Federal Health Update

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EXECUTIVE AND CONGRESSIONAL NEWS

- **On March 6, 2013, the House passed HR 933, the *Department of Defense, Military Construction and Veterans Affairs, and Full-Year Continuing Appropriations Act*, 2013.**

  The legislation maintains most of the government at the same funding levels as the existing CR. However, it includes full year appropriations bills for Defense, military construction, and the Department of Veterans Affairs. The entire government remains under the sequester spending reductions.

  While DoD would have preferred to have the sequester lifted, the inclusion of the appropriations bill at least gives the Department additional flexibility in how it can spend the money it has. The appropriations bill is based upon the bills agreed upon in the House and the Senate during the last Congress for FY13, which was agreed to in conference.

- **On March 7, 2013, Senator Carl Levin (D-Mich) announced that he would not seek reelection in 2014.**

  Levin was first elected to the Senate in 1978 and is the longest-serving senator in Michigan's history. Since joining the Senate, he has been a member the Armed Services Committee. From 2001 to 2003 and again from 2007 to the present, he has been the committee's chairman.

MILITARY HEALTH CARE NEWS

- **Assistant Secretary of Defense for Health Affairs (Dr.) Jonathan Woodson posted the following statement on the HS website on March 5, 2012:**

  "We know that those who rely on the Military Health System are concerned about how sequestration will impact their health care.

  "While we can't predict the exact consequences of sequestration on every part of our military health system, we will see an immediate decrease in our research efforts, delayed repairs to facilities and delays in new equipment purchases. Should our civilian workforce be furloughed, we do expect to see some impact on the delivery of health care services within our Military Treatment Facilities. Local hospital and clinic commanders will need to manage service availability while ensuring that the quality of care and safety of patients remain intact. This may mean a decrease in clinic appointment availability or longer wait times to see providers.

  "For those who seek care in the private sector through their TRICARE benefit, little effect is anticipated at this time.

  "The Military Health System (MHS) leadership - comprised of the Assistant Secretary of Defense for Health Affairs and the Surgeons General of the Military Departments – are closely monitoring the effects of sequestration on the health services provided to our 9.6 million beneficiaries."

- **The FINRA Investor Education Foundation's Military Spouse Fellowship Program announced it has opened the application process for its class of 2013 military spouses.**

  The FINRA Foundation Spouse Fellowship Program, in its eighth year, provides military spouse recipients with the education and training needed to earn the Accredited Financial Counselor (AFC) designation. Military spouses can apply to become a member of the 2013 class of fellows until March 31, 2013.

  Spouse fellows have logged more than 360,000 hours helping military families reach their financial goals, and 385 spouse fellows have graduated from the program. Accredited spouses serve the military community as financial counselors at family readiness and support centers, credit counseling and tax centers, financial aid offices and credit unions throughout the U.S. and abroad. These organizations are in need of well-trained specialists who understand the unique financial needs of military families.

  The Military Spouse Fellowship is administered in partnership with the Association for Financial Counseling and Planning Education (AFCPE) and the National Military Family Association. The program covers the costs associated with completing the AFC® training and testing for military spouses.

  The Military Spouse Fellowship Program is open to current or surviving spouses of active duty or retired Army, Navy, Air Force, Marine Corps, Coast Guard, National Guard or Reserve service members, as well as spouses of members of the U.S. Public Health Service Commissioned Corps and the National Oceanic and Atmospheric Administration Commissioned Officer Corps.

  More information is available at www.SaveAndInvest.org/MilitaryCenter. Applications are accepted online at www.MilitaryFamily.org/FINRAFellowship and are due by midnight ET

March 31, 2013.

VETERANS AFFAIRS NEWS

- **According to the *Washington Examiner*, the Department of Veterans Affairs' budget is exempt from sequestration cuts.**

  House Veterans Affairs Chairman Jeff Miller, R-Fla., worried that veterans' access to benefits would be disrupted by sequestration, confirmed that the VA budget would not be affected.

- **The Department of Veterans Affairs' inspector general reported that VA has been sending sensitive data – including electronic health records – over unencrypted networks, making them vulnerable to theft or misuse.**

  According to the report, it has been common practice for the agency to send the unencrypted data to outpatient clinics and private contractors, contrary to federal rules that require a higher level of security.

