

# POLITICO

## Arkansas Senate endorses 'private' Medicaid expansion - Big health day on the Hill - Roofers union alone, for now, in bucking Obamacare - Study describes financial risks for ACA exchange enrollees

By: Kyle Cheney – April 18, 2013

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**BREAKING: ARKANSAS SENATE ENDORSES 'PRIVATE' MEDICAID EXPANSION** — A late evening vote sends a private-sector version of Obamacare's Medicaid expansion to Gov. Mike Beebe, but the saga doesn't end there. It'll be up to federal officials to decide whether the Arkansas plan — to take the health law's billions of Medicaid expansion dollars and use them to buy private insurance for low-income Arkansans — meets its strict legal analysis. The state's initiative — which has sparked interest in other conservative states still uncertain about Medicaid expansion under the federal health law — requires sign-off by HHS Secretary Kathleen Sebelius. Arkansas has not yet submitted its official plan, and Sebelius says she wouldn't prejudge her agency's response.

**BIG HEALTH DAY ON THE HILL** — Sebelius will face questions at 10 a.m. from the Republican-led House Energy and Commerce Committee, chaired by Rep. Fred Upton of Michigan, on the president's fiscal 2014 budget plan. On the other side of the Hill at 10:30 a.m., FDA Commissioner Margaret Hamburg and other HHS officials will discuss the FDA budget proposal, just two days after her agency's handling of last year's meningitis outbreak received a bipartisan shellacking.

— Separately, Families USA is preparing to release a report that estimates how many Americans will be eligible for insurance tax credits when exchanges go live next year. And the Bipartisan Policy Center at 1 p.m. will issue a report — spearheaded by former Senate majority leaders Tom Daschle and Bill Frist, former Senate Budget Chairman Pete Domenici and former OMB Director Alice Rivlin — on cutting costs and promoting quality in health care.

Happy Thursday and welcome to PULSE. We thought media outlets clambering to “get it first” might've taken a lesson from the cringe-worthy misreporting of last year's Supreme Court ruling on Obamacare. But a rush of reports suggesting an arrest had been made in Monday's Boston Marathon bombing turned out to be untrue. Unlike the Supreme Court mishap, though, this error isn't just embarrassing for the outlets that goofed. Grieving families eyeing justice have been hanging on the coverage and an uneasy nation searching for answers thought, for a moment, that some were imminent. Dylan Byers's take on the “meltdown”: <http://politi.co/17HFGqT>

“If you call my name out loud, do you suppose that PULSE would come running?”

**ROOFERS UNION ALONE, FOR NOW, IN BUCKING OBAMACARE** — For now, the decision by United Union of Roofers, Waterproofers and Allied Workers to rescind its

support for the Affordable Care Act appears to be an isolated reversal. But the head of the union said he wouldn't be surprised if others joined the cause. Kinsey Robinson, president of the 22,000-member union, told Pro's Kathryn Smith that his union rejected the health law — a move first reported by the Wall Street Journal — because concerns about the health law's fees and potential impacts on multi-employer health plans had gone unaddressed.<http://politico.pro/XRSzgm>

**GINGREY HOLDS FINANCIAL ADVANTAGE IN GEORGIA SENATE RACE** — In the potential three-way doctor matchup for an open Georgia Senate seat, Rep. Phil Gingrey holds the funding advantage. He has reported raising \$666,399 from January through March and has \$2.4 million on hand. His opponent, Rep. Paul Broun, is lagging far behind, raising \$207,752 with \$217,136 on hand. And Tom Price, another doctor who could decide to enter the race next month, isn't far behind Gingrey. He raised \$542,751 and has a little more than \$2 million in his war chest. The Atlanta Journal-Constitution story: <http://bit.ly/Zvqmac>

**STUDY DESCRIBES FINANCIAL RISKS FOR OBAMACARE EXCHANGE ENROLLEES** — The Massachusetts experience with health insurance exchanges suggests Americans could still be facing financial challenges to pay for coverage, according to a new Health Affairs study. The study of 393 families receiving unsubsidized insurance through the Massachusetts exchange — established in 2006 — indicates that those on the lower end of the income spectrum, those with fair to poor health and those with more children often faced unexpectedly high out-of-pocket costs for health care. The authors suggest Americans in similar circumstances would be at risk for heavy costs in Affordable Care Act insurance exchanges, set to go online in October. The study was conducted by researchers affiliated with Harvard Medical and Public Health schools, the Harvard Pilgrim Health Care Institute, and Kaiser Permanente Northern California in Oakland. It used data from Harvard Pilgrim Health Care, a prominent Massachusetts insurer. The study: <http://bit.ly/1ohO1Bp>

**HOME CARE WORKERS DECRY LACK OF WAGE PROTECTION** — It's been a few months since President Barack Obama pledged to extend federal minimum wage and overtime protections to the nation's 2.5 million home care workers — but the regs are still bottled up. A group of stakeholders and advocates are tired of waiting — they're releasing a report and holding a conference call Thursday to push for action. "Home care workers have waited long enough for the respect and dignity that comes with the same labor protections afforded to nearly all workers in our nation. The draft regulation to amend the Fair Labor Standards Act has been through the entire regulatory process, received tens of thousands of comments with nearly 80 percent favorable, and it is time for the Obama administration to finalize and publish the rule," said PHI Government Affairs Director Carol Regan. The report from the Paraprofessional Healthcare Institute: <http://bit.ly/ZymRQs>

**GOP LAWMAKERS HAIL FDA MOVE ON OXYCONTIN GENERICS** — Prominent Republicans cheered the FDA's move to block generic versions of OxyContin that don't come with abuse-resistant, anti-crush features. "With more than 16,000 Americans dying from opioid drug overdoses each year, FDA Commissioner Hamburg's announcement is a significant step forward in the federal government's effort to reduce opioid drug abuse and protect consumers," Energy and Commerce Committee Chairman Fred Upton and Sen. Tom Coburn said in a statement yesterday. "For too long, drug

abusers have been able to crush or dissolve opioid drug products in order to defeat their time-release mechanisms for snorting or injecting the drugs.”

