Oklahoma Rejects Health Exchange, Medicaid Expansion.

The Oklahoma (11/20, Rolland) reports Gov. Mary Fallin on Monday announced Oklahoma would neither be establishing a state-based insurance exchange nor expanding its Medicaid program to cover an additional "estimated 150,000 uninsured individuals" in the state.

According to The Hill (11/20, Baker) "Healthwatch" blog, Gov. Fallin issued a statement saying, "It does not benefit Oklahoma taxpayers to actively support and fund" an insurance exchange program that is "opposed by a clear majority of Oklahomans, and that will further the implementation of a law that threatens to erode both the quality of American healthcare and the fiscal stability of the nation."

The Huffington Post (11/19, Young) notes that in addition to the press statement, Fallin sent a letter on the healthcare decisions to HHS Secretary Kathleen Sebelius. Thus far, 17 states, including Oklahoma, have decided against establishing "health insurance exchanges, which are supposed to be up and running by Oct. 1, 2013, in order for uninsured people and small businesses to enroll in health benefits for 2014."

The AP (11/20, Murphy) says Fallin's announcement "drew immediate praise from conservative groups and lawmakers who have railed against the federal health care law and have urged the governor to resist any attempt to implement" it in the state. Oklahoma Senate President Pro Tem Brian Bingman issued a statement saying, "Oklahomans...want real, conservative solutions to the rising cost of healthcare - we want to make care more accessible, more affordable, and easier to obtain." In contrast, "hospitals and chambers of commerce had urged Fallin to support both a state-run exchange" and the Medicaid expansion. Notably, hospital officials pointed out that "providers are being forced to absorb the costs of the nearly 20 percent of uninsured Oklahomans who often seek health care services at emergency rooms and are unable to pay."

The Enid (OK) News & Eagle (11/20, Barron) also covers the story.

Tulsa World: Fallin Let Down Oklahomans. The Tulsa (OK) World (11/20) editorializes, "We had hopes that Fallin truly was looking out for the well-being of all Oklahomans. Now those hopes are dashed. It's a dark day in Oklahoma."

From NAHU

Access NAHU's latest information on PPACA, including a timeline, through our Compliance Corner by clicking here. This section of the website is constantly being updated, so be sure to check in often!
The Business Courier of Cincinnati (11/20, Ritchie, Subscription Publication) in its "Cincy Biz Blog" reports Gov. John Kasich "told the federal government that Ohio will not operate its own health insurance exchange, for now." Gov. Kasich, in a letter Friday to the CMS' Center for Consumer Information and Insurance Oversight Director Gary Cohen, wrote that states "do not have any flexibility to build and manage exchanges in ways that respond to unique needs of their citizens or markets." He said Ohio would "instead allow the federal government to run its exchange." The University of Cincinnati News Record (11/20, Calvert) reports similar details.

The San Antonio Business Journal (11/20, Bailey, Subscription Publication) in its "Alamo City Beat" blog reports Texas Gov. Rick Perry notified HHS Secretary Kathleen Sebelius "on Friday that Texas will not establish a state health exchange, as permitted under the Affordable Care Act." However, some "San Antonio health care officials believe that Texans might be better off with the feds in control, considering the fact that roughly six million people in the state are uninsured," and "at least one local health-care expert says there is still a chance that Perry, bowing to pressure from business and political leaders, changes his mind."

Columnist Contemplates Impact Opt Out Will Have On Georgia's Insurance Market. In the Marietta Daily Journal (11/20), columnist Don McKee notes Gov. Nathan Deal has "decided that Georgia will not set up its own health insurance exchange," claiming he and "other Republican governors are 'seeking guidance from the federal government on establishing exchanges.'" Deal said Friday, "We've yet to receive serious answers to our questions. I will not commit Georgia taxpayers to a project with so many unknowns." McKee says, "That much is clear, but it's not clear what will happen to the insurance market in this state."