  The information included veterans' and dependents' Social Security numbers, dates of birth and other private health data. No security breach occurred.

  The inspector general is recommending the agency put in place the necessary controls and train its personnel on understanding the importance of encrypting sensitive information. VA officials say they agree with the report's recommendations and will take corrective action.

GENERAL HEALTH CARE NEWS

- **The Department of Health and Human Services (HHS) conditionally approved Iowa, Michigan, New Hampshire and West Virginia to operate State Partnership Marketplaces, which will be ready for open enrollment in October 2013.**

  These conditional approvals bring the total number of states that have been conditionally approved to partially or fully run their Marketplace to 24 states and the District of Columbia. In addition, several other states have suggested their own approaches to contributing toward plan management in their Marketplace in 2014. HHS will continue to provide all states with the flexibility, resources and time needed to support the establishment of the new health insurance marketplace.

  Consumers in every state will soon be able to buy insurance from qualified health plans directly through a Marketplace and may be eligible for premium tax credits and cost sharing assistance to help lower their costs. These health plans will ensure consumers have the same kinds of valuable insurance choices as members of Congress, and cannot be denied coverage because of a pre-existing condition.

  For more information on the new Health Insurance Marketplace, visit: www.healthcare.gov/marketplace/.

- **The Department of Health and Human Services (HHS) released its plan to accelerate health information exchange (HIE) and build a seamless and secure flow of information essential to transforming the health care system.**

  According to its release, HHS will:

  - **Set aggressive goals for 2013**: HHS is setting the goal of 50 percent of physician offices using electronic health records (EHR) and 80 percent of eligible hospitals receiving meaningful use incentive payments by the end of 2013.
  - **Increase the emphasis on interoperability**: HHS will increase its emphasis on ensuring electronic exchange across providers. It will start that effort by issuing today a request for information (RFI) seeking public input about a variety of policies that will strengthen the business case for electronic exchange across providers to ensure patients' health information will follow them seamlessly and securely wherever they access care.
  - **Enhance the effective use of electronic health records through initiatives like the Blue Button initiative**. Medicare beneficiaries can access their full Medicare records online today. HHS is working with the Veterans Administration and more than 450 different organizations to make health care information available to patients and health plan members. HHS is also encouraging Medicare Advantage plans to expand the use of Blue Button to provide beneficiaries with one-click secure access to their health information.
  - **Implement Meaningful Use Stage 2**: HHS is implementing rules that define what data must be able to be exchanged between Health IT systems, including how data will be structured and coded so that providers will have one uniform way to format and securely send data.
  - **Underscoring program integrity**: HHS is taking new steps to ensure the integrity of the program is sound and technology is not being used to game the system. For example, it is conducting extensive medical reviews and issuing Comparative Billing reports that identify providers.

  The goals build on the significant progress HHS and its partners have already made on expanding health information technology use. EHR adoption has tripled since 2010, increasing to 44 percent in 2012 and computerized physician order entry has more than doubled (increased 168 percent) since 2008.

  In addition to seeking public input, the RFI also discusses several potential new policies and ideas to accelerate interoperability and exchange of a patient's health information across care settings so that they can deliver better and more affordable care to their patients.

  The RFI can be found at http://www.ofr.gov/OFRUpload/OFRData/2013-05266_PI.pdf
  Deadline for comments is April 21, 2013.

- **Drug-resistant germs called carbapenem-resistant Enterobacteriaceae, or CRE, are on the rise and have become more resistant to last-resort antibiotics during the past decade, according to a new Centers for Disease Control and Prevention (CDC) Vital Signs report.**

  These bacteria are causing more hospitalized patients to get infections that, in some

cases, are impossible to treat.

CRE are lethal bacteria that pose a triple threat:

- **Resistance:** CRE are resistant to nearly all the antibiotics we have - even our most powerful drugs of last-resort.
- **Death:** CRE have high mortality rates – CRE germs kill 1 in 2 patients who get bloodstream infections from them.
- **Spread of disease:** CRE easily transfer their antibiotic resistance to other bacteria. For example, CRE can spread its drug-destroying weapons to a normal *E. coli* bacteria, which makes the *E.coli* resistant to antibiotics also. That could create a nightmare scenario since *E. coli* is the most common cause of urinary tract infections in healthy people.