**HEALTH LAW PROPONENTS QUESTION LOYALTY OF ACTUARIES** — Kaiser Health News’s Jay Hancock reports on the loud suggestion by Obamacare backers that the actuaries predicting sharp premium spikes are closely tied to the insurance industry. “Health act supporters complained that the [Society of Actuaries’] prediction of higher costs didn’t account for key factors, including the potential for competition to lower prices, the subsidies people will receive to buy the coverage and the fact that next year’s health plans will have more generous benefits and consumer protections than current ones,” according to the report.<http://politico.pro/11wTlxs>

**DETROIT-AREA HOME HEALTH MANAGER CONVICTED OF FRAUD** — The manager of a home health agency in the Detroit area was convicted yesterday of bilking Medicare of \$5.8 million by recruiting patients to fill out forms suggesting they had received services that were never performed, the Department of Justice announced. Nabila Mahbub, 27, the manager of All American Home Care Inc., was found guilty in a Michigan federal court, the 20th employee or associate of All American convicted in connection with a fraud scheme. “According to evidence presented at trial, Mahbub doctored and directed the doctoring of fake patient files to facilitate the commencement and billing of home health services purportedly provided by physical therapists and physical therapist assistants working for All American,” according to the DOJ announcement. <http://1.usa.gov/ZrXweo>

**SCHOCK SLAMS CDC ‘PREVENTION’ CAMPAIGNS** — Rep. Aaron Schock launched a familiar broadside today against the Affordable Care Act, taking to POLITICO with an op-ed rebuking the CDC for funding campaigns against “sugary products” or other “lawfully marketed American-made products.” “Using taxpayer dollars to attack the beverage and food industry might seem like a good idea to New York Mayor Michael Bloomberg, but it’s this exact type of harmful government spending that we can ill afford and serves no purpose in the overall wellness debate — other than to be critical of domestic companies that employ thousands of hardworking Americans,” Schock writes. He cites the 2009 stimulus and the Affordable Care Act as sources of the CDC’s funding. <http://politico.pro/Z5k3oF>

**GAWANDE: BATTLE-TESTED SURGEONS WERE READY FOR BOSTON RESPONSE** — The New Yorker’s Atul Gawande, a Boston-area physician, describes how the expertise accrued by doctors in Iraq and Afghanistan came into play during Monday’s response to the marathon bombings. “Something more significant occurred than professionals merely adhering to smart policies and procedures,” he wrote yesterday morning. “What we saw unfold was the cultural legacy of the September 11th attacks and all that has followed in the decade-plus since. We are not innocents anymore. ... Almost every hospital has a surgeon or nurse or medic with battlefield experience, sometimes several. Many also had trauma personnel who deployed to Haiti after the earthquake, Banda Aceh after the tsunami, and elsewhere. Disaster response has become an area of wide interest and study.” <http://nyr.kr/YUVJj6>

**RHODE ISLAND POSTS 2014 INSURANCE RATES** — Rhode Island yesterday became one of the first states to post insurance premium rates for next year, reflecting the anticipated impact of the Affordable Care Act. Rhode Island Health Insurance

Commissioner Christopher Koller expects to approve, modify or reject the requested rates by June. The submissions:<http://1.usa.gov/15mGySK>

WHAT WE'RE READING, by Brett Norman

An explosion at a fertilizer plant in West, Texas, has injured more than 100 people and damaged dozens of homes and buildings, ABC News reports. <http://abcn.ws/XHExf4>  
New York City is seeking a new insurer to administer its \$6 billion city employee health insurance program, Bloomberg reports. <http://bloom.bg/ZxwBui>

The Huffington Post has details on the soaring costs of NYC's public employee health care program, where the city worker headcount is expected to grow by 1.25 percent but health costs are projected to shoot up by 40 percent. <http://huff.to/114ldax>

With less than three weeks left in Florida's legislative session, the Orlando Sun Sentinel runs down state lawmakers' options for using Medicaid expansion dollars to cover more people in the state. <http://sunsent.nl/ZyTayG>

The Associated Press reports that a group of conservative Nebraska legislators succeeded in stalling debate on a Medicaid expansion proposal in the state. <http://bit.ly/11io1Qk>

Rising cancer rates in China are leading to more concern about environmental problems, The New York Times reports. <http://nyti.ms/11iYaHU>

The Boston Globe reports on the city hospitals' response to the marathon bombing, finding that years of preparation were put to the test — and passed with flying colors.<http://b.globe.com/17obs9o>

The Cato Institute's Michael Cannon has his own set of questions for HHS Secretary Kathleen Sebelius as she makes the rounds of congressional hearings on the budget.<http://bit.ly/11xa6IJ>