The AP (11/20) reports Utah Gov. Gary Herbert in a letter Monday to HHS Secretary Kathleen Sebelius wrote that he "would maintain Utah's own health exchange law in the near term" although, whether the state "continues that course depends on 'far too many unanswered questions' about the federal alternative." In the letter, he "included a list of 'Top Ten' unanswered questions about the federal exchanges, including how much it will cost the state to participate, whether state policy makers will have a role in influencing its operation, and how it would present options to consumers." Gov. Herbert also wrote that giving states "more time without answers accomplishes nothing."

The Salt Lake (UT) Tribune (11/20, Stewart) notes that rather than "bringing Utah's exchange, Avenue H, up to new federal standards," Gov. Herbert wrote in the letter to Secretary Sebelius that he "wants to keep it as is" for now, adding that the "decision could change as we receive more information and answers to critical questions." The Tribune adds that funding issues dominate Herbert's "two-page list of concerns," which is comprised of questions, such as would "users of the online portal pay a fee? If that falls short of what's needed to keep exchanges running, will the feds pick up the rest of the tab?"

The Deseret (UT) News (11/20, Romboy) says Herbert's 10 primary concerns in the letter are succeeded by "about 20 follow-up questions." The Provo (UT) Daily Herald (11/20, Hesterman) also covers the story.

The AP (11/20, Schelzig) reports Tennessee's Republican Gov. Bill Haslam "said Monday that a lack of information from the White House is delaying a decision about whether the state should run its own health insurance exchange under the new federal health care law." During a press conference, Haslam said the Obama Administration "has refused to address a series of questions about the health insurance marketplaces raised by Republican governors, including whether states would be able to create wellness-based incentives to encourage healthy behavior." Other unaddressed "questions include whether family members participating in different plans will be covered by the same provider; how the state will be able to avoid being double-charged when seniors transition to Medicare; and if the state will be able to access information stored in the federal database," Haslam added.

Hatch: Iowa Could Set Up Health Exchange In Special Legislative Session.

The Cedar Rapids (IA) Gazette (11/19, Boshart) reports Iowa Sen. Jack Hatch (D-Des Moines) on Monday said the state "could meet the federal deadline for establishing a state-run health insurance exchange if Gov. Terry Branstad would call lawmakers into special session and hammer out a bipartisan agreement before next month's application deadline." Hatch said that if Branstad called a special session, the state Legislature, within one day, "could give him the authority" to establish a state-based exchange. Hatch also noted that Iowa received "more than $7.7 million" from the Obama Administration to "begin setting up" an exchange. Meanwhile, Gov. Branstad "told reporters Monday...that he is frustrated by the process, does not believe federal officials are prepared to move ahead with the exchanges and questions whether they could afford to finance expansion in Medicaid." But Hatch claims Branstad was "misrepresenting the unfolding situation."

Kaiser Health News (11/20, Rao) notes that Branstad "submitted 50 questions" to HHS Secretary Kathleen Sebelius "about how the state-built online insurance markets are supposed to be set up." State governors "continue to struggle with too many unanswered questions on topics critically important to the final development of an exchange that meets the needs of Iowans, including the cost of building and operating an exchange," Branstad wrote "in a Nov. 16 letter intended to meet a now-extended" exchange decision deadline.

Florida GOP Leaders' Openness To ACA Options Slammed.
The *Huffington Post* reports Americans for Prosperity "took aim at Florida Gov. Rick Scott (R) on Monday, accusing him of working against his state's interests with his apparent change of heart on Obamacare." In a press statement, the "conservative organization," which is "backed by the billionaire Koch brothers," said Gov. Scott's "recent signal that he was willing to consider implementing key provisions of President Barack Obama's health care reform law was a step in the wrong direction." After initially "vowing to reject moves to set up a state-run health insurance exchange and expand Medicaid rolls under the Affordable Care Act, Scott said last week that he was ready to 'have a conversation.'"

