

Federal Health Update

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EXECUTIVE AND CONGRESSIONAL NEWS

- The House and Senate are in recess until after the inauguration.

- **On Jan. 7 2013, President Obama nominated former Nebraska Senator Charles Timothy "Chuck" Hagel to be the next Secretary of Defense.**

If successful, Hagel will be the first former enlisted service member to achieve the position of Secretary. As an infantryman in Vietnam, Hagel received two Purple Hearts.

- **On Jan. 10, 2013, President Obama signed into law:**
 - H.R. 1339, which designates the city of Salem, Massachusetts, as the birthplace of the U.S. National Guard.
 - H.R. 1845, the "Medicare IVIG Access and Strengthening Medicare and Repaying Taxpayers Act of 2012/" This law establishes a demonstration project to evaluate the benefits of allowing Medicare Part B coverage for in-home intravenous treatments for patients with primary immune deficiency disease; and amends certain rules under which Medicare is a secondary payer to specified third party payers.
 - H.R. 4057, requiring the Department of Veterans Affairs to establish a comprehensive policy for providing information regarding higher education and

training programs to veterans and members of the Armed Forces.

- **The House Armed Services Committee has posted its membership list for the 113th Congress:** <http://armedservices.house.gov/index.cfm/members>.

MILITARY HEALTH CARE NEWS

- **The Department of Defense announced that some military retirees and their families who live more than 40 miles from a military treatment facility or base closure site will be moved from the TRICARE Prime option to TRICARE Standard coverage on Oct. 1, 2013 as part of the new managed care contracts.**

Active duty service members and their families will be unaffected.

The new contracts limit Prime networks to regions within a 40-mile radius of military treatment facilities and in areas affected by the 2005 base closure and realignment process. But provisions will allow Prime beneficiaries who see providers outside the 40-mile service area to remain in Prime if they reside within 100 miles of an available primary care manager and sign an access waiver, DoD officials noted.

Officials acknowledged that the out-of-pocket, fee-for-service cost of TRICARE Standard would cost a bit more, depending on the frequency of health care use and visits. However, no cost applies for preventive care such as mammograms, vaccines, cancer screening, prostate examinations and routine check-ups, he added.

Officials estimate the changes will lower overall TRICARE costs by \$45 million to \$56 million a year, depending on the number of beneficiaries who choose to remain in Prime

- **According to *Courthouse News Service*, drugmakers must refund the government for higher prescription costs at retail pharmacies compared with prices the Defense Department pays directly, the D.C. Circuit ruled.**

Since 1992, a federal ceiling price has given the U.S. government a discount of at least 24 percent on the retail price of most prescription drugs available to service members through the Defense Department's TRICARE health care program.

This cap applied to drugs that the Defense Department procured directly and distributed to service members at military treatment facilities or through Tricare's mail-order pharmacy.

But it did not cover prescriptions that service members filled at retail pharmacies within the TRICARE network, such as a CVS or Walgreens. Thus the Defense Department paid the full retail cost at this point of service, at a price tag of \$3.9 billion in 2006, up from just \$445 million in 2000.

Congress changed this with the passage of section 703 of the National Defense Authorization Act for Fiscal Year 2008, making the price cap standard at all three points of TRICARE service.

A pharmaceutical trade group known as the Coalition for Common Sense in Government Procurement [filed suit](#) in 2008. It argued the price caps should not have been imposed without the written agreement of manufacturers.

The coalition also challenged the retroactive rebate requirement, which would require members to refund the Defense Department the price differential for any prescription filled after the law was enacted on Jan. 28, 2008. Drugmakers say the rebate will cost the industry more than \$500 million.

After some struggle in the U.S. District Court for the District of Columbia, the secretary of defense issued a [supplemental rule](#) in 2010 that explained the rationale for the refund requirements. The court eventually [upheld](#) the secretary's rule as a reasonable interpretation of the statute, and also sided with the government on retroactivity.

A three-judge panel of the D.C. Circuit affirmed the decision on Jan. 4, 2013. In their ruling, the judges said "The coalition failed to offer any alternative to the secretary's actions that would fulfill section 703's mandate that "any prescription filled" under TRICARE "be subject to the federal ceiling price."

