

# POLITICO

## Conservative activists rip 'private' Medicaid expansion - Sebelius has no plans to take pay cut - DOJ cites anti-injunction act in Obamacare lawsuit - Rally for medical research set for Monday

By: Kyle Cheney – April 5, 2013

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CONSERVATIVE ACTIVISTS RIP “PRIVATE” MEDICAID EXPANSION — The Tea Party-affiliated Americans for Prosperity made clear Thursday that Republican leaders considering a middle ground on Medicaid expansion won't be spared their wrath. In a Thursday statement, the group slammed the approach that some GOP governors have taken to expansion — namely, a proposal that would take Obamacare Medicaid dollars and use them to buy private coverage for people who are newly eligible for Medicaid. “The latest ‘hybrid’ being promoted by HHS Secretary Sebelius is backed up by promises of choice, flexibility, and cost savings — but closer examination shows these claims to be false,” said AFP president Tim Phillips. “Medicaid expansion of any kind is anti-free market and leaves more Americans dependent on the government.” The group expanded on its position in a post on its web site, calling the proposal “expansion by another name.” Take that, Bill Haslam. And Tom Corbett. And Bobby Jindal. And Republican leaders in Florida, Arkansas, Missouri and Nebraska. <http://politico.pro/11sTXoD>. The AFP post: <http://bit.ly/1owolKk>

SEBELIUS HAS NO PLANS TO TAKE PAY CUT – Even though her boss, President Barack Obama, plans to return 5 percent of his salary in solidarity with furloughed employees, Secretary Kathleen Sebelius doesn't have plans to follow suit, according to The New York Times. The former Kansas governor's net worth is estimated at \$5 million, according to the Times, but her office isn't facing furloughs. <http://nyti.ms/ZCUqj7> “And I discovered that my castles stand upon pillars of PULSE and pillars of sand.” (h/t Hannah Lauterback)

Happy Friday and welcome to PULSE, where we're taking a risky leap outside our policy comfort zone to remark on a cruel irony unfolding at the EPA. According to Pro colleague Erica Martinson, EPA employees are to take 32 furlough hours beginning April 22, thanks to the sequester. The irony: April 22 is Earth Day.

TODAY ON POLITICO PRO:

-- NEW, FATAL BIRD FLU STRAIN A CONCERN FOR HEALTH OFFICIALS — A mutating form of bird flu that's already proven fatal in China has health authorities around the world on high alert. <http://politico.pro/13W1vUC>

-- DOJ CITES ANTI-INJUNCTION ACT IN OBAMACARE LAWSUIT — The Obama administration is turning to an old friend, the Anti-Injunction Act, to shut down a lawsuit against Obamacare’s employer mandate. <http://politico.pro/XsLUZU>  
POLL: MEDICAID RECIPIENTS SICKER THAN POPULATION AT LARGE – Gallup’s released data Thursday showing that Medicaid recipients are in “significantly worse” health than those who are covered by an employer. The data, emerging as states grapple with a major expansion of Medicaid through Obamacare, suggested three in 10 adults on Medicaid are obese, and more than two in 10 are being treated for depression or high blood pressure. The poll, gathered from more than 28,000 interviews between Jan. 3 and March 1, come with a 4 percent margin of error. Other findings:  
-36 percent of people who primarily rely on Medicaid for health insurance say they smoke, 17 percentage points above the adult average;

-26 percent say they had trouble paying for health care services within the past year;

-Medicaid recipients are more likely to have difficulty obtaining necessary medication or safe places to exercise. <http://bit.ly/14QqWql>

OBAMACARE LAWSUIT RECRUITMENT 101: START WITH THE INTERNS – Cato Institute’s libertarian mastermind Michael Cannon appealed to former interns of the right-leaning group to join an “exciting” legal challenge to Obamacare. Cannon is among the top proponents of a legal theory that suggests the health law forbids federal subsidies to people accessing insurance through a federally run insurance exchange.