The *South Florida Sun-Sentinel* adds that Americans for Prosperity is also criticizing Florida's "legislative leaders Will Weatherford and Don Gaetz for remarks saying they needed to move forward to implement" the ACA.

**Florida Senate President To Create Select Committee On ACA.**

The *Palm Beach (FL) Post* reports that incoming Florida Senate President Don Gaetz (R-Niceville), "who will officially take the gavel tomorrow, will create a select committee on the 'Patient Protection and Affordable Care Act,' the federal health care law that he and other Republicans were banking on being repealed." Now, "after two years of ignoring the law and President Obama's re-election, GOP legislative leaders are scrambling to figure out how to comply with the law and meet deadlines dealing with health care exchanges."

**Alabama Governor Defends Exchange, Medicaid Decisions.**

The *Gadsden (AL) Times* reports Alabama Gov. Robert Bentley "on Monday defended his decisions to not create a state-based health insurance exchange under the Affordable Care Act and to not expand Medicaid as it currently exists." Although Gov. Bentley "once touted a state-based exchange," he now "says state control appears to be a myth. "The health insurance exchange they are talking about now is a state-based exchange in name only," Bentley said "after a Capitol steps news conference." Bentley also "defended his decision to not expand Medicaid in its current incarnation," saying he "prefers a Medicaid system that involves block grants to states that then could decide how to run their programs."

**McClellan Calls For Education On Healthcare Act.**

*Politico* reports former CMS administrator Mark McClellan, who "helped implement the Medicare prescription drug benefit for President George W. Bush," said the "two parties should separate their political battles over Obamacare from the need for broad public education about how the law will affect ordinary people." Now, he says that "it would help if the political debate [on the health law] could be separate from the education of individuals for what the implementation of this program means for them."

**Support For Federal Health Programs May Worsen As Lawmakers Work To Avoid Fiscal Cliff.**

*MedPage Today* reports, "If the country falls off the dreaded "fiscal cliff" - a series of mandatory federal spending cuts and tax increases - at the end of next month, Medicare will see nearly $12 billion in spending cuts and the National Institutes of Health will lose money for about 700 grants." However, "as dire as that outlook sounds, long-term support of federal health programs could be even worse as lawmakers try to avert the cliff, health policy experts said here last week at a briefing on the topic sponsored by the Alliance for Health Reform." According to Bill Hoagland, senior vice president of the Bipartisan Policy center, "Most budget plans on the table take more out of healthcare than what is in the sequester."

**Weintraub: ACA Won't Improve Preventable, Chronic Health Problems.**

In an opinion piece for the *Orange County (CA) Register*, California Health Report Editor Daniel Weintraub contends that for "all the hype and debate over the Affordable Care Act, the law is really more about insurance than health." But insurance coverage "by itself is not likely to make Californians much healthier," especially considering that "chronic disease...accounts for 75 percent of all deaths" in the state and a "similar percentage" of its healthcare costs. Weintraub goes on to say that the "most striking fact" is that the "worst of these diseases - obesity, diabetes, and heart disease - are all correlated with geography, and by extension, with income." He cites a 2010 analysis which found that the life expectancies of "people living in West Oakland, on average," was 10 years less "than those who lived in the Berkeley Hills," and he notes that similar geographical and income-based "disparities can be found all over the state."

**New Rule Would Allow Exemption From Healthcare Mandate.**

*The Hill* reports in its "Floor Action" blog that bill, HR 6597 "would allow people an exemption from the healthcare mandate by filing an affidavit with the IRS." People "seeking the exemption would be required to tell the IRS that they don't have insurance because of their religious beliefs." If people "seeking the exemption later used healthcare services under the law, they
would lose their eligibility for the exemption from buying insurance and would have to pay a penalty.

