

Customized Briefing for Kimberly Barry-Curley



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From NAHU
Leading the News
NAHU in the News

Legislation and Policy
Public Health and Private Healthcare Systems

Leading the News

Insurers Raising Rates, Sometimes By Double-Digits, Across Country.

On its front page Sunday, the [New York Times](#)   (1/6, Abelson, Subscription Publication) reported that health insurance companies across the US "are seeking and winning double-digit increases in premiums for some customers, even though one of the biggest objectives of the Obama administration's health care law was to stem the rapid rise in insurance costs for consumers." Insurers in California, Florida, and Ohio have proposed rate increases of at least 20%, and ACA requires regulators to review any requests for a rate increase of 10 percent or more. The review process "not only reveals the sharp disparity in the rates themselves, it also demonstrates the striking difference between places like New York, one of the 37 states where legislatures have given regulators some authority to deny or roll back rates deemed excessive, and California, which is among the states that do not have that ability."

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From NAHU

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NAHU in the News


TAHU President Discusses Fiscal Cliff Deal's Cuts To CO-OP Funding.



The [Wichita Falls \(TX\) Times Record News](#)   (1/6, Ingle) reported that the Texoma Association of Health Underwriters responded Friday to the news that remaining funding for Consumer Oriented and Operated Plans, or CO-OPs, under the Affordable Care Act had been cut in the recent fiscal cliff deal. TAHU's President Krista Zimpel said that "CO-OPs had been tried in the past, but they lacked the financial sustainability to remain viable." She added that "at some point they end up paying out more in claims than they receive in premiums, causing the CO-OPs to shut down." Zimpel also "said the national association of health underwriters has been in discussion with the federal government that would result in underwriters being part of helping consumers choose plans."

Legislation and Policy



Obama To Play Large Role In Shaping Upcoming Medicare Debate.









In an analysis piece, [Reuters](#)   (1/7, Morgan) looks into the looming discussions about Medicare spending between President Barack Obama and Republicans, as the two sides attempt to come to agreement on how to lower soaring healthcare costs and, more broadly, the Federal deficit. The article notes that the President has offered little by way of specifics, but has signaled willingness to consider several reforms to the program. On December 31, he told reporters, "I'm willing to reduce our government's Medicare bills by finding new ways to reduce the cost of healthcare in this country. That's something that we all should agree on." According to Reuters, some initiatives the President could support include increasing price competition among drug makers, or leaning heavily upon cost-saving measures included in the Affordable Care Act.

Substantial Medicare Cuts "Safe Bet" In Upcoming Deficit Talks. [CQ](#)   (1/5, Reichard, Subscription Publication) reported that although "only about \$29 billion was trimmed from Medicare and Medicaid spending" in the recent fiscal cliff deal, "it's a pretty safe bet that much bigger reductions to Medicare and possibly Medicaid spending are in the works later this year." This is due to a few factors: pressure from Republicans as debate over the debt ceiling approaches, the expiration of the sequestration, now set for March 1, and a rumored "large scale agreement" between the two parties on "entitlement cuts and changes in the tax code that would go beyond the increase in taxes rates included in the fiscal cliff law.":

Sanders Urges Protection Of Entitlement Benefits In Upcoming Deficit Talks. [The Hill](#)   (1/6, Baker) "Healthwatch" blog reported that Senator Bernie Sanders (I-VT) said that "entitlement programs must stay off the table in the next round of budget negotiations." However, he also said that "he's 'not confident' that President Obama will try to protect entitlements - particularly Social Security - during upcoming talks about raising the country's debt ceiling." According to the article, "Sanders and other liberal Democrats strongly resisted the idea, and have also protested cuts to Medicare and Medicaid."

Fiscal Cliff Deal Provides "Relief" To Rural Hospitals.



[Kaiser Health News](#)   (1/4, Galewitz) reported, "While much of the hospital industry has lamented the deal reached between Congress and the White House because it will pay about half the \$30 billion bill to avert a 27 percent Medicare fee cut for physicians, the agreement was cause for celebration for about 200 small, rural hospitals." The deal "extended for one year a program that pays hospitals...up to several millions of dollars each year because they have fewer than 100 beds, are located in rural areas and treat a high proportion of Medicare patients."



