



HHS NEWS BRIEFING

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TO: THE SECRETARY AND SENIOR STAFF
DATE: THURSDAY, JUNE 13, 2013 7:30 AM EDT

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LEADING THE NEWS

After Capturing National Attention, Ten-Year-Old Receives Lung Transplant.

News that ten-year-old Sarah Murnaghan received a lung transplant Wednesday garnered significant national coverage, including segments on all three national news broadcasts, across most major papers and wire services, as well as on several regional outlets and websites. While delving into the details of the surgery, for which the prognosis is good, most outlets also offer background as to why the case captured so much attention. In describing this, many pieces make mention of HHS Secretary Kathleen Sebelius and her initial refusal to make an exception for Sarah. Touching upon the same reasoning Sebelius used to explain her desire to not step in, a number of sources delve into the complicated nature of the case, and what implications it will have on the national transplantation debate.

[ABC World News](#) (6/12, story 7, 1:40, Sawyer, 7.43M) reported that ten-year-old Sarah Murnaghan received the lung transplant which could save her life Wednesday, calling the surgery a "triumph" for a family "who refused to take no for an answer." The segment provided background on Murnaghan's case, showing video of Representative Tom Price (R-GA) imploring HHS Secretary Kathleen Sebelius to make an exception and allow Sarah onto the adult transplant list, with Sebelius refusing, saying, "Unfortunately there are about 40 very seriously ill Pennsylvanians over the age of 12 also waiting for a lung transplant."

[NBC Nightly News](#) (6/12, story 9, 2:10, Holt, 7.86M) noted that Sarah's "fight for life...captured so much attention across the country and left her family at the center of a big

debate about children and organ donation from adults." On that subject, NBC's Stephanie Gosk provided more details, noting that "Sarah's story made its way to the nation's capital where the Secretary of Health and Human Services painted a grim picture." HHS Secretary Kathleen Sebelius was then shown saying, "We have far too few donors and far too many desperately ill people. That's the national snapshot."

The [CBS Evening News](#) (6/13) reported on the medical details of the surgery, noting that because the lungs were from a donor over the age of 12, they would likely be reshaped or cut "to fit the child." Regarding Sarah's "long-term prognosis," lung-transplant specialist Dr. Joshua Sonett said, "Lung transplant is the most challenging transplant of all the organs. If she makes it through the transplant and makes it through the first year, she's going to have a 50-70% chance making it over five years and perhaps a 50% chance of making it 10 years."

The [Los Angeles Times](#) (6/13, Muskal, 692K) notes that "Murnaghan, who suffers from severe cystic fibrosis, was the center of a fight to allow children younger than 12 to receive adult lungs instead of restricting them to a donation of lungs from another child. "Her family "had appealed to Health and Human Services Secretary Kathleen Sebelius to order that the youngster be allowed to receive adult lungs, but Sebelius said she couldn't bypass the existing protocols."

Other sources reporting on background include the [Philadelphia Inquirer](#) (6/13, McCullough, 306K), [CNN](#) (6/13, Carroll, Welch), [FOX News](#) (6/13), [BBC News](#) (6/13), and the [Washington Examiner](#) (6/13, Gehrke, 93K).

[USA Today](#) (6/13, Hellmich, 1.71M) reports that the lung transplant "went well," but that Sarah "faces a long recovery." Offering further accounts of the surgery are the [AP](#) (6/13, Dale, Ritter), [Reuters](#) (6/13, Wulfhorst), the [NPR](#) (6/13, Peralta) "The Two-Way" blog.

Many of the sources highlight two of the central pieces of the story – Sarah’s ultimately successful search for lungs, and the debate it sparked – right in their headlines. For example, [Bloomberg News](#) (6/13, Pettypiece) titles their piece “Dying Girl Who Sparked Transplant Policy Change Gets Lung,” [Politico](#) (6/13, Norman, 25K) calls theirs “Child in Transplant Controversy Gets New Lungs,” the [NBC News](#) (6/13, Aleccia) “Vitals” blog: “Dying Girl Who Sparked Debate Gets Lung Transplant From Adult Donor,” and [ABC News](#) (6/13): “After Controversy, Girl Gets Lungs.”

A handful of cable news programs reported on Sarah’s lung transplant Wednesday, each mentioning Sebelius’ role in the situation. For example, on [FOX News Hannity](#) (6/12, 1.45M), Sean Hannity asked Sarah’s Aunt, Sharon Ruddock, how she felt knowing that if HHS Secretary Kathleen Sebelius “had had her way, [Sarah] would not have been allowed” to be on the adult transplant list. Ruddock responded, “It was very disappointing for us, it seemed pretty clear cut to us. ... It seemed to us she let politics get in the way.”

Both [FOX News America Live](#) (6/12, 982K) and [CNN Erin Burnett Out Front](#) (6/12, 409K) reported during Sarah’s surgery.

Lawmakers React To Sarah’s Transplant. Two outlets cover lawmaker reactions to news that Sarah received a lung transplant Wednesday. First, the [Washington Times](#) (6/13, 76K) “Inside Politics” blog reports that Senator Pat Toomey (R-PA) “expressed thanks on Wednesday” about her lung, but continued, “Longer term, we’ve got to continue to work on correcting a flawed policy that made it so difficult for Sarah to get to this point.”

[The Hill](#) (6/13, Kasperowicz, 21K) “Floor Action” blog adds that Representative Tom McClintock (R-CA) said on Wednesday that this case provides “an early look at the control the government will have under ObamaCare.” He was referring to “the refusal of Health and Human Services Secretary (HHS) Secretary Kathleen Sebelius to change federal rules that say people age 12 and older can get on the adult waiting list for a lung transplant.” He said, “Her warm words of sympathy for Sarah and her family at a congressional hearing last week were horrific: some live and some die. The incident provided all of us with a chilling look at what healthcare will be like when bureaucrats like Kathleen Sebelius are making more and more of our healthcare decisions.”

Case Spurs Ethical Questions About Transplantation. Getting to the heart of the “ethical questions,” the case brings up, a handful of outlets report on the case’s implications for transplantation in general. As the example, as the [Los Angeles Times](#) (6/13, Zarembo, 692K) puts it, “Sarah’s case may be resolved, but the bigger issues raised by her transplant are not.” The piece looks into the shortage of organs for transplantation, the “carefully calibrated organ allocation system,” and why “allocation of lungs is particularly complicated.”

[Politico](#) (6/13, Norman, 25K) notes that this case “has experts from the transplant community worried about a precedent with the potential to open up the system to tampering from the outside. And that could begin chipping away at the careful framework set up to fairly distribute donated organs, the most precious — and scarce — resources in the health care system.”

The [Time](#) (6/13, Rochman, 3.38M) “Family Matters” blog adds, “The ruling has the potential to create preferential treatment for just a small subsection of patients — kids between about the ages of 5 and 11. The bodies of babies and toddlers are too tiny to accommodate adult lungs. But the expanded scope also raises new questions. What about small adults, for example? Should they now be added to the wait list for pediatric donors?”

In an editorial, the [New York Times](#) (6/13, Subscription Publication, 1.68M) writes that “the cases of two desperately ill children in need of lung transplants raised questions about the criteria used to determine eligibility for such transplants.” First of all, the paper argues that “such decisions are best left to medical professionals, not politicians or judges.” Finally, despite all the progress and Sarah’s success, the piece concludes, “this change does not solve the underlying problem: there are too few organs to meet the demand.”

The [Tampa Bay \(FL\) Times](#) (6/13) PolitiFact blog considers statements Rush Limbaugh made on his radio show, in which he said, “‘One person, Kathleen Sebelius, was going to determine whether or not’ 10-year-old lung patient Sarah Murnaghan would live or die.” The piece concludes, “While it’s true Sebelius played an appeals role in the transplant-policy process, she was not the only person or entity that did. We rate Limbaugh’s claim Mostly False.”

HHS IN THE NEWS

CMS Adviser Knighted By Dutch Queen. The [Washington Examiner](#) (6/13, Gehrke, 93K) reports HHS employee Jay Merchant, an international relations adviser at the Center for Medicare and Medicaid Services, was “named a Knight of the Order of Orange-Nassau by” Queen Beatrix of the Netherlands in April. The Examiner explains honors “for Federal employees are rare,” as they are explicitly limited by the Constitution.

Surgeon General To Step Down In July. The [AP](#) (6/12) reports, “US Surgeon General Regina Benjamin says she plans to step down next month after four years as ‘America’s doctor.’” During her time “as surgeon general, she promoted disease prevention, smoking cessation and healthy lifestyles, particularly among minorities.”

The [Wall Street Journal](#) (6/13, Dooren, 2.29M) “Washington Wire” blog quotes Department of Health and

Human Services spokeswoman Dori Salcido as saying, "We are grateful for her leadership and service."

[Modern Healthcare](#) (6/13, Zigmond, Subscription Publication, 71K) reports, "When President Barack Obama appointed her nearly four years ago, he praised Benjamin's work at the Bayou La Batre (Ala.) Rural Health Clinic, which she opened in the late 1980s to serve the impoverished patient population in the rural village of about 2,500 residents."

[CNN](#) (6/13, Harding) adds that in an email to staff, U.S. Secretary of Health and Human Services Kathleen Sebelius said Benjamin should be "proud of her many achievements."

Also covering the story are [Politico](#) (6/13, Haberkorn, 25K), [WKRG-TV Mobile \(AL\)](#) Mobile, AL (6/13, Haven), [AL](#) (6/13, Talbot), and the [Daily Mail \(UK\)](#) (6/13).

Senate Considers Re-Confirmation Of IHS Director.

[CQ](#) (6/13, Adams, Subscription Publication) reports that the Senate held a re-confirmation hearing Wednesday for Indian Health Services director Yvette Roubideaux, at which Democrats "seemed to hold [her] responsible" for perceived failures of the Obama Administration to "significantly improv[e] medical care for American Indians." Senator Mark Begich (D-AK) told Roubideaux, "Many within my state and in many other states are not satisfied with the leadership within the Indian Health Service."

FDA Finds Significant Quality Problems At Compounder Linked To Fungal Infections.

The [NBC News](#) (6/13, Fox) "Vitals" blog reports Food and Drug Administration inspectors found "fungus and bacteria in at least two vials of steroid" injections at the Main Street Pharmacy, the compounder "believed to be the source of a second outbreak of fungal infections" when they audited its facility in Newbern, Tennessee, on May 30, according to an [inspection report](#) the FDA released Wednesday. Agency inspectors also noted poor quality and sterility conditions similar to those discovered at other specialty pharmacies that distribute the products they mix in large batches across multiple states. "So far, 25 patients in four states have developed abscesses after getting injections" that originated at the Main Street Pharmacy. Notably, the blog points out that FDA Commissioner Dr. Margaret Hamburg has warned repeatedly that without "extended power" to regulate compounders acting as manufacturers, "another deadly outbreak is certain to come."

PrEP May Protect Against HIV In Injection Drug Users. Research suggesting antiretroviral medications may help reduce the risk of HIV infection in IV drug users received a significant amount of coverage in print and online, although none of last night's national news broadcasts discussed the

findings. Most sources, and experts, touted the findings, although some experts questioned the impact the findings would have in a real-world setting. Many sources quote Dr. Jonathan Mermin, director of HIV prevention for the Centers for Disease Control and Prevention.

In a 1,000-word story, the [New York Times](#) (6/13, A11, McNeil, Subscription Publication, 1.68M) reports that research published in the *Lancet* found that "drug-injecting addicts who took a daily antiretroviral pill were half as likely to become infected with H.I.V. as those who did not...providing the final piece of evidence that such treatments can prevent AIDS in every group at risk." The findings from "the study, which involved 2,400 drug users in Thailand, showed that taking tenofovir pills — a therapy known as pre-exposure prophylaxis, or PrEP — reduced infections by 49 percent." Dr. Mermin said, "This is an exciting day." Dr. Mermin added, "This culminates a decade of PrEP research."

The [Wall Street Journal](#) (6/13, Mckay, Subscription Publication, 2.29M) reports that according to Dr. Mermin, "Now, we have to determine how to effectively deliver" the regimen "and ensure it's effective in practice." Mermin said that the CDC intends to set up a demonstration project at four different health centers at which high-risk individuals will be recruited to receive the regimen. The journal points out that the agency, along with the Bangkok Metropolitan Administration and the Thailand Ministry of Public Health, conducted the research.

The [AP](#) (6/13, Stobbe) reports, "Based on the findings, the CDC recommended that doctors consider prescribing tenofovir to those who inject drugs." The medication "blocks the virus from making copies and spreading through the body." This research "'completes the story' telling how HIV drugs can protect people at highest risk of infection, said...Mermin."

The [NBC News](#) (6/12, Fox) "Vitals" blog reports that according to Dr. Amy Lansky of the CDC, "Our trial is the first evidence that PrEP can reduce HIV risk among people who inject drugs." In a phone interview, Dr. Lansky said, "It does become another strategy that we have to use in preventing HIV in this population."

The [CNN](#) (6/12, Young) "The Chart" blog reports, "Dr. Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases, said, 'The real important advance here is the proof of concept that in yet another high risk group – IV-drug users – pre-exposure prophylaxis can work if the individuals adhere to taking the drug.'"

[Bloomberg News](#) (6/13, Bennett) reports, however, that study "participants received regular HIV testing, counseling, assessments of the riskiness of their behavior, condoms and home visits if they didn't show up for an appointment, a level of support that drug users may not have outside of a trial, said...Fauci," who added in a telephone interview that "in the real world they're not going to have the close following that they have when they're in a study." Bloomberg News adds,

"Drug users will need more than a daily pill to keep them from becoming infected, said Peter Godfrey-Faussett, UNAIDS's senior science adviser."

Also covering the story is [Reuters](#) (6/13, Steenhuysen).

Methodology Used In Human Genome Project Report Questioned.

The [Wall Street Journal](#) (6/13, Naik, Subscription Publication, 2.29M) reports that, according to a study conducted by the Battelle Memorial Institute, the US government's \$14.5 billion investment in the Human Genome Project led to \$965 billion in economic output from 1988 to 2012. The investment also helped to create tens of thousands of jobs. The Battelle study, which is a follow-up to a 2011 analysis, found that the economic recession has adversely affected the project's overall economic output in recent years. As a result, genomics only generated \$65 billion in overall economic output last year, nearly the same as 2010. Nevertheless, researchers indicated that the Human Genome Project has helped scientists identify more diseases and health conditions linked to genes, as well as aid several other fields, including agriculture and renewable energy.

[CQ](#) (6/13, Adams, Subscription Publication) reports that Battelle study was released during "a Capitol Hill event featuring National Institutes of Health officials to attract attention to the study." CQ notes, "At the event, National Human Genome Research Institute Director Eric Green said that the era after the genome project initiative was completed is dramatically different than previous decades because now many more opportunities exist for finding discoveries that could lead to cures for disease." CQ adds, "Advocates will use the report, as they did the previous 2011 study, to lobby Congress to provide significant funding for research through the NIH and other agencies." NIH Director Dr. Francis Collins is quoted as stating: "Now is not the time to cut back on biomedical research."

The [Columbus \(OH\) Dispatch](#) (6/12, Torry, 152K) reports that the study was funded by United for Medical Research, which represents "a coalition of research institutions across the country." The Dispatch notes that Collins was "among the speakers" at the event.

On its "Science In Mind" blog, the [Boston Globe](#) (6/12, Johnson, 250K) reports, "The initial [Battelle] analysis raised some criticism and skepticism from economists due to issues with the methodology, and the new report seems destined to do the same." According to Julia Lane, an economist for the American Institutes for Research, "some of the calculations done in the new analysis are standard and reasonable," however, the report had "attribute[d] every economic activity that has any association with the genome to the initial investment by the NIH." Dr. Jerome P. Kassirer, "a former editor of the New England Journal of Medicine who has been vocal about conflicts of interest in medicine, said in an interview that although he does not doubt that the human

genome project has had major economic repercussions, he does not know what to make of the report's findings."

Frieden Offers Tips To Improve Male Health.

CDC Director Tom Frieden, M.D., writes in [Men's Health](#) (6/13) about "what's killing American men," and offers his prescriptions to improve their health. Among his suggestions are to stop smoking, "find the fun" in exercise and eating, and limit alcohol intake. Finally, he recommends seeing a doctor more regularly, perhaps with coverage purchased under the Affordable Care Act.

Examiner Laments \$36 Million HHS Has Spent On Conferences Since 2009.

In an editorial, the [Washington Examiner](#) (6/13, 93K) writes that "the U.S. Department of Health and Human Services has spent more than \$36 million on conferences since 2009." After the House Education and the Workforce Committee chair Representative John Kline (R-MN) sought more information on the expenditures, he found that \$2 million of this was for conferences related to Head Start, \$450,000 for those related to TANF, and nearly \$2 million was on Children's Bureau events. The Examiner continues, "Getting a handle on exactly how much federal bureaucrats really spend every year on conferences — where, by the way, they talk mainly to each other — may be among the greatest mysteries of the modern world."

Lawyer Praises HHS For Transparency Efforts.

Richard Cowart, chairman of the health law and public policy departments at Baker Donelson law firm, writes in the [Tennessean](#) (6/13, 120K) about developments made recently with the HHS providing a "trifecta of health data liberation." The agency first "released the average charges for the 100 most common inpatient procedures in the country." It then later released "selected hospital outpatient data, including estimated charges for 30 types of common hospital outpatient procedures throughout the country." Third, a Florida Federal court lifted a "permanent" injunction that forbid HHS from "disclosing Medicare reimbursement amounts for individual physicians." Cowart applauds HHS Secretary Kathleen Sebelius for her commitment to transparency.

SEQUESTRATION

Missouri Head Start Slots Cut.

The [Louisiana \(MO\) Press Journal](#) (6/12) reported, "The federal sequester budget cuts the US Congress could not alter when budget deficit deals" fell "through have become reality for the Head Start programs of Pike County and northeastern Missouri." Just "last week, Douglass Community Services, which handles Louisiana and Bowling Green's Head Start and Early Head Start programs, announced that 28 of its 100 Pike County student slots have been cut for the coming school year."

Meanwhile, “across the eight counties for which Douglas Community Services provides the programs from its Hannibal office, 77...slots were lost.”