**Judge Denies Hobby Lobby Request To Block Mandate On Birth Control Coverage.**

The AP (11/19) reported, "A federal judge Monday rejected Hobby Lobby Stores Inc.'s request to block part of the federal health care overhaul that requires the arts and craft supply company to provide insurance coverage for the morning-after and week-after birth control pills." US District Judge Joe Heaton refused "a request by Hobby Lobby to prevent the government from enforcing portions of the health care law mandating insurance coverage for contraceptives the company's Christian owners consider objectionable." The ruling said, "Plaintiffs have not cited, and the court has not found, any case concluding that secular, for-profit corporations such as Hobby Lobby and Mardel have a constitutional right to the free exercise of religion." Alabama Live (11/20, Underwood) and Reuters (11/20, Olafson) also cover the story.

**Balance Billing Said To Be Issue Even For In-Network Care.**

In the New York Times (11/19) "Well" blog, Roni Rabin writes that balance billing is a potential issue for patients as some of the billing is warranted and some is not. "The federal Affordable Care Act contains some provisions to protect patients from balance billing for emergency medical care, but they apply primarily to new health plans and only in limited cases to existing employer-provided coverage" and it "sets standards for what health plans must pay out-of-network providers, the rationale being that if providers are paid adequately, they are less likely to balance bill."

**Public Health and Private Healthcare Systems**

**Aetna Health Seeking Small Group Rate Increases.**

The Pittsburgh (PA) Tribune-Review (11/20, Nixon) reports that Hartford, Connecticut-based "Aetna Inc. is proposing to increase health insurance rates for more than 15,000 Pennsylvania small businesses and about 150,000 of their employees." In the request the insurer "filed with the state Insurance Department and US Health and Human Services, rates would rise an average 14.4 percent to 17.9 percent, depending on the type of plan." Should the increases be approved, "the rates would take effect on Jan. 1 and affect people who get coverage through companies with 50 or fewer employees."

The Pittsburgh Business Times (11/19, Mamula, Subscription Publication) reports that "the size of the increase will depend on the group's renewal date."

**Patients With Eating Disorders Face Insurance Hurdles.**

The Washington Post (11/20, Kulkarni) reports that "for many of those who seek treatment for" eating disorders, "getting a full range of insurance coverage can be difficult." Additionally, the article notes that "treatment of eating disorders is complicated because it often involves medical care, mental health services and nutritional therapy, requiring a team of specialists - often a" primary care physician, "a therapist, a psychiatrist and a diettian." According to the Post, "patients argue that insurers don't adequately cover all those services, although estimates of how many patients receive coverage vary."

**Idaho Will Launch Medicaid Home Health Program In January.**

The Twin Falls (ID) Times-News (11/19, Kruesj) reported, "As Idaho waits to see if it will expand its Medicaid eligibility requirements, state officials are working to improve the program's participants' access to care. By January 2013, Idaho's Medicaid officials will launch the Medicaid Health Home program intended to improve the system's 230,000 participants' quality of care."

**Four Colorado Surgery Centers Sue Over Alleged Antitrust Violations.**

Modern Healthcare (11/19, Robeznieks, Subscription Publication) reported, "Four Colorado ambulatory surgery centers have filed an antitrust lawsuit (PDF) in US District Court in Denver against HCA, HCA-HealthOne, Centura Health, the Colorado Ambulatory Surgery Center Association and Kaiser Foundation Health Plan of Colorado charging them with anti-competitive activities and restraint of trade agreements." The centers "accuse the defendant hospital systems of abusing their market share power to convince Kaiser not to sign a contract that it had negotiated with one of the ASCs and attempting to further use their market power to influence other health insurance companies that do business in Colorado from putting the ASCs in their provider networks."

**Detroit Free Press Urges Action On Plan For BCBS Of Michigan.**

The Detroit Free Press (11/20) editorializes, "There are a lot of bad ideas cropping up in the Michigan Legislature's lame duck session, but one lawmakers should approve is a plan proposed by Gov. Rick Snyder to reform Blue Cross Blue Shield of Michigan from a
charitable nonprofit to a mutual insurer." For more than 30 years, "Blue Cross Blue Shield has been Michigan's insurer of last resort." However, "thanks to changes to the health care landscape made by the Affordable Care Act, which requires all insurers, in effect, to become insurers of last resort, preserving that designation is no longer crucial."

