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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

Some states considering banning individual mandate.

The [New York Times](#) (9/29, A25, Davey) reports that in "more than a dozen statehouses across the country, a small but growing group of lawmakers is pressing for state constitutional amendments that would outlaw" the individual mandate, "a crucial element of the healthcare plans under discussion in Washington." Opponents "of the measures and some constitutional scholars say the proposals are mostly symbolic, intended to send a message of political protest, and have little chance of succeeding in court over the long run. But they acknowledge that the measures could create legal collisions that would be both expensive and cause delays to healthcare changes, and could be a rallying point for opponents in the increasingly tense debate."

WSJournal says Obama wrong for saying individual mandate not a tax. The [Wall Street Journal](#) (9/29, subscription required), in an editorial, criticizes President Obama for saying that the individual mandate to buy health insurance is not a tax, noting that the IRS would be authorized to collect the \$1,900 "excise tax" in the Senate Finance Committee, and that noncompliance could result in a \$25,000 fine or prison time.

Advertisement

The advertisement features the logo for CAN (Corporate Angel Network) with an arrow pointing to the 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.

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

Congress moves to resolve public option, financing issues.

The [Los Angeles Times](#) (9/29, Hook) reports that congressional Democrats "this week will push toward showdowns on two of the toughest issues in the healthcare debate: whether to create a government alternative to private insurance, and how to pay the approximately \$1-trillion cost of the overhaul." While the final version of a healthcare bill will be settled in a House-Senate conference committee, "this

week's intensive effort will provide the starkest display yet of the political fault lines the party faces as lawmakers search for a path to agreement." In the Senate, "members of the finance committee will for the first time formally debate the public plan, which would compete with private insurers to help ensure affordable coverage for all." In the House, Democratic leaders "are aiming to forge a consensus within their party over how to pay for the massive initiative -- by taxing the wealthy, taxing insurance companies that offer high-end plans, or both."

Reform may include provisions imposing age rating limits on insurers.

The [AP](#) (9/29, Werner) reports, "Old people get sick more than young people, and in most states, that adds up to them paying a lot more for their health insurance premiums." President Barack Obama and Democratic lawmakers "want to restrict that practice as part of a top-to-bottom reshaping of the nation's healthcare system, a change that will help them politically with aging Americans skeptical about the government's plans. Urging them to do it is AARP." The group and House Democrats support "imposing an age rating limit of 2 to 1." Insurance companies argue, however, that this "could drive premium prices up for younger workers by as much as 59 percent."

House Republicans seek investigation of CMS Medicare memo.

[CQ HealthBeat](#) (9/29, Norman, subscription required) reports that "Republican members of the House Energy and Commerce Committee have asked for a committee meeting to examine a memo sent out by Medicare officials to health insurers warning against misleading communications to seniors in connection with proposed Medicare cuts." The CMS memo "has caused an uproar among Republicans, who in the Senate also have threatened to hold up Department of Health and Human Services nominees." Now House Republicans have asked Energy and Commerce Committee Chairman Henry A. Waxman (D-CA) "about what specific statutory and regulatory authority was used by" CMS officials "in placing what Republicans called a 'gag order' on insurer communication."

HHS said to be correct to investigate mailings. In a column in the [National Journal](#) (9/28, subscription required), Eliza Newlin Carney argued that "lost in all [the Republicans'] righteous indignation are some basic facts about Humana's role and obligations as a government contractor." Because "Humana mailed a letter to Medicare Advantage members whose names and addresses were provided by the federal government," CMS is correct to investigate, she writes. According to CMS, "such communications are potentially contrary to federal regulations and guidance...and other federal law, including HIPAA." According to Carney, "The question is: Does CMS have a right to investigate whether a federal contractor misused a government mailing list? On that score, the HHS probe appears well within bounds."

Democrats hope Medicare savings will help pay for healthcare overhaul.

The [AP](#) (9/29, Alonso-Zaldivar) reports that Medicare is "looking like a big fat piggy bank for healthcare overhaul," as President Barack Obama and the Democrats "want to pay for much of their plan to cover the uninsured by cutting hundreds of billions from the Medicare budget over the next 10 years." Mark McClellan, former CMS director, said, "Seniors should definitely be paying attention. There's some redesign, some improvements, but unquestionably there would be some adverse impacts. It's a mixed bag, but it's not like the sky is falling." The AP includes a Q&A on top Medicare issues.

