

# NAHU Newswire

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

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

## Leading the News

### Florida attorney general questions constitutionality of Senate health reform bill.

The [New York Times](#) (12/30, A19, Cave) reports that Florida Attorney General William McCollum, "a Republican who is running for governor in 2010," on Tuesday "questioned the constitutionality of the federal healthcare bill." McCollum called "on states to study whether to file suit to kill a provision requiring that individuals buy health insurance or pay a fine." He called the insurance mandate "an affront to our country's principles." The view "places him in line with the attorneys general of South Carolina and nearly a dozen other states who have also threatened to sue over the mandate."

According to the [Miami Herald](#) (12/30, Logan), McCollum said the mandate "would penalize people who choose to do nothing, compared with the car-insurance requirement, which is connected with the decision to own a car and drive." He "directed his staff Tuesday to investigate the legality of" the requirement and "sent a letter to his counterparts in other states, asking them to join his investigation."

The [St. Petersburg Times](#) (12/30, Logan) notes that McCollum "also said he will join other attorneys general looking into the constitutionality of a Senate bill provision that would pay for Nebraska's share of the proposed Medicaid expansion, a deal secured by Sen. Ben Nelson (D-NE)."

The [Christian Science Monitor](#) (12/30, Richey) reports that the individual health insurance mandate "is a centerpiece of the healthcare bills currently pending in Congress." While "conservative analysts have been debating the legality of the measure for months," their liberal counterparts "have dismissed these concerns as overblown and political posturing."

In a telephone conference with reporters, McCollum "rejected several questions about his motivation being political," the [AP](#) (12/30, Kallestad) reports. He said, "I'm not opposed to healthcare reform as such although I'm not happy about this particular bill." Florida's [Palm Beach Post](#) (12/30, Bender) also covers the story.

**Utah AG to join constitutional challenge.** [KSL-TV](#) Salt Lake City (12/30) reports that Mark Shurtleff, Utah's attorney general, "is preparing to join a lawsuit that challenges the Senate's massive healthcare reform bill. Utah is one of 10 conservative states prepared to challenge the healthcare bill." The attorneys general "say the so-called Nebraska compromise part of the deal smells of corruption."

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## From NAHU

We know many of you have been extremely active with legislative issues and we want to thank you for your hard work and assure you it is making a difference. We are seeing some inroads on the legislative front and continue to work diligently with Congress to keep things on the right track.

The next few months will be the most intensive of times for our association's government affairs efforts. We have every reason to believe that health system reform legislation will move forward, and we need to preserve the role of agents and brokers and

believe that health system reform legislation will move forward, and we need to preserve the role of agents and brokers and ensure continuance of the private market. It is for these reasons that we have decided to reinstate our Grass Roots Initiative Program. GRIP is a voluntary donation program created some years ago for our legislative expenses at the national level. We are now soliciting both individual and chapter contributions to GRIP, and would greatly appreciate any additional help as there is still much to be done on the legislative and regulatory front. **Please click [here](#) to make a donation to GRIP today.**

## Legislation and Policy

### Obama's role in passage of healthcare reform praised.

In a [Wall Street Journal](#) (12/30, subscription required) op-ed, historian Robert Dallek praises President Obama's role in the passage of healthcare bills in both the House and Senate, and the likely passage of a conference report. Dallek ranks healthcare as an accomplishment for the Obama White House on par with the Roosevelt Administration's 1935 Social Security law and the 1964 Civil Rights bill, as well as the 1965 Medicare bill for Lyndon Johnson's Administration.

### NYTimes says timing is right to pass healthcare bill.

In an editorial, the [New York Times](#) (12/30) makes the case for passing a healthcare bill, saying the "need is clear and the political timing is right with the Democrats controlling the White House, the Senate, and the House. If this chance is squandered and Republicans gain seats, as expected, in the midterm elections, it could be a decade or more before reformers have another opportunity. Americans shouldn't have to wait any longer."

### Govs. Schwarzenegger, Paterson criticize health reform bill.

[Politico](#) (12/30, Isenstadt) reports that New York Gov. David Paterson (D) and California Gov. Arnold Schwarzenegger (R), "the governors of the nation's two largest Democratic states, are leveling sharp criticism at the Senate healthcare bill, claiming that it would leave their already financially strapped states even deeper in the hole." They want "congressional leaders to rework the Medicaid financing in the Senate-passed bill, warning that under that version their states will be crushed by billions in new costs." Gov. Paterson has said that the Senate reform bill would leave New York with \$1 billion in new costs, while Schwarzenegger predicts California would be left with \$3 billion to \$4 billion in extra costs. According to Politico, this "resistance...underscores the anxieties facing states as they grapple with the prospect of a massive expansion of the Medicaid program."

### Cutting medical costs may not harm patients, columnist says.

On the front page of the [New York Times](#) (12/30, B1) Business Day section, David Leonhardt writes in the Economic Scene column, "At the heart of the healthcare debate is the question of whether it's possible to cut medical costs without harming patients." In Richmond, Virginia, "the quality of care...is better than in most American metropolitan areas, according to various measures, and it continues to improve" despite cuts in the number of hospital beds due mainly to "state regulations on capacity." Leonhardt notes that "skeptics have often suggested that there really is no way to cut spending without hurting people," but that argument challenges "abundant evidence that it does not have to."

### Article explains short-term insurance changes resulting from reform.

Answering the question of what healthcare reform will do for consumers "in the near future," [Newsweek](#) (12/29, Carmichael) reported that "people with current private insurance in 2010" will not "have to worry about maxing out their lifetime medical benefits, because as of six months after enactment, insurance companies won't be allowed to impose those maximums." Those currently without insurance will "be able to enroll in a high-risk pool...that will cover them until the states get their insurance exchanges up and running in 2014." A "health-insurance tax credit for small businesses with average wages of less than \$40,000 (or \$50,000, under the Senate bill)" may "encourage more small-business owners to start offering insurance." Finally, Medicare recipients will see the "donut hole" shrink by \$500 in 2010.