**Medicare To Begin Reimbursing For Obesity Counseling.**

The *Bangor (ME) Daily News* (11/19, Clark-Albert) reports "Insurers have been willing to foot the bill for managing the complications of chronic diseases such as diabetes and heart disease, but most have not been willing to reimburse practitioners for their work in treating obesity, which is often the major risk factor contributing to chronic diseases. Insurers have been willing to pay for costly gastric bypass surgery, but not for intensive medical nutrition therapy that could produce similar results." After a recent decision by the Centers for Medicare and Medicaid Services "Medicare will begin reimbursing primary care physicians and other qualified practitioners for administering face-to-face behavioral counseling to patients with a body mass index of 30 or more."

**Medicare Sets Cap For Physical Therapy.**

The *Plattsburgh (NY) Press Republican* (11/20, Meyers) reports, "The Centers for Medicare and Medicaid Services has initiated a therapy cap for outpatient services in physical, occupations and speech therapies, but patients can seek an exception to the cap if they receive treatment that is deemed medically necessary." According to Christine Meister, director of Rehabilitation Services at CVPH Medical Center in Plattsburgh, "We're starting to get a sense that people are choosing not to have therapy because of the cap." She added, "We want patients to understand that if therapy is medically necessary, Medicare will continue to pay."

**Coventry Health Care To Pay $3 Million To Avoid Criminal Prosecution.**

The *Baltimore Sun* (11/19, Rector) reported that Coventry Health Care Inc., "a Bethesda-based insurance company that gained advantage over competitors by allowing its employees to inappropriately access a federal Medicare database has agreed to pay the federal government $3 million to avoid criminal prosecution, according to the Maryland US attorney's office." The settlement "says employees with Coventry, which administers Medicare Advantage plans for some of its customers, or its subsidiary First Health Priority Services, inappropriately accessed the federal government's database between 2005 and 2006 to obtain eligibility information for customers who had separately filed a worker's compensation claim, prosecutors said."

**Healthcare Educational Campaign Gets Ready To Launch.**

*CQ* (11/20, Reichard, Subscription Publication) reports, "Those spearheading a broad-based, privately funded educational campaign to enroll the uninsured in health plans as part of the health care overhaul are in the closing stages of pinpointing what messages they will use and which audiences the effort will target." The goal of the campaign "is to fully develop its strategy by year's end and to launch in mid-2013, in time for the Oct. 1 start of the open enrollment period in the new state insurance exchanges." While "previous expansions of such government coverage programs as Medicaid and the Children's Health Insurance Programs signed up people at a much slower pace than expected, officials with this initiative, called Enroll America, hope they will be able to move far faster."

**Businesses Look To Deal With ACA.**

The *Washington Post* (11/19, Klein) reported in its "Wonk blog" that "the health-care law's treatment of larger employers is almost laughably complicated" and "if you've got fewer than 50 employees, nothing is asked of you, and if you're willing to provide insurance for your employees, you get a giant tax credit, at least for awhile." The Affordable Care Act asserts that "employers need to offer health care, and they don't need to pay for most of the cost of their employee's health care, but if their employees are taking advantage of public subsidies, then the employer should have to pay a penalty equal to about 1/8th the cost of the average employer-provided health-insurance plan."

**Monday's Lead Stories**

- More States Reveal Exchange Choices As Administration Extends Deadline.
- NAHU's Trautwein: ACA Does Little To Address "Spiraling Costs."
• Healthcare Law's New Regulations Expected Soon.
• BCBS Of Montana Asks For Merger Approval With HSCS.
• Florida Small Businesses Scrambling To Learn ACA Requirements.
• Federal Officials Crack Down On Medicare Fraud.

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