



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

[Public Health and Private Healthcare Systems](#)
[Consumer Directed Healthcare News](#)

[Also in the News](#)

Leading the News

Health insurance executives say reform may not hurt profits.

[American Medical News](#) (9/28, Berry) reports that at a New York conference hosted by Morgan Stanley, "insurance executives...assured investors that, no matter what happens in health system reform, their companies would continue to exist." They explained that "reform could represent a large pool of new customers, rather than a threat to profits" with "the potential for a public plan that would compete with private plans." According to executives from Cigna, Coventry Health Care, Humana, WellPoint, and Aetna, "their best guesses were that reform would not include a public option, but would include co-ops in each state, with an individual mandate and new rules that would require insurers to issue coverage to anyone regardless of health status."

Insurance industry eyes effort to weaken individual mandate enforcement. The [Wall Street Journal](#) (9/28, Johnson, subscription required) reports that for the insurance industry, a key provision of Senate Finance Chairman Max Baucus' healthcare overhaul bill is the individual mandate. However, the industry was concerned that efforts to weaken the enforcement provision of the individual mandate would undercut it, giving consumers an incentive to accept a fine rather than purchase coverage.

Senate Finance reform bill amendment would require more disclosure from PBMs. The [Dow Jones Newswire](#) (9/26, Wisenberg, Brin, subscription required) reported that on Friday, the pharmacy benefit management industry criticized an amendment adopted in the Senate Finance Committee's health reform bill that would require PBMs participating in health insurance exchanges or the Medicare Part D program to share information with the HHS secretary and the health plans they contract with. The industry says the provision will raise the cost of prescription drugs and give drugmakers more pricing power.

Sen. Rockefeller says health protections do not yet include employees of large companies. [USA Today](#) (9/28, Fritze) reports that Senate Finance Committee member Jay Rockefeller (D-WV) said that "more than 70 million people who work at large companies would not get health insurance protections sought by President Obama under" the current Finance Committee bill. According to Sen. Rockefeller, rules prohibiting "insurers from denying coverage because of pre-existing conditions or imposing limits on how much will be paid out to sick patients" in the bill do not "apply to people who work for large companies that self-insure, meaning the employer pays healthcare claims out of its revenue rather than relying on a private insurer." Rockefeller said, "They can be cut off; there are no caps," and so he "has proposed expanding the insurance regulations to cover everyone in an amendment he hopes will be considered this week."

Advertisement

The advertisement features the CAN logo (Corporate Angel Network) at the top left. The main 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." The phone number (914) 328.1313 is displayed in yellow at the bottom right. The background is a dark blue image of a person in a white lab coat.

[Bloomberg News](#) (9/28, Jensen, Gaouette) notes that insurers may come under more pressure this week as Democrats begin debating the public option.

Insurance commissioners' group would issue some rules under Finance Committee bill. The [Chicago Tribune](#) (9/28, Zajac) reports that the Senate Finance Committee healthcare reform bill "puts crucial rule-making authority in the hands of a private association of state insurance commissioners that consumer advocates fear is too closely tied to the industry." Under the bill, the National Association of Insurance Commissioners "would craft a model rule governing 'health insurance rating, issuance, and marketing requirements.'" States could only "deviate from the NAIC-set standards...by appealing to" HHS. This would "allow the NAIC to write many of the rules on issuing and marketing insurance to millions of uninsured Americans who would be required to purchase policies." Critics, however, say the organization is too close to the insurance industry and lacks transparency.

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

House Democrats mull tax on high-cost health plans.

The [AP](#) (9/25, Werner, Alonso-Zaldivar) reported that House Democrats "are considering a tax on high-cost insurance plans to help pay" for healthcare reform. House Speaker Nancy Pelosi (D-CA) said "the tax is 'under consideration' as Democrats search for consensus within their ranks before taking a bill to the House floor later this fall."

The [Wall Street Journal](#) (9/26, A4, Hitt, subscription required) reported that the proposed tax on so-called "Cadillac plans" is featured in pending Senate legislation, but has so far received little attention in the House. [Roll Call](#) (9/25, Dennis) reported that Pelosi told reporters that she is studying Senate bills "for ideas as she aims to slash the cost of the House healthcare bill."

USA Today advocates cutting healthcare tax breaks to pay for reform. [USA Today](#) (9/28) editorializes, "To extend insurance coverage to millions of people, the place to look for money is within the healthcare system itself -- by restraining the growth of medical spending and by cutting healthcare tax breaks." Under a measure proposed by Sen. Max Baucus (D-MT), "one-fourth of reform" would be paid for by "taxing health insurance packages costing well above the national average of \$13,375 a year for family coverage." Although "no one wants to pay more...the tax is perhaps the best single way to raise revenue within the system," USA Today contends. In fact, "a tax on high-end insurance policies would not only generate about \$215 billion over 10 years, according to the Congressional Budget Office, it also would wring more efficiency out of healthcare by discouraging people from overusing the system."