Several outlets reported on the effect of the fiscal cliff deal on local hospitals, including the [Peoria \(IL\) Journal Star](#)   (1/5), the [Newark \(NJ\) Star-Ledger](#)   (1/5, Goldberg), the [Galesburg Register-Mail](#)   (1/5, Ward) and the [Bangor \(ME\) Daily News](#)   (1/5, Farwell).

Medical Groups Respond To Fiscal Cliff Deal. [MedPage Today](#)   (1/5, Frieden) reported that "Organized medicine was generally pleased that the 'fiscal cliff' deal reached this week averted cuts in Medicare reimbursement, but groups expressed concern about healthcare budget cuts that may be coming in a few months." Clifford A Hudis, MD, president of the American Society of Clinical Oncology (ASCO,) had "specific --- and harsh - comments." He said in a statement, "This end-of-year crisis management once again demonstrates the critical need for fundamental reform of the Medicare reimbursement system. Unfortunately, the triple-threat of sequestration cuts to cancer research, physician reimbursement, and drug review oversight ... is only temporarily averted." Similarly, the



American College of Cardiology president William A. Zoghbi, MD, "said in a statement that Congress should use this deal 'as an opportunity to enact meaningful healthcare payment reform that rewards appropriate, patient-centered care.'" The article also noted that groups, like the American Society of Hematology, expressed concern about the continuing possibility of cuts to the NIH budget.



Fallin Facing Medicaid Expansion Decision In Oklahoma.

The [Tulsa \(OK\) World](#)   (1/7, Greene) reports, "A report from the Kaiser Commission on Medicaid and the Uninsured gives credence to Gov. Mary Fallin's concerns that expanding the state's Medicaid program - a key element of the Affordable Care Act, also known as Obamacare - would be expensive for Oklahoma and even more expensive to the federal government." However, "the report also shows that not expanding Medicaid would come at a high price and would mean thousands of state residents would remain without health coverage." According to Fallin spokesman Alex Weintz, "While Fallin has made up her mind not to expand Medicaid as proposed in the Affordable Care Act, she is working with lawmakers, the private sector and the health-care community to explore ways to increase access to affordable, high-quality health care in Oklahoma."



The [Pryor \(OK\) Daily Times](#)   (1/5, Baron) reported that Oklahoma Governor Mary Fallin "recently decided not to participate in the Patient Protection and Affordable Care Act expansion of medicaid, nor to create a health insurance exchange, but the discussion is far from over." However, the article features quotes from state Representative Doug Cox, who disagrees with her decisions, saying "there is a large part of the population that falls through the cracks in the current program."



Montana Governor-Elect Includes Medicaid Expansion In Budget Plan.

The [AP](#)   (1/5) reported that Montana Governor-elect Steve Bullock "unveiled budget changes Friday that include increased education funding and keeping intact a proposed expansion of Medicaid under the federal health care law." This shows that "Bullock is embracing the proposal to accept the federal money for the expansion of Medicaid that is part of federal health care reform - a potential sticking point with Republican legislative leaders." According to the budget, "the proposal only costs the state about \$5 million this biennium to extend Medicaid coverage to 80,000 more Montanans"

The [Billings \(MT\) Gazette](#)   (1/5, Johnson) reported that "Bullock said the Medicaid expansion is part of a broader package he proposed called 'Access Health Montana' to increase health care coverage for more Montana families. It also calls for partially funding the education of more Montana medical students and boosting physician residency programs."

Mississippi Exchange "In Limbo" Due To Dispute Between State Leaders.

The [AP](#)   (1/4) reported that Mississippi Gov. Phil Bryant and state Insurance Commissioner Mike Chaney disagree about which one of them has the authority to create a health insurance exchange plan and submit it to the feds. As such, a plan for the state's health insurance exchange "is in limbo." Chaney sent HHS an exchange proposal in mid-November, but Bryant, who objects to ACA, has sent Secretary Sebelius two letters seeking to block Chaney's proposal. In response, Chaney said, "The governor's letter questioning our authority is just bogus." Gary Cohen at the Center for Consumer Information and Insurance Oversight said HHS "is not approving or denying Mississippi's application at this time." Federal officials "are trying to better understand the question of legal authority in the Mississippi dispute, but they recognize that the final determination must be based on state law."