VETERANS AFFAIRS NEWS

- **The Department of Veterans Affairs is challenging software developers to create new systems that schedule appointments in VA's nationwide health system.**

"This contest marks a major change in direction by VA, away from software that is so customized that only VA can use it, toward open standards and commercial systems that build on proven practices," said Secretary of Veterans Affairs Eric K. Shinseki. "The competition will help us serve Veterans by encouraging ideas to provide more personalized care."

Through a Medical Appointment Scheduling System (MASS) Contest, hosted on the site [Challenge.gov](#), VA will award as many as three prizes for the creation of an open-source and open application program interface (API)-based system to replace components of VA's 25-year-old scheduling software in its VistA electronic health system.

For the last 18 months, VA has been working with the open source community to support this change in direction.

The contest was formally announced in the Federal Register on Oct. 16, 2012. Registration is due by May 13, 2013, and all entries must be finalized by June 13, 2013.

The MASS Contest is driven by VA's decision to transition its VistA electronic health system into an openly architected product and to challenge developers to offer standards-based, modular components that can be extended and modified much more easily than customized products. Proprietary, commercial systems are eligible for prizes, but all entries in the contest will be required to have open connections, or APIs. Entries with substantial open source content will be especially welcomed.

VA plans to announce winners on or about Sept. 30, 2013. Contestants, in order to be judged, will contribute the open APIs and any open source content in their entries to the Open Source Electronic Health Record Agent. VA will use the results of the contest to design final specification for an appointment scheduling system to be deployed nationally.

Information is available at the contest website: <http://vascheduling.challenge.gov/>.

- **The Department of Veterans Affairs has partnered with the internet-based genealogy research firm Ancestry.com to bring burial records from historic**

national cemetery ledgers into the digital age. The effort will make the collection—predominantly of Civil War interments—accessible to researchers and Ancestry.com subscribers undertaking historical and genealogical research.

From the 1860s until the mid-20th century, U.S. Army personnel tracked national cemetery burials in hand-written burial ledgers or “registers.” Due to concern for the fragile documents and a desire to expand public access to the ledger contents, VA’s National Cemetery Administration (NCA) duplicated about 60 hand-written ledgers representing 36 cemeteries using a high-resolution scanning process. The effort resulted in high quality digital files that reproduced approximately 9,344 pages and 113,097 individual records. NCA then transferred the original ledgers to the National Archives and Records Administration (NARA) where they will be preserved. In addition to the NCA’s ledgers, NARA was already the steward of at least 156 military cemetery ledgers transferred from the Army years ago.

In 2011, NCA initiated a partnership with Ancestry.com to index its cemetery ledgers, allowing the data to be searched or browsed in a variety of ways. Ancestry.com spent more than 600 hours indexing NCA’s records at no charge to the government.

Ancestry.com has assembled the digitized and indexed NCA burial ledgers with those at NARA into a new collection, “U.S. Burial Registers, Military Posts and National Cemeteries, 1862-1960.” The burial records contain information such as name, rank, company/regiment, date of death, age at death, date of burial and grave number. A large number of Civil War soldiers were buried where they fell in battle or in temporary cemeteries, and sometimes that information, along with religious affiliation, can be found in the ledgers.

The collection was posted on the ancestry.com website on Veterans Day 2012. The information can be accessed free of charge by VA personnel as well as by employees of the other federal agencies that maintain national cemeteries, the Departments of the Interior and Defense. Ledger data will also be available for free at all NARA facilities, and at public libraries that subscribe to Ancestry.com. NCA cemetery staff will use the database to answer requests from the public. The general public will have access to the database on their personal devices through Ancestry.com’s regular subscription service.

This partnership between Ancestry.com and NCA supports NCA’s ongoing Civil War 150th anniversary commemoration (2011-2015). For more information on this project, contact Sara Amy Leach (sara.leach@va.gov), NCA senior historian.

VA operates 131 national cemeteries in 39 states and Puerto Rico and 33 soldiers' lots and monument sites. Seventy two of VA’s national cemeteries date from the Civil War. More than 3.7 million Americans, including Veterans of every war and conflict — from the Revolutionary War to the operations in Iraq and Afghanistan — are buried in VA’s national cemeteries on approximately 20,000 acres of land.

GENERAL HEALTH CARE NEWS

- **On average, Americans die sooner and experience higher rates of disease and injury than people in other high-income countries, says a new report from the National Research Council and Institute of Medicine.**

The report finds that this health disadvantage exists at all ages from birth to age 75 and that even advantaged Americans -- those who have health insurance, college educations, higher incomes, and healthy behaviors -- appear to be sicker than their peers in other rich nations.

