are winning the popularity contest on Capitol Hill these days." Democrats are "trying to woo seniors with promises of cheap prescription drugs and access to preventive care. Republicans say they're standing up for seniors by trying to stop proposed cuts to Medicare. And each side accuses the other of being no friend to the nation's elders." The [AP](#) (9/25, Alonso-Zaldivar) reports that Democrats "agonized Thursday over how to soothe worried seniors."

## **CHIP could be eliminated by Senate reform plan.**

The [Charleston \(WV\) Gazette](#) (9/24, Long) reports that the Children's Health Insurance Program "would be eliminated by the healthcare reform bills now before Congress." None of the bills "provide a specific replacement for the popular program, according to national child advocacy groups." Sen. Jay Rockefeller, (D-WV) "has filed an amendment in the Senate Finance Committee to take CHIP off the chopping block." Sen. Orrin Hatch (R-UT) "co-sponsored the amendment." Rockefeller said, "Millions of children would lose their insurance under this bill. If we are going to promise people that, if they like their insurance they can keep it, that guarantee must apply to everyone, including children."

## **Florida hospital official says proposals to pay for reform may devastate safety-nets.**

The [Miami Herald](#) (9/25, Clark) reports that Eneida Roldan, the CEO of "Jackson Health System -- Miami-Dade's government safety net for healthcare -- cautioned members of Congress on Thursday that some healthcare-reform efforts could penalize the state's largest Medicaid provider." Roldan told "members of the Florida Congressional delegation" that proposals to "cut the disproportionate-share program, designed to protect hospitals that provide significant uncompensated care, would be devastating to the healthcare system that already

faces a \$168-million shortfall." Some of the proposals "to pay for universal healthcare would involve gradually reducing payments to hospitals that handle more than their share of uninsured patients," she noted. One "Senate proposal would reduce the funds by \$20-billion nationwide. In House proposals, the number is closer to \$10 billion."

## Public Health and Private Healthcare Systems

### **Anthem ordered to repay customer for exceeding rate-cap on safety-net plan.**

The [Los Angeles Times](#) (9/25, Girion) reports, "A Small Claims Court judge ruled Thursday" that Anthem BlueCross of California overcharged a man "for safety-net medical insurance." Following a Times analysis published in February, which alleged "Anthem sold thousands of policies...that exceeded state-issued rates," Anthem "pledged to make amends" and mailed "out refund checks." But plaintiff Herbert 'Les' Greenberg "said the \$12 check he got fell far short." Greenberg filed "a public records request to obtain the rate caps for the safety-net coverage. ... Then, he compared those rates with the premiums Anthem had been charging him and concluded he had overpaid by \$5,750.24." At yesterday's hearing, Greenberg presented the information to Judge Rex Minter, who "awarded him everything he said he was owed, plus \$1,475.73 in interest and \$85 in court costs."

### **Low reimbursement rates seen as primary problem of Medicare.**

In a [Washington Post](#) (9/25) op-ed, physician William Brody writes, "The biggest obstacle to reining in Medicare costs has long been that Congress ultimately decides which services are reimbursed and for how much. In this role, lawmakers are targeted by lobbyists for doctors, hospitals, makers of pharmaceutical and medical devices, and patient advocacy organizations. ... This has left us with a system in which many doctors no longer accept patients on Medicare to avoid issues and costs tied to low reimbursement, as other health costs have spiraled ever upward."

## Consumer Directed Healthcare News

### **Experts recommend taking time to understand employee benefits to prevent costly mistakes.**

[USA Today](#) (9/25, Canavan) reports, "The 2010 open-enrollment season" for healthcare insurance and other benefits "at workplaces nationwide is ramping up as fall arrives." But many employees "make big mistakes that cost them in multiple ways." According to the Deloitte Center for Health Solutions, "only six percent of consumers feel completely prepared to deal with healthcare costs." Lenny Sanicola, of WorldatWork, recommends sifting "through materials early"; and going to "your human relations officer or supervisor" with questions to make sure you "understand what you're signing up for and what your out-of-pocket expenses are going to be." Michelle Connor, of CBIZ Employee Services, also recommends "buying short-term disability insurance. She says six out of 10 employees will be on disability at some time during their careers."

## Uninsured

### **Recent analyses show geography, other demographics strongly factor into uninsured rates.**

The [AP](#) (9/25, Schneider) points out that as the recently released US Census data shows, there is "a vast geographic inequality in the uninsured," and the reasons for the disparities "boil down to state policies, types of jobs and demographics." For example, Medicaid eligibility "varies between states"; and in "Massachusetts' case," the fact that insurance is mandated drops the "percentage of uninsured to 4.1 percent." Moreover, an "Associated Press statistical analysis showed that a county's percentage of residents without health insurance was influenced by its percentage of Hispanics; the percentage of residents ages 20 to 24 and 60 to 64; and the percentage of residents working" in support positions and service jobs. "Salaries matter too, as well as the presence of government and union jobs."

## Also in the News

### Insurers' administrative red-tape seen as viable method of healthcare cost control.

A [CNNMoney.com](#) (9/24, Kavilanz) "Special Report" examined the "decades-old" tension between doctors and insurers. Some insurance companies "won't reimburse" for two different services provided to "a patient during the same office visit" and doctors "don't think this is fair." Doctors also take issue when insurers point to studies "suggesting there could be a 'better' and more cost-effective way to treat a patient." According to Paul Keckley of Deloitte Center for Health Solutions, however, the "tests, medications, procedures that doctors prescribe are largely responsible for driving up healthcare costs." Ultimately, Keckley says, "doctors are dispensers of care while insurers are guardians of purse strings." CIGNA spokesperson Chris Curran concurs. "We can help people understand their [healthcare] options and keep costs down for patients," Curran said.

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