--“To see if you might qualify, have a look at this checklist,” Cannon writes in a “Dear former Cato Intern” letter. “There are income criteria, plus you must live in one of 33 states, prefer to purchase no health insurance (or low-cost catastrophic insurance), et cetera. If you believe you meet the criteria for at least one of the three categories, email me ... to learn more about how you can get involved in this exciting legal challenge, and jump on this chance to make history. Feel free to forward this email to others who may be interested.” The checklist:<http://bit.ly/12lJ8Yb>

OKLAHOMA AUTHORITIES MAY EXPAND TESTING IN DENTIST SCARE — The unsettling allegation that patients in an unkempt dentist’s office may have contracted hepatitis or HIV from tainted equipment continues to simmer in Oklahoma. The AP reports that authorities say they’d recommend expanding testing to spouses and sexual partners if any of the dentist’s 7,000 patients test positive. The dentist, W. Scott Harrington, continues to contend through his attorneys that he may not be responsible for spreading the diseases, and they note he’s had a clear record with state health regulators. <http://wapo.st/16tfJYP>

STATES TAKING RAPID ACTION ON DUAL ELIGIBLES, AARP FINDS — States are taking concerted action to confront the surging cost of care for “dual eligible,” people eligible for both Medicare and Medicaid, among the sickest and poorest people in the country, a new AARP study shows. The study finds that two-thirds of states plan to implement coordinated services for dual eligible within two years, and many will also change the way they finance that care. An estimated 10.4 million Americans are eligible for both programs, and 7.4 million have full eligibility. AARP expressed surprise at the number of states taking action, since most of the saving would benefit the federal Medicare program, rather than state coffers. The AARP report:<http://bit.ly/Zb1mnJ>

GRASSLEY QUESTIONS MEDICARE ADVANTAGE RATE INTEL — Sen. Chuck Grassley is calling on CMS to reveal more details about how it arrived at a decision to

reverse a cut to Medicare Advantage and instead implement a rate increase. In particular, Grassley wondered why traders of insurance stocks appeared to begin trading more intensely 45 minutes before the regulation was announced. “This raises questions regarding political intelligence brokers’ ability to gather information from CMS in order to predict market moving events,” Grassley wrote in a letter to acting CMS administrator Marilyn Tavenner.

**RALLY FOR MEDICAL RESEARCH SET FOR MONDAY** – Hundreds of organizations girding for more federal medical research funding plan a rally Monday that will feature an 18-foot-tall inflatable microscope. Organizers say they expect “thousands” to congregate outside the Carnegie Library on K Street to encourage policymakers to prioritize medical research. The Rally for Medical Research will include remarks from Reps. Rosa DeLauro (D-Conn.) and Chris Van Hollen (D-Md.), as well as Francis Collins, director of NIH, and patients who have grappled with serious diseases. <http://bit.ly/16rYdG4>

**UNITEDHEALTH LAUNCHES CHRONIC DISEASE SITE** — UnitedHealth Group has launched a website on chronic disease programs aimed at highlighting potential cost-saving programs and touting plans it says could save Medicare and Medicaid \$250 billion over the next decade, the site: <http://bit.ly/XUAuod>

#### PULSE LYRICS

Monday: Beastie Boys, “Sure Shot”

Tuesday: U2, “Mysterious Ways”

Wednesday: John Fogerty, “Centerfield”

Thursday: Stone Temple Pilots, “Interstate Love Song”

Friday: Coldplay, “Viva la Vida”

#### WHAT WE’RE READING, by Abby McIntyre

The New York Times’ Jackie Calmes has some more details on which social programs will be getting dialed back in President Barack Obama’s budget: <http://nyti.ms/14Iozp1>

CMS says it doesn’t have the authority to reverse sequester cuts to cancer drugs that are reportedly causing clinics to turn away patients, Sarah Kliff writes for The Washington Post: <http://wapo.st/12lz6WZ>

Robert Pear reports on an NAIC paper revealing that commissioners are concerned about how they can shield consumers from potential health law-caused rate increases come next year: <http://nyti.ms/16u9uDY>

The Washington Post editorial board has some suggestions for Obama on Medicare reform: combine Parts A and B and establish a universal set of deductibles, co-pays and co-insurance for beneficiaries: <http://wapo.st/YWamkG>

And The Wall Street Journal reports that the idea’s been gaining traction among lawmakers: <http://on.wsj.com/12nXZ0C>

A new abortion clinic has opened in the Wichita, Kan., building where George Tiller, the doctor who was killed by an anti-abortion activist in 2009, practiced. The Associated Press: <http://abcn.ws/13W05JN>

A program in California is looking at immigrants as a solution to a physician shortage, giving stipends and mentoring to help Latino docs get licensed in the U.S. if they commit

to practicing primary care in underserved areas for a few years.  
KHN: <http://bit.ly/12mGnC3>

New legal challenges against medical device-maker St. Jude Medical could reopen liability protections for devices established in a 2008 Supreme Court ruling. The Wall Street Journal:<http://on.wsj.com/12nltmo>

Louisville basketball player Kevin Ware's gruesome leg injury is raising questions about the health coverage and care of unpaid college athletes, The New York Times reports:<http://nyti.ms/11uiJol>