Provision to create new Medicare Commission stays in Senate reform bill. [CQ HealthBeat](#) (9/29, Norman, subscription required) reports that a provision to create a so-called "MedPAC on steroids," or a "new Medicare Commission to curb spending growth in the program, has survived in the Senate Finance Committee's health overhaul bill -- but with some important tweaks, such as allowing the commission to remain as a permanent entity." Still, "Republicans have expressed unease with the idea that the commission would be around for good, rather than ending in 2019 as originally envisioned." Also, "the larger idea of creating a beefed-up independent body that could order Medicare spending reductions has not caught on with leading House lawmakers, who worry that they would be held responsible for cuts that anger voters."

No schedule yet for finalizing House health reform bill.

[CQ Today](#) (9/29, Armstrong, subscription required) reports, "House Democrats plan to continue meeting this week to write their healthcare overhaul, but they have no schedule yet for releasing a bill and moving it to the floor." Nadeam Elshami, spokesman for Speaker Nancy Pelosi (D-CA), said Monday that Democrats were "making progress" on the bill. Still, "there was no plan to finalize a House bill this week." The Speaker "and other top House Democrats will meet with [Ways and Means Chairman Charles] Rangel (D-NY) and the chairmen of the

Energy and Commerce Committee and the Education and Labor Committee" to continue crafting the bill.

GOP plans to offer only "targeted" healthcare proposals.

The [Washington Times](#) (9/29, Haberkorn) reports that with Democrats controlling Congress, "Republican arguments against the healthcare reform plan so far largely have been limited to requests to slow down the process, maintain some fiscal restraint and make Democrats live up to President Obama's promises." In what "could be a sign of what's to come when the health bill gets to the Senate floor, Republicans in the Senate Finance Committee say they're not going to put forward a large alternative to the Democrats' reform proposals." Instead, they "want what they call a 'targeted' approach to fixing what's wrong with the system. But so far they've only put forward offers that have been quickly shot down by Democrats, including requiring members of Congress go on Medicaid, the assistance program for the poor, and full scoring of every amendment the chairman rejects."

Republican governors group organizing opposition to Baucus bill. [The Hill](#) (9/29, Hooper) reports that a "group of Republican governors are working together in a coordinated attack on Sen. Max Baucus' (D-MT) healthcare reform legislation, according to GOP sources and documents obtained by The Hill." At least "14 of the nation's 22 Republican governors have sent, or will soon send, letters to their respective congressional delegations claiming the Democrats' healthcare bills would bankrupt their states." A GOP leadership source "said the eight Republican governors who have not committed to writing critical letters are Charlie Crist (FL), Jodi Rell (CT), Tim Pawlenty (MN), Bob Riley (AL), Bobby Jindal (LA), John Hoeven (ND), and Jim Douglas (VT)."

Opponents seek to block use of insurance subsidies for abortion.

The [New York Times](#) (9/29, A1, Kirkpatrick) reports in a front-page story that abortion opponents "in both the House and the Senate are seeking to block the millions of middle- and lower-income people who might receive federal insurance subsidies to help them buy health coverage from using the money on plans that cover abortion." The opponents are "getting enough support from moderate Democrats that both sides say the outcome is too close to call." Abortion-rights supporters "say such a restriction would all but eliminate from the marketplace private plans that cover the procedure, pushing women who have such coverage to give it up."

Rasmussen poll finds healthcare reform support at lowest point.

[The Hill](#) (9/29, Zimmermann) reports that public support "for healthcare reform has dropped to its lowest point this year, Rasmussen finds." The Rasmussen poll finds "just 41 percent of likely voters say they favor the reform proposed by President Obama and Democrats," while "56 percent of respondents are opposed." The "overall picture remains one of stability. Today's record low support for the plan of 41 percent is just a point lower than the results found twice before."

Poll finds young adults largely support healthcare overhaul. The [Wall Street Journal](#) (9/29, Merchant, subscription required) reports that, according to a Wall Street Journal/NBC poll, young adults are the most ardent supporters of healthcare reform, but many do not have an accurate conception of what is contained in the bills. The Journal notes that many of the provisions will hit young adults with higher costs, yet only 43 percent of the 18- to 34-year-olds polled opposed the public option. The higher costs cited by the Journal are due to an insurance mandate included in each of the current bills which would fine or impose a tax on individuals without health insurance.