Mississippi Unlikely To Expand Medicaid Under ACA. The [AP](#)   (1/6, Pettus) reported, "Mississippi lawmakers can expect to be pulled in opposite directions this year on a big-dollar question of whether to expand Medicaid." While "Gov. Phil Bryant and fellow Republicans who lead the House and Senate say they oppose expansion because they believe the state can't afford to put millions more dollars into the federal-state health insurance program for the needy," health advocates "say Mississippi - one of the poorest states in the nation - can't afford to turn down billions of federal dollars that would come with expanding Medicaid under the Affordable Care Act." And further, "Hospitals and other providers want lawmakers to consider the economic benefits that could come from an influx of money from Washington." Still, according to Senate Public Health Committee Chairman Dean Kirby, it is unlikely that "expansion will be approved this year."

Rep. Brady: House Will Seek To Change Specific ACA Provisions.



The [Houston Chronicle](#)   (1/5, Powell) reported, "The House Republican leadership will set aside GOP campaign promises to repeal

Obamacare outright in favor of piecemeal changes within the 906-page law, U.S. Rep. Kevin Brady, R-The Woodlands, a senior member of the House leadership, told the Houston Chronicle Friday." According to the Chronicle, "The chairman of the House Ways and Means Committee's panel on health care said the Republican-controlled House would target provisions that GOP lawmakers blame for driving up health care costs." The "targeted provisions include a tax on medical devices, an independent payments advisory board that could 'ration' insurance reimbursements and incentives that allegedly encourage private businesses with more than 50 employees to drop employer-sponsored health care plans, Brady said."



Missouri Legislature To Discuss Expanding Medicaid In New Session.

The [St. Louis Post-Dispatch](#)   (1/6, Crisp) reported that key lawmakers in Missouri Legislature are using words such as "innovative" and "transformation" and "reform" as they take up the issue of Medicaid under the ACA this session. The Post-Dispatch notes that "Republicans have veto-proof majorities in the House and Senate, but Gov. Jay Nixon, a Democrat, has traveled the state in support of the Medicaid expansion plan. Several health care groups also are backing the effort, as is the Missouri Chamber of Commerce." House Speaker Tim Jones said a group of three GOP lawmakers he appointed is "looking at a way to see if we can possibly engage in a version of Medicaid transformation instead of just expansion."



"Major Upheaval" In Insurance Costs Expected In Oregon Due To ACA.

[The Oregonian](#)   (1/7, Budnick) reports on the "general outlines" of a "major upheaval for more than 200,000 Oregonians who buy their own insurance," coming in 2014 due to the Affordable Care Act. Under the law, "the reasonably well-off can expect to pay higher premiums in the individual market, especially if they're 49 or younger." However, "for many of the rest, there's good news: Costs of coverage will drop significantly thanks to tax credits." Still, "important details remain to be worked out, including how big a role age plays and specific rate hikes."

California Working To Set Up Exchange For Enrollment By October 1.

[Ventura County \(CA\) Star](#)   (1/7, Herdt) reports on California's implementation of the Affordable Care Act, writing that "perhaps nothing will make or break the success of the overhaul in California, and the public's perception of it, than the performance of the state-run health benefit exchange, Connect California." The rest of the article focuses on the progress the state has made toward that aim, explaining that "The agency's 2013 timeline calls for posting a model contract for qualified health plans by Jan. 18, requiring plans to file rates with regulators by May 15, signing contracts and announcing the list of participating plans by June 30 and opening pre-enrollment Oct. 1."



CNN Outlines Changes From ACA Coming In 2013.

[CNN](#)   (1/4, Christensen) reported that says the Affordable Care Act will usher in a few changes in 2013. On January 1, for example, Medicaid payments "in every state were brought up to the same level Medicare pays doctors." Also, the feds are "sending more money to state Medicaid programs that offer preventative services for free or at little cost." In addition, W-2 tax forms "issued this year for wages paid in 2012 must now include a line on the form showing the benefit employees receive from their employer-sponsored healthcare."



NAIC Calls For More State Control Over Insurance Market.

[LifeHealthPro](#)   (1/4, Festa) reported that "state insurance regulators remain concerned about 'rate shock' from the younger and healthier portion of the population leaving the health insurance marketplace and skewering it by taking the penalties in the first years when they are low." Despite the fact that "there is open enrollment prescribed to discourage adverse selection, the states want more tools and time, and the authority to develop them." The National Association of Insurance Commissioners (NAIC) wrote a letter to CMS in late December saying, "States need flexibility to develop a regulatory environment that will discourage adverse selection while preserving consumer protections, rather than having the federal government prescribe open enrollment as the tool that states must use."