NIH Sequester Cuts Deemed “Outrageous.” In the [Pittsburgh Post-Gazette](#) (6/13, 190K), Olivera J. Finn, a distinguished professor and chair of immunology at the University of Pittsburgh School of Medicine, and Robert E. Schoen, a professor of medicine and of epidemiology at Pitt’s School of Medicine and Graduate School of Public Health, writes, “For nearly 70 years, research funded by the National Institutes of Health has increased understanding of the causes of disease, contributed to longer life expectancy and improved the health and well-being of all Americans.” The authors add, “With such a proud record of economic and social benefit, it is shocking that the House Appropriations Committee has proposed a drastic cut of nearly 20 percent to NIH funding in 2014.” They conclude, “This outrageous proposal must be stopped.”

HEALTH REFORM

Medicaid Expansion Battles Continue Across US. Arizona remains in the spotlight of Medicaid expansion coverage today, as lawmakers in the state work through the night in a special session called by Governor Jan Brewer. Elsewhere, two states receive significant regional coverage, both for passage of expansion bills. However, in Maine, Governor Paul LePage is expected to veto the legislation, whereas in Michigan, Governor Rick Snyder is pushing to sign the bill into law.

Arizona Legislature Debates Medicaid Expansion Amendments During Special Session. The [AP](#) (6/12) reports, “The Arizona Legislature is on track to pull an all-nighter and work into Thursday to finish a state budget and approve Medicaid expansion despite outrage from conservative Republicans who have been cut out of the process by a newly formed coalition of Democrats and GOP moderates.” The Arizona “Senate and House met Tuesday night to introduce a new package of budget bills worked out in a deal with Brewer and the new majority coalition.” Lawmakers “plan to debate the bills and more than 50 hostile amendments from conservatives starting Wednesday afternoon.”

The [Huffington Post](#) (6/12, Wing) reports, “The war over Medicaid in Arizona has fostered a number of unusual partnerships and rivalries as Brewer, a foe of President Barack Obama’s health care law, has sought to wrangle support for a key provision of the landmark reform.”

On its “Shots” blog, [NPR](#) (6/12, Robbins) notes the political maneuvering over Medicaid expansion in Arizona, adding, “What’s remarkable is that Gov. Brewer and the coalition of Democrats and moderate Republicans managed

to maneuver around the legislature’s conservative leadership, which opposes Medicaid expansion.” NPR notes, “Conservatives vow to defeat the moderates through primary challenges next year. As for Brewer, this is her last term. Now that she’s shown her strength, political threats don’t mean much, anymore.”

Divided Michigan House Panel Approves Medicaid Expansion Bill. The [AP](#) (6/13, Eggert) reports, “Hundreds of thousands of more low-income adults in Michigan would become eligible for government-funded health insurance under legislation approved Wednesday by a divided legislative committee, setting the stage for a crucial vote in the Republican-led House.” The AP adds, “The 9-5 vote came after months of talks in the GOP-controlled Legislature over expanding Medicaid eligibility.” Michigan Gov. Rick Snyder (R) “is pushing hard for the expansion before legislators break for the summer at the end of next week.”

The [Detroit News](#) (6/13, Bouffard, 119K) reports, “Conservative groups let loose a torrent of opposition this week, testifying against the bill before the House’s Michigan Competitiveness Committee on Tuesday, and launching an online and phone-bank campaign. Also Tuesday, a coalition of Tea Party groups released an open letter calling for conservatives to withdraw re-election support for Gov. Rick Snyder, who wants the Medicaid expansion.”

[MLive](#) (6/13, Martin) reports, “The House could vote on the proposal as early as this week. If it’s approved in the House, the bill could advance to the Senate as early as next week.”

The [Detroit Free Press](#) (6/13, Gray, 280K) also reports on the story.

LePage Veto Looms Despite Passage Of Medicaid Expansion Bill By Maine House. In a 97-51 bipartisan vote, the [AP](#) (6/12, Durkin) reports, “The Democratic-led Maine House gave final approval Wednesday to a retooled plan to expand” Medicaid. However, “the expansion faces an uncertain future” as “the measure fell just short of the two-thirds vote necessary to override a veto from Republican Gov. Paul LePage, who opposes the expansion and rejected a previous version of the bill.” The AP adds, “The measure approved Wednesday includes significant changes from one already endorsed by both chambers and vetoed by LePage.”

The [Kennebec \(ME\) Journal](#) (6/13, Mistler, 14K) reports, “Six House Republicans supported the amended bill on Wednesday,” however, “Republican opposition remains sturdy.”

The [Bangor \(ME\) Daily News](#) (6/12, Stone, 45K) reports, “Two House Republicans who supported the expansion in a vote earlier this month — Reps. Shari MacDonald of Old Orchard Beach and Windol Weaver of York — switched their votes to oppose the measure Wednesday. Three Republicans who opposed the previous Medicaid expansion bill supported the amended measure:

Reps. Donald Marean of Hollis, Corey Wilson of Augusta and Ellen Winchenbach of Waldoboro."

Pennsylvania Public Welfare Official To Meet With CMS Director Over Medicaid Expansion. The [AP](#) (6/13, Levy) reports that Pennsylvania Gov. Tom Corbett's top human services aide, Beverly Mackereth, the acting secretary for the Pennsylvania Department of Public Welfare, "said Wednesday that she will meet with" Cindy Mann, director of the Centers for Medicare and Medicaid Services, "as she explores how to expand Medicaid coverage to hundreds of thousands of adults in a way that her boss, the federal government and state lawmakers can all agree on." Mackereth "said a department consultant is reviewing Medicaid expansion models in an effort to find ways to satisfy concerns over its cost." According to Mackereth, "a decision on a possible model will be based on the quality of the program, not just cost."

A series of articles offer clarification of Pennsylvania Governor Tom Corbett's current stance on Medicaid expansion. "Corbett wants to give taxpayer-subsidized health insurance to hundreds of thousands of Pennsylvania residents," but "all that holds him back is the Obama administration's unwillingness to allow flexibility to do things such as impose job-related requirements on people who receive Medicaid," two Corbett officials claimed Wednesday, the [Harrisburg \(PA\) Patriot-News](#) (6/13, Wenner, 70K) reports. Todd Shamash, Corbett's deputy chief of staff, and Jen Branstetter, Corbett's policy director, "reiterated his stance that Pennsylvania's existing Medicaid program is already too big, is seriously flawed, and on an unsustainable path." However, Branstetter "said there's a misconception that Corbett is against expanding Medicaid." Instead, she claimed that "Corbett wants to find an affordable, sustainable way to expand health benefits to more Pennsylvania residents, but will do so only if it's 'fair' to taxpayers."

The [Johnstown \(PA\) Tribune Democrat](#) (6/13, Finnerty, 31K) also reports on the story.

Medicaid Expansion Proposal Will Not Be Included In Ohio Budget Negotiations. The [AP](#) (6/13, Sanner) reports that, according to Ohio Senate President Keith Faber (R-Celina), "changes to the Medicaid health program won't be included in Ohio's budget negotiations, though a separate proposal aimed at curbing the program's costs is expected to be introduced in the Legislature as soon as Thursday." Faber "offered few details to reporters on Wednesday, though he said the Medicaid reform bill was bipartisan and has been worked on jointly by both chambers." Ohio Rep. Ron Amstutz (R-Wooster), "who helped draft the Medicaid reform plan, described the proposal as a 'starting point bill.'"

The [Cincinnati Enquirer](#) (6/12, Thompson, 152K) reports that Amstutz indicated that, "at first, that bill won't include expanding Medicaid to more Ohioans, and it won't say whether Ohio will take money from the federal government to do so." Ohio lawmakers "say their eventual

goal is to get health care coverage for more Ohioans, but for now, they're avoiding any legislation that would be controversial."

In a related story, the [Columbus \(OH\) Dispatch](#) (6/12, Candisky, 152K) reports, "With the legislative clock running down, supporters of expanding Ohio's Medicaid program yesterday released statistics underscoring how it would slash the ranks of the uninsured while bringing millions into local economies." According to Advocates for Ohio's Future, "expanding the program would provide health-care coverage to nearly 28,000 uninsured adults in Franklin County, reducing the county's uninsured rate to 2 percent by 2015." Further, they claim that it "also would generate \$3.3 million in sales taxes from managed-care revenues."

Iowa Expected To Gain Federal Approval For Alternative Medicaid Expansion Plan. On his "Iowa Politics" blog in the [Des Moines \(IA\) Register](#) (6/12, 113K), columnist Tony Leys writes, "Iowa should have little problem gaining federal approval for its plan to provide health insurance to tens of thousands more poor adults," Jennifer Vermeer, Iowa's Medicaid director said. Vermeer noted that "federal administrators have been working closely with her to finesse the details of a plan the Legislature passed last month," called the "Iowa Health and Wellness Plan," that "was designed as a compromise between Democrats who wanted to use federal money to expand Iowa's Medicaid program and Republicans who wanted a more limited program."

Women's Advocates Urge New Hampshire Lawmakers To Expand Medicaid. The [AP](#) (6/12, Love) reports that, according to Planned Parenthood of Northern New England, "about 38,000 New Hampshire women would be among those who qualify for health care coverage if the state expands Medicaid to cover poor adults under the federal health care overhaul." Planned Parenthood officials and members of the New Hampshire Women's Health Network claimed that "women would be disproportionately affected if the state fails to take advantage of the optional Medicaid benefit because the majority of poor adults in the state are women." They urged "the Republican-controlled Senate to agree with the governor and House and authorize the expansion."

Controversial Statements Made By Arizona, Maine Lawmakers During Medicaid Expansion Debates Noted. "Another day, another Republican apologizing for making offensive comments about women," the [US News & World Report](#) (6/13, Metzler, 1.13M) reports. Rep. Trent Franks (R-AZ) "stumbled first Wednesday, saying 'the incidence of rape resulting in pregnancy are very low' during a House Judiciary Committee debate on his bill that would ban abortions after 20 weeks, even in cases of rape and incest." Then, "Wednesday, Maine House Republican Leader Ken Fredette, said during a floor debate he opposes expanding Medicaid because of his 'man's brain.'"

Commentary Considers Medicaid Expansion Debate. Accompanying the Medicaid expansion coverage are several opinion pieces weighing in on the debate.

From Arizona, the [Arizona Daily Star](#) (6/13, 92K) editorializes, "Republicans who wisely support expanding Medicaid in Arizona must stand strong and vote yes when the matter comes before the state House." The Daily Star adds, "Putting people before party isn't easy and may come at a political cost for the Republicans who dare to step out of line and vote to support Republican Gov. Jan Brewer's plan to expand Medicaid in Arizona." The paper concludes, "Unless we're willing to condemn people to suffer, or even die, for the free-market sin of not being able to afford health insurance, then we must find a way to make certain that people who need medical care can get it, and that the bills will be paid."

From Maine, the [Bangor \(ME\) Daily News](#) (6/12, 45K) editorializes, "Once again, Maine Republican lawmakers have shown they will withhold health care coverage from this state's poorest residents to spite federal health reform." The Daily News decries "the arguments that members of the Maine House made Wednesday in opposition to Medicaid expansion" as "appalling." Noting how the 97-51 vote on the Medicaid expansion bill is not sufficient "to override an anticipated veto from Gov. Paul LePage," the paper laments how some lawmakers "are listening to the ill-informed rhetoric of their House colleagues."

Also noting the Maine House vote, the [Portland \(ME\) Press Herald](#) (6/13, 46K) editorializes, "Maine lawmakers will get one more chance to do the right thing when it comes to providing health care to people in need." The Press Herald notes, "The bill is headed for a likely veto by Gov. LePage, who has voiced his ideological opposition to the Affordable Care Act and the belief he shares with a handful of other tea party governors that the states can kill the program by refusing to participate in it." The paper asserts, "Republicans should not let that happen. The Maine people they represent have too much to lose."

From Mississippi, in the [Jackson \(MS\) Free Press](#) (6/12), columnist R.L. Nave writes, "The Republican Party, nationally and in Mississippi, has made sport of repudiating the" ACA. Noting how "Republicans in the U.S. House of Representatives have attempted to repeal the law more than three dozen times," Nave adds, "Lawmakers in Mississippi have made similar attempts, although most of the bills proffered never survived the committee process." However, Nave claims that Mississippi Republicans are "quietly... looking for ways to accept parts of the federal law."

From Pennsylvania, the [Harrisburg \(PA\) Patriot-News](#) (6/13, 70K) editorializes, "A coalition of 120 groups is bringing a huge delegation of medically vulnerable, uninsured Pennsylvanians to Harrisburg today" to "urge the Legislature and Gov. Corbett to take the federal money offered to expand Medicaid health care coverage for the almost-poor, as envisioned in the health care reform passed in 2010." Calling

the effort "a noble plea," the Patriot-News asserts, "If Corbett and Republican leaders are serious about cutting a deal with the feds on an alternative to Medicaid expansion, they can look to Iowa for guidance." The paper details how "long-time Republican Gov. Terry Branstad," who "was a die-hard opponent of expanding Medicaid," was "forced" by the Iowa legislature into considering "consider some kind of alternative." According to the Patriot-Times, "Branstad now touts the solution they came up with."

In the [Pittsburgh Post-Gazette](#) (6/13, 190K), A. J. Harper, president of the Hospital Council of Western Pennsylvania, writes, "Intertwined within the state budget negotiations is an issue that has been simmering in the Legislature: that of expanding Pennsylvania's Medical Assistance program." Although, "to date, Pennsylvania Gov. Tom Corbett has taken the stance that Pennsylvania will not expand Medical Assistance," Harper notes, "With the state budget deadline of June 30 looming, the question of Medicaid expansion is bubbling to the surface." Harper concludes, "For the sake of patients, the public, businesses and hospitals in Western Pennsylvania we urge the governor and state lawmakers to expand Medicaid as part of next year's state budget."

From Utah, the [Salt Lake \(UT\) Tribune](#) (6/13, 107K) editorializes, "In 2002 — before anyone had ever heard of Barack Obama, much less of Obamacare — Utah launched its own plan," called Primary Care Network, "to provide medical insurance to people who were too well-off for Medicaid but not financially within reach of any other health care plan." The Tribune asserts, "Utah should expand Medicaid. It should not allow its pride of authorship of PCN to stop that move." The paper concludes that, while "PCN was that insurance for 25,000 Utahns," Medicaid expansion "would be that insurance for 123,000 Utahns. It is time to trade up."

Poll Finds Employers Increasingly Pessimistic About ACA Implementation. The [Wall Street Journal](#) (6/13, Murphy, 2.29M) "CFO Journal" blog reports on a new poll released Wednesday by benefits consultant Mercer which found that companies are growing more pessimistic about the impact of the Affordable Care Act as its full implementation approaches. The poll showed that less than 10% of companies believe the ACA will add 1% of less to costs next year, as opposed to 25% who believed that in 2011, and 20% in 2012. On top of that, 19% believe costs will increase more than 5%, compared to just 15% in 2011.

[CQ](#) (6/13, Adams, Subscription Publication) reports that the survey also found that around 28 percent of employers plan to "require their workers to contribute more to health coverage for their families and 13 percent of companies plan to raise workers' costs for employee-only coverage."

[CBS News](#) (6/13, Kristof) adds that "almost a third of employers say they still can't predict the impact."

Poll Finds Majority Of Likely Voters Do Not Want Full Repeal Of ACA. [The Hill](#) (6/13, Baker, 21K) "Healthwatch" blog reports on a poll released by the Morning Consult website which found that while "voters expect to have a bad experience with ObamaCare once it's fully implemented," they "don't want Congress to keep pursuing full repeal." In total, just "34 percent of likely voters want Congress to try to fully repeal ObamaCare." By contrast, "52 percent said Congress should either let the law take effect or make minor changes to improve it."

ACA's Accountable Care Program Could Save Up To \$2 Billion By 2015. [Bloomberg News](#) (6/13, Wayne) reports on one of the "least touted but potentially most effective provisions" of the Affordable Care Act: the law's accountable care program. Under the program, "hospitals and physician practices take responsibility for tracking and maintaining the health of elderly and disabled patients." Already, "the government expects the savings may be as much as \$1.9 billion from 2012 to 2015." According to Jonathan Blum, deputy director of the Medicare agency, "There is something fundamentally changing in health care. Hospital admissions are being better managed and are being reduced."

Analysis Predicts ACA Will Lead To Increase In Retail Health Clinics. The [AP](#) (6/13) reports that the consulting firm Accenture released an analysis Wednesday which showed that "the number of retail health clinics that have been popping up in places like drugstores for years is expected to double by the end of 2015." The analysis attributed the growth to the "flood of newly insured patients" stemming from the Affordable Care Act. These new patients "will help stoke demand for those clinics, which typically treat minor illnesses when a patient doesn't have a doctor or the physician isn't available."

[The Hill](#) (6/13, Viebeck, 21K) "Healthwatch" blog reports that the analysis "predicted that the number of walk-in medical facilities located in retail stores will rise to nearly 3,000 by 2015," accounting for "10 percent of non-primary care outpatient visits within three years."

[CQ](#) (6/13, Subscription Publication) adds that "the shift may reduce medical costs by \$800 million per year, said the Accenture report."

ACA Tanning Bed Tax Includes Fitness Club Loophole. [Forbes](#) (6/13, 928K) contributor Tony Nitti writes about the "loophole" on the newly-finalized Affordable Care Act tanning bed tax. Under the regulations, "fees paid to a 'qualified physical fitness facility' are not subject to the 10% excise tax." This means, of course, "your standard health club." Nitti concludes, "It's not hard to see why many in the tanning industry were angry about this exclusion."

Few Insurers Sign Up To Offer Coverage On SHOP Exchanges. [Politico](#) (6/13, Millman, 25K) reports that few insurers are signing up to join the Affordable Care Act's Small Business Health Option Program exchanges. In some states, in fact, "just one insurer has signed up for the SHOP exchanges, which are supposed to foster competition and make it easier for small businesses to purchase coverage." For now, "the Obama administration is still trying to recruit insurers to states where there's been little interest in exchanges."

Kaiser Offering Among The Highest Premiums On California's Exchange. The [Los Angeles Times](#) (6/13, Terhune, 692K) reports that Kaiser Permanente is offering among the highest rates on California's new health insurance exchange, which has "surprised industry analysts" because of their strong and vocal support for the Affordable Care Act, and "sparked considerable debate about the company's motives." Some experts theorize that the company "intentionally bid high to avoid drawing too many customers next year who are sick or who have been uninsured for years and may be costlier to treat." However, Kaiser denies this claim and points to their competitors' limited networks.

In a related story the [Los Angeles Times](#) (6/13, Terhune, 692K) reports that some supporters of the Affordable Care Act in California believe the state's proposed premium rates are "too high" and are pushing for a "ballot measure to regulate health insurance rates."

