

Federal Health Update

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EXECUTIVE AND CONGRESSIONAL NEWS

- **The Congressional Budget Office released its [projections](#) for the federal budget deficit in 2013 on Feb. 5, 2013.**

The CBO projects that after this year, economic growth will speed up, causing the unemployment rate to decline and inflation and interest rates to eventually rise from their current low levels. Nevertheless, the unemployment rate is expected to remain above 7.5 percent through next year; if that happens, 2014 will be the sixth consecutive year with unemployment exceeding 7.5 percent of the labor force — the longest such period in the past 70 years.

If the current laws that govern federal taxes and spending do not change, the budget deficit will shrink this year to \$845 billion, or 5.3 percent of gross domestic product (GDP), its smallest size since 2008.

In CBO's baseline projections, deficits continue to shrink over the next few years, falling to 2.4 percent of GDP by 2015. Deficits are projected to increase later in the coming decade, however, because of the pressures of an aging population, rising health care costs, an expansion of federal subsidies for health insurance, and growing interest payments on federal debt. As a result, federal debt held by the public is projected to remain historically high relative to the size of the economy for the next decade. By 2023, if current laws remain in place, debt will equal 77 percent of GDP and be on an upward path, CBO projects.

- **Republican Senators Jim Inhofe of Oklahoma, Kelly Ayotte of New Hampshire, Lindsey Graham of South Carolina and John McCain of Arizona held a news conference to speak out about how devastating across-the-board spending cuts would be to the Pentagon, according to *U.S. News and World Report*.**

However, many House Republicans say sequestration, no matter the cost, may be the only way to force spending cuts from the White House.

The Senators propose paying to avoid sequestration for both Defense and non-Defense programs over the next seven months by reducing the federal workforce by 10 percent through attrition and a pay freeze for Congress. Federal agencies would be allowed to hire one person for every three who leave. These measures would impact all federal agencies, including DoD.

According to the Senators, this proposal was put forth by the original Super Committee and was also recommended by President Obama's fiscal commission.

The proposal is being introduced in both the House and the Senate, and is expected to deliver about \$85 billion in savings.

- **On Feb. 4, 2013, President Obama signed into law, H.R. 325, the "No Budget, No Pay Act of 2013."** This legislation temporarily suspends the public debt limit until May 18, 2013; and provides for depositing payments for compensation of Members of either House of Congress in an escrow account beginning April 16, 2013, unless and until that House has passed a FY 2014 budget resolution.

- ***Politico* reports that Reps. Allyson Schwartz (D-Pa.) and Joe Heck (R-Nev.) have proposed a bill to repeal the Medicare Sustainable Growth Rate formula.**

The CBO downgraded the cost of repealing the flawed formula from \$243.7 billion to \$138.3 billion, making it easier for Congress to scrap the formula, which has been delayed at the last minute every year since 2000.

Schwartz and Heck had introduced a virtually identical repeal plan last year, which failed.

Virtually everyone agrees the SGR formula must be fixed once and for all so that Medicare providers no longer face uncertainty about precipitous drops in reimbursement year after year. Congress narrowly averted a scheduled 27 percent cut that was to have taken effect on Jan. 1, but there's another 25 percent cut looming next year.

Besides repealing the SGR, the Schwartz-Heck bill would maintain current payment levels through the end of 2014 and then steadily increase payments over the next four years. It includes a smorgasbord of provisions aimed at transitioning Medicare from the traditional fee-for-service model to new payment and delivery models, with the goal of having them in place by 2019.

MILITARY HEALTH CARE NEWS

- **The U.S. Navy Bureau of Medicine and Surgery has created an original series of videos, "Scrubbing In."**

The premise puts co-hosts Paul Ross and Josh Wick, BUMED public affairs specialists, on location behind the scenes at commands across the Navy Medicine enterprise.

The premiere episode takes place at the Navy Medicine Aviation Survival Training Center in Patuxent River, Md. There, the hosts try out water survival training. They learn

what to do in the event an aircraft goes down over a body of water and how to prepare for both the physiological and mental challenges of the scenario.