Currently, almost all CRE infections occur in people receiving significant medical care. CRE are usually transmitted from person-to-person, often on the hands of health care workers. In 2012, CDC released a concise, practical **CRE prevention toolkit** with in-depth recommendations to control CRE transmission in hospitals, long-term acute care facilities, and nursing homes. Recommendations for health departments are also included.

In addition to detailed data about the rise of CRE, the Vital Signs report details steps health care providers, CEOs and chief medical officers, state health departments and patients can take now to slow, and even stop, CRE before it becomes widespread throughout the country.

- **The American Diabetes Association released new research estimating the total costs of diagnosed diabetes have risen to $245 billion in 2012 from $174 billion in 2007, when the cost was last examined.**

This figure represents a 41 percent increase over a five year period. The study, *Economic Costs of Diabetes in the U.S. in 2012*, was commissioned by the association and addresses the increased financial burden, health resources used and lost productivity associated with diabetes in 2012.

Diabetes, a serious and life-threatening disease, has reached epidemic proportions in the U.S. with nearly 26 million adults and children living with the disease. An additional 79 million have pre-diabetes, placing them at increased risk for developing type-2 diabetes.

In addition, the study found that:

- Medical expenditures for people with diabetes are 2.3 times higher than for those without diabetes.
- The primary driver of increased costs is the increasing prevalence of diabetes in the U.S. population.
- Despite the introduction of new classes of medication for the treatment of diabetes, anti-diabetic agents and diabetes supplies continue to account for only 12 percent of medical expenditures in both 2007 and 2012.

The study found most of the cost for diabetes care in the U.S., 62.4 percent, is provided by government insurance (including Medicare, Medicaid and the military). The rest is paid for by private insurance (34.4 percent) or by the uninsured (3.2 percent). Health expenditures are higher among women than men ($8,331 vs. $7,458), and lower among

Hispanics ($5,930), compared with non-Hispanic blacks ($9,540) and non-Hispanic whites ($8,101).

Among states, California has the largest population with diabetes and thus the highest costs, at $27.6 billion. Although Florida's total population is fourth among states behind California, Texas and New York, it is second in costs at $18.9 billion.

The complete study will be published in the upcoming April issue of *Diabetes Care*.

REPORTS/POLICIES

- **The GAO published *"Military Bases: Opportunities Exist to Improve Future Base Realignment and Closure Rounds,"* (GAO-13-149) on March 7, 2013.** This report analyzed DoD's 2005 report to the BRAC Commission and the Commission's report to the President and reviewed BRAC policy memorandums, guidance and other relevant documentation to assess how DoD estimated BRAC costs and savings and any ways its methodology could be improved. http://www.gao.gov/assets/660/652805.pdf

- **The GAO published *"Medicare Advantage: Substantial Excess Payments Underscore Need for CMS to Improve Accuracy of Risk Score Adjustments," (*GAO-13-206) on March 4, 2013.** In this report, GAO determined the extent to which differences, if any, in diagnostic coding between MA plans and Medicare FFS affected MA risk scores and payments to MA plans in 2010, 2011 and 2012; and identified what changes, if any, CMS made to its risk score adjustment methodology for 2013 and intends to make for future years. http://www.gao.gov/assets/660/651712.pdf

- **The Institute of Medicine (IOM) published *"Challenges and Opportunities for Change in Food Marketing to Children and Youth - Workshop Summary,"* on March 4, 2013**. To review progress and explore opportunities for action on food and beverage marketing that targets children and youth, the IOM's Standing Committee on Childhood Obesity Prevention examining contemporary trends in marketing of foods and beverages to children and youth and the implications of those trends for obesity prevention. http://www.iom.edu/Reports/2013/Challenges-and-Opportunities-for-Change-in-Food-Marketing-to-Children-and-Youth.aspx

HILL HEARINGS

- The Senate Veterans Affairs Committee will hold a hearing on **March 13, 2013**, to examine Veterans' Affairs (VA) claims process, focusing on a review of Veterans' Affairs transformation efforts.
- The House Veterans' Affairs Oversight and Investigations Subcommittee will hold a hearing on **March 14, 2013**, to examine the delay for veterans to get care on March 14.
- The Senate Armed Services Committee will hold a hearing on **April 11, 2013**, to examine the Department of the Air Force in review of the Defense Authorization Request for fiscal year 2014 and the Future Years Defense Program; with the possibility of a closed session in SVC-217 following the open session.

