

Federal Health Update

JAN. 25, 2013

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EXECUTIVE AND CONGRESSIONAL NEWS

- **On Jan. 22, 2013, President Obama sent the following nominations to the Senate:**
 - Charles Timothy Hagel, of Nebraska, to be Secretary of Defense
 - Alan F. Estevez, of the District of Columbia, to be a Principal Deputy Under Secretary of Defense.
 - William B. Schultz, of the District of Columbia, to be General Counsel of the Department of Health and Human Services
 - Frederick Vollrath, of Virginia, to be an Assistant Secretary of Defense.

- **The House passed H.R. 325, the “No Budget, No Pay Act of 2013.”**

The legislation will provide the federal government with borrowing authority through May 18, 2013. Included in the legislation is the provision that will hold in escrow the salaries of either the House or the Senate if they have not passed a budget resolution by April 15.

- **The House Appropriations Committee announced the subcommittee members:**
 - Defense Subcommittee**
 - Bill Young (R-FL), chairman
 - Rodney Frelinghuysen (R-NJ)
 - Jack Kingston (R-GA)

Kay Granger (R-TX)
Ander Crenshaw (R-FL)
Ken Calvert (R-CA)
Jo Bonner (R-AL)
Rom Cole (R-OK)
Steve Womack (R-AR)
Pete Visclosky (D-IN), ranking member
Jim Moran (D-VA)
Betty McCollum (D-MN)
Tim Ryan (D-OH)
Bill Owens (D-NY)
Marcy Kaptur (D-OH)

Military Construction & Veterans Affairs Subcommittee (MilCon)

John Culberson (R-TX), chairman
Bill Young (R-FL)
John Carter (R-TX)
Alan Nunnelee (R-MS)
Mario Diaz-Balart (R-FL)
Jeff Fortenberry (R-NE)
Tom Rooney (R-FL)
Sanford Bishop, Jr. (D-GA), ranking member
Sam Farr (D-CA)
David Price (D-NC)
Chaka Fattah (D-PA)

MILITARY HEALTH CARE NEWS

- **The Military Health System has cancelled the 2013 MHS Conference scheduled for February 11-14, 2013.**

In a January 18 notice to the Health Affairs department, DoD Health Affairs leaders said, "This conference is an important element in bringing together the uniformed medical leadership at all levels of the Military Health System, along with our other federal partners and contractors. We are disappointed that we needed to take this step. But, the ongoing federal budget issues required the Military Departments and OSD to make a series of near-term financial decisions to reduce overall spending in the Department."

For more details, please visit: http://www.health.mil/blog/13-01-18/2013_Military_Health_System_Conference_Cancelled.aspx

- **The *FtLeavenworthLamp.com* reports that TRICARE enrollments will be frozen Feb. 8-11 and no changes between primary care managers will be made from Feb. 8 to April 1 unless an exception is made because of medical reasons.** This is in preparation for the transition from TriWest to United Healthcare on April 1.

VETERANS AFFAIRS NEWS

- **USA Today reports that the Department of Veterans Affairs (VA) overpaid 12,800**

veterans \$943 million from 1993 to 2009.

Based on projections by the VA's Office of Inspector General, VA could overpay veterans another \$1.1 billion by 2016 unless steps are taken to fix the problem.

According to the report, VA staff approved a 100% disability rating to veterans who were undergoing surgery or debilitating treatments and convalescing without requiring a follow-up medical exam to determine if the veteran's condition has improved, which could have resulted in a reduced rating. As a result veterans who improved or recovered received hundreds of thousands of dollars in compensation over years for a level of disability they no longer have.

The 100 percent rating legally bars the VA from recouping overpayments that inspectors say have occurred.

A common error involves cancer treatment where the disease stabilizes or goes into remission, according to inspector general reports. Inspectors said that claims examiners either fail to schedule follow-up exams when the disability rating is put in place, or fail to act when alerted that one is necessary.