"The goal of 'Scrubbing In' is to connect to viewers in a unique way by allowing them to step inside Navy Medicine and get a glimpse of what our folks really do to support our warfighters and their families," Vice Adm. Matthew L. Nathan, surgeon general of the Navy and chief, BUMED said. "The series is designed to show how Navy Medicine commands enable our sailors and Marines to always be ready to respond when necessary, particularly when they are operating forward."

The first episode is available [online](#). Produced in-house at the BUMED Visual Information Directorate, the Navy Medicine public affairs office aims to create five-six shows a year with each episode focusing on a different aspect of the enterprise.

Navy Medicine is a global health care network of more than 63,000 Navy medical personnel around the world who provide high quality health care to more than one million eligible beneficiaries.

- **The Departments of Defense and Veterans Affairs announced they are scaling back on plans to create a single shared electronic health records system in favor of a less expensive one built on existing technology.**

Since 2008, when Congress ordered the departments to create a seamless system of lifetime health records that would follow troops from recruitment to grave, the DoD/VA Interagency Program Office has worked to develop and deploy an integrated electronic health record system by 2017 at an estimated cost of \$4 billion.

But the massive endeavor has met technology challenges and delays. To trim costs and speed up portions of the initiative, the agencies have decided to build a system based on existing programs.

The Defense Department currently uses the DoD Composite Health Care System for its electronic records, while VA uses the Veterans Health Information System and Technology Architecture, or VISTA.

The new effort will allow physicians at seven VA poly-trauma facilities and two DoD facilities — Walter Reed National Military Medical Center and San Antonio Military Medical Center — to view clinical information across a common interface by July.

It also will allow VA and DoD to exchange real-time data by the end of the year and permit all patients to download their medical records from any computer by May.

VETERANS AFFAIRS NEWS

- **On Feb. 1, 2013, the Department of Veterans Affairs (VA) released a comprehensive [report](#) on veterans who die by suicide.**

In the past, data on veterans who died by suicide was only available for those who had sought VA health care services. This report also includes state data for veterans who had not received health care services from VA, which will help VA strengthen its aggressive suicide prevention activities. The report indicates that the percentage of veterans who die by suicide has decreased slightly since 1999, while the estimated total number of veterans who have died by suicide has increased.

This report is the most comprehensive study of veteran suicide rates ever undertaken by the Department. On June 16, 2010, Secretary Shinseki engaged governors of all 50 states, requesting their support in helping to collect suicide statistics. With assistance

from state partners providing real-time data, VA is better able to assess the effectiveness of its suicide prevention programs and identify specific populations that need targeted interventions.

This new information will allow VA to better identify where those veterans at risk may be located and improve the Department's ability to target specific suicide interventions and outreach activities in order to reach veterans early and proactively. The data will also help VA continue to examine the effectiveness of suicide prevention programs being implemented in specific geographic locations or care settings in order to replicate them in other areas.

VA has implemented comprehensive, broad ranging suicide prevention initiatives, including a toll-free Veterans Crisis Line, placement of Suicide Prevention Coordinators at all VA Medical Centers and large outpatient facilities, and improvements in case management and reporting. Immediate help is available at www.VeteransCrisisLine.net.

- **A Veterans Affairs hospital lab in Pittsburgh failed to immediately report positive test results for Legionnaires disease that killed five patients in an outbreak linked to the hospitals' water supply, according to [testimony](#) by Centers for Disease Control and Prevention officials.**

CDC officials noted the VA hospital lab didn't report some positive test for more than two days in violation of hospital protocols. Five patients who were infected at Pittsburgh's Veterans Affairs hospitals died while others were successfully treated.

The CDC said extensive construction work may have contributed to the outbreak and suggested that water treatment equipment wasn't effectively killing the Legionella bacteria.

Dr. Lauri Hicks, a CDC epidemiologist, said in her testimony that the CDC found "a highly pathogenic strain of Legionella in the potable water system" for two years, and claimed the metal levels in the LiquiTech system were appropriate for controlling Legionella, but weren't doing so. Wednesday's report, however, noted that four of the 11 tests it took failed to show the levels of metals that LiquiTech recommended.

LiquiTech Chief Operating Officer Tory Schira told the AP that the company is "very puzzled" by the CDC testimony, since it hasn't had access to the CDC report or the VA records of the outbreak.

A firm that reviewed the LiquiTech system last year told the congressional panel the VA had refused to release Legionella test results. Enrich Products Inc. operations manager Aaron Marshall said his company would have ordered more testing and cleaning if it had known of the positive tests.