And in another related article, the [San Francisco Business Times](#) (6/13, Rauber, Subscription Publication) "Bay Area BizTalk" blog reports that Anthem Blue Cross has added the University of California's "five medical centers and 5,000 affiliated physicians to Anthem's offerings on the Covered California health benefits exchange for individual enrollees."

New Hampshire Legislature At Stalemate Over ACA Implementation. The [AP](#) (6/13, Ramer) reports that the New Hampshire Health Care Oversight Committee, consisting of three Republicans and three Democrats, are "at a stalemate" over implementation of the Affordable Care Act in the state. Right now, the panel disagrees "about the authority accorded to various players involved in implementing the law, including the insurance department, the governor and the committee itself."

In a related story, the [New Hampshire Union Leader](#) (6/13, 40K) reports that "the Republican-controlled state Senate on Wednesday rejected a federal grant to help consumers understand the Affordable Care Act's insurance exchange program, but agreed to negotiate with the House on a bill that would have the state align its insurance laws and rules with the ACA."

Wisconsin Insurers Predict “Horror Stories” For Consumers On Exchanges. The [AP](#) (6/13, Bauer) reports that on Tuesday, Wisconsin insurance executives warned about the “tough task” ahead implementing the Affordable Care Act’s exchanges, predicting that there will be “consumer horror stories about trying to navigate them.” For example, Mark Moody, the president and chief executive officer of WEA Trust, “which offers insurance to Wisconsin school districts, state health plan members, and local units of government,” said, “There’s a great deal of uncertainty almost everywhere you look.”

The [Superior \(WI\) Telegram](#) (6/13, Mills) reports that some of the insurers present have chosen to offer plans on the exchange, while others are taking a wait-and-see approach.

Ohio Premiums Expected To Rise Under ACA. Senior editorial writer Philip A. Klein offers continuing coverage of the predicted rate hikes in Ohio in the [Washington Examiner](#) (6/13, 93K). He explains that the state’s insurance officials “announced last week that the average premiums...would soar 88 percent once President Obama’s health care law kicks in.” Klein notes that “supporters of Obamacare were quick to dismiss the news,” before attempting to dismantle some of these dismissals.

Indiana Republicans Blame ACA For School District Employee Cutbacks. [The Hill](#) (6/13, Baker, 21K) “Healthwatch” blog reports that a handful of House Republicans “criticized the Obama administration Wednesday over news that schools are cutting their employees’ hours to avoid providing health insurance.” In a letter, a group from Indiana “said several school districts in the state have cut the weekly hours of employees, including cafeteria workers, bus drivers and teachers’ aides.” Addressed to HHS Secretary Kathleen Sebelius, the letter read in part, “We are greatly troubled by the recent cutbacks across our state and ask that your office study these dangerous consequences.”

Illinois Joins Cadre Of States Participating In ACA’s Balancing Incentive Program. The [Rock River \(IL\) Times](#) (6/12, 22K) reports, “On June 12, the Centers for Medicare & Medicaid Services (CMS) Administrator Marilyn Tavenner announced Illinois will receive resources made available by the Affordable Care Act to help seniors and people with disabilities live in their communities.” The Times adds, “The Illinois award, projected at approximately \$90 million, is a vital component of a broad state-based approach to support community-based care provided by the Affordable Care Act’s Balancing Incentive Program.” The Times notes, “The announcement makes Illinois the 16th state to participate in the Balancing Incentive Program. Illinois joins Arkansas, Connecticut, Georgia,

Indiana, Iowa, Louisiana, Maine, Maryland, Mississippi, Missouri, New Hampshire, New Jersey, New York, Ohio and Texas in taking steps to provide community-based services to beneficiaries in their states.”

MNSure Call Center Goes Operational In Early September. The [AP](#) (6/13, Karnowski, 335K) reports, “The call center for Minnesota’s new health insurance marketplace will be operational Sept. 3 to help prepare consumers for buying coverage when open enrollment begins a month later, officials” announced yesterday. “MNSure’s executive director, April Todd-Malmlov, updated board members on customer assistance plans for the exchange, where starting Oct. 1 about 1.3 million Minnesotans are expected to get their coverage, including 300,000 who don’t currently have health insurance.”

The [St. Cloud \(MN\) Times](#) (6/12, Marohn, 22K) reports from Stearns County, where commissioners “approved a first phase of hiring including one human services supervisor, four financial workers, one financial programs specialist, three process specialists and one office support staff,” while “a second phase of seven additional staff could come later if needed.”

Florida Hospital Blames Cutbacks On Sequester, ACA. The [Highlands \(FL\) Today](#) (6/13, Pinnell, 16K) reports, “Highlands Regional Medical Center is blaming sequestration and the Affordable Care Act for cutting employee benefits.” In a letter, “CEO Brian Hess informed 450 employees that vacation days would be cut, 401(k) matches would be reduced, and raises would not be considered until January 2014.” According to Hess spokeswoman Julie Fells, “the cuts are also a result of the Florida Legislature ‘not accepting the federal aid from the Affordable Care Act.’”

Klein Says ACA Is Resulting In Healthcare Savings, But More Must Be Done. Washington Post blogger and MSNBC policy analyst Ezra Klein writes in his [Bloomberg News](#) (6/13) column that though then-Sen. Barack Obama’s 2008 campaign claim that “his health-care plan would ‘lower premiums by up to \$2,500 for a typical family per year’” was criticized as “extremely optimistic,” the savings “are actually materializing.” But while the success of the ACA’s insurance exchanges “is overwhelmingly important to the small minority who will actually purchase insurance on them,” it is not as important as “the fate of the health system overall,” which means further reform is required.

HEALTHCARE FRAUD

Miami Man Accused Of Medicare Fraud Denied Bail. The [Miami Herald](#) (6/13, Flor, 139K) reports, “A Miami

federal judge denied bail Tuesday to TV entrepreneur Roberto Marrero, indicted on charges of stealing millions in a massive Medicare fraud scheme." The Herald adds, "Justice John O. Sullivan denied the petition because of Marrero's potential flight risk. Marrero has traveled to Cuba on four occasions, according to government arguments presented at the 40-minute hearing."

HEALTHCARE NEWS

Long-Term Care Commission To Hold First Meeting June 27. [CQ](#) (6/13, Bunis, Subscription Publication) reports that the newly-formed Federal Commission on Long-Term Care has set its first meeting for June 27. The article goes on to outline the commission's duties, as well as highlight some of its fifteen members, including chairman Bruce A. Chernof, president and CEO of the SCAN Foundation.

[Modern Healthcare](#) (6/13, Zigmond, Subscription Publication, 71K) adds that Chernof said in a statement, "The work that lies ahead of us over the next few months will be critical in transforming our nation's system of care so that all Americans can age with dignity, choice and independence."

New Website Makes Searching CMS Hospital Pricing Data User-Friendly. The [Nashville \(TN\) Business Journal](#) (6/13, Boyer, Subscription Publication) "Nashville BizBlog" reports on a new website called OpsCost, which takes the recently-released CMS data "of what hospitals charge Medicare for the most common inpatient procedures" and makes it searchable "by market and procedure." According to the post, this "user-friendly website" will help "consumers make cost-conscious health care choices."

In related news, the [Birmingham \(AL\) Business Journal](#) (6/13, Ranaivo, Subscription Publication) reports that the CMS data revealed that "Alabama leads the country in the average payment for hospital outpatient services."

HMA Hires Advisers Amid Takeover Rumors. The [Wall Street Journal](#) (6/12, Kamp, Chaudhuri, 2.29M) reports in its "Moneybeat" blog that Wall Street is watching hospital operator Health Management Associates for a possible sale after it hired Morgan Stanley and Weil, Gotshal & Manges LLP to review "the board's ongoing consideration of strategic alternatives and opportunities," it said in a company statement. This news comes after a regulatory filing from hedge fund Glenview Capital Management LLC that sought for limiting a poison pill that limits the accumulation of shares. Glenview, HMA's largest shareholder, wants to get rid of a rule that doesn't permit shareholders to own more than 15 percent of the company or alternatively raise the poison pill figure to 25 percent. The hedge firm is considering several

possible measures, up to removing some or all of HMA's board.

[Bloomberg News](#) (6/12, Cortez) notes Florida-based HMA "runs 71 hospitals, about a third of which are located in Florida, with about 11,100 beds. The company said May 28 that Chief Executive Officer Gary Newsome will retire and leave the board on July 31. Newsome's announcement spurred speculation that Health Management may be a takeover candidate."

[Reuters](#) (6/13, Toonkel) and [Modern Healthcare](#) (6/12, Subscription Publication, 71K) both report on this story.

Tax Reform In North Carolina May Result In New Taxes For Hospitals. The [Triangle Business Journal](#) (6/12, deBruyn, Subscription Publication) reports that North Carolina legislatures seeking ways to reform the state's tax system have proposed eliminating "sales tax refunds to nonprofits for any amount over \$100,000." Most hospitals in North Carolina are established as non-profits, which would potentially leave them responsible for covering the new taxes. Opponents of the proposal say, "hospitals would lose hundreds of millions of dollars that are currently devoted to caring for the patients."

California Rehabilitation Hospital Set To Open Pending Health Department Approval. The [Modesto \(CA\) Bee](#) (6/12, Carlson, 59K) reports on the opening of Central Valley Specialty Hospital that "will provide a vital service for patients who have suffered strokes, heart attacks or injuries that require rehab therapy to restore functioning." The hospital will have a new radiology unit, full-service lab, and an advanced pharmacy system that prevents medication errors.

California Releases State Report On Bay Area Hospital Death Rates. The [San Jose Mercury News](#) (6/13, Kleffman, 539K) reports on a new state report that found "more than half of institutions around the Bay Area had worse-than-average death rates for at least one medical procedure or patient condition in 2010 and 2011." The mortality rates at 331 California hospitals were used, looking at 12 specific conditions and procedures. The report aims for healthcare transparency as a means to help hospitals improve and inform the public.

California Hospital Faces Inquiry Regarding Ties To Senator Under Federal Investigation. The [Sacramento \(CA\) Bee](#) (6/13, Rosenhall, 202K) "Capitol Alert" blog reports on Pacific Hospital of Long Beach, "subject of a Wall Street Journal story last year that raised questions about the large amount it billed for performing back surgeries on injured workers," has come under scrutiny again due to its business relationship with Tom Calderon, brother of state

senator Ron Calderon, whose offices were recently searched by the FBI. Calderon had listed the facility "as a client of his consulting business when he filed an economic statement of interest last year as part of his unsuccessful run for state Assembly. Also last year, on a campaign flier, he described serving on the hospital's board of directors."

Massachusetts Hospitals Reach Labor Agreement With Nurses Association. The [Boston Globe](#) (6/13, Weisman, 250K) reports, "the Massachusetts Nurses Association have ratified new labor contracts with Quincy Medical Center and the UMass Memorial Medical Center." The agreement follows a nursing strike in April at Quincy Hospital over staffing levels, and a threatened strike at UMass Medical Center.

The [MetroWest Daily News](#) (6/13, Hanson) reports that the new agreement "includes a wage freeze for the nurses and allows managers a limited increase in the use of per diem and variable hour nurse positions," as well as, "create a 'swing unit' for patients from the emergency room who are awaiting admission to the hospital."

Tennessee Hospitals Working To Reduce Early Delivery Of Infants. The [Chattanooga \(TN\) Times Free Press](#) (6/13, Harrison, 74K) reports on the efforts of Tennessee hospitals to ensure women reach 39 weeks before delivering, "the number experts say is the gold standard for ensuring a baby is delivered healthy and more fully developed." Early elective deliveries can increase complications for both mother and baby, and potentially lead to developmental problems.

Prime Healthcare Settles HIPAA Violation Claim. In continuing coverage, [Newark \(NJ\) Star-Ledger](#) (6/13, Goldberg, 326K) reports on California-based Prime Healthcare's agreement to pay the United States Office of Civil Rights \$275,000 after one of their hospitals "violated the Health Insurance Portability and Accountability Act when it revealed personal patient information. ... The hospital was accused of publicly releasing the medical records of a patient who had earlier given the records to a California-based media organization California Watch. California Watch used the records as part of its investigation into allegations of improper billing practices."

Care Logistics Files Suit Against Ohio Healthcare Networks. The [Atlanta Journal-Constitution](#) (6/13, Seward, 263K) reports, "Alpharetta-based Care Logistics, a provider of hospital management software and logistics services, is suing two Ohio health care networks, claiming they have cost the company millions of dollars after backing out of several business agreements." The company is asking for \$12 million in damages and additional

compensation resulting from the diminished value of the company as a result of the lost business.

St. Ignatius, Montana Breaks Ground On THHS Clinic. [KPAX-TV](#) Missoula, MT (6/13) reports on its website about the groundbreaking of the "new and improved St. Ignatius Tribal Health and Human Services Clinic." Confederated Salish and Kootenai Tribe members "blessed the ground" and said the "upgrade will help future generations, and that the tribal council put in long hours to make the project possible." The article adds that the THHS "manages the health care delivery system for American Indians eligible for treaty-obligated health care services under a compacting agreement with the Indian Health Service."

Factors Behind Roseland Hospital's Near-Closing Explored. In continuing coverage, the [Chicago Sun-Times](#) (6/13, Thomas, 405K) investigates whether Roseland Community Hospital wound up nearly shutting its doors last week because of mismanagement of resources or because of large amounts of uncompensated care the safety-net hospital has provided. "State Sen. Emil Jones III (D-Chicago), whose district includes Roseland Community Hospital, said the 'poor decisions' Roseland management has made is just as much a part of the situation as having \$25 million in uncompensated care," while State Rep. Robert Rita (D- Blue Island) attributed the hospital's situation to a combination of heavy emergency department use and poor direction on the part of hospital management. For its part, the state of Illinois "noted that for the last three years, it has provided Roseland \$28.5 million to \$30 million each year for Medicaid claims, covering the costs of caring for uninsured patients, and other payments." Former Roseland CEO and president Dian Powell, however, denies that mismanagement has occurred.

HEALTH INFORMATION TECHNOLOGY

IHS Working To Upgrade EHR System. The [Federal Times](#) (6/13, Johnson, 40K) reports that the Indian Health Service is "undergoing a multimillion-dollar project to upgrade its electronic health record system by 2014." The \$10 million project "to meet evolving federal standards for recording and storing health records electronically" has been "a huge undertaking" for the IHS. Says Dr. Howard Hays, acting director of the Indian Health Service's Office of Information Technology, "We've been working extremely hard to analyze and develop changes, [and] we expect to certify [the system] late this summer. It's more than a full year's project, and we will continue to test and release software changes."

HUMAN SERVICES NEWS

Duncan Working To Push President's "Preschool For All" Plan. The [Washington Post](#) (6/13, Layton, 489K) reports on Education Secretary Arne Duncan's recent efforts to promote President Obama's Preschool For All initiative, opening by narrating his recent trip to Georgia to "pitch" the idea to Gov. Nathan Deal (R), whom the Post characterizes as "inclined toward the notion but dead-set against raising taxes to pay for it." The Post says that Duncan is "traveling to more locations than most other Cabinet members...promoting an idea he says will improve millions of lives and strengthen the country." The Post describes this as a transition from Obama's first term, when "luck and circumstance" allowed Duncan to "carry out much of President Obama's education agenda without help from Capitol Hill." Duncan is promoting the plan in states that "already use state money to fund some preschool, and Duncan figures that offers a path in." The Post notes that Duncan is working to promote the plan in states with Republican governors, in the hopes that they will in turn sell their states' GOP delegations on the plan.

FOOD & IMPORT SAFETY

States, Federal Government Considering GMO Labeling Regulations. [USA Today](#) (6/13, D'ambrosio, 1.71M) reports an increasing number of US states are "taking on the issue of genetically engineered foods, fanning the flames of a decades-old debate about whether the products are dangerous to human health." Vermont recently became the "first state in the nation to pass a bill requiring labeling of foods produced using these genetically modified organisms, or GMOs, followed weeks later by Connecticut." Washington state will also consider a referendum on GMO labeling in November. Furthermore, US Sen. Barbara Boxer (D-CA) introduced a bill in April that directs the FDA to "clearly label" genetically engineered foods. Boxer also included amendments in Congress' farm bill that asks the US to join the other 64 nations that have GMO labeling requirements, as well as ordering a report in six months from agency heads that reviews "the labeling methods used internationally, and the 'probable impacts' of having differing labeling requirements passed by states rather than a federal standard."

Hepatitis A Outbreak Tied To Frozen Berry Mix Continues To Grow. [Food Safety News](#) (6/13) reports, "99 people in 8 states are now known to have been sickened in the ongoing hepatitis A outbreak...up from the 87 illnesses reported Monday by the Centers for Disease Control and

Prevention." The CDC is urging anyone who has eaten the mix within the last two weeks to get the Hepatitis A vaccine.

Sunflower Seeds, Snack Mixes Recalled Over Potential Listeria Contamination. [Food Safety News](#) (6/13) reports, "A Michigan company is recalling its sunflower seeds and snack mixes made with the seeds because these products have the potential to be contaminated with Listeria." The presence of Listeria on the sunflower seeds was discovered after testing by the Michigan Department of Agriculture.

California Cantaloupe Producers Begin New Food Safety Program. [The Oregonian](#) (6/13, Terry, 237K) reports on the new mandatory program where "inspectors from the California Department of Agriculture will certify all aspects of cantaloupe production to ensure that companies are following science-based food safety standards." The program was developed in response to falling sales as a result of two outbreaks caused by tainted cantaloupes.

The [Denver Post](#) (6/12, Brown, 443K) reports that Food Safety Modernization Act requirements will be met or exceeded by the new safety program. A certification seal will alert consumers to cantaloupes that have gone through the program.

NUTRITION & OBESITY

BPA Associated With Obesity In Girls. [USA Today](#) (6/13, Waseem, 1.71M) reports that a study published in PLoS One "adds to growing evidence that the chemical" bisphenol-A (BPA) "may be partly to blame" for obesity in children, particularly girls. The study found that "girls between ages 9 and 12 with high BPA levels had double the risk of being obese than girls with low BPA levels, validating previous animal and human studies, said Kimberly Gray, a health scientist at the National Institute of Environmental Health Sciences."

The [CNN](#) (6/13, Corvese) "The Chart" blog reports that researcher Dr. De-Kun Li "said he hopes this study brings attention to the potential health effects of BPA, and that it spurs action from the FDA."