Expert contends taxing high-cost insurance plans might threaten coverage for middle class. In an op-ed in [USA Today](#) (9/28), Gerald W. McEntee, president of the American Federation of State, County, and Municipal Employees, writes, "Taxing high-cost insurance plans to fund healthcare reform is a bad idea," because "it could threaten the medical insurance plans of middle-class workers who obtain coverage from their employers." Ultimately, this approach "is asking the middle class to pay for the healthcare for those who are currently uninsured," but in doing so, it "would make healthcare less affordable for working families, and...inhibit economic growth while giving the wealthy a virtual free ride."

Senate Finance panel ended week without resolving major health reform issues.

The [New York Times](#) (9/26, A12, Pear, Herszenhorn) reported that Democrats on the Senate Finance Committee "preserved the guts of their proposal to reinvent the healthcare system, but Republicans scored political points on several issues, like the effects of the bill on older Americans." The committee ended its work for last week by putting off "some of the most contentious issues to next week." [Roll Call](#) (9/25, Drucker, subscription required) noted that this week "could see some spirited debate," as Sens. Charles Schumer (D-NY) and Jay Rockefeller (D-WV) "are planning to propose an amendment to add a public insurance option" to Chairman Max Baucus' proposal.

The [New York Times](#) (9/26, A12, Calmes) reported that while Finance Committee Democrats "have largely stood up to Republicans' attacks" on the Baucus bill, their "united front has given way to intraparty tensions, not just in the committee but in Congress generally."

Sen. Schumer and other public option supporters "do not expect to win in the moderate-to-conservative-leaning committee." But Schumer said, "That's just the first battle of a war, and the least friendly battlefield."

The [Washington Post](#) (9/26, Connolly) reported that the fight over healthcare "is increasingly shifting away" from the committee "and onto the Senate floor," where other senators "are already scheming about how to put their stamp on what could be the most significant piece of domestic-policy legislation in a generation." [The Hill](#) (9/25, Young) and [CQ Weekly](#) (9/28, Armstrong, Wayne, subscription required) also covered the story.

GOP steps up to oppose Medicare spending cuts.

The [Washington Post](#) (9/28, Montgomery) reports that after "years of trying to cut Medicare spending, Republican lawmakers have emerged as champions of the program, accusing Democrats of trying to steal from the elderly to cover the cost of health reform." However, the "hospital associations, AARP, and other powerful interest groups that usually howl over Medicare cuts have also switched sides. Last week, they stood silent as the Senate Finance Committee debated a plan to slice more than \$400 billion over the next decade from Medicare, the revered federal insurance program for people over 65, and Medicaid, which also serves many seniors." The Post explains that the interest groups expect the \$400 billion cut will not affect most Medicare recipients' coverage, although Medicare Advantage participants could lose out, and that the recipients will get other benefits under the reform legislation that would offset the costs.

Lawmakers, officials meet with eHealth to discuss online health insurance exchange.

[The Hill](#) (9/28, Bolton) reports that eHealth Inc. has been meeting with lawmakers and White House officials "to map out how the centerpiece of President Barack Obama's healthcare reform will look when it is finally implemented." The company "is competing to provide the health insurance clearinghouse that Obama and Democratic leaders say will revolutionize healthcare in America by promoting competition." However, one expert at eHealth "says that health exchanges would proliferate even if Congress didn't pass a \$1 trillion overhaul." And lawmakers are finding "that Internet-facilitated insurance applications will make it a lot easier to buy policies but they likely will not reduce costs as significantly as some Democrats promise."

LATimes backs individual health insurance mandate.

In an editorial, the [Los Angeles Times](#) (9/26) backs an individual mandate for healthcare insurance, writing that while such mandates "are merely a means to an end...we've yet to see an alternative that solves the inefficiencies caused by uninsured and underinsured consumers waiting too long to obtain care. That's why we continue to back an individual mandate as an integral part of the effort to slow the growth in spending and improve the quality of care for all Americans."

Congress' healthcare plans said to transfer wealth from young to old.

In a [Wall Street Journal](#) (9/28, subscription required) op-ed, former Utah Governor and Health and Human Services Secretary Michael Leavitt and former directors of the White House National Economic Council Al Hubbard and Keith Hennessey warn that Congress' healthcare overhaul plans create disincentives to purchase health insurance. The authors note that guaranteed issue and community rating provisions could dissuade younger, healthier consumers from buying coverage by allowing them to purchase coverage once they become ill and by setting premiums at the same levels that older, sicker individuals pay. In addition, an individual mandate would also represent a hidden wealth transfer from younger, healthier policyholders to older, sicker ones.

House liberals seek access to healthcare exchange for illegal immigrants.

