

# Federal Health Update

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*Welcome to Federal Health Update. This newsletter is a compilation of the latest news in the federal health care sector.*

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## EXECUTIVE AND CONGRESSIONAL NEWS

- **During his testimony before the Senate Armed Services Committee, Army Chief of Staff Gen. Ray Odierno said slowing the growth of military pay and housing allowances, reducing commissary subsidies and adjusting TRICARE costs will save \$31 billion over the next five years and enable readiness to be maintained, according to the *Bayonet & Saber*.**

The general testified along with his counterparts from the Joint Chiefs of Staff and the Chairman of the Joint Chiefs of Staff Gen. Martin E. Dempsey.

Under the proposed fiscal 2015 budget, military pay would increase only 1 percent for soldiers next year, and compensation would be frozen for general officers.

The compensation proposal would restructure TRICARE into a single plan. Tricare Prime, Extra, and Standard would be consolidated. Seniors over 65 enrolling in TRICARE for Life would be required to pay modest annual enrollment fees.

The proposal would also adjust pharmacy co-payments for retirees and active-duty families, phased in over the next 10 years.

Changes would provide incentives for beneficiaries to use mail-order and generic drugs, according to the Joint Chiefs' written statement to the committee.

Enrollment fees for TFL beneficiaries would only apply to those who turn 65 after the Defense Authorization Act becomes law, according to the Joint Chiefs.

The costs for military health care have risen from \$19 billion in 2001, to \$48 billion in 2013. Fundamental structure of the Tricare health insurance program has not been revised since its

inception in the mid-1990s, according to the Joint Chiefs of Staff statement.

- **Veterans Affairs Secretary Eric Shinseki confirmed that some health facilities had submitted falsified records but rejected suggestions that he should resign during a Senate Veterans Affairs Committee hearing on May 15, 2014.** The Secretary said he hopes to have preliminary results within three weeks on audits he ordered at the VA's 150 medical centers and 820 community outpatient clinics nationwide in an effort to determine how widespread the treatment delays and falsified reports are.

## MILITARY HEALTH CARE NEWS

- **All retiree and active duty TRICARE beneficiaries with developmental disabilities will have access to a specific therapy under a pair of new bills introduced today in the House and Senate.**

The new bi-partisan bill was introduced in the Senate by Sen. Patty Murray, D-Wash., Sen. Roy Blunt, R-Mo., Kristen Gillibrand, D-N.Y., and Sen. Marco Rubio, R-Fla. The House version was introduced by Rep. John Larson, D-Conn., and Rep. Thomas Rooney, R-Fla.

The proposal expands coverage for Applied Behavior Analysis (ABA) therapy to all users with developmental disabilities. Currently, the therapy is only readily available to active duty users diagnosed with autism.

Retiree beneficiaries diagnosed with autism can receive the therapy through a complicated approval process under a Tricare pilot program, due to terminate in July. Beneficiaries with other developmental disabilities, such as Downs Syndrome, are blocked completely from the therapy.

Under the current TRICARE ABA therapy policy, active duty users can receive up to \$36,000 of therapy a year – or between 300 and 720 hours depending on the education level of therapist used -- as long as the provider can annually justify its need. Parents pay a cost share of between \$25 and \$250 per month based on pay grade.

But parents and advocates complain that those therapy caps can only cover a fraction of what many delayed children need. The new bills include no therapy caps.

The plan, if passed, is projected to cost Tricare \$20 million in fiscal 2015 – a price tag that could prove to be a roadblock in an environment of Defense Department downsizing and budget cuts.

Like most legislation addressing Defense Department issues, the bills will likely be wrapped later into the 2015 National Defense Authorization Act.

- **A federal district judge has dismissed the majority of a consolidated class action lawsuit that was filed against TRICARE, the military health program, and Science Applications International Corp. in the wake of a 2011 data breach that affected nearly 5 million individuals.**

The incident is the largest data breach reported to federal regulators under the HIPAA breach notification rule.

Of the 33 plaintiffs in the eight class action suits that were consolidated, only two "do plausibly

assert that their data was accessed or abused, and those victims may move forward with their claims," writes U.S. District Judge James Boasberg in his May 9 [ruling](#) from the U.S. District Court in D.C.