Study: Home Childhood Obesity Programs Don't Reduce BMI. [Reuters](#) (6/13, Doyle) reports a review of programs that are designed to stop childhood obesity at home reveals children's weight remain the same a year later. However, researchers also noted there has only been a small number of studies on the program. According to Dr. Nakiya Showell of Johns Hopkins University School of Medicine in Baltimore, scientists need more expansive studies of home based programs, which educate children and

families about diet and health, to see if they can stem childhood obesity. In the review, researchers examined the results of six studies of the programs, and found that many children who used the programs had a similar BMI to a control group of children at least a year after the program ended. The results appeared in the journal *Pediatrics*.

MEDICARE

CMS Issues Final Decision On Medicare Coverage Of FDG-PET Scans. [Modern Healthcare](#) (6/13, Zigmond, Subscription Publication, 71K) reports, "Physicians, patients and medical imaging companies" have "talked the CMS out of virtually ending Medicare payment for post-treatment positron emission tomography scans for solid tumors." The CMS "reversed its March proposal to end payment for such post-treatment scans for prostate cancer and limit coverage to one scan for other cancers."

Ryan, Wyden Renew Call For Medicare Overhaul. [CQ](#) (6/13, Reichard, Subscription Publication) reports that House Budget Committee Chairman Paul D. Ryan and Sen. Ron Wyden "separately told those attending a Washington, D.C., conference that lawmakers must move without delay to overhaul the Medicare program." However, "this time the Oregon Democrat has a new collaborator — fellow Finance Committee member Johnny Isakson." CQ adds, "Ryan continues to back a premium support overhaul of Medicare, something he collaborated on last year with Wyden, but that voters shot down in the November elections."

Upton: House Committees "In Sync" On SGR Overhaul. [CQ](#) (6/13, Reichard, Subscription Publication) reports, "Influential lawmakers on two House committees that are pivotal to overhauling the Medicare physician payment system said Wednesday they are working together closely on legislation to replace the Sustainable Growth Rate formula, despite some raised eyebrows in recent days about whether they were on the same page." In comments to reporters, Energy and Commerce Committee Chairman Fred Upton (R-MI) revealed "that the other key committee — Ways and Means, which is chaired by fellow Michigan Republican Dave Camp — may not do its own markup, something that at least one senior Ways and Means member says is still in question." CQ adds, "Lobbyists have suggested that the panel may be moving on different tracks, at least temporarily." However, Upton stated: "Yeah, oh yeah, we're in sync."

Report Highlights Higher Medicare Spending On End-Of-Life Care In Los Angeles. The [Los Angeles Times](#) (6/13, Gorman, 692K) reports, "More money was spent in the Los Angeles area on chronically ill patients in their final years than anywhere else in the United States,

according to new data on Medicare patients released Wednesday." In a report, the Dartmouth Atlas Project revealed that "spending in the last two years of life was about \$112,000 per patient in Los Angeles as of 2010, about 60% higher than the national average." Nationwide, "from 2007 to 2010, Medicare spending on end-of-life care rose 15%." Researchers note that "the jump occurred despite more patients enrolling in hospice care, fewer patients dying at the hospital and patients spending fewer days in the hospital in the last six months of life."

The [AP](#) (6/13) reports, "Researchers aren't sure why Medicare expenditures in LA are so much higher. But some suspect that it may be due to more hospital beds being available and pressure to fill those beds."

Report: New Jersey Medicare Readmissions Rate Declined 7.5%. The [Newark \(NJ\) Star-Ledger](#) (6/13, Livio, 326K) reports that, according to Healthcare Quality Strategies of East Brunswick, "the rate of Medicare patients in New Jersey cycling in and out of hospitals last year declined by 7.5 percent since 2010 — probably because doctors, visiting nurses, nursing homes and social service agencies are working together to prevent unnecessary readmissions." The report indicates that "at the end of 2010, 21.6 percent of hospitalized New Jersey Medicare patients were readmitted 30 days after discharge, but by the end of 2012 the figure had dropped to 19.98 — an improvement of 7.5 percent." Further, researchers revealed that "readmission rates among Medicare patients from Hunterdon, Sussex and Warren counties ranked the lowest, or best, while Hudson, Essex and Salem counties ranked the highest, or worst."

Alabama Providers Criticize Medicare Audit "Onslaught." On its website, [WSFA-TV](#) Montgomery, AL (6/13) reports, "Medical providers who outfit patients with braces, orthotic shoes, electronic wheelchairs, and other devices are facing major Medicare audits." According to providers, "there are legitimate cases of fraud within Medicare, but... this onslaught of needless paperwork is causing pain and suffering for the patient." WSFA-TV adds, "When reached for comment, a Medicare representative responding in writing to explain that the process is part of an effort to recoup losses on previous cases and to lower the error rate."

MEDICAID & CHIP

Republicans Continue To Push Medicaid Per Capita Proposals. [CQ](#) (6/13, Attias, Subscription Publication) reports, "Republicans are continuing to push for a Medicaid overhaul that gives states more leeway to run their programs, but recent proposals have lined up behind a per capita cap approach rather than block grants." House

Energy and Commerce Chairman Fred Upton (R-MI) "released a list of five policy ideas Wednesday that included that concept, based on a blueprint he offered with Senate Finance ranking Republican Orrin G. Hatch of Utah last month." CQ adds that both Upton and Health Subcommittee Chairman Joe Pitts (R-PA) "voiced support for moving forward with the proposals in the blueprint at a hearing by the health panel Wednesday."

Jindal Signs Louisiana Medicaid Transparency Bill. The [New Orleans Times-Picayune](#) (6/13, McGaughy, 130K) reports, "Gov. Bobby Jindal signed a bill into law Tuesday requiring more reporting and increased transparency in two of the state's Medicaid programs, after vetoing similar legislation last year." According to officials, "the new law will require the Department of Health and Hospitals (DHH) to submit an annual report detailing the members, eligibility and claims of Louisiana Medicaid Bayou Health and the Louisiana Behavioral Health Partnership to the Senate and House health and welfare committees every year." Sen. Ronnie Johns (R-Lake Charles), who sponsored the bill, indicated that the bill "will allow for greater transparency into the two programs, which were both privatized in recent years. Johns introduced similar legislation"

The [AP](#) (6/13) reports, "Jindal had said DHH had concerns about providing the data when the programs were just beginning, but not anymore."

Arizona Seeks To Reverse Ruling On Medicaid Funds Ban For Abortions. [Bloomberg News](#) (6/13, Gullo) reports, "Arizona Governor Jan Brewer asked a federal appeals court to uphold a state law barring health care providers who perform abortions from receiving Medicaid funds." Lawyers for the state "are seeking to reverse" U.S. District Judge Neil Wake's "ruling that the law violates federal Medicaid's guarantee that patients can choose their own doctor by excluding otherwise qualified physicians from participation in the state's Medicaid program." Bloomberg adds, "The Arizona law prohibits Medicaid funding for health-care providers who perform abortions except when the pregnancy is the result of rape or incest or threatens the health or life of the mother."

Ninth Circuit Questions Arizona Attorney Over Anti-Abortion Law. The [San Jose Mercury News](#) (6/13, Xavier, 539K) reports that Ninth U.S. Circuit Court of Appeals Judges Marsha Berzon and Jay Bybee "expressed skepticism Wednesday about an Arizona law that disqualified Planned Parenthood and other health providers that perform abortions from receiving public funds for other medical services." During a hearing about the law, the two judges "grilled" attorney Steven Aden, an attorney with the Alliance Defending Freedom, who "argued that Arizona had a broad power to determine that Planned Parenthood, and other

organizations targeted by the law, were not qualified Medicaid providers, allowing the state to withhold from them Medicaid funds." Bybee and Berzon "seemed to take issue with Aden's construction of the state's authority."

HEALTH & MEDICAL NEWS

Deaths Now Outpace Births Among White Americans. Several major newspapers and two wire sources covered a US Census Bureau report that found that the deaths have now exceeded births among non-Hispanic white Americans. Should current trends continue, white Americans will become a minority across the US by mid-century. Changing demographics are expected to affect US politics and government policies.

The [New York Times](#) (6/13, A16, Roberts, Subscription Publication, 1.68M) reports, "Deaths exceeded births among non-Hispanic white Americans for the first time in at least a century, according to new census [data](#), a benchmark that heralds profound demographic change." The data provide "further evidence that white Americans will become a minority nationwide within about three decades."

[USA Today](#) (6/13, Toppo, Overberg, 1.71M) reports, "Between July 2011 and July 2012, an estimated 12,400 more white Americans died than were born, says demographer Kenneth Johnson of the University of New Hampshire's Carsey Institute. As recently as 2010-11, white births outpaced deaths by 29,600. The figures don't include multiracial births."

The [Washington Post](#) (6/13, Morello, Mellnik, 489K) reports that "demographers were surprised by the outsize drop in births compared with deaths, which the Census Bureau projects will begin happening with regularity by 2025." Johnson "said the demographics suggest that many people are deciding whether to have children as if the recession had not ended. Even if fertility rates pick up, he said, there will be just a temporary lull before people born in the 1940s and 1950s start dying in large numbers."

The [Wall Street Journal](#) (6/13, A8, Shah, Subscription Publication, 2.29M) points out that in the future, immigrants and current minorities will drive US population growth, resulting in much greater diversity.

[Bloomberg News](#) (6/13, Bass) reports, "The Census Bureau reported that multiracial Americans were the fastest-growing racial group last year, adding 3.1 percent to climb to a total of 6 million." Meanwhile, "Asians, who were the fastest-growing racial group from 2000 to 2010, were the second fastest-growing racial group last year, with their ranks climbing by 2.9 percent."

The [AP](#) (6/13, 489K) reports how a more diverse America will affect politics. "The imminent tip to a white minority among young children adds a racial dimension to government spending on early-childhood education, such as

President Barack Obama's proposal to significantly expand pre-kindergarten for lower-income families." Already, "the nation's demographic changes are...stirring discussion as to whether some civil rights-era programs, such as affirmative action in college admissions, should be retooled to focus more on income rather than race and ethnicity."

Judge Approves Federal Plan To Broaden Plan B One-Step Access. Coverage continues of the Obama Administration's announcement that it would comply with US District Judge Edward Korman's order to allow women and girls of any age to buy the emergency contraceptive levonorgestrel, commonly known as "Plan B One-Step," over the counter at any pharmacy. In a ruling made yesterday, Judge Korman approved the Administration's plan to broaden access to levonorgestrel, but warned the government that it will face possible sanctions if the plan is not implemented promptly.

The [Wall Street Journal](#) (6/13, Dooren, Subscription Publication, 2.29M) reports that US District Judge Edward Korman is in agreement with a US government plan to make Plan B One-Step (levonorgestrel) available over the counter without prescription for women and girls of all ages.

The [AP](#) (6/13, Hays) reports that in his ruling, Judge Korman made it clear that the government needs to make the emergency contraceptive available "promptly or face potential sanctions." Korman's ruling "came in response to a Department of Justice decision this week to ditch rules barring over-the-counter sales to girls younger than 15 and comply with his April order to make the pills available to buyers of any age." In addition, "the judge gave the go-ahead on a plan to fast-track Food and Drug Administration approval of unrestricted sales of the Plan-B one-pill version of the drug, but not without once again blaming the FDA for bending to 'unjustified political interference' and endlessly clinging to 'legally and scientifically unjustified restrictions.'"

The [Los Angeles Times](#) (6/13, Morin, 692K) "Science Now" blog points out, "The new proposal, however, does not apply to similar brands of emergency contraceptives or to a two-pill version of the same drug, which is manufactured by the Israel-based pharmaceutical firm Teva. Loretta Lynch, US attorney for the Eastern District of New York, wrote in the court papers that other manufacturers could submit approval applications, but the FDA might grant Teva marketing exclusivity." According to the Times, "legal observers expressed puzzlement over the government's failure to include the other drugs in its decision and cited Korman's earlier order to remove restrictions on all levonogestrel-based emergency contraceptives."

The [New York Times](#) (6/13, A15, Belluck, Subscription Publication, 1.68M) reports that Korman "strongly urged the government not to give Plan B One-Step's maker, Teva Pharmaceuticals, market exclusivity, which could affect the availability and cost of generic versions. 'Marketing exclusivity

will only burden poor women,' he wrote, adding, 'It is the plaintiffs, rather than Teva, who are responsible for the outcome of this case, and it is they, and the women who benefited from their efforts, who deserve to be rewarded.'"

[Politico](#) (6/13, Smith, 25K) reports, "The plaintiffs in the suit over access to emergency contraception filed a response Wednesday in which they contend that the government's plan to provide Plan B One-Step over the counter without age restrictions doesn't do enough to comply with" Korman's order. The plaintiffs allege that "the government's plan doesn't go far enough because it only promises to make one type of emergency contraceptive product, Plan B One-Step, over the counter – and not necessarily its competitors, or even another cheaper product from the same company, known simply as Plan B."

[Politico](#) (6/13, Smith, 25K) reports in a separate article that in a statement made last night, Nancy Northrup, CEO and president at the Center for Reproductive Rights, stated, "We will continue our advocacy on all fronts to ensure widespread availability of affordable birth control for all women in the United States and beyond." Also covering the story are [Reuters](#) (6/13, Freifeld, Vaughan) and the [NBC News](#) (6/13, Aleccia) "Vitals" blog.

Commentary Considers Administration's Move. The [Minneapolis Star Tribune](#) (6/13, 335K) editorializes, "This week, the Obama administration said it would drop its objections and comply with a judge's order to allow females of any age to buy emergency contraception without a prescription." The Star Tribune asserts, "It's about time. The feds have stood in the way of this reasonable, research-based alternative for too long."

In an opinion piece in the [Washington Times](#) (6/13, Higgins, 76K), Anna Higgins, director of the Center for Human Dignity at the Family Research Council, writes, "It should be clear that Judge Korman's decision to eliminate parents and doctors from discussions involving a child's sexual behavior and the administration of a serious drug is irresponsible and potentially dangerous." According to Higgins, "Allowing Plan B to be sold over the counter to girls of all ages represents a foolhardy concession to a modern conception of sexual autonomy that jeopardizes their well-being in numerous ways." She concludes, "Congress needs to review Food and Drug Administration policy on over-the-counter drug approval and introduce legislation to protect parental rights on this matter."

House Judiciary Committee Sends 22-Week Abortion Ban To Full House. The [New York Times](#) (6/13, Peters, Subscription Publication, 1.68M) reports a bill to ban "nearly all abortions after the 22nd week of pregnancy" passed the House Judiciary Committee on a party-line 20-12 vote Wednesday. The Times says the "fast track" for the bill is the latest effort in abortion opponents' "new legislative

strategy that aims to focus public attention on the disputed theory that fetuses can feel pain."

[CO Roll Call](#) (6/13, Dumain, Subscription Publication, 19K) says Democrats "pounced" when sponsor Rep. Trent Franks (R-AZ) dismissed exemptions for rape and incest with the "comment that 'the instance of pregnancy resulting from rape is very low.'" And one "moderate Republican," Rep. Charlie Dent, chided the GOP leadership for planning to speed the bill to the floor, saying, "Clearly the economy is on everyone's minds, we're seeing very stagnant job numbers, confidence in the institution of government is eroding and now we're going to have a debate on rape and abortion. The stupidity is simply staggering."

[The Hill](#) (6/13, Viebeck, 21K) reports in its "Healthwatch" blog that Democrats countered that the GOP was perpetuating a "war on women."

Dana Milbank writes in his [Washington Post](#) (6/13, 489K) column, "In all, the nameplates of 23 misters lined both rows on the GOP side; there isn't one Republican woman on the panel."

WPost: Cuccinelli's Criticisms Of Planned Parenthood Not Based In Fact. In an editorial, the [Washington Post](#) (6/13, 489K) says that Virginia's GOP gubernatorial nominee, Ken Cuccinelli, "has written that Planned Parenthood's sex-education programs in the nation's schools are 'a loss leader' for the organization, whose real goal is to hook youngsters into seeking 'abortion on demand.' That conspiratorial view does not align with reality, but it does square with Mr. Cuccinelli's general disdain for any facts that pose an obstacle to his ideological agenda."

White House Approves Executive Actions To Help Gun Safety Efforts. The [New York Times](#) (6/13, A14, Steinhauer, Subscription Publication, 1.68M) reports the White House will go forward with a package of "23 executive actions announced by President Obama earlier this year, is intended to bolster the nation's database used for background checks and make it harder for criminals and people with mental illnesses to get guns." The orders, among other things "relax health care privacy regulations that some state executives say prevent them from putting the names of those Americans with mental health records into the database." It also directs the CDC "to begin research into gun violence, which administration officials and gun control groups say will help make the case for new gun safety regulations." Republicans and the National Rifle Association have criticized the actions.

Plan To Expand Gun Background-Check Database Hits Snag. The [Wall Street Journal](#) (6/13, Palazzolo, Subscription Publication, 2.29M) reports that the Obama Administration's proposal to accelerate the use of mental health records in the national gun background-check database has encountered resistance from medical groups and states. The plan, under which the Department of Health

and Human Services would amend a Federal privacy rule, has been opposed by medical groups who contend the plan is unnecessary and could adversely affect doctor-patient relationships. Groups such as the American Psychiatric Association and the American Medical Association have expressed concerns. HHS spokeswoman Rachel Seeger indicated that the agency will consider the medical groups' positions as it considers what to do next on the issue.

Federal Agencies Reviewing Possible Link Between Diabetes Treatments, Cancer Risk.

The [Wall Street Journal](#) (6/13, Stynes, Subscription Publication, 2.29M) reports Merck on Wednesday [announced](#) its support for the American Diabetes Association's call for an independent safety review on several diabetes treatments, including the company's own therapy, Januvia (sitagliptin). The Whitehouse Station, New Jersey-based pharmaceutical firm also said it would participate in the workshop that the National Institute of Diabetes and Digestive/Kidney Diseases and the National Cancer Institute are conducting on pancreatitis, diabetes and pancreatic cancer. Merck said it would present a data analysis and a safety profile from the Januvia clinical trials at this week's NIDDK-NCI workshop, which began yesterday.

Additionally on Wednesday, [Reuters](#) (6/13, Berkrot) says AstraZeneca and Bristol-Myers Squibb issued a joint [statement](#), voicing their support for the independent review. Their Byetta (exenatide injection) and Novo Nordisk's Victoza (liraglutide [rDNA origin] injection) are among the incretin mimetics being considered at the NIDDK-NCI workshop.