The VA said fixes were put in place last July to help ensure follow-up exams are scheduled. In addition, the claims process is to become fully automated this year and claims examiners will automatically be alerted that exams may be necessary.

VA claims examiners handled 1.1 million compensation requests last year and took an average of 260 days to complete cases. The VA pays out about \$40 billion a year in compensation to veterans for service-connected disabilities.

GENERAL HEALTH CARE NEWS

- **Maternal inflammation during early pregnancy may be related to an increased risk of autism in children, according to new findings supported by the National Institute of Environmental Health Sciences (NIEHS).**

The study found this in children of mothers with elevated C-reactive protein (CRP), a well-established marker of systemic inflammation.

The risk of autism among children in the study was increased by 43 percent among mothers with CRP levels in the top 20th percentile, and by 80 percent for maternal CRP in the top 10th percentile. The findings appear in the journal *Molecular Psychiatry* and add to mounting evidence that an overactive immune response can alter the development of the central nervous system in the fetus.

The researchers cautioned that the results should be viewed in perspective since the prevalence of inflammation during pregnancy is substantially higher than the prevalence of autism.

The study capitalized on a unique national birth cohort known as the Finnish Maternity Cohort (FMC), which contains an archive of samples collected from pregnant women in Finland, where a component of whole blood, referred to as serum, is systematically collected during the early part of pregnancy.

This work is expected to stimulate further research on autism, which is complex and challenging to identify causes. Future studies may help define how infections, other inflammatory insults, and the body's immune response interact with genes to elevate the risk for autism and other neurodevelopmental disorders. Preventative approaches addressing environmental causes of autism may also benefit from additional research.

- **The U.S. Department of Health and Human Services (HHS) announced new rules to strengthen the privacy and security protections for health information established under the Health Insurance Portability and Accountability Act of 1996 (HIPAA).**

The final omnibus rule greatly enhances a patient's privacy protections, provides individuals new rights to their health information, and strengthens the government's ability to enforce the law.

The changes in the final rulemaking provide the public with increased protection and control of personal health information. The HIPAA Privacy and Security Rules have focused on health care providers, health plans and other entities that process health insurance claims. The changes announced expand many of the requirements to business associates of these entities that receive protected health information, such as contractors and subcontractors.

Some of the largest breaches reported to HHS have involved business associates. Penalties are increased for noncompliance based on the level of negligence with a maximum penalty of \$1.5 million per violation. The changes also strengthen the Health Information Technology for Economic and Clinical Health (HITECH) Breach Notification requirements by clarifying when breaches of unsecured health information must be reported to HHS.

Individual rights are expanded in important ways. Patients can ask for a copy of their electronic medical record in an electronic form. When individuals pay by cash they can instruct their provider not to share information about their treatment with their health plan. The final omnibus rule sets new limits on how information is used and disclosed for marketing and fundraising purposes and prohibits the sale of an individual's health information without their permission.

The final rule also reduces burden by streamlining individuals' ability to authorize the use of their health information for research purposes. The rule makes it easier for parents and others to give permission to share proof of a child's immunization with a school and gives covered entities and business associates up to one year after the 180-day compliance date to modify contracts to comply with the rule.

The final omnibus rule is based on statutory changes under the HITECH Act, enacted as part of the American Recovery and Reinvestment Act of 2009, and the Genetic Information Nondiscrimination Act of 2008 (GINA) which clarifies that genetic information is protected under the HIPAA Privacy Rule and prohibits most health plans from using or disclosing genetic information for underwriting purposes.

The Rulemaking announced may be viewed in the *Federal Register* at <https://www.federalregister.gov/public-inspection>.