Colleges Request That ACA Allow Students To Form Separate Risk Pool.

[LifeHealthPro](#)   (1/4, Bell) reported that "Colleges and health insurance groups seem to agree that regulators ought to let health insurers keep student health insurance risk pool and the general individual health insurance risk pool separate." In comments to draft regulations for the ACA in which "HHS officials asked whether the final version should let health insurers maintain separate student health insurance risk pools," several commenters "have expressed that view." For example, Jennifer Haubenreiser, president of the American College Health Association (ACHA), wrote that "Preventing insurers from putting the low-risk, low-cost student health plans in separate pools 'would greatly threaten the viability of these plans by rendering premium pricing cost prohibitive.'" According to the article, "Many colleges that sponsor health plans have submitted similar comment letters."



Massachusetts Governor Signs Bill Requiring Oral Cancer Medicine Coverage.

The [Boston Business Journal](#)   (1/5, Donnelly, Subscription Publication) reported Massachusetts Gov. Deval Patrick "has sided with patients and a local biotechnology company with a new oral cancer" medication, "by signing into law a new mandate for insurers to cover oral cancer therapies on par with older, less-expensive IV therapies." According to the article, "a large number of local business groups, including Associated Industries of Massachusetts, Retailers Association of Massachusetts, and several Chambers of Commerce opposed the new mandate, and sent a letter to Governor Patrick, urging him to veto the bill." The groups stated in the letter that "Senate Bill 2363 would increase the cost of health care for employers, particularly small businesses."

New York Officials Use New Law To Rein In Insurance Rate Hikes.

The [New York Daily News](#)   (1/7, Durkin) reports, "Health insurance premiums for many New Yorkers will jump about 7.5% this year - nearly five percentage points less than insurance companies wanted to hike rates." State officials "used a new law that allows them to rein in rate hikes;" the move will impact 2.3 million New Yorkers, and save them over \$500 million in premium costs. Governor Cuomo said, "We have made progress in holding back rates, but we recognize that much more needs to be done," and that keeping "keeping a lid on rates is one way to make sure health coverage is available to all state residents."

Bill Would Expand Telehealth Services Coverage.



[Modern Healthcare](#)   (1/5, Daly, Subscription Publication) reported that just "four days before the last Congress ended," Rep. Mike Thompson (D-CA) introduced the Telehealth Promotion Act of 2012, which "would eliminate federal medical exclusions for care 'furnished via a telecommunications system.'" The proposed measure, which "drew the support of the Washington-based American Telemedicine Association, is intended to increase access to telemedicine within Medicare, Medicaid, the Children's Health Insurance Program, TRICARE, federal employee health plans and the US Veterans Affairs Department." A Thompson spokesperson said the representative would "reintroduce it in the current Congress."

Public Health and Private Healthcare Systems

UnitedHealth Opens Storefront Offering Insurance, Customer Service.

[Bloomberg News](#)   (1/5, Nussbaum) reported that "the next big thing health insurance may be on Roosevelt Avenue in Queens, New York," where "UnitedHealth Group Inc. is learning to sell health insurance to consumers the way other companies sell shoes, office supplies, or iPhones." According to Bloomberg, the "experiment" is "designed to help the company compete in anticipation of sweeping changes under the new health-care law." Because, by 2014, "85 million consumers, representing \$600 billion in purchasing power, may be shopping for their own health care on public and private exchanges." This move by UnitedHealth is just one example of insurers "striving to bolster their reputations for customer service."

Kaiser "Failed To Safeguard" Patients' Records, Stored Them In California Home.

The [Los Angeles Times](#)   (1/5, Terhune) reported, "Federal and state officials are investigating whether healthcare giant Kaiser Permanente violated patient privacy in its work with an Indio couple who stored nearly 300,000 confidential hospital records for the company." According to the Times, the California Department of Public Health has determined that Kaiser "failed to safeguard all patients'

medical records;" however, pending Kaiser's plans to correct their errors, the state has not issued any penalties.

Friday's Lead Stories

- **HHS Grants Approval To Exchanges In Eight More States.**
- **With CO-OP Funding Cut In Fiscal Cliff Deal, Advocates Object.**
- **OPM Allows, But Does Not Require, Health Insurers To Provide Autism Treatment.**
- **Florida Medicaid Terminates 437 Medicaid Providers, Recoups \$50 Million.**

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