The report is the first comprehensive look at multiple diseases, injuries, and behaviors

across the entire life span, comparing the United States with 16 peer nations -- affluent democracies that include Australia, Canada, Japan, and many western European countries. Among these countries, the U.S. is at or near the bottom in nine key areas of health: infant mortality and low birth weight; injuries and homicides; teenage pregnancies and sexually transmitted infections; prevalence of HIV and AIDS; drug-related deaths; obesity and diabetes; heart disease; chronic lung disease; and disability.

Many of these health conditions disproportionately affect children and adolescents, the report says. For decades, the U.S. has had the highest infant mortality rate of any high-income country, and it also ranks poorly on premature birth and the proportion of children who live to age 5. U.S. adolescents have higher rates of death from traffic accidents and homicide, the highest rates of teenage pregnancy, and are more likely to acquire sexually transmitted infections. Nearly two-thirds of the difference in life expectancy between males in the U.S. and these other countries can be attributed to deaths before age 50.

The panel did find that the U.S. outperforms its peers in some areas of health and health-related behavior. People in the U.S. over age 75 live longer, and Americans have lower death rates from stroke and cancer, better control of blood pressure and cholesterol levels, and lower rates of smoking.

- **The Department of Health and Human Services (HHS) announced that 106 new Accountable Care Organizations (ACOs) in Medicare have been formed, ensuring as many as 4 million Medicare beneficiaries now have access to high-quality, coordinated care across the United States.**

Doctors and health care providers can establish ACO in order to work together to provide higher-quality care to their patients. Since passage of the Affordable Care Act, more than 250 ACOs have been established. Beneficiaries using ACOs always have the freedom to choose doctors inside or outside of the ACO. Accountable Care Organizations share with Medicare any savings generated from lowering the growth in health care costs, while meeting standards for quality of care.

ACOs must meet quality standards to ensure that savings are achieved through improving care coordination and providing care that is appropriate, safe, and timely. The Centers for Medicare & Medicaid Services (CMS) has established 33 quality measures on care coordination and patient safety, appropriate use of preventive health services, improved care for at-risk populations, and patient and caregiver experience of care. Federal savings from this initiative could be up to \$940 million over four years.

The new ACOs include a diverse cross-section of physician practices across the country. Roughly half of all ACOs are physician-led organizations that serve fewer than 10,000 beneficiaries. Approximately 20 percent of ACOs include community health centers, rural health centers and critical access hospitals that serve low-income and rural communities.

For a list of the 106 new ACOs announced today, visit:
<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/News.html>.

- **HHS issued a new report showing Affordable Care Act provisions are already having a substantial effect on reducing the growth rate of Medicare spending.**

Growth in Medicare spending per beneficiary hit historic lows during the 2010 to 2012 period, according to the report. Projections by both the Office of the Actuary at CMS and by the Congressional Budget Office estimate that Medicare spending per beneficiary will grow at approximately the rate of growth of the economy for the next decade, breaking a decades-old pattern of spending growth outstripping economic growth.

For more information on the HHS issue brief, "Growth in Medicare Spending per Beneficiary Continues to Hit Historic Lows," visit:
<http://aspe.hhs.gov/health/reports/2013/medicarependinggrowth/ib.cfm>.

- **The U.S. Food and Drug Administration (FDA) announced it is requiring the manufacturers of Ambien, Ambien CR, Edluar and Zolpimist, widely used sleep drugs that contain the active ingredient zolpidem, to lower current recommended doses.**

Ambien and Ambien CR are also available as generics. New data show that zolpidem blood levels in some patients may be high enough the morning after use to impair activities that require alertness, including driving.

Using lower doses of zolpidem means less of the drug will remain in the blood in the morning hours. Since women eliminate zolpidem from their bodies more slowly than men, the FDA has notified the manufacturers that the recommended dose should be lowered for women and that the labeling should recommend that health care professionals consider a lower dose for men. Data show the risk for next-morning impairment is highest for patients taking the extended-release forms of these drugs. The FDA urges health care professionals to caution all patients (men and women) who use these products about the risks of next-morning impairment for activities that require complete mental alertness, including driving.