- The Senate Armed Services Committee will hold a hearing on **April 25, 2013**, to examine the Department of the Navy in review of the Defense Authorization Request for fiscal year 2014 and the Future Years Defense Program; with the possibility of a closed session in SVC-217 following the open session.

LEGISLATION

- **H.R.940** (introduced March 4, 2013): To amend the Patient Protection and Affordable Care Act to protect rights of conscience with regard to requirements for coverage of specific items and services, to amend the Public Health Service Act to prohibit certain abortion-related discrimination in governmental activities, and for other purposes referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means.
  Sponsor: Representative Diane Black [TN-6]

- **H.R.956** (introduced March 5, 2013): *Personal Health Investment Today Act of 2013* was referred to the House Committee on Ways and Means
  Sponsor: Representative Ron Kind [WI-3]

- **H.R.958** (introduced March 5, 2013): *Women Veterans and Other Health Care Improvements Act of 2013* was Referred to the Committee on Veterans' Affairs, and in addition to the Committees on the Budget, and Armed Services.
  Sponsor: Representative Rick Larsen [WA-2]

- **H.R.969** (introduced March 5, 2013): *Medical Practice Freedom Act of 2013* was referred to the House Committee on Energy and Commerce.
  Sponsor: Representative Tom Price [GA-6]

- **H.R.986** (introduced March 6, 2013): *Rural Health Clinic Fairness Act of 2013* was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means.
  Sponsor: Representative Aaron Schock [IL-18]

- **H.R.1005** (introduced March 6, 2013): *Defund Obamacare Act* was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means.
  Sponsor: Representative Tom Graves [GA-14]

- **H.R.1019** (introduced March 6, 2013): To amend the Public Health Service Act to provide protections for consumers against excessive, unjustified, or unfairly discriminatory increases in premium rates was referred to the House Committee on Energy and Commerce.
  Sponsor: Representative Janice D. Schakowsky [IL-9]

- **S.466** (introduced March 5, 2013): A bill to assist low-income individuals in obtaining recommended dental care was referred to the Committee on Health, Education, Labor, and Pensions.
  Sponsor: Senator Robert Menendez [NJ]

- **S.468** (introduced March 6, 2013): A bill to protect the health care and pension benefits of our nation's miners was referred to the Committee on Finance.
  Sponsor: Senator John D, Rockefeller, IV [WV]

- **S.482** (introduced March 6, 2013): A bill to amend the Public Health Service Act to provide protections for consumers against excessive, unjustified, or unfairly discriminatory increases in premium rates was referred to the Committee on Health, Education, Labor, and Pensions.
  Sponsor: Senator Dianne Feinstein [CA]

MEETINGS

- 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**.
- The Global Health & Innovation Conference (GHIC) will be held April 2-4, 2013, in New Haven Conn. http://www.uniteforsight.org/conference/
- 10th Annual World Healthcare Congress will be held **April 8-10, 2013**, in Washington DC http://www.worldcongress.com/events/HR13000/
- The 16th Annual Conference on Vaccine Research will be held on **April 22-24, 2013**, in Baltimore, Md. http://www.cvent.com/events/16th-annual-conference-on-vaccine-research/event-summary-db97bedd5ee041eeb09d971650f76be0.aspx
- 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
- The 29th Annual Meeting of the International Society for Traumatic Stress Studies (ISTSS) will be held **Nov.7-9, 2013,** in Philadelphia, Pa. http://www.istss.org/Home.htm
- The AMIA 2013 Annual Symposium will be held on **Nov. 16-20, 2013**, in Washington DC. http://www.amia.org/amia2013
- The 2013 American Academy of Medical Administrators (AAMA) Annual Conference will be held on **Nov. 19 - 22, 2012**, Las Vegas, Nev. http://www.aameda.org/Conference/Annual/AnnualMain.html
- The Radiological Society of North America (RSNA) 2013: **Dec. 1-3, 2013**, in Chicago, Ill. http://www.rsna.org/Annual_Meeting.aspx
- The 2013 Special Operations Medical Association (SOMA) Conference will be held on **Dec. 14-17, 2012**, in Tampa, Fla. http://www.specialoperationsmedicine.org/

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