However, the majority of the plaintiffs have not shown evidence that their data has been either viewed or misused, the judge said.

The court will hold a status hearing to assess those dismissed parties' intentions about appealing the judge's decision "before taking up the question of whether the two remaining plaintiffs have stated a legal claim," he writes.

The lawsuits stemmed from the September 2011 theft of unencrypted backup computer tapes containing information on about 4.9 million individuals. The tapes were stolen from the car of an SAIC employee who was to transport them between federal facilities on behalf of TRICARE.

The consolidated cases include five filed in the District of Columbia, two in California and one in Texas. The cases alleged harm from an increased likelihood of identity theft and from an invasion of privacy, among other things. The ruling notes that recently, SAIC and the three government defendants - TRICARE, the Department of Defense, and its Secretary, Chuck Hagel, moved to dismiss the now-consolidated complaint.

In his ruling, the judge wrote: "This case presents thorny standing issues regarding when, exactly, the loss or theft of something as abstract as data becomes a concrete injury. That is, when is a consumer actually harmed by a data breach - the moment data is lost or stolen, or only after the data has been accessed or used by a third party?"

The ruling continues: "As the issue has percolated through various courts, most have agreed that the mere loss of data - without evidence that it has been either viewed or misused - does not constitute an injury sufficient to confer standing. This court agrees. Mere loss of the data is all that most plaintiffs allege here, so the majority must be dismissed from this case. Two plaintiffs, however, do plausibly assert that their data was accessed or abused, and those victims may move forward with their claims."

- **Nearly 1 million cases of mental health conditions in service members were documented between 2000 and 2011, according to a senior psychologist with the Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury.**

DoD is promoting Mental Health Awareness Month this May to show that psychological health is critical to one's overall health.

Resources abound in the area of military mental health. One such outlet is a "living blog" appearing this month on the Defense Centers of Excellence's website. Service members, veterans and families can post questions about mental health, and psychology experts provide answers within 24 hours. Questions have so far have included identifying the signs and symptoms of PTSD, how it impacts deployment and moral injury.

Launched in 2009 as a help-seeking resource, the Real Warriors Campaign features success stories of people of all ranks and demographics who faced tough challenges and sought the care they needed, he noted.

In one of its newest initiatives to diagnose and treat psychological ills during early onset, DoD is placing behavioral health specialists in military primary care facilities.

A range of issues such as depression, PTSD, anxiety, stress, grief, relationship problems, sleep difficulties, obesity, chronic pain, diabetes, tobacco use and other substance challenges often can be treated effectively in primary care.

Because some people might not feel comfortable approaching mental health specialists, they often are at ease with their primary doctors, and by staffing such specialists, the Military Health

System is making dramatic changes in the way behavioral health concerns are identified, assessed and treated within the primary-care setting. As part of the DoD Primary Care Behavioral Health initiative, all three military service branches have implemented or greatly expanded programs that integrate behavioral health services into primary care.

To learn about the signs, symptoms and treatment of psychological ills, contact the Defense Centers of Excellence Call Center at 1-866-966-1020. Anyone in a psychological crisis should call the Military Crisis Line at 1-800-273-TALK (8255).

## VETERANS AFFAIRS NEWS

- Veterans Affairs released no news this week.

## GENERAL HEALTH CARE NEWS

- **The U.S. Department of Health and Human Services (HHS) and the European Commission released today the first progress report of the Transatlantic Taskforce on Antimicrobial Resistance (TATFAR).**

The report renews the commitment of U.S. and European Union (EU) health authorities to pursue specific goals in their joint battle against antimicrobial resistance, a complex, dynamic and multi-faceted concern not bound by borders. The report also summarizes the advancements made during the first TATFAR implementation period of 2011-2013. .

TATFAR was created following the 2009 U.S.-EU presidential summit with the goal of improving cooperation between the U.S. and the EU in three key areas: (1) appropriate therapeutic use of antimicrobial drugs in medical and veterinary communities, (2) prevention of health care- and community-associated drug-resistant infections, and (3) strategies for improving the pipeline of new antimicrobial drugs.