[Bloomberg News](#) (6/13, Edney) explains that a "debate swirled in the medical community in March with talk of unpublished findings," which the Food and Drug Administration "said may show pre-cancerous cellular changes" in patients with type 2 diabetes, who take incretin mimetics; and the FDA is reviewing the data while agency scientists and pharmaceutical companies "sort it out" at the NIDDK-NCI workshop. However, Bloomberg News notes that documents that were handed out to participants at Wednesday's session indicated that some FDA scientists felt the findings did not support the hypothesis of a significant link between the use of incretin mimetics and an increased cancer risk. The scientists "said additional data mining of the agency's adverse event database 'is unlikely to shed more light' and what is needed is 'adequately powered, long-term epidemiological data.'"

Utah Department Of Health Offers Free Health Screenings For Uninsured.

The [Deseret \(UT\) News](#) (6/13, Leonard, 105K) reports on the Utah Department of Health's summer program that provides free health screenings for the uninsured at events around the state. Launched last year, "the intent is to provide appropriate health services for communities that lack access." Volunteers

will help participants find affordable care at low-cost clinics if health problems are discovered through the screening.

Michigan Boy Walking Again After West Nile Virus Caused Paralysis. The [AP](#) (6/12) reports on ten year old Travis Thelen's recovery since becoming infected with West Nile Virus last year, which paralyzed his left leg, and caused issues in his left arm and hand. He was hospitalized and treated with "intravenous immunoglobulin treatments, which stopped the disease's progression." Lingering issues with headaches and dizziness persist, but with physical therapy he is walking and playing sports again.

Clinical Lab Group Challenges FDA's Authority Over LDTs. [Bloomberg BNA](#) (6/13, Weixel) reports that the American Clinical Laboratory Association has "filed a citizen petition challenging the Food and Drug Administration's authority to regulate laboratory developed tests (LDTs) as medical devices." The ACLA is trying to prevent the FDA from making an effort "to regulate such tests, which currently are regulated under the Clinical Laboratory Improvement Amendments (CLIA) by a different agency, the Centers for Medicare & Medicaid Services." Notably, in a "June 2 speech at the American Society of Clinical Oncology's annual meeting in Chicago, FDA Commissioner Margaret A. Hamburg remarked on the need for FDA to ensure the safety of LDTs."

Generic Drug Companies Reach \$2.15 Billion Settlement With Pfizer In Patent Infringement Case. The [Wall Street Journal](#) (6/13, B2, Loftus, Subscription Publication, 2.29M) reports Israel-based Teva Pharmaceutical Industries Ltd. And India-based Sun Pharmaceuticals Ltd. Will pay a combined \$2.15 billion in patent infringement damages to Pfizer Inc. and Takeda Pharmaceutical Co. for selling generic copies of heartburn medication Protonix (pantoprazole) before the drug's patent expired in the US. New York-based Pfizer will see 64% of the total, and Japan's Takeda will take the rest. The settlement is the result of an "at-risk" launch of a generic drug, a technique used by aggressive generic medication manufacturers to get their versions of brand-name drugs to market before patent litigation has ended. After challenging a validity of a patent for a popular drug, generic companies immediately sell their copies upon receiving approval from the FDA and a 30-month delay due to the filing of a patent-infringement lawsuit by the patent holder.

[Bloomberg News](#) (6/13, Pearson, Decker, Voreacos) adds that Teva will pay \$1.6 billion in the settlement, with \$800 split over the next two years. Sun will pay the remaining \$550 million. The companies started to sell generic versions of Protonix "in 2008 only to lose a challenge to a patent on the medicine two years later. Pfizer's Wyeth unit was seeking

\$2.7 billion from Teva and Sun, saying it was entitled to a share of the revenue from those generic versions, as well as compensation for sales it lost to the copycat." The Protonix case "marked a rare instance in which a brand-drug company was seeking compensation for the early release of a copy of its medicines," as many companies prefer "to wait until the patents expire or they get a court ruling that clears the way."

Additionally, the [AP](#) (6/13) reports that a "jury had decided in 2010 that the patent protecting Protonix was valid, and the U.S. District Court for the District of New Jersey then upheld that decision. The companies reached their settlement shortly after the start of a federal trial to determine damages."

[Reuters](#) (6/13, Ail) reports this is the first time generic drug manufacturers paid damages for an "at-risk" launch.

The [Philadelphia \(PA\) Inquirer](#) (6/12, 306K) also covers this story.

GlaxoSmithKline Accused By Whistleblower Of Bribing Chinese Physicians. On the front of its Business Day section, the [Wall Street Journal](#) (6/13, B1, Matthews, Hodgson, Subscription Publication, 2.29M) reports GlaxoSmithKline confirmed it is investigating a tip by a whistleblower that its sales staff in China bribed doctors to prescribe drugs between 2004 and 2010. The anonymous tipster points out the troubles the company and other pharmaceutical companies have selling their products in China because of the state-controlled healthcare system. China also has a history of government patronage and giving gifts. The whistleblower claims Glaxo's China staff gave doctors speaking fees, cash payments, expensive dinners and fancy trips for prescribing the pharmaceutical company's products. A Glaxo spokesperson said the company is aware of the allegations, and said it occasionally reimburses healthcare officials for attending scientific conferences and they are further investigating the claim.

Former Glaxo China R&D Chief Defends Self From Data Manipulation Charges. The [Wall Street Journal](#) (6/13, B2, Whalen, Subscription Publication, 2.29M) reports GlaxoSmithKline PLC's former China R&D chief Jiangwu Zang denied that he was responsible for manipulating data in a scientific paper that helped write. Glaxo did not say who was responsible for the data misrepresentation in a paper published in a 2010 edition of Nature Medicine, but the company did confirm it fired Dr. Zang earlier this week. In a phone interview Wednesday, he said he was not involved in the manipulation, saying he only learned about it after Glaxo began investigating. He accepts some responsibility for the paper, but also says that as the senior author of the paper, he was responsible for outlining the framework, not compiling data. The paper discussed early-stage research in a human protein related to MS and autoimmune diseases. Glaxo also put three other employees on administrative leave pending a review of the report.

Elan Could Lose \$2 Billion By Rejecting Royalty Pharma Takeover Bid. [Bloomberg News](#)

(6/13, Lachapelle) reports Elan Corp. shareholders would lose up to \$2 billion if it decides to concur with Elan's board and reject a hostile takeover bid by Royalty Pharma. "While Royalty Pharma boosted its unsolicited offer to as much as \$15.50 a share this month, at least five analysts covering Dublin-based Elan see the stock falling if that bid disappears, according to data compiled by Bloomberg." The company's shareholders will "vote next week on whether to endorse the sale to Royalty Pharma or back Elan Chief Executive Officer Kelly Martin's strategy of buying drug rights as an independent company." Interestingly, Elan officials said June 10 that other suitors are purchasing the Irish company. According to S&P analyst Steven Silver, the raised offer "should entice some Elan shareholders. It's a fair offer."

Royalty Plans Appeal Of Irish Takeover Panel Decision. [Reuters](#) (6/13) reports Royalty Pharma plans to appeal a decision made last week by Ireland's Takeover Panel that said it was not allowed to revise the terms of its offer to takeover Elan Corp. The offer would become void at the Elan shareholder meeting Monday if it accepts several resolutions for a share buyback or to purchase a drug spin-off that would reduce operating costs. Royalty contends the ruling prevents Elan shareholders an opportunity to consider the bid.

Trebananib, Chemotherapy Combo Lengthens Ovarian Cancer Survival. The [AP](#) (6/13) reports Amgen Inc. [announced](#) Wednesday that its investigational ovarian cancer treatment, trebananib, in combination with paclitaxel, "helped patients live 1.8 months longer without their disease spreading, compared with patients getting placebo" plus paclitaxel, during a Phase IIIa trial comprising 900 study participants. The results released yesterday are from the "first of three" safety and efficacy trials Amgen is conducting on the treatment candidate for recurrent ovarian cancer.

The [Wall Street Journal](#) (6/13, Warner, Subscription Publication, 2.29M) adds that Amgen said the trial results showed the group that was administered trebananib plus paclitaxel lived an additional 7.2 months without ovarian cancer progressing, whereas the progression-free survival (PFS) average for the arm that received a placebo plus paclitaxel was 5.4 months. The difference was considered statistically significant and means the primary end goal for PFS was achieved, the Thousand Oaks, California-based biopharmaceutical company noted. Amgen said it expects to release data on overall survival, the primary secondary endpoint, in 2014.

Also covering the positive, interim trial results are [Reuters](#) (6/13, Humer, Beasley) and the [Boston Business](#)

[Journal](#) (6/13, Resende, Subscription Publication) "BioFlash" blog.

Ustekinumab May Benefit Patients With Psoriatic Arthritis. [Reuters](#) (6/13, Berkrot) reports that, according to data presented at the European League Against Rheumatism meeting, ustekinumab use led to improved psoriatic arthritis symptoms in a Phase 3 study.

Angiography Systems See 13% Cost Increase. [Modern Healthcare](#) (6/13, Lee, Subscription Publication, 71K) reports that the "average cost of angiography systems rose 13% to \$1.3 million in April, in part because of increasing interest in models that are designed for hybrid operating rooms," according to the Modern Healthcare/ECRI Institute Technology Price Index. The index, which "looks at monthly and annual price data for about 30 supply and capital items purchased by hospitals and other healthcare providers," also shows that since April 2012, the "average cost of angiography systems showed a small decline, 0.2%."

Device May Not Help Diabetes Patients Reduce Their Blood Pressure. [Reuters](#) (6/13, Seaman) reports that, according to research published online in JAMA Internal Medicine, the RESPeRATE device, which plays a melody with the intention of slowing the listener's breathing, may not reduce blood pressure in individuals with diabetes. In the study, 24 adults with both diabetes and hypertension used the device for about two months, while 24 other individuals with those conditions used a sham device. Investigators did not find any significant differences in blood pressure between groups.

Consuming Large Amounts Of Soy Sauce Can Be Fatal. [NPR](#) (6/12, Hensley) reported in its "Shots" health blog that consuming a large amount of soy sauce can be fatal. The article explains that even as "there's been quite a debate lately about whether the salt in the modern American diet is risky, there's no question that a massive amount of salt ingested quickly can lead to death." Furthermore, a dosage of salt "ranging from 0.75 grams to 3 grams per kilogram of body weight can kill someone. A tablespoon of salt weighs about 15 grams." The article discussed how a 19-year-old Virginia man barely survived drinking a quart of soy sauce after a doctors at the University of Virginia "opted for rapid treatment with water containing dextrose, a sugar, to dilute the sodium and encourage urination."

Traces Of Long-Banned Chemicals Found In Blood Of Pregnant Women. The [Baltimore Sun](#) (6/12, Wheeler, 184K) "B'MoreGreen" blog reported that "a Johns Hopkins-led research team reports finding traces of long-banned DDT and PCBs along with other contaminants in

the blood of 50 pregnant women checked from Baltimore and its suburbs." Now, "in a study posted online by the Journal of Exposure Science and Environmental Epidemiology, the scientists say they detected more frequent and vigorous fetal movements in the wombs of mothers with higher levels of contaminants."

Investigational Psoriatic Arthritis Treatment Performs Well In Trial. The [Wall Street Journal](#) (6/12, Subscription Publication, 2.29M) reports that, at the European Congress of Rheumatology, Celgene said that its investigational psoriatic arthritis treatment, apremilast, significantly improved patients' symptoms in a Phase-3 trial.

[Reuters](#) (6/13, Berkrot) reports that the drugmaker has already applied for US approval for the medication as a treatment for psoriatic arthritis, and intends to seek approval for apremilast as a psoriasis treatment later in 2013.

Restless Leg Syndrome May Be Linked To Increased Risk Of Early Death In Men. [Reuters](#) (6/13, Pittman) reports that, according to research published online in Neurology, restless leg syndrome (RLS) may be linked to an increased risk of early death in men.

Deinstitutionalization Less Successful In Serving Needs Of People With SMI. Writing in the [Washington Post](#) (6/12, Pollack, 489K) "Wonkblog," Harold Pollack observed, "On the whole, deinstitutionalization" has "improved the lives of millions of Americans living with intellectual and developmental disabilities," but "deinstitutionalization was far less successful in serving the needs of Americans suffering from severe mental illness (SMI)." According to Pollack, too often "people with SMI were...released from inpatient facilities to communities and families that lacked effective supports to properly help them."

New Research Suggests Giving Children Flu Vaccine Priority To Reduce Outbreak. The [National Journal](#) (6/13, Resnick, Subscription Publication, 12K) reports on newly published research that found, "vaccinating schoolchildren and young adults was the optimal strategy for mitigating seasonal influenza due to schoolchildren being most responsible for influenza transmission." Using flu data from Europe, the researchers believe that a kind of herd immunity could be achieved by immunizing children and their parents, saving money and lives.

Researchers Examine How Mice Can Regrow Amputated Fingertips. [NPR](#) (6/12, Doucleff) reported in its "Health" blog that biologists at New York University conducted research about how fingertip regeneration occurs in mice. Physicians have seen this effect in humans without

understanding why. Mayumi Ito of New York University and colleagues believe fingers are like hair as Ito and her team found analogous cells that "produce all the components of your coiffure – the silky strands, its lustrous color and the little shaft that attaches to your head" in mice fingernails. Ito writes that when a mouse's "fingertip" is amputated, "the nail stem cells start to regrow the claw. But they also make a signal that brings the bones and nerves to the wound" which may be responsible for triggering the entire regenerative process.

Researchers Develop Improved Way To Treat Blindness Via Gene Therapy. The [San Francisco Business Times](#) (6/13, Brown, Subscription Publication) reports researchers at Cal-Berkeley have developed a better delivery system for an "engineered virus to the affected tissues in the retina in back of the eyeball" to somewhat successfully treat blindness over the last six years. A problem with the procedure is that it requires "injecting the virus with a needle directly into the retina, and even then the virus wasn't always able to reach the damaged tissues." However, David Schaffer, who directs Cal's stem cell center, "and a team of researchers at Cal and also at the University of Rochester in New York, figured out how to inject the virus into the liquid inside the eye in a quick, non-invasive procedure." The new viral treatment can be accomplished in 15 minutes, and Schaffer believes patients "probably" could go home the same day. The procedure would help those who suffer from retinitis pigmentosa and macular degeneration.

Physicians To Debate Health Problems Of Office Workers Sitting All Day. [Bloomberg News](#) (6/13, Armstrong) reports the American Medical Association said it would "consider whether to recognize the dangers of sitting all day – at work, in the car or at home – at its annual policy meeting" starting June 15 in Chicago. In particular, the proposed "resolution cites a 2006 study of 222,000 Australians that found sitting for more than four hours a day, often at work, caused 6.9 percent of deaths," even after for controlling for such health ailments as obesity and physical activity. Additional research has shown "sitting or being sedentary most of the day can raise the risk of heart disease, obesity, diabetes, cancer and low sperm count in men." Physicians will consider calling for "work breaks, standing work stations, use of isometric balls instead of chairs and other ways of making time spent at a work desk less harmful to long-term health." Some groups, including the American College of Cardiology and the American College of Surgeons, will also push for formally declaring obesity a disease.

Study: Large Sugary Drink Ban Could Help Fight Obesity. [Reuters](#) (6/13, Pittman) reports a study by Columbia University's Mailman School of Public Health found that instituting a cap on soda size would have a large impact

on overweight children and young adults. It also refutes a charge made by those against the measure that it disproportionately affects poor patrons. New York City Mayor Michael Bloomberg and his Administration are currently fighting in court to defend a law that bans the sale of large sugary drinks at specified city locations, such as restaurants, theaters and stadiums. According to city Health Commissioner Dr. Thomas Farley in a statement, "This new study shows that our portion cap rule will likely lead to a decrease in calories consumed, especially among the people who need the help the most, obese and overweight youth." The findings were published in the American Journal of Clinical Nutrition.

Study: Brain Scans May Help Predict Patient's Response To Escitalopram. The [Wall Street Journal](#) (6/13, Wang, Subscription Publication, 2.29M) reports that, according to [research](#) published in the JAMA Psychiatry, brain scans may help predict a patient's response to the antidepressant escitalopram. The research was funded with National Institutes of Health grants. Steven Zalcman, chief of the clinical neuroscience branch in a National Institute of Mental Health division, praised the findings, but said more research was needed.

GLOBAL HEALTH

WHO Recommends Caution, Vigilance Over MERS Spread. The [New York Times](#) (6/12, Morris) "IHT Rendezvous" blog reports on the recent WHO statement on MERS which advised "all countries needed to ensure health workers were aware of the respiratory virus when dealing with unexplained cases of pneumonia." The majority of cases have been confined to Saudi Arabia, leading the US Department of State to urge American Muslims that will be making the Hajj pilgrimage in October to follow developments on the situation through the CDC. The current CDC advisory recommends travelers to countries in or near the Arabian Peninsula see a doctor immediately if they experience lower respiratory illness and fever.

Physician Stresses Importance Of Studying Emerging Diseases In Wake Of MERS. In an op-ed appearing in the [Huffington Post](#) (6/13, Karesh), Dr. William Karesh writes, "If we only focus public health on the issues of obesity, heart disease and cancer during the periods between outbreaks, and ignore the fact that roughly a billion people are infected with some type of zoonotic disease every year, not to mention that five or so new infectious diseases emerge annually, then yes, being surprised and unprepared is completely understandable." He concludes, "Being surprised or ill-prepared is no longer acceptable and we no longer need to wait until human-to-human transmission of these diseases in a hospital setting sends everyone into panic."

UK To Regulate E-Cigarettes As Medications.

An announcement by a UK regulatory body that electronic cigarettes would be regulated as medication was covered by several major media outlets, with all of the domestic sources also mentioning that big tobacco firms are racing to cash in on the increasingly lucrative e-cig market.

The [AP](#) (6/13, Cheng, Felberbaum) reports that the UK's Medicines and Healthcare Products Regulatory Agency [announced](#) Wednesday that it would "start regulating electronic cigarettes and other products containing nicotine" as medications, "so that people using these products have the confidence they are safe, are of the right quality and work." In an effort to provide the manufacturers with ample "time to ensure their products comply with all standards for medicines," the UK regulator is not requiring that "e-cigarettes and other nicotine products" in the UK be licensed as medications until 2016. The MHRA said e-cigarettes "aren't recommended for use until then, but it won't ban them entirely."