The CDC has said that after the investigation began last November the VA "rapidly implemented CDC's recommendations and has taken several steps to protect patient safety." The water system was declared clear of Legionella, and no further cases have been detected.

GENERAL HEALTH CARE NEWS

- **The National Health Service Corps awarded more than \$10 million in funding for loan repayment to 87 medical students in 29 states, the District of Columbia and Puerto Rico, who will serve as primary care doctors and help strengthen the health care workforce, Department of Health and Human Services announced.**

The National Health Service Corps' Students to Service Loan Repayment Program provides financial support to fourth year primary care medical students in exchange for their service in the communities that need them most.

The Health Resources and Services Administration's (HRSA) *Students to Service* pilot program provides loan repayment assistance of up to \$120,000 to medical students in MD and DO programs in their last year of education in return for their commitment to practice in the communities that need them most upon completion of their primary care residency.

As a result of historic investments in the Affordable Care Act and the Recovery Act, the numbers of National Health Service Corps clinicians are at all-time highs. The number of providers serving in the Corps has nearly tripled since 2008. Today nearly 10,000 National Health Service Corps providers are providing primary care to approximately 10.4 million people at nearly 14,000 health care sites in urban, rural, and frontier areas.

For more information about NHSC programs, please visit www.NHSC.hrsa.gov.

- **Reforms to Medicare regulations identified as unnecessary, obsolete, or excessively burdensome on hospitals and health care providers would save nearly \$676 million annually, and \$3.4 billion over five years, through a [rule](#) proposed today by the Centers for Medicare & Medicaid services (CMS).**

The proposed rule supports President Obama's call on federal agencies to modify, streamline regulations on business.

The proposed rule is designed to help health care providers to operate more efficiently by getting rid of regulations that are out of date or no longer needed. Many of the rule's provisions streamline the standards health care providers must meet in order to participate in the Medicare and Medicaid programs without jeopardizing beneficiary safety.

For example, a key provision reduces the burden on very small critical access hospitals, as well as rural health clinics and federally qualified health centers, by eliminating the requirement that a physician be held to an excessively prescriptive schedule for being onsite once every two weeks. This provision seeks to address the geographic barriers and remoteness of many rural facilities, and recognize telemedicine improvements and expansions that allow physicians to provide many types of care at lower costs, while maintaining high-quality care.

Among other provisions, the proposed rule would:

- Save hospitals significant resources by permitting registered dietitians to order patient diets independently, which they are trained to do, without requiring the supervision or approval of a physician or other practitioner. This frees up time for physicians and other practitioners to care for patients.
- Eliminate unnecessary requirements that ambulatory surgical centers must meet in order to provide radiological services that are an integral part of their surgical procedures, permitting them greater flexibility for physician supervision requirements.

- Permit trained nuclear medicine technicians in hospitals to prepare radiopharmaceuticals for nuclear medicine without the supervising physician or pharmacist constantly being present, which helps speed services to patients, particularly during off hours.
- Eliminate a redundant data submission requirement and an unnecessary survey process for transplant centers while maintaining strong federal oversight.

As part of President Obama's regulatory reform initiative, CMS issued final [rules](#) in May last year that also reduce burdensome or unnecessary regulations for hospitals and additional health care providers. Those rules are saving nearly \$1.1 billion across the health care system in the first year and more than \$5 billion over five years.

- **The U.S. Food and Drug Administration issued a proposal designed to assist companies developing new treatments for patients in the early stages of Alzheimer's disease, before the onset of noticeable (overt) dementia.**

Alzheimer's disease is an irreversible, progressive brain disease that slowly destroys memory and thinking skills, and eventually the ability to carry out the simplest tasks of daily living. In most people with Alzheimer's, symptoms first appear after age 60. Alzheimer's disease is the most common cause of dementia among older people.

The draft guidance titled, "[Guidance for Industry, Alzheimer's Disease: Developing Drugs for the Treatment of Early Stage Disease](#)," explains the FDA's current thinking about the way researchers can identify and select patients with early Alzheimer's disease, or those who are at risk of developing the disease, for participation in clinical trials. In recent years, the research community has tried to find ways to identify these patients using criteria that are based on biological indicators (biomarkers). Researchers have also tried to develop sensitive clinical measures that can detect subtle mental decline.