Healthcare overuse seen as widespread.

The [Washington Post](#) (9/29, Connolly) reports that the healthcare reform debate has raised the issue of rationing care, but "medical professionals say the fundamental problem in the nation's healthcare system is the widespread misuse and overuse of tests, treatments, and drugs that drive up prices, have little value to patients, and can pose serious risks. The question, they say, is not whether there will be rationing, but rather what will be rationed, and when and how." Critics of the Democrats' bill "cite places, such as Canada and Europe, where government experts prioritize the delivery of medical services." The Post adds that others, "however, see problems of misalignment in the American system, fueled by industry advertising, physician fears about malpractice lawsuits, and a culture that craves the latest, greatest everything."

Healthcare cooperative plan criticized.

In an op-ed in the [Wall Street Journal](#) (9/29, subscription required), Dr. William Winkenwerder, president of the healthcare consulting group The Winkenwerder Company, criticizes the concept of the healthcare cooperative and compares their role in the insurance industry to that of the government sponsored enterprises Fannie Mae and Freddie Mac. Winkenwerder says a better solution would be to permit insurance companies to compete across state lines, and to reduce state mandated benefits.

Public Health and Private Healthcare Systems

MedPAC data show where to target payment incentives.

[CQ HealthBeat](#) (9/29, Reichard, subscription required) reports, "Data released by the staff of the Medicare Payment Advisory Commission earlier this month stirred excitement among commissioners about moving forward with" an episode based payment system which would target "new payment incentives to improve quality and efficiency," and would "signal areas where spending might be questionable and where further research might pinpoint inappropriate spending." For instance, recent MedPAC data found that "the 20 clinical episodes that accounted for the greatest share of total Medicare spending on episodes in 2005 together accounted for 58 percent of total spending on episodes."

Debate over Medicare Advantage plans examined.

The [Raleigh News & Observer](#) (9/29, Goldsmith) reports on the debate over funding for Medicare Advantage plans, noting "about 50 Medicare Advantage policies" are "offered by insurance companies in North Carolina." Nationally, Medicare Advantage plans "are the subject of fierce debate," as "supporters say they offer extra benefits that seniors love, and opponents call the average 14 percent extra they cost per recipient a giveaway to insurance companies." State regulators "say people with Medicare Advantage insurance have often had problems finding doctors and hospitals to take the coverage."

USAToday calls Medicare Advantage plans "wasteful" insurer handouts. In its "Our View" blog, [USA Today](#) (9/29) contends that Medicare Advantage (MA) plans are "hastening the bankruptcy of the overall Medicare system." MA has "turned into a wasteful taxpayer handout to uncompetitive insurers"; and reaping the largesse are such companies "as Humana, for which MA is a profitable and growing enterprise." Therefore, if "there's anything in the medical system that's ripe for cutbacks, it's the wasteful subsidies in MA, which is projected to spend some \$1.6 trillion over the next 10 years." Notably, a "subsidy phase-down being considered in the Senate would save about \$113 billion"; and that "tiny fraction of the total would pay more than 10 percent of the cost of health reform." USA Today adds that it asked both Humana and "America's Health Insurance Plans to defend" the MA system "in an opposing view. They declined."

Aetna, Anthem cover swine flu shots.

The [AP](#) (9/29) reports Aetna, Inc. and Anthem Blue Cross announced they would provide coverage for swine flu vaccines for all plan members. In addition, the "companies said members will not have to make a co-payment or a deductible to get the vaccination. Anthem Blue Cross also said the antiviral drugs Tamiflu [oseltamivir] and Relenza [zanamivir] 'will move to an economical tier in plan formularies.'"

Uninsured

Efforts to pinpoint exact number of uninsured seen as missing "big picture."

In a commentary piece for [Modern Healthcare](#) (9/28, subscription required), David May asserted that "arguments over the specific numbers" of uninsured from Census Bureau data, Families USA, the CBO, and others "ignore the big picture. While there certainly are adjustments to be made when looking at exactly who should be counted among the uninsured, all we really need to know...is that we as a nation spend \$2.5 trillion on healthcare and yet tens of millions of people do not have health coverage at any given time." Moreover, even if you "subtract illegal immigrants from the totals," deduct the "ranks of the young and 'invincible,'" and adjust for "the chronically" versus the "temporarily" uninsured, "we're still left with a huge sum" of uninsured.

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