[Bloomberg News](#) (6/13, Kitamura) reports MHRA Group Manager of Vigilance and Risk Management of Medicines Jeremy Mean explained that under the new law, manufacturers would be required to submit data to the agency on the "quality of their products, on how they deliver nicotine to the body and on how they compare with existing nicotine-replacement products." The results of studies the MHRA commissioned showed "that 'nicotine levels can be considerably different from the level stated on the label,' Mean told reporters" during a press conference to announce the regulatory move in London yesterday. However, the MHRA will not be evaluating the efficacy of the products in terms of smoking cessation, Mean added.

The [Daily Telegraph \(UK\)](#) (6/13, Marsden, Hawkes, 871K) adds that although e-cigarettes will be considered medical devices when the legislation goes into effect, they will "not be prescribed on a widespread basis across" the National Health System unless the National Institute for Health and Clinical Excellence "backs their use over" other smoking-cessation treatments.

In the US, the [Los Angeles Times](#) (6/13, Li, 692K) "Money & Co." blog notes that the Food and Drug Administration "announced in 2011 that it would regulate e-cigarettes as tobacco products" and is planning to "assert regulatory authority over the fast-growing category in the near future." The blog also points out that the MHRA announcement "comes just a day after tobacco giant Altria Group Inc. officially announced that it was launching its first electronic cigarette," joining big tobacco companies, such as "Lorillard Inc. that have already ventured into electronic cigarettes as their traditional market has been squeezed by health concerns, tighter smoking bans and rising taxes."

On the front of its Business Day section, the [New York Times](#) (6/13, B1, Alderman, Subscription Publication, 1.68M)

notes that at present, the FDA's "tobacco regulations apply to cigarettes, tobacco and smokeless tobacco." However, FDA spokesperson Stephanie Yao "said the agency was preparing to release for public comment a proposed rule to regulate additional categories of tobacco products."

Also covering the pending e-cigarette regulations are [Reuters](#) (6/13, Hirschler), [BBC News](#) (6/13, Briggs) and the [Daily Mail \(UK\)](#) (6/13, Hope).

New Jersey Manufacturers Discuss E-Cig Competition. The [Bergen \(NJ\) Record](#) (6/13, Verdon) provides excerpts of interviews it conducted with executives at tobacco companies based in New Jersey, in regards to the growing competition in the e-cigarettes industry. For example, Clifton-based Eonsmoke CEO Micheal Tolmach, "like other New Jersey e-cigarette executives, said his company's sales are growing so robustly that he isn't worried about future competition."

Unsanitary Conditions To Blame For Global Malnutrition. [Bloomberg News](#) (6/13, Narayan) reports on the global plague of malnutrition, specifically how scientists "increasingly suspect that constant exposure to bacteria, virus and parasite-laden fecal contaminants may be frustrating attempts to end malnutrition." Furthermore, according to the United Nations Children's Fund, a quarter of children in developing countries are underweight. Malnutrition is also responsible for the deaths of 2 million children each year. Clarissa Brocklehurst, Unicef's former chief of water, sanitation and hygiene, said that healthcare workers cannot "address stunting unless you clean up the sanitary environment." Additionally, researchers have noted the "link between nutrient malabsorption and environmental pathogens since at least the 1960s, when Peace Corps volunteers returning from India and Pakistan reported weight loss, diarrhea and abnormal vitamin absorption." Researchers are currently testing urine and stool samples from children for signs of infection and comparing them against their weight and height records.

Low Fertility Rates Present IVF Market Opportunities In Asia. [Reuters](#) (6/13, Wardell, Range) profiles the growing number of in-vitro fertilization treatments and services available on the Asian market. Experts attribute the low fertility rate average in countries such as Japan, Singapore and South Korea, which is less than 1.5 births per woman, to the tendency in those countries to postpone giving birth.

NATIONAL NEWS

NSA Director: Data-Monitoring Programs Have Thwarted "Dozens" Of Terrorist Plots. The volume of coverage of the controversy generated by Edward

Snowden's leaks about the scope of the NSA's antiterrorism surveillance continues to drop from where it was at the beginning of the week. For the first time since before Snowden's revelations were made public last week, none of the three network newscasts Wednesday evening led with the story, though each devoted a segment covering both updates on Snowden and NSA Director Alexander's defense of his agency at a Senate hearing Wednesday.

The [AP](#) (6/12, Cassata, Cass) reports that in an appearance before the Senate Appropriations Committee Wednesday, Alexander "vigorously defended once-secret surveillance programs as an effective tool in keeping America safe" that have "disrupted dozens of terrorist attacks without offering details." The AP says that "in plain-spoken, measured tones," Alexander "answered senators' questions" and "promised to provide additional information to the Senate Intelligence Committee in closed session on Thursday."

Lester Holt, on [NBC Nightly News](#) (6/12, story 3, 2:50, 7.86M), said Alexander had "made a pretty strong defense of those vast surveillance programs," and Andrea Mitchell reported that Alexander was "claiming" that the NSA has "disrupted far more plots than previously known." Alexander was shown saying, "It's dozens of terrorist events that these have helped prevent." However, Mitchell added that Alexander was also "hammered about Snowden and the extent of NSA surveillance."

Bob Orr, reporting for the [CBS Evening News](#) (6/12, story 3, 2:20, Pelley, 5.58M), said Alexander "defended the collection of telephone and internet data, saying he's trying to protect Americans" and that "the two classified programs recently revealed by leaks are essential for US security." CBS showed the same clip NBC did of Alexander referring to "dozens" of thwarted terrorist plots.

On [ABC World News](#) (6/12, story 3, 2:20, Sawyer, 7.43M), correspondent Brian Ross reported that Alexander said Snowden "has already hurt the US," and that he was "stunned that a 29-year-old analyst who dropped out of high school...could have access to so many top secret documents." Alexander was shown saying, "Great harm has already been done; by opening this up, our security is jeopardized."

[USA Today](#) (6/13, Michaels, 1.71M) reports that Alexander testified that "what we're doing to protect American citizens here is the right thing," and "we aren't trying to hide it." According to Alexander, the NSA's "programs have led to the disruption of 'dozens' of terrorist plots." USA Today adds that Alexander also said that he "favors providing more transparency so the public can learn more about the programs."

Several reports this morning note the seemingly contradictory polling on the public's view of the NSA's activities, as well as the unusual political alignments on the issue of Federal anti-terrorism surveillance. The [New York Times](#) (6/13, Sanger, Savage, Schmidt, Subscription

Publication, 1.68M) reports that “judging by two polls with differently worded questions that yielded different results” the public is “divided over the government’s tracking of the communications of Americans.” The Times notes that in a [Pew Research Center/Washington Post poll](#) “conducted June 6-9,” 56% said the NSA’s “program tracking the phone records of ‘millions of Americans’ was...an acceptable way to investigate terrorism,” and 41% “said it was unacceptable.” However, a [CBS News poll](#) “conducted June 9-10” that “asked about collecting phone records of ‘ordinary Americans,’ found that just 38 percent supported it and 58 percent opposed it.”

On [Fox News’ Special Report](#) (6/13), Ed Henry reported that a new [Fox News poll](#) “shows nearly two-thirds of the country believes the surveillance programs are unacceptable and invade privacy.” Henry added that the “mistrust of government may have only been fueled by misleading answer that James Clapper, the director of national intelligence, gave back in March” about the NSA’s data-monitoring capabilities. Chris Hayes, in his opening monologue for [MSNBC’s All In](#) (6/12), said Clapper’s testimony in March “looks really, really, really bad given what we all know now.” Hayes showed Clapper denying that the NSA collects “any type of data at all on millions or hundreds of millions of Americans?” Larry Kudlow, on [CNBC’s Kudlow Report](#) (6/12), said of Clapper that it “looks like he lied before a congressional committee.”

On [Fox News’ O’Reilly Factor](#) (6/12), Bill O’Reilly, who has said repeatedly that he thinks the NSA’s collection of emails is definitely unconstitutional, said “it used to be that liberal Americans strongly protested to the government snooping.” O’Reilly then showed a 2006 clip of Vice President Biden saying, “If I know every single phone call you made, I’m able to determine every single person you talk to, I can get a pattern about your life that is very, very intrusive. And the real question here is what do they do with this information that they collect that does not have anything to do with Al Qaeda?” O’Reilly added, “It’s very interesting to see liberals battling liberals, and conservatives versus conservatives on the snooping situation,” which is “one issue that has crossed party lines big time.”

In an interview on [CNBC’s Kudlow Report](#) (6/12), Sen. Lindsay Graham discussed why he disagrees with Sen. Rand Paul’s claim that the NSA is violating the Fourth Amendment. Graham said, “The government cannot monitor the content of your phone call unless a Federal judge authorizes it, and the people who are tracking the terrorists have to prove a connection between your phone number and a known terrorist’s phone number.”

Charles Babington, in an analysis for the [AP](#) (6/12) titled “NSA Debate Pits Far Left, Right Against The Middle,” says the revelations about the NSA’s activities have “reinvigorated an odd-couple political alliance of the far left and right,” but Babington adds that the “unlikely coalition” is

up against “solid majorities of Americans and their elected representatives appear to support the chief elements of the government’s secret data-gathering.” Babington goes on to write that the NSA controversy “may test libertarianism’s clout within the Republican Party,” and notes that “some tea party-backed senators...are moving cautiously on the NSA matter,” including Sen. Ted Cruz.

E.J. Dionne, in his column for the [Washington Post](#) (6/13, Dionne, 489K), argues that “the fact that some people in each of our political parties have switched sides on these questions is actually an opportunity” because that allows us to “have a debate on the merits, liberated from the worst aspects of partisanship.” The [AP](#) (6/13, Lederman, Peoples) notes that President Obama traveled to Massachusetts to campaign for Rep. Ed Markey (D-MA) in the special Senate election although Markey has “criticized the government’s massive collection of personal phone and Internet records, even as Obama defended the practice.”

The [Wall Street Journal](#) (6/13, Hughes, Subscription Publication, 2.29M) under the headline “NSA Director Says Programs Key To Stopping Attacks,” reports that on Wednesday, Alexander said, “We need to bring as many facts as we can out to the American people,” before adding, “We want to tell you what we’re doing...but I don’t want to jeopardize the security of our country or our allies.” But Sen. Mike Johanns told Alexander that Americans are “fearful that in this massive amount of data that you get that there is the ability of the federal government to synthesize that data and learn something more than maybe what was ever contemplated by the Patriot Act.” [Fox News’ Special Report](#) (6/12) featured that same comment from Johanns.

The [Washington Post](#) (6/13, Markon, Nakashima, 489K), in an article titled “NSA Director Says Surveillance Programs Thwarted ‘Dozens’ Of Attacks,” says Alexander “vowed to quickly make public records that show the success of the phone program in preventing attacks.” Alexander is quoted as saying, “I don’t have those figures today,” but “over the next week it will be our intent to get those figures out...I want the American people to know we’re being transparent here.”

[USA Today](#) (6/13, Madhani, Jackson, 1.71M) notes that Senate Intelligence Chair Dianne Feinstein has said that the PRISM, the NSA’s “Internet surveillance program” proved “helpful in catching Afghan-American Najibullah Zazi, who pleaded guilty in the 2009 plot to bomb the New York City subway.” And the [Washington Post](#) (6/13, Yang, 489K) reports that on Wednesday, Alexander “said the PRISM program was critical to developing the key lead in the Zazi case.”

However, according to [Politico](#) (6/13, Gerstein, Everett, 25K), “the longer the NSA director spoke...the less clear it became just which surveillance programs he was crediting for those successes.” Politico reported that when asked “about call-tracking surveillance conducted under Patriot Act Section

215," Alexander replied that it's "difficult to segregate information obtained under that provision from another practice disclosed by leak last week: a system that gathers bulk data from internet providers, e-mail services and social media sites." Alexander said, "These authorities complement each other. The reality is, they work together." Politico also reported that Alexander "made it clear there were limits to the NSA's surveillance," and when asked if the NSA can "tap into all Americans' phone calls and electronic communications," he answered, "I know of no way to do that."

According to the [Los Angeles Times](#) (6/13, Dilanian, 692K), Alexander testified that "only a few" intelligence reports a year are based on US phone records – "a handful" – and "downplayed any privacy risk from the NSA's requests for telephony metadata."

[McClatchy](#) (6/13, Lightman) reports that Sen. Barbara Mikulski, the panel's chair, "tried to discourage questions about the controversy" during Wednesday's hearing, which was "supposed to be the cybersecurity budget," but she "couldn't keep her colleagues from dwelling on the subject." McClatchy notes that Senate Majority Whip Durbin asked Alexander how Snowden had "such access...at such a young age, with a limited educational and work experience." Responding to Durbin's question, Alexander said, "I have grave concerns over that, the access that he had, the process that we did." [The Hill](#) (6/13, Sink, 21K) reported that Alexander told the senators that the NSA needs "to look again at access and its hiring processes."

[Politico](#) (6/13, Byers, 25K) reports that in prepared testimony for a Thursday House Judiciary Committee hearing, FBI director Mueller "doesn't address the [NSA] programs directly," but does say "we will be judged not only by our ability to keep Americans safe from crime and terrorism, but also by whether we safeguard the liberties for which we are fighting and maintain the trust of the American people."

John Yoo, who served in the Justice Department during the Bush Administration, in an op-ed for [USA Today](#) (6/13, 1.71M), argues that neither "telephone call records" nor "foreigners' e-mails abroad" are "protected by the Fourth Amendment."

The [Washington Times](#) (6/13, Scarborough, 76K) reports that former Rep. Peter Hoekstra (R-MI), who served as chairman of the House Permanent Select Committee on Intelligence, is "one of several Republicans who are defending President Obama's reliance on Internet and telephone surveillance, such as Prism, to keep up with a cunning enemy." Hoekstra is quoted as saying, "On some of this stuff, this is really Bush on steroids. As a senator, Obama became a very harsh critic. He became president, and he took what I thought was an effective tool and put it on steroids."

[Politico](#) (6/13, Elliott, 25K) notes that Gen. Michael Hayden, who served as the director of the NSA during the

Bush Administration, has also "praised the Obama administration's transparency regarding the NSA's surveillance of phone records." In an appearance on CNN, Hayden said, "The Obama administration was more transparent .. than we were in the Bush administration. They made this metadata collection activity available to all the members of Congress, not just all the members of the intelligence committees." On the other hand, in an editorial, [USA Today](#) (6/13, 1.71M) says the Administration "has worked to keep citizens in the dark for four-and-a-half years."

Gallup: Only 37% Approve Of Stockpiling Communications Data. The [Los Angeles Times](#) (6/13, Little, 692K) reports that a new Gallup poll finds that 53% "disagree with federal efforts to 'compile telephone call logs and Internet communications,'" while 37% "approved." The Times says that "differs from findings of a Pew Research Center/Washington Post survey released Monday, which found that 56% of Americans believe the NSA's use of secret court orders in an effort to prevent terrorism was acceptable."

The [Christian Science Monitor](#) (6/13, Feldmann, 47K) noted that YouGov poll also released Wednesday "found that 59 percent disapprove of the programs, and only 35 percent approve."

Snowden Alleges That US Hacks Chinese Computers. On [NBC Nightly News](#) (6/12, story 3, 2:50, 7.86M), Andrea Mitchell reported that while "hiding," in Hong Kong, Snowden "leveled new charges...telling the [South China Morning Post](#) that US has been hacking China's computers for years."

Correspondent Bob Orr, on the [CBS Evening News](#) (6/12, story 3, 2:20, Pelley, 5.58M), said that while the US "has accused China of relentless cyber-attacks," Snowden "accused the US of doing the same thing with major hacking operations against hundreds of targets in China and Hong Kong."

The [New York Times](#) (6/13, Bradsher, Subscription Publication, 1.68M) reports that in the SCMP interview, Snowden said he "planned to stay in [Hong Kong] and fight extradition." The Times notes that Snowden said, "People who think I made a mistake in picking Hong Kong as a location misunderstand my intentions. I am not here to hide from justice; I am here to reveal criminality." Regarding the alleged US cyberattacks, Snowden said, "We hack network backbones – like huge Internet routers, basically – that give us access to the communications of hundreds of thousands of computers without having to hack every single one." The Times goes on to report that an anonymous source "with knowledge of the Hong Kong government's work on the case" says Hong Kong "government lawyers, working with United States government lawyers, had identified several dozen offenses with which Mr. Snowden could be charged under Hong Kong and American laws."

The [AP](#) (6/12, Cass, Dozier) reports that Hayden said Snowden's claim to have "had the authority to wiretap

anyone, from you or your accountant to a federal judge to even the president" is "absurd legally and technologically." And former NSA Inspector General Joel Brenner also says, "I do not believe his statement." However, according to the AP, Brenner did acknowledge that Snowden "appears to have had extraordinary access to things he should not have." [Politico](#) (6/13, Friess, 25K) says "the fact that as many as a half-million people have Snowden's government access level has raised eyebrows this week."

David Ignatius, in his column for the [Washington Post](#) (6/13, 489K), says the US "went security-mad after Sept. 11, 2001, in ways that harmed the country," but, according to Ignatius, "these excesses led Congress to restructure surveillance programs so that they were lawful and controlled." Ignatius adds that it is those "lawful programs" that Snowden "unilaterally disclosed."

White House Considering Google's Request For Additional Disclosure. [The Hill](#) (6/13, Martinez, 21K) reported that on Wednesday, White House Press Secretary Jay Carney "confirmed...that White House officials had seen the statements issued by Google, Facebook and other major tech companies" calling on the Administration "to let them disclose details about national security requests for users' data." According to The Hill, the companies want to "restore consumer confidence in their handling and protection of users' personal data." Carney is quoted as saying, "We have seen the letters from Google and other companies and understand that they have questions about how we can best talk about these programs moving forward."

The [Washington Post](#) (6/13, 489K), in an editorial, urges the Administration to "allow Google and other tech firms to say a little more about their relationship with the government."

EU Commissioner Asks Holder For More Information On PRISM. [Bloomberg News](#) (6/12, Pettersson) reports that EU commissioner Viviane Reding has requested from Attorney General Holder "more information on the US surveillance program Prism" in a letter in which she says she has "serious concerns about reports that the US is accessing and processing data of EU citizens."