The FDA has informed the manufacturers that the recommended dosage of zolpidem for women should be lowered from 10 milligrams (mg) to 5 mg for immediate-release products (Ambien, Edluar, and Zolpimist) and from 12.5 mg to 6.25 mg for extended-release products (Ambien CR). For men, the FDA has informed the manufacturers that the labeling should recommend that health care professionals consider prescribing these lower doses (5 mg for immediate-release products and 6.25 mg for extended-release products). These products are currently available on the market in both the higher and lower dosages.

People who are currently taking the higher doses (10 mg or 12.5 mg) of zolpidem-containing insomnia medicines should continue taking the prescribed dose as directed until discussing with their health care professional how to safely continue to take the medicine. Each patient and situation is unique, and the appropriate dose should be discussed with a health care professional. Patients should read the Medication Guide that comes along with their medication for additional information on the benefits and risks of these products.

The labeling change is based on findings in driving simulation and laboratory studies showing that, in some individuals, zolpidem blood levels the morning after use appear capable of impairing driving to a degree that increases the risk of a motor vehicle accident.

- **The Washington Post report that Merck is suspending its sale of the cholesterol drug Tredaptive, telling doctors to quit prescribing the medicine and advising patients to quit taking it only after talking to a physician.**

Tredaptive is not approved in the United States but is available in about 70 countries, including Europe.

Merck said last month initial results from a big, late-stage study showed that adding Tredaptive to traditional statin therapy did not lower the risk of heart attack, stroke and related problems. The drugmaker said then that doctors should stop prescribing Tredaptive to new patients.

Results also showed that patients taking the cholesterol combination pill were more likely to suffer some serious, non-fatal adverse events.

Merck says it made its decision based in part on a European Medicine Agency committee recommendation.

REPORTS/POLICIES

- **The GAO published “*Children's Mental Health: Concerns Remain about Appropriate Services for Children in Medicaid and Foster Care,*” (GAO-13-15) on Jan. 9, 2013.** This report examines the use of psychotropic medications and other mental health services for children in Medicaid nationwide, and related CMS initiatives; HHS information on the use of psychotropic medications and other mental health services for children in foster care nationwide, and related HHS initiatives; and the amount HHS has invested in research on children's mental health. <http://www.gao.gov/assets/660/650716.pdf>
- **The GAO published “*Preventive Health Activities: Available Information on Federal Spending, Cost Savings, and International Comparisons Has Limitations,*” (GAO-13-49) on Jan. 7, 2013.** In this report, GAO provides information about preventive health activities in programs administered by HHS, VA, and DoD and the departments' spending on such activities; reported cost savings from and cost effectiveness of preventive health activities; and U.S. spending on preventive health activities compared to that of other countries. <http://www.gao.gov/assets/660/650617.pdf>

HILL HEARINGS

- There are no hearings scheduled next week.

LEGISLATION

- There was no legislation proposed this week.

MEETINGS

- The International Meeting of Simulation in Healthcare (IMSH) 2013 will be held on **Jan. 26-30, 2013**, in Orlando, Fla. <http://ssih.org/events/imsh-2013-central>
- The 2013 Military Health System Conference will be held **Feb. 11-14, 2013**, in National Harbor, Md. <http://www.health.mil/2013MHSConference/Registration.aspx>

- Digital Health Communication Extravaganza will be held on **Feb. 20-22, 2013**, in Orlando, Fla. <http://dhcx.hhp.ufl.edu/>.
 - Annual HIMSS Conference & Exhibition will be held **March 3-7, 2013**, in New Orleans, La. <http://www.himssconference.org/>
 - The International Conference on Emerging Infectious Diseases 2013 (ICEID) will be held on **Feb. 15-18, 2013**, in Vienna, Austria. www.imed.isid.org/downloads/IMED2013_FirstAnn.pdf
 - The National Center for Disaster Medicine and Public Health (NCDMPH) rescheduled [Learning in Disaster Health: A Continuing Education Workshop](#) from April 2-3, 2013 to **Sept. 17-18, 2013**.
 - 10th Annual World Healthcare Congress will be held **April 8-10, 2013**, in Washington DC <http://www.worldcongress.com/events/HR13000/>
 - AAMA Presents: “3-in-1” Conference - Bringing Together Cardiovascular, Neuroscience & Oncology Leaders will be held on **April 10-12 2013**, in Las Vegas, Nev. <http://www.aameda.org/Conference/ACCA/ACCAMain.html>
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If you need further information on any item in the *Federal Health Update*, please contact Kate Theroux at (703) 447-3257 or by e-mail at katetheroux@federalhealthcarenews.com.