For drugs designed to treat patients with overt dementia, the FDA currently requires that treatments not only show an effect on abnormal thinking, but also how well patients function. The goal for these trials is to ensure that any beneficial effect on thinking is associated with a clinically meaningful outcome for the patient, e.g., improvement or lack of decline in how patients feel or function.

However, because patients with early Alzheimer's disease have little-to-no impairment of global functioning, it is difficult to assess changes in function in these patients. This can make it difficult to determine if a given treatment's effect is clinically important.

FDA is seeking public comment on the draft guidance for 60 days. Instructions on how to submit comments are included in a related [Federal Register notice](#) issued. In finalizing the guidance document, the agency will consider the information received from the public.

- **The number of people with Alzheimer's disease is expected to triple in the next 40 years, according to a new study by researchers from Rush University Medical Center published in the online issue of [Neurology](#).**

For the study, researchers analyzed information from 10,802 African-American and Caucasian people living in Chicago, ages 65 and older between 1993 and 2011. Participants were interviewed and assessed for dementia every three years. Age, race and level of education were factored into the research.

The data was combined with U.S. death rates, education and current and future population estimates from the U.S. Census Bureau.

The study found that the total number of people with Alzheimer's dementia in 2050 is projected to be 13.8 million, up from 4.7 million in 2010. About 7 million of those with the disease would be age 85 or older in 2050.

The study was supported by the Alzheimer's Association and the National Institute on Aging of the National Institutes of Health.

REPORTS/POLICIES

- **There were no reports published this week.**

HILL HEARINGS

- The Senate Armed Services Committee will hold a hearing on **Feb. 12, 2013**, to examine the impacts of sequestration and/or a full-year continuing resolution on the Department of Defense.
- 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.460** (introduced Feb. 4, 2013): *Patients' Access to Treatments Act of 2013* was referred to the House Committee on Energy and Commerce
Sponsor: Representative David B. McKinley [WV-1]
- **H.R.485** (introduced Feb. 4, 2013): To establish the position of National Nurse for Public Health, to be filled by the same individual serving as the Chief Nurse Officer of the Public Health Service was referred to the House Committee on Energy and Commerce
Sponsor: Representative Eddie Bernice Johnson [TX-30].
- **H.R.526** (introduced Feb. 6, 2013): To place a moratorium on permitting for mountaintop removal coal mining until health studies are conducted by the Department of Health and Human Services, and for other purposes was referred to the Committee on Natural Resources, and in addition to the Committees on Transportation and Infrastructure, and Energy and Commerce, for a period to be subsequently determined by the Speaker.
Sponsor: Representative John A. Yarmuth. [KY-3]
- **H.R.544** (introduced Feb. 6, 2013): To amend title XXVII of the Public Health Service Act to change the permissible age variation in health insurance premium rates was referred to the House Committee on Energy and Commerce.
Sponsor: Representative Phil Gingrey [GA-11]

- **H.R.552** (introduced Feb. 6, 2013): To require the Secretary of Veterans Affairs to ensure that the South Texas Veterans Affairs Health Care Center in Harlingen, Texas, includes a full-service Department of Veterans Affairs inpatient health care facility was referred to the House Committee on Veterans' Affairs.
Sponsor: Representative Ruben Hinojosa [TX-15]
- **H.R.564** (introduced Feb. 6, 2013): To amend title V of the Social Security Act to extend funding for family-to-family health information centers to help families of children with disabilities or special health care needs make informed choices about health care for their children.
Sponsor: Rep Pallone, Frank, Jr. [NJ-6]
- **H.R.582** (introduced Feb. 4, 2013): To amend the Internal Revenue Code of 1986 to repeal the individual and employer health insurance mandates was referred to the House Committee on Ways and Means.
Sponsor: Representative Michael R. Turner [OH-10].
- **S.226** (introduced Feb. 4, 2013): A bill to amend the Family and Medical Leave Act of 1993 to provide leave because of the death of a son or daughter was referred to the Committee on Health, Education, Labor, and Pensions.
Sponsor: Senator Jon Tester [MT]

MEETINGS

- 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 katetheroux@federalhealthcarenews.com.