Deficit Up In May, But Still On Track To Be Smallest In Five Years. [Bloomberg News](#) (6/13, Louis) reports the Treasury Department said Wednesday that the Federal budget deficit was 10% larger in May than it was in the same month in 2012. Last month, "outlays exceeded receipts by \$138.7 billion last month compared with a \$124.6 billion shortfall" a year earlier. However, the Congressional Budget Office said the deficit would be \$4 billion smaller in May "were it not for shifts in the timing of payments compared with May 2012."

The [Wall Street Journal](#) (6/13, Sparshott, 2.29M) says in a more positive report that the government is on track to post its smallest full-year deficit in five years. The deficit for

the first eight months of the current fiscal year is down 26% from the first eight months of the most recent fiscal year.

House Appropriations Committee Passes \$512.5 Billion Pentagon Spending Bill. [The Hill](#) (6/13, Herb, 21K) reports the House Appropriations Committee has passed a \$512.5 billion Pentagon spending bill "over objections from Democrats who complained the measure ignored spending caps under sequestration." The \$85.8 billion allocated for Afghanistan is \$5 billion more than the Defense Department requested.

"Little Action" On Obama's Waste-Cutting Campaign Over Past Year. The [Washington Times](#) (6/13, Dinan, 76K) reports the Obama Administration is "only about halfway" to meeting President Obama's June 2011 goal of cutting the number of Federal websites in half – a goal intended to be met by June 2012. The Times says two years after that vow was included in the President's Campaign to Cut Waste, the "campaign has posted a mixed record," with a Congressional Research Service analysis requested by Sen. Tom Coburn concluding that "little action has been taken over the past year."

Obama Administration Suspending Presidential Rank Awards This Year. The [Washington Post](#) (6/13, Rein, 489K) reports the Obama Administration has suspended the Presidential Rank Awards, which award bonuses "to senior government executives for prestigious work," for one year due to budgetary concerns. The awards were established by Congress in 1978 and range between 20% and 35% of a senior executive's salary.

Wessel Pans USPS As An Investment. David Wessel writes in his [Wall Street Journal](#) (6/13, Subscription Publication, 2.29M) that few people would invest in a business that has lost 25% of sales volume over a decade and 13% of revenues in the past five years, but taxpayers are forced to put money into the US Postal Service, which is hobbled by prohibitions on price-setting and changes to its employee healthcare plan. Wessel says the USPS has more facilities and employees than it needs for the electronic age, and at the same time is in decline because of those same electronic innovations.

Border Security Emerges As Key Issue In Senate Immigration Debate. The [Christian Science Monitor](#) (6/13, Grant, 47K) reports members of the Senate "Gang of Eight" are hoping to win at least 70 votes for their bipartisan immigration reform bill, believing that number "will show an abundance of support within the Republican caucus and will get the attention of fellow Republicans in the House." Republican Sen. Jeff Flake said, "We can pass this out with 60, 61, 62, but that doesn't do us much good in the House."

The Monitor says "a key test" of the bill will come in the form of an amendment introduced by Sen. John Cornyn on Wednesday that would require stronger border security before a "pathway to citizenship" would be opened.

[Politico](#) (6/13, Everett, 25K) reports Cornyn and other Republicans have said they might support the bill "if it includes a hard 'trigger' of ensuring stronger border security metrics are in place" before the citizenship measures are enacted, but Senate Majority Leader Reid said any bill the Senate passes "cannot include unreasonable thresholds for immigrants to seek citizenship." The [Washington Times](#) (6/13, Dinan, 76K) says Reid called Cornyn's amendment "a 'poison pill' that he said would scuttle the bill."

The [New York Times](#) (6/13, Preston, Parker, Subscription Publication, 1.68M) says border security is emerging "as a focal point" in the debate, with senators on both sides agreeing that stronger measures must be added to the bill to reach the high vote total sought by its supporters.

Supporters Of Reform Spending Three Times As Much As Foes On Television Spots. [USA Today](#) (6/13, Page, 1.71M) says supporters of immigration reform "say the political winds are at their back – not to mention the airwaves. An analysis of TV advertising nationwide this year by Kantar Media finds supporters of the sweeping bill outspending opponents by more than 3-1."

Immigration Issue Tests Possible 2016 GOP Presidential Candidates. The [Washington Post](#) (6/13, Nakamura, 489K) looks at how the immigration issue is testing Republicans after the party performed poorly among Latinos in 2012, writing that potential candidates for the 2016 GOP presidential nomination "are staking out positions that would be considered moderate, or even liberal," compared with Mitt Romney's "endorsement of self-deportation for people in the country illegally."

More Commentary. In her [Washington Post](#) (6/13, 489K) column, Esther Cepeda writes, "My Mexican mother and Ecuadorean father taught me that it's rude to speak Spanish in front of those who can't understand it. In their own home they rarely, if ever, speak Spanish in front of my husband and children who speak only English. They just consider it good manners. ... If you're bilingual, it won't kill you to speak English around English-only speakers. And who knows, the small kindness of not excluding others might even make life for all Latinos in this country a little better."

The [New York Times](#) (6/13, Subscription Publication, 1.68M) runs an op-ed by Aracely Cruz, "an undocumented immigrant," who "told this story to staff members at Make the Road New York, an immigrants' rights organization, which translated it from the Spanish." Cruz recounts the deportation of her husband to Mexico after six months in detention, which has separated him from his wife and children. Cruz says the Senate immigration bill "would give fathers like Jose the opportunity to reunite with their families and give us both a path to citizenship."

Republicans Investigating Allegations That IRS Seized 60 Million Medical Records. The [Daily Caller](#) (6/12, May) reports House Energy and Commerce Committee Republicans are investigating allegations that the IRS seized 60 million medical records from an unnamed California healthcare provider. In a letter to Acting IRS Commissioner Daniel Werfel, the committee members say the IRS "improperly seized the personal medical records of millions of American citizens in possible violation of the Fourth Amendment."

Cummings Clarifies Remark That IRS Scandal Is "Solved." [Politico](#) (6/13, Bade, 25K) reports House Oversight and Government Reform Committee ranking Democrat Rep. Elijah Cummings "is backing away from his assertion that the investigation into the IRS scandal is 'solved' and says he still wants to work with Republicans on the probe." Cummings said on CNN's State Of The Union Sunday that "the case is solved and if it were up to me, I would wrap this case up and move on." Chairman Darrell Issa criticized that remark on Tuesday, and on Wednesday, Cummings said the investigation is not over: "The witch hunt needs to end. What I meant was the witch hunt."

Duncan Questions IRS Training With Semi-Automatic Weapons. [Politico](#) (6/13, Kopan, 25K) reports House Homeland Security Oversight Subcommittee Chairman Rep. Jeff Duncan (R-SC) is questioning why IRS agents are training with semi-automatic weapons. Duncan "acknowledges that the IRS has an enforcement division," but "questions if that level of firepower is appropriate when they could coordinate operations with other agencies, like the FBI, especially in a time of austerity." The IRS defended the training of IRS Criminal Investigation Special Agents as appropriate to their work.

More Commentary. George Will writes in his [Washington Post](#) (6/13, 489K) column that former IRS Exempt Organizations Division chief Lois Lerner "is one among thousands like her who infest the regulatory state. She is not just a bureaucratic bully and a slithering partisan. Now she also is a national security problem because she is contributing to a comprehensive distrust of government. ... Government requires trust. Government by progressives, however, demands such inordinate amounts of trust that the demand itself should provoke distrust."

Vilsack Urges House Democrats To Back Farm Bill With Food Stamps Cuts. [Politico](#) (6/13, Rogers, 25K) reports that on Wednesday, Agriculture Secretary Vilsack urged House Democrats to allow the House farm bill to "move forward" because the "controversial \$20 billion cut in food stamps" currently in the bill is "certain to be reduced in final talks with the Senate and White House." Vilsack is quoted as saying, "A \$20 billion reduction...is unacceptable, and I think at the end of the day, that is not what is going to

be in the bill, but at this point in time, we just want to get the bill through the House.” According to Politico, “angry liberals are pressing for a special Democratic caucus on the farm bill,” while House Speaker Boehner “now is prepared to put aside his own reservations and back the bill.”

[The Hill](#) (6/13, Wasson, Hooper, 21K) reports that on Wednesday, Boehner said, “Doing nothing means we get no changes in the nutrition programs, and as a result, I’m going to vote for a farm bill to make sure that the good work of the Agriculture Committee...gets to a conference.” Nevertheless, according to The Hill, Boehner’s conference is “divided on the farm bill,” since “rural Republicans want to see the five-year farm subsidy measure enacted,” but “fiscal conservatives” back “deeper cuts from...from payments to producers.”

Senate Panel Rejects Gillibrand’s Military Sexual Assault Plan. The [AP](#) (6/12, Lardner, Cassata) reports that on Wednesday, the Senate Armed Services Committee sided “with the Pentagon’s top brass” and “approved legislation...to keep commanders involved in deciding whether to prosecute sexual assault cases.” The Senate panel rejected Sen. Kirsten Gillibrand’s proposal to “remove commanders from the process of deciding whether serious crimes, including sexual misconduct cases, go to trial.”

On the [CBS Evening News](#) (6/12, story 5, 2:20, Pelley, 5.58M), Nancy Cordes noted that on Tuesday, Gillibrand’s “plan to tackle military sexual assaults passed a subcommittee with bipartisan support,” but on Wednesday, “her fellow Democrat, Carl Levin, used his power as chair of the Armed Services Committee to replace Gillibrand’s plan with his own,” which “would leave commanders in charge of sexual assault cases but with more oversight from the military’s top brass.” Cordes added that Levin’s plan is “favored by” Defense Secretary Hagel, who was shown saying, “We need to change some things. We can do some things much better – we have to. But I think we’ve got to be very careful when we talk about taking the command structure out of this process.”

Kelly O’Donnell, on [NBC Nightly News](#) (6/12, story 6, 2:20, Holt, 7.86M), said Gillibrand “took on the old guard,” but “failed.” Hagel was shown saying, “I don’t personally believe that you can eliminate the command structure and the military from this process.”

[CQ Roll Call](#) (6/13, Shiner, Subscription Publication, 19K) says Gillibrand “watched as fellow Democrats stripped the annual defense authorization bill of her legislation,” and sided with Levin in “authorizing more modest changes to address the epidemic of sexual misconduct in the military.” Afterwards, Gillibrand released a statement reading: “I am deeply disappointed the voices of the victims of sexual assault have been drowned out by the military leaders who have failed to combat this crisis.”

[Politico](#) (6/13, Summers, 25K) reports that a new Washington Post/Pew Research Center poll found that when asked “whether lawmakers should pass legislation to address the growing number of sexual assaults in the armed forces or if Congress should allow military leaders to address the issue internally,” 45% “said lawmakers should tackle the problem legislatively, while 44 percent said top military leaders should address it.” Politico notes that 57% of Republicans polled “said it would be better for military leaders to handle the problem within the armed forces,” while 58% of Democrats “said it would be better for Congress to change U.S. law.”

The [New York Times](#) (6/13, Subscription Publication, 1.68M), in an editorial, criticizes Levin for “killing the most promising corrective on the table,” and adds that “it is distressing that two decades of scandals could not persuade” Levin to “budge from his decision to support the military brass.”

Student Loan Fix Talks Reportedly Stalled In Senate. [Politico](#) (6/13, Romano, 25K) reports that on Tuesday, Education Secretary Duncan said he thinks Congress is “moving toward a deal to prevent interest rates on college loans from automatically doubling on July 1,” but on Wednesday, “a half dozen Hill sources...countered that Democrats and Republicans are still far apart” and “no serious negotiations about a temporary extension of the current rates are occurring.” According to Politico, Republicans in the Senate contend that “their plan is more in sync with the president’s, and complain that the hold up is coming from Senate Democrats,” who “are pushing for a two-year extension of the current 3.4 percent rate in order to reassess student loan programs in the long-term.”

US Oil Output Boomed In 2012. The [Wall Street Journal](#) (6/12, Johnson, Subscription Publication, 2.29M) reports the US posted the largest increase in oil production in the world in 2012, and the largest increase in US history. Production was up 14% to 8.9 million barrels per day. The increase of 1.04 million barrels per day significantly outpaced the biggest earlier single-year increase of 640,000 barrels per day in 1967.

Traders Routinely Pay For Early Peek At Economic Data. On its front page, the [Wall Street Journal](#) (6/13, A1, Mullins, Rothfeld, McGinty, Strasburg, Subscription Publication, 2.29M) reports that in a practice little known to many even within the industry, private entities routinely sell early access to market-moving economic reports. While the releases of governmental reports are tightly controlled, others – in what some call a blind spot in US securities law – fall under very few rules, making the practice legal. For high-speed traders, the access to information even a few seconds before the wider market can provide a crucial edge – sparking calls to curb the practice.

Dow Falls Nearly 127 Points. The [Wall Street Journal](#) (6/13, Scaggs, Subscription Publication, 2.29M) reports the Dow Jones Industrial Average closed down 126.79 points Wednesday at 14,995.23, while the S&P 500 was down 13.61 to 1,612.52, and the Nasdaq down 36.52 to 3,400.43.

Liberal Center For American Progress To Release Detailed Economic Agenda. The [Washington Post](#) (6/13, Tankersley, 489K) reports the Center for American Progress will release a 250-page report "aimed at recharging the U.S. economy through a barrage of education, trade and other policies meant to boost beleaguered middle-class workers" on Thursday. The report from the liberal think tank is rooted in "the notion that economies grow and thrive best when prosperity is broadly shared," and includes proposals from higher taxes, particularly on financial transactions and dividends and capital gains, as well as to make unionization easier. The Post says "much of the plan is likely to be a conversation stopper for Republicans."

Bank Repossession Of Homes Up In May. [USA Today](#) (6/13, Schmit, 1.71M) reports bank repossessions of homes were up 11% last month and increased in 33 states. Repossessions, which come at the end of the often-lengthy foreclosure process, numbered almost 39,000 in May, even though May foreclosures were down 33% from one year earlier.

Federal Regulators Intensify Scrutiny Of Commercial Loans. The [Wall Street Journal](#) (6/13, Raice, Crittenden, Subscription Publication, 2.29M) reports that the Office of the Comptroller of the Currency, the FDIC and the Federal Reserve are all intensifying their scrutiny of banks' commercial lending as the volume of such loans returns to 2008 levels, up 28% since 2011. OCC spokeswoman Stephanie Collins is quoted as saying, "While some loosening of underwriting standards is generally appropriate given the strong tightening and pullback that occurred in the aftermath of the financial crisis, we do not want to see the lax practices re-emerge that led to the crisis."

House Derivatives Bill Criticized. Alexis Goldstein, identified as an "Occupy Wall Street activist," in an op-ed for the [Washington Post](#) (6/13, Goldstein, 489K), criticizes the Swaps Jurisdiction Certainty Act, a House bill with bipartisan support that Goldstein dubs the "Intimidate a Financial Regulator Act." Goldstein says the bill is part of an effort by Wall Street lobbyists to undo derivatives regulations created by the CFTC as part of the Dodd-Frank financial reform law.

S&P Downgrades Detroit's Bond Rating To CCC-. [Bloomberg News](#) (6/12, Chappatta) reports that

Detroit is "on the brink of bankruptcy" and has "had its general-obligation bond rating cut four levels by Standard & Poor's to CCC- from B." Bloomberg notes that on Friday, Kevyn Orr, Detroit's emergency financial manager, "plans to meet...with more than 100 creditors, union leaders and bond insurers on his preliminary proposal to avert a Chapter 9 bankruptcy filing."

Jarrett Offers Advice To College Graduates. White House Senior Adviser Valerie Jarrett, in piece for the [Huffington Post](#) (6/12), notes that she recently was the commencement speaker at Wellesley College and that she told the graduates that "you can have it all, just not necessarily at the same time." According to Jarrett, "Women – and men – who may have taken time off or slowed down to spend more time with their families may have to adjust their lifestyles if they decide to switch careers and begin working their way to the top again."

Number Of US College Graduates Rises. A front-page story in the [New York Times](#) (6/13, A1, Rampell, Subscription Publication, 1.68M) reports that according to new data from the National Center for Education Statistics, there has been a spike in the number of US college graduates in recent years, with that number reaching an all-time high. Noting that the surge follows several years of stagnant growth, "which caused the United States to fall behind other countries and led politicians from both parties, including President Obama, to raise alarms," NCES statistics show that 33.5% of "Americans ages 25 to 29 had at least a bachelor's degree, compared with 24.7 percent in 1995." The Times attributes the increase to "a sharp rise in college enrollment and by an improvement among colleges in graduating students," and notes that economists project that the change could bring long-term economic benefits.

Judge Rules Supreme Court Sign Ban Unconstitutional. The [AP](#) (6/12, Frommer) reports that US District Court Judge Beryl Howell has "thrown out a law barring processions and expressive banners on the Supreme Court grounds." The AP notes that the court could end up deciding "how much free speech to allow on its own doorstep" in the case involving the arrest of Harold Hodge Jr. on the Supreme Court plaza in January 2011. Hodge was wearing a sign critical of police treatment of minorities, and he claimed the law is an unconstitutional abridgment of freedom of speech. Judge Howell agreed, ruling that the statute is overbroad. The AP notes that if Federal prosecutors appeal the ruling, the case could reach the Supreme Court.

FEMA Denies Aid To West, Texas. The [AP](#) (6/12, Plushnick-Masti) reports FEMA "is refusing to provide money to help rebuild" West, Texas, where an April 17 fertilizer plant explosion killed 15 people. According to a letter obtained by

the AP, "FEMA said it had reviewed the state's appeal to help West but decided that the explosion 'is not of the severity and magnitude that warrants a major disaster declaration.'" West Mayor Tommy Muska has estimated the cost of repairs at about \$57 million.

District Of Columbia Corruption Probe Gathers Steam. The [Washington Post](#) (6/13, Debonis, Marimow, 489K) reports that a "sweeping" Federal probe into political corruption in the District of Columbia "has entered a new and fast-paced phase targeting suspected violators of city campaign finance laws, authorities said." The guilty plea of former Councilmember Michael A. Brown to bribery charges on Monday "was the latest public development in a broader investigation that has now spanned two years and that prosecutors said will move quickly in the coming weeks." Brown's plea detailed a connection to the alleged backer of a secret \$653,000 effort to support the mayoral campaign of Vincent Gray in 2010. Brown admitted accepting an illegal donation from the same donor. The Post reports that Federal investigators are talking to at least one other councilmember in the probe.