REPORTS/POLICIES

- **The GAO published “VA Health Care: Reliability of Reported Outpatient Medical Appointment Wait Times and Scheduling Oversight Need Improvement,” (GAO-13-130) on Jan. 18, 2013.** This report examined the extent to which VHA's approach for measuring and monitoring medical appointment wait times reflects how long veterans are waiting for appointments; the extent to which VAMCs are implementing VHA's policies and processes for appointment scheduling, and any problems encountered in ensuring veterans' access to timely medical appointments; and VHA's initiatives to improve veterans' access to medical appointments. <http://www.gao.gov/assets/660/651076.pdf>
- **The GAO published “Veterans' Disability Benefits: Timely Processing Remains a**

Daunting Challenge,” (GAO-13-89) on Jan. 18, 2013. This report examines the factors that contribute to lengthy processing times for disability claims and appeals, and the status of VBA’s recent efforts to improve disability claims and appeals processing timeliness. <http://www.gao.gov/assets/660/651066.pdf>

HILL HEARINGS

- The Senate Armed Services Committee will hold a hearing on **Jan. 31, 2013**, to examine the nomination of Charles Timothy Hagel, of Nebraska, to be Secretary of Defense.
- The House Veterans Affairs Subcommittee on Oversight and Investigations will hold a hearing on **Feb. 5, 2013**, to analyze VA’s actions to prevent Legionnaire’s disease in Pittsburgh.
- The House Veterans Affairs Subcommittee on Disability Assistance and Memorial Affairs will hold a hearing on **Feb. 5, 2013**, to examine effective use of the 100 percent temporary disability rating.
- The House and Senate Veterans Affairs Committees will hold a joint hearing on **Feb. 26, 2013**, to receive Legislative Presentation of the Disabled American Veterans (DAV)
- The House and Senate Veterans Affairs Committees will hold a joint hearing on **Feb. 28, 2013**, to receive to receive Legislative Presentation of Multiple Veterans Service Organizations (VSOs).
- The House and Senate Veterans Affairs Committees will hold a joint hearing on **March 5, 2013**, to receive to receive Legislative Presentation of the Veterans of Foreign Wars (VFW).
- The House and Senate Veterans Affairs Committees will hold a joint hearing on **March 6, 2013**, to receive Legislative Presentation of Multiple Veteran Service Organizations (VSOs).

LEGISLATION

- **H.R.307** (introduced Jan. 18, 2013): the *Pandemic and All-Hazards Preparedness Reauthorization Act of 2013* was referred to the Committee on Health, Education, Labor, and Pensions
Sponsor: Representative Mike J. Rogers [MI-8]
- **H.R.344** (introduced Jan. 22, 2013) To restore the application of the Federal antitrust laws to the business of health insurance to protect competition and consumers was referred to the House Committee on the Judiciary.
Sponsor: Representative Stephen F. Lynch [MA-8]
- **H.R.346** (introduced Jan. 22, 2013): To amend title I of the Patient Protection and Affordable Care Act to ensure that the coverage offered under multi-State qualified health plans offered in Exchanges is consistent with the Federal abortion funding ban was referred to the House Committee on Energy and Commerce.
Sponsor: Representative Alan Nunnelee [MS-1]
- **S.24** (introduced Jan. 22, 2013): A bill to lower health premiums and increase choice for small businesses was referred to the Committee on Finance.
Sponsor: Senator Rob Portman [OH]
- **S.39** (introduced Jan. 22, 2013): A bill to improve the health of Americans and reduce health care costs by reorienting the Nation’s health care system toward prevention, wellness, and health promotion was referred to the Committee on Finance.

Sponsor: Senator Tom Harkin [IA]

- **S.44** (introduced Jan. 22, 2013): A bill to improve patient access to health care services and provide improved medical care by reducing the excessive burden the liability system places on the health care delivery system was referred to the Committee on Health, Education, Labor, and Pensions.

Sponsor: Senator Rob Portman [OH]

- **S.77** (introduced Jan. 23, 2013): A bill to amend part D of title XVIII of the Social Security Act to authorize the Secretary of Health and Human Services to negotiate for lower prices for Medicare prescription drugs was referred to the Committee on Finance.

Sponsor: Senator Al Franken [MN]

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>
- 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>

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 katheroux@federalhealthcarenews.com.