The [Washington Times](#) (9/28, Dinan) reports, "Fearful that they're losing ground on immigration and healthcare, a group of House Democrats is pushing back and arguing that any healthcare bill should extend to all legal immigrants and allow illegal immigrants some access." The Democrats, "trying to stiffen their party's spines on the contentious issue, say it's unfair to bar illegal immigrants from paying their own way in a government-sponsored exchange. Legal immigrants, they say, regardless of how long they've been in the United States, should be able to get government-subsidized healthcare if they meet the other eligibility requirements."

Poll finds support for Massachusetts health overhaul slipping, but strong.

The [Boston Globe](#) (9/28, Lazar) reports that a survey of Massachusetts residents by Harvard and the Globe found that "public support for Massachusetts' closely watched health insurance overhaul has slipped over the past year...but residents still support the path-breaking 2006 law by a 2-to-1 ratio." The survey found that 59 percent of respondents "favored the state's multimillion-dollar insurance initiative, down from 69 percent a year ago," and 28 percent opposed the law, "up slightly from 22 percent in a June 2008 survey." Robert J. Blendon, the survey's co-director and a health policy professor at the Harvard School of Public Health, said, "Three years in operation, and with 97 percent of people covered, you have a majority of support, and that is a lesson for Washington."

Public Health and Private Healthcare Systems

Medicare may move to cut payments for overprescription of anemia drug.

[CQ Weekly](#) (9/28, Young, subscription required) reports that "Medicare may finally be moving to cut one of its largest and most controversial drug costs: the roughly \$2 billion it spends each year on the anemia medication Epogen [epoetin alfa]." However, "despite years of debate over Epogen's overuse by kidney dialysis patients," Medicare will not change its policy of paying "for patients to receive more of the drug than" the FDA recommends until "at least 2011, when a forthcoming Medicare rule change may finally force clinics and physicians...to prescribe the drug at recommended levels." CQ notes that current Medicare "pricing policies create an incentive for overprescription" of Epogen."

Consumer Directed Healthcare News

Columnist questions utility of FSAs.

In "Your Money" on the front of the [New York Times](#)' (9/26, B1) Business Day section, Ron Lieber asked that, in the healthcare reform debate, "Who would have thought that so many people would go to the mat over the lowly flexible spending account (FSA)?" Lieber noted a "not-quite grass-roots effort" defending the accounts after Sen. Max Baucus (D-MT) proposed placing more restrictions on them. "The question, however, is whether this is something worth fighting for." FSAs are "great in theory," but "a hassle" to use in practice, Lieber argues. Moreover, end of year "spending sprees" to avoid losing the funds "may well encourage more healthcare spending than is necessary."

Also in the News

Hewitt predicts employees to pay 10 percent more for health coverage in 2010.

The [Chicago Tribune](#) (9/28, Japsen) reports that according to a Hewitt Associates report, "in 2010, the combined average premium and out-of-pocket costs for healthcare coverage for a worker are projected to climb to \$4,023 a year, a 10 percent increase from this year." Hewitt further found that companies should "see their health insurance costs go up 6 percent, to an annual tab of \$9,120 per employee, or double the employer's annual worker tab from eight years ago." According to the Tribune, "Hewitt's projections provide an added urgency to healthcare reform as employers see medical costs eating away at their bottom lines and pinched consumers dealing with the recession."

Kaiser survey finds family premiums rose five percent in 2009. [MSNBC](#) (9/28, Tahmincioglu) reports that "a Kaiser Family Foundation survey released Sept. 15 showed that premiums have more than doubled in the last decade -- to \$13,375 annually for family -- for US workers who get health insurance through their companies." On average, employees are "paying \$3,515 and employers paying \$9,860. In the past year alone, family premiums rose five percent." Kaiser's survey "found that 21 percent of firms offering benefits say they are 'very likely' to raise employees' premium contributions next year, and 16 percent are 'very likely' to raise deductibles."

Federally funded health centers see surge in patients.

The [Wall Street Journal](#) (9/28, A4, Favole, subscription required) reports on the rise in use of federally funded health centers, noting that usage is up by more than two million from 2008, as the centers are on track to treat more than 20 million patients. Financing for the centers was doubled under President George W. Bush, and President Barack Obama allotted the centers \$2 billion in the stimulus package.

According to the Journal, a further \$38 billion over ten years included in a current House bill could double the number of patients treated.

More than half of healthcare lobbyists once worked for federal government.

[Bloomberg News](#) (9/25, Salant, O'Leary) reports that "more than half" of healthcare industry lobbyists "used to work for the government they're trying to influence. Of 2,737 lobbyists hired to promote the interests of drug companies, insurers, hospitals, health professionals, industry groups, and business organizations, 1,418 -- or 52 percent -- have worked for Congress, the White House or federal agencies," including 55 former members of Congress.

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 brett@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