Local Law Enforcement Agencies Assembling DNA Records. In a front-page story, the [New York Times](#) (6/13, Goldstein, Subscription Publication, 1.68M) reports that a growing number of local law enforcement agencies nationwide "have moved into what had previously been the domain of the F.B.I. and state crime labs" by "amassing their own DNA databases of potential suspects, some collected with the donors' knowledge, and some without it." The Times reports that the trend, "coming at a time of heightened privacy concerns after recent revelations of secret federal surveillance of telephone calls and Internet traffic" is expected to accelerate "after the Supreme Court's recent decision upholding a Maryland statute allowing the authorities to collect DNA samples from those arrested for serious crimes."

DOE Electric Car Cost Estimate Said To Omit Some Factors. [USA Today](#) (6/13, Healey, 1.71M) says while backers of electric cars and plug-in hybrids "celebrated" the Energy Department's statement this week that running an electric car costs only about one-third as much as the cost of gasoline for a similar vehicle, the DOE formula "deals only with fuel cost" and leaves out the cost of charging accessories, batteries, and the possible need for supplemental transportation give the "real-world driving range [of] about 100 miles" for a purely electric car.

More Deaths Than Births Among White Americans For First Time Ever. [USA Today](#) (6/13, Toppo, Overberg, 1.71M) says the nation's "largest population group – whites who are not Hispanic – recorded

more deaths than births last year for the first time ever," with an estimated 12,400 more deaths than births between July 2011 and July 2012, according to Census Bureau estimates. The number of whites "still increased slightly last year because immigration more than compensated for the gap between births and deaths."

Medgar Evers' Fight For Access To Airwaves Examined. The [CBS Evening News](#) (6/12, story 9, 2:55, Pelley, 5.58M) reported on the 50th anniversary of the shooting of civil rights leader Medgar Evers in Jackson, Mississippi. CBS notes that Evers' "fight for voting rights and desegregation is well known," but reports on "another battle he fought for access to the airwaves." CBS (Pinkston) added, "When Medgar Evers was fighting for civil rights in Mississippi, he could not get on local news in his home state," although he was field secretary for the NAACP. "As the civil rights movement grew, the dominant point of view on WLBT was from the segregationist citizen's council." After Jackson Mayor Allen Thompson criticized the NAACP on WLBT as "outside agitators," Evers "was finally granted time to respond. It was the first time Mississippians had seen a local African American perspective on civil rights." Evers' widow Myrlie "believes her husband's groundbreaking speech made him a more visible target." He was killed one month after his television appearance.

Former President Bush Turns 89. [NBC Nightly News](#) (6/12, story 10, 0:20, Holt, 7.86M) reported that on Wednesday, former President George H.W. Bush celebrated his 89th birthday.

Biden Says Gore "Was Elected President" In 2000. The [Washington Times](#) (6/13, Chasmar, 76K) reports that during a fundraising event for Massachusetts Democratic Senate candidate Edward Markey in Washington Tuesday night, Vice President Biden lauded Al Gore, "saying he was the rightful winner of the presidency in 2000, and did a noble act by conceding the office to President George W. Bush." Biden is quoted as saying of Gore, who was also at the fundraising event, "This man was elected president of the United States of America. No, no, no. He was elected president of the United States of America. But for the good of the nation, when the bad decision in my view was made, he did the right thing for the nation."

Schumer Suggests Bloomberg's Gun Control Tactics Could Cost Democrats Senate. In his blog on the website of [CQ Roll Call](#) (6/12, Subscription Publication, 19K), David Hawkings says that Bloomberg's call for top New York donors not to contribute "to the four Democratic senators who voted this spring against expanding the federal background check system" was met by criticism from New York Sen. Chuck Schumer, who – along with other

Democrats, according to Hawkings – worry that the Mayor's approach could cost the party control of the Senate in 2014. Hawkings quotes Schumer as saying, "We should be mindful that pro-gun safety laws have a much better chance of passing under a Democratic Senate majority than a Republican one."

In her [New York Times](#) (6/13, Subscription Publication, 1.68M) column, Gail Collins similarly says that "Democratic leaders are privately double-furious" at Bloomberg's move, arguing, "with absolute accuracy, that if the Democrats lose control of the Senate in 2014, there will be no gun bill to vote for, because Mitch McConnell, as majority leader, would never allow one to get to the floor." Bloomberg, says Collins, "has had lots of causes – from health research to education, to helping the environment by abolishing taxis that tall people can fit in. And then there's gun control, which he thinks he can win on even if the short-term results of his efforts are a 2014 U.S. Senate that hates the concept entirely."

NRA Launches Ads Pressuring Manchin On Gun Rights. [The Hill](#) (6/13, Strauss, 21K) reported that the NRA is taking aim at Sen. Joe Manchin in new ads urging the West Virginia Democrat "not to help President Obama and New York Mayor Michael Bloomberg pass new gun restrictions. The NRA is spending \$100,000 on TV ads set to air for two weeks in West Virginia on local broadcasts." Noting that the NRA had previously given Manchin "an 'A' rating on gun rights," The Hill says that the ads "come as Bloomberg urges wealthy Democrats to stop donating money to four Senate Democrats who voted to block expanding background checks for gun sales."

Weiner Said To Have Focused On Generating Publicity While In Congress. With ex-Rep. Anthony Weiner running for mayor of New York City, the [New York Times](#) (6/13, A1, Halbfinger, Chen, Subscription Publication, 1.68M), on its front page, examines the Democrat's record during his 12 1/2 years in Congress. The Times says that Weiner's fans viewed him as "a tireless spokesman for an endlessly changing array of issues in the House. But offstage, those who worked alongside him say, Mr. Weiner was a lawmaker with little patience for making laws and a single-minded focus on generating attention so he could run for mayor of New York." The Times adds that "the more lasting impression left by Mr. Weiner, according to more than three dozen people interviewed, was of a go-it-alone politician whose legislative record was thin and whose restlessness could spill into recklessness. He smartly selected issues on which to weigh in but left the difficult legislating to others, they said."

NYTimes Lauds Bloomberg's Storm Protection Plan. The [New York Times](#) (6/13, Subscription Publication,

1.68M) says in an editorial that New York Mayor Michael Bloomberg's "ambitious proposal" to protect the city and its coastline against storms "will require intense planning, engineering, community input and all sorts of adjustments. But Mr. Bloomberg has done the city a great service by pushing for the necessary short-term repairs and mapping out a broader strategy that takes into account many of the worst consequences of climate change."

WSJournal Criticizes Justice Department's Pursuit Of Apple Over E-Book Pricing. The [Wall Street Journal](#) (6/13, Subscription Publication, 2.29M) editorializes that the Justice Department's effort to prosecute Apple for its alleged role in a scheme to fix e-book prices is faulty, as the price of e-books has actually fallen. The Journal accuses the department of trying to establish a new "per se" theory for antitrust liability, under which certain actions by a firm would be considered inherently unlawful. The Journal argues that the new theory would toss aside legal precedents dating back to the 1980s, under which a "rule of reason" standard has been used to consider how corporate practices actually hindered competition.

WSJournal Examines Institute For Justice Lawsuit Against Washington State. In an editorial, the [Wall Street Journal](#) (6/13, Subscription Publication, 2.29M) considers the Institute for Justice's suit against the state of Washington, which has categorized its pro bono legal advice to a resident in her recall campaign against a county official as an in-kind political contribution. The libertarian legal group helped Robin Farris win a Federal court case arguing that the state government cannot restrict political contributions that are independent of a candidate, which led the state Public Disclosure Commission to threaten Farris with a lawsuit over not reporting the legal group's assistance.

NYTimes Urges State Lawmakers To Expand Civil Rights For Transgendered. In an editorial, the [New York Times](#) (6/13, Subscription Publication, 1.68M) urges state lawmakers "to extend basic civil rights protections to transgender people." The Times notes that a 2002 state statute that "bars discrimination based on sexual orientation in employment, housing, education, credit and public accommodations does not explicitly cover transgender people." Noting that 16 states and the District of Columbia "have enacted anti-discrimination protections covering transgender people," the Times concludes that New York "should not lag on this important civil rights issue."

WSJournal Remembers Economist Fogel. In an editorial, the [Wall Street Journal](#) (6/13, Subscription Publication, 2.29M) eulogizes Nobel Prize-winning economist Robert Fogel, who died Tuesday at age 86, as one of the first to combine economics and history to challenge popular belief.

Rove: GOP Needs More Than Scandals To Prosper In Midterms. Karl Rove, in his column for the [Wall Street Journal](#) (6/13, Subscription Publication, 2.29M), says polls are showing that a spate of recent scandals have undermined President Obama's credibility and weakened his job approval rating, which fell to just 45% in a new Gallup poll released Wednesday. However, Rove cautions Republicans that the existence of these scandals is unlikely to lead to Republican gains in next year's midterms unless the GOP can articulate a small-government, pro-growth message with appeal to swayable voters.

Senate Urged To Act On Obama Appeals Court Appointees. Doug Kendall of the Constitutional Accountability Center writes in a [USA Today](#) (6/13, 1.71M) op-ed, "Last week, to great fanfare, President Obama gave a Rose Garden address to announce he was... just doing his job." The President nominated three judges to the US Court of Appeals for the District of Columbia Circuit, "a mundane – and constitutionally-mandated – presidential act" that rose to the level of a major event due to "obstructionist efforts" from Republicans that have kept the seats vacant. Kendall concludes, "President Obama has done his job. It's time for the Senate to do theirs."

AmeriCorps' Value Questioned. Author James Bovard, in an op-ed for the [Wall Street Journal](#) (6/13, Subscription Publication, 2.29M), criticizes Federal spending on AmeriCorps, which Bovard says accomplishes very little despite getting \$446 million annually from taxpayers.

EDITORIAL WRAP-UP

New York Times. *"A Failure On Military Sexual Assaults."* The [New York Times](#) (6/13, Subscription Publication, 1.68M), in an editorial, criticizes Sen. Carl Levin for "killing the most promising corrective" for military sexual assault "on the table," and adds that "it is distressing that two decades of scandals could not persuade" Levin to "budge from his decision to support the military brass."

"Lung Transplant Rules For Children." The [New York Times](#) (6/13, Subscription Publication, 1.68M) says in an editorial that the Organ Procurement and Transplantation Network is reviewing its policies regarding allocation of organs to children under 12, which could result in allowing those children to be added to the "adolescent and adult waiting lists while they remain on the pediatric list." The Times argues, however, that this would "not solve the underlying problem: there are too few organs to meet the demand."

"The Storm, Next Time." The [New York Times](#) (6/13, Subscription Publication, 1.68M) says in an editorial that while New York Mayor Michael Bloomberg's "ambitious proposal" to protect the city and its coastline against storms

"will require intense planning, engineering, community input and all sorts of adjustments. But Mr. Bloomberg has done the city a great service by pushing for the necessary short-term repairs and mapping out a broader strategy that takes into account many of the worst consequences of climate change."

"Civil Rights For Transgenders." In an editorial, the [New York Times](#) (6/13, Subscription Publication, 1.68M) urges state lawmakers "to extend basic civil rights protections to transgender people." The Times notes that a 2002 state statute that "bars discrimination based on sexual orientation in employment, housing, education, credit and public accommodations does not explicitly cover transgender people." Noting that 16 states and the District of Columbia "have enacted anti-discrimination protections covering transgender people," the Times concludes that New York "should not lag on this important civil rights issue."

Washington Post. *"Which Loyalist Will Win In Iran?"* The [Washington Post](#) (6/13, 489K) says in an editorial that little change in Iran's policy toward the rest of the world is likely to come from Friday's presidential election. Ayatollah Ali Khamenei "has ensured that only conservative regime loyalists were allowed to enter" the first round, and all six candidates "have made a point of saying that all authority over foreign policy will lie with the ayatollah." The Post says whatever the result, "once a new president is place, the Obama administration should demand a clear response from Tehran on whether it is willing to curb its [uranium enrichment] program – and be prepared for a negative answer."

"The Va. GOP's Abortion Canard." In an editorial, the [Washington Post](#) (6/13, 489K) says that Virginia's GOP gubernatorial nominee, Ken Cuccinelli, "has written that Planned Parenthood's sex-education programs in the nation's schools are 'a loss leader' for the organization, whose real goal is to hook youngsters into seeking 'abortion on demand.' That conspiratorial view does not align with reality, but it does square with Mr. Cuccinelli's general disdain for any facts that pose an obstacle to his ideological agenda."

"Loosen Google's Gag." The [Washington Post](#) (6/13, 489K), in an editorial, urges the Obama Administration to "allow Google and other tech firms to say a little more about their relationship with the government."

Wall Street Journal. *"Throwing The Book At Apple."* The [Wall Street Journal](#) (6/13, Subscription Publication, 2.29M) editorializes that the Justice Department's effort to prosecute Apple for its alleged role in a scheme to fix e-book prices is faulty, as the price of e-books has actually fallen. The Journal accuses the department of trying to establish a new "per se" theory for antitrust liability, under which certain actions by a firm would be considered inherently unlawful. The Journal argues that the new theory would toss aside legal precedents dating back to the 1980s, under which a

"rule of reason" standard has been used to consider how corporate practices actually hindered competition.

"Disclosure As A Political Weapon." In an editorial, the [Wall Street Journal](#) (6/13, Subscription Publication, 2.29M) considers the Institute for Justice's suit against the state of Washington, which has categorized its pro bono legal advice to a resident in her recall campaign against a county official as an in-kind political contribution. The libertarian legal group helped Robin Farris win a Federal court case arguing that the state government cannot restrict political contributions that are independent of a candidate, which led the state Public Disclosure Commission to threaten Farris with a lawsuit over not reporting the legal group's assistance.

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Headlines From Today's Front Pages.

WALL STREET JOURNAL:

[US Notches Biggest Gain In Oil Output](#)
[Syrian Rebels Plead For Weapons](#)
[Traders Pay For An Early Peek At Data](#)

NEW YORK TIMES:

[Police Agencies Are Assembling Records of DNA](#)
[Data Reveal A Rise In College Degrees Among Americans](#)
[Several Murder Confessions Taken By Brooklyn Detective Have Similar Language](#)
[Pope Is Quoted Referring To A Vatican 'Gay Lobby'](#)
[Starved For Arms, Syria Rebels Make Their Own](#)
[Executive Covets Goldman Seat Where A Friend Snugly Sits](#)
[Weiner's Record In House: Intensity, Publicity And Limited Results](#)

WASHINGTON POST:

[Dozens Of Attacks Foiled, NSA Says](#)
[Duncan's Mission: Sell Preschool Plan To GOP](#)
[Brown Plea Reverberates In Wider DC Corruption Probe](#)
[After Years On The Run, A Gangster Goes To Court](#)
[Egypt Frets And Fumes Over Ethiopia's Nile Plan](#)

FINANCIAL TIMES:

[Companies Scramble For Consumer Data](#)
[US Pushed EU To Dilute Data Protection](#)
[Hester To Step Down As RBS Chief](#)
[UK Regulator Investigates FX Rates Trade](#)
[France Tel Chief Under Formal Investigation](#)
[Banks Prepare Credit Lines For Edge On Box IPO](#)

STORY LINEUP FROM LAST NIGHT'S NETWORK NEWS:

ABC: Severe Weather; Colorado-Black Forest Fire; NSA Leak-Edward Snowden; Turkey-Unrest; Nelson Mandela Update; Transportation-Distracted Driving; Health-Sarah Murnaghan; Transportation-Airline Tickets; George H.W. Bush's Birthday.

CBS: Severe Weather; Colorado-Black Forest Fire; NSA Leak; State Department Investigation; Politics-Military Sexual Assaults; Whitey Bulger Case; Health-Sarah Murnaghan; Transportation-Distracted Driving; Civil Rights-Medgar Evers.

NBC: Severe Weather; Colorado-Black Forest Fire; NSA Leak-Edward Snowden; Turkey-Unrest; Nelson Mandela Update; Politics-Military Sexual Assaults; Cleveland Kidnappings Case; Transportation-Distracted Driving; Health-Sarah Murnaghan; George H.W. Bush's Birthday; Education-Annapolis High School.

Story Lineup From This Morning's Radio News Broadcasts:

ABC: Colorado-Black Forest Fire; NSA Leak; Health-Sarah Murnaghan; Sports-NHL Playoffs.

CBS: Colorado-Black Forest Fire; Severe Weather; NSA Leak; Nelson Mandela Update; Sports-NHL Playoffs; Wall Street.

NPR: NSA Leak; Politics-Immigration Reform; Whitey Bulger Case; Severe Weather; Wall Street; Energy Report; Syria-UN Troops Departure; Agriculture-Maple Syrup Production.

LAST LAUGHS

Late Night Political Humor.

David Letterman: "But this guy, Ed Snowden, I'm telling you, I wouldn't give this guy's troubles to a monkey on a rock. They're looking for him. Everybody's looking for him. And he's seeking political asylum, and he's thinking maybe he'll go to Russia. Maybe he'll go to Russia. Good gig. He should go to the Olive Garden. 'You're always family here at the Olive Garden.'"

David Letterman: "You know who's popular now, George W. Bush. People love George w. Bush now. According to recent polls George W. Bush is more popular than not popular. So there's still hope for me! I got my fingers crossed. It's because a couple of months ago George w. Bush opened up his new George W. Bush presidential library and water park. So excited about that."

David Letterman: "Experts believe the reason George W. Bush is more popular now than ever, more popular now than not popular...the reason they believe for this rise in his popularity is put up to a rare medical disorder known as 'forgetting.'"

Craig Ferguson: "There is some sad news. Scarlett Johansson is denying reports that she'll play Hillary Clinton in

an upcoming movie. I'm very disappointed. ...Nobody is more disappointed than Bill Clinton. He was hoping to play himself."

John Oliver: "But we begin tonight with the ever-growing list of scandals that has befallen this great nation. There was the IRS targeting conservative groups, the DOJ spying on journalists, the NSA creeping on everyone, and, recently, GOD's controversial decision to ruin the New England Patriots."

Conan O'Brien: (Referring to the NSA leak story) "This government spy scandal is huge. Due to the government spy scandal, sales of the classic George Orwell book '1984' have skyrocketed. So the fallout is worse than we thought, it's making Americans read. That's frightening."

Conan O'Brien: "Immigration, also a big story. Senator Marco Rubio has proposed a measure requiring that all immigrants must know English. Opposing the bill are immigrant rights groups, civil rights advocates and Arnold Schwarzenegger."

Conan O'Brien: "Hispanic Senator Ted Cruz, who is fighting the immigration bill, described himself as Obama-phobic. You know you have Obama phobia if you'll deport immigrants even though your last name is Cruz."

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