### CLASS plan said to be likely part of healthcare overhaul.

The [Fort Worth Star-Telegram](#) (12/30, Oliphant) reports that the CLASS plan, which would allow workers to sign up for a payroll deduction program similar to Social Security, is "likely to become law" despite the opposition of a majority of senators. The plan "has strong support from groups representing seniors and the disabled," who believe it "will help ease the strain on the Medicaid program."

However, "critics still contend that it creates a new government entitlement that could overwhelm the already beleaguered federal coffers."

## Public Health and Private Healthcare Systems

### Federal officials announce renewed crackdown on Medicare fraud.

[American Medical News](#) (12/30, Silva) reports, "Senior officials from the Depts. of Justice and Health and Human Services announced Dec. 15 that 30 physicians, business owners, executives and others have been charged in three cities for allegedly submitting about \$61 million in false Medicare claims." The numerous charges were said to be the result of an expansion of anti-fraud strike teams, including a joint initiative with the Justice Department called the Health Care Fraud Prevention and Enforcement Action Team. HHS Secretary Kathleen Sebelius called the announcement "a significant step towards securing Medicare for seniors today and generations to come."

**Senior citizen volunteer group assists in Medicare fraud efforts.** The [AP](#) (12/30, Sedensky) reports that a senior citizen group formed to prevent Medicare fraud has become "a valuable part of the Obama Administration's bid to overhaul healthcare and bring down costs." The Senior Medicare Patrol consists of 4,700 senior citizen volunteers, who "serve as the government's eyes and ears" and "have been credited with saving taxpayers more than \$100 million since 1997." Kimberly Brandt, who oversees Medicare anti-fraud efforts at CMS, said, "There is no substitute for beneficiaries and on-the-ground resources to help us know where fraud is occurring and where problems are arising."

### Some seniors run afoul of Medicare enrollment rules.

On the front of its Personal Journal section, the [Wall Street Journal](#) (12/30, D1, Tergesen, subscription required) reports that the rules governing Medicare enrollment can be very complicated, and that seniors cannot sign up for Medicare whenever they choose. The Journal says that it is easiest to enroll at age 65, and that enrollment is automatic for people who are already receiving Social Security benefits. Yet, some seniors who elect to remain on their employers' health plans could later face fines for not enrolling in Medicare within eight months of retiring, and be forced to go without insurance for months until they become eligible to enroll again. That is why Rep. Kurt Schrader (D-OR) intends to introduce legislation which would simplify the switch from an employer's health plan to Medicare. In response to complaints and criticisms about the rules, CMS says that is only enforcing current federal laws which govern Medicare.

### Medicare will not cover outpatient IV insulin therapy.

[MedPage Today](#) (12/29, Gever) reported that, according to a [decision memo](#) released by the Centers for Medicare and Medicaid Services (CMS), "Medicare will not cover outpatient intravenous insulin therapy for diabetes or other conditions." In its ruling, the CMS wrote that "five long-term clinical studies" published about the treatment "have significant limitations in their design, study size, completion rate, type of patient enrolled, underlying hypothesis, robustness of their endpoints, and prospective safety monitoring." Therefore, "CMS does not believe that the available" study data "have established its clinical benefit in any patient population for any medical condition." In addition, CMS "found that other third-party payers, including Blue Cross/Blue Shield in California, had assessed the treatment and decided not to cover it."

### Cigna HealthCare, UNC Health Care System resolve contract dispute.

North Carolina's [News & Observer](#) (12/29) reported, "Cigna HealthCare and the UNC Health Care System announced...that they have signed a two-year contract, ending a dispute over money that could have disrupted care for thousands of" patients. The existing contract was set to expire Thursday. "The two sides had been in negotiations for weeks and recently began notifying patients about potential disruptions."

The [Triangle Business Journal](#) (12/29, Gallagher) reported that the dispute stemmed from a disagreement over reimbursement rates, where "UNC wanted Cigna to pay more," and "Cigna wanted to pay less." Under the agreement, "Cigna insurance customers won't have to worry about paying out-of-network charges to receive treatment at UNC Hospitals and Rex Hospital and from UNC and Rex physicians."

## Also in the News

### Federal appeals court rejects Arkansas antitrust suit.

[Modern Healthcare](#) (12/29, Blesch, subscription required) reported, "A federal appeals court affirmed a lower court's decision to toss an antitrust lawsuit brought by" the Little Rock Cardiology Clinic in Arkansas "and its physician investors against" Baptist Health Medical Center and Blue Cross & Blue Shield of Arkansas. The suit alleged "that the six-hospital system and health plan conspired to restrain trade and monopolize the market for hospital-based cardiology services by booting the physicians of Little Rock Cardiology Clinic from" Baptist Health, "as well as dropping the physicians and their" hospital "from the Blues' provider networks." The "three-judge panel...affirmed the

lower ruling that the physicians failed to define product and geographic markets to underlie their claims."

## Rural hospitals in South Dakota to receive grants for technology projects.

[Healthcare IT News](#) (12/29, Monegain) reported, "Sixteen rural hospitals in South Dakota will receive a total of \$244,376 in grants for technology projects from laboratory electronic medical records to a medication labeling and bar code system." The Medicare Rural Hospital Flexibility Program will fund the grants for eligible hospitals that "have received a Medicare certification as a Critical Access Hospital (CAH)." South Dakota Secretary of Health Doneen Hollingsworth noted that rural hospitals struggle "with limited resources to keep up with...rapid changes" in technology.

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

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