TATFAR identified and adopted 17 recommendations for collaborations between the U.S. and the EU. Implementation of the recommendations has been carried out through increased communication, regular meetings, joint workshops, and the exchange of information, approaches, and best practices.

Studies estimate that drug-resistant infections result in at least 25,000 deaths in 29 countries in Europe and 23,000 deaths in the U.S. every year. In addition to the toll on human life, antimicrobial-resistant infections add considerable and avoidable costs to health care systems. Antimicrobial resistance costs the EU and the U.S. billions every year in avoidable health care costs and productivity losses.

In the U.S. and in the EU, significant progress in reducing specific types of infections has been made. However, the global problem of antimicrobial resistance continues to escalate. Therefore, the original mandate of the taskforce that ran through 2013 has been extended for at least two additional years.

The European Centre for Disease Prevention and Control served as the TATFAR Secretariat from 2011-2013, and the U.S. Centers for Disease Control and Prevention will serve as the Secretariat from 2014-2016.

The full report is available at <http://www.cdc.gov/drugresistance/tatfar/report.html>

- **The U.S. Food and Drug Administration announced it required the manufacturer of the sleep drug Lunesta (eszopiclone) to change the drug label and lower the current**

**recommended starting dose.**

Data show that eszopiclone levels in some patients may be high enough the morning after use to impair activities that require alertness, including driving, even if they feel fully awake.

Taken at bedtime, the recommended starting dose of Lunesta (eszopiclone) has been decreased from 2 milligrams to 1 mg for both men and women. The 1 mg dose can be increased to 2 mg or 3 mg if needed, but the higher doses are more likely to result in next-day impairment of driving and other activities that require full alertness.

Patients currently taking the 2 mg and 3 mg doses of Lunesta should contact their health care professional to ask for instructions on how to continue to take their medicine safely at a dose that is best for them.

The dose change is based, in part, on findings from a study of 91 healthy adults ages 25 to 40. The study shows, compared to an inactive pill (placebo), Lunesta 3 mg was associated with severe next-morning psychomotor and memory impairment in both men and women 7.5 hours after taking the drug. The study found that recommended doses can cause impairment to driving skills, memory, and coordination as long as 11 hours after the drug is taken. Despite these long-lasting effects, patients were often unaware they were impaired.

The FDA approved changes to the Lunesta prescribing information (label) and the patient Medication Guide to include these new prescribing recommendations. The drug labels for generic eszopiclone products must also be updated to include these changes. In a drug safety communication issued, the FDA urges health care professionals to caution patients taking Lunesta about the risk of next-morning impairment for activities that require mental alertness, including driving. Alertness can be impaired even in people who do not feel drowsy.

In Jan. 2013, the FDA announced a dose reduction for sleep drugs that contain the active ingredient zolpidem, such as Ambien and Ambien CR, because of the risk of next morning impairment.

## REPORTS/POLICIES

- **The GAO published “*Biological Defense: DoD Has Strengthened Coordination on Medical Countermeasures but Can Improve Its Process for Threat Prioritization,*” (GAO-14-442) on May 15, 2014.** This report describes DOD's funding of medical countermeasures against biological threat agents from fiscal years 2001 through 2013; evaluates DoD's progress in researching, developing, and making available medical countermeasures against biological threat agents, including DoD's prioritization process; describes DoD's internal coordination to allocate resources to medical countermeasures against biological threat agents; and evaluates DoD's coordination with HHS and DHS to research and develop medical countermeasures against biological threat agents. <http://www.gao.gov/assets/670/663212.pdf>
- **The GAO published “*VA Health Care: VA Lacks Accurate Information about Outpatient Medical Appointment Wait Times, Including Specialty Care Consults,*” (GAO-14-620T) on May 15, 2014.** This report highlights preliminary observations GAO made in an April 9, 2014, testimony statement regarding VHA's management of outpatient specialty care consults, and concerns GAO raised in its December 2012 report regarding VHA's outpatient medical appointment scheduling, and progress made implementing GAO's recommendations. <http://www.gao.gov/assets/670/663193.pdf>

- **According to a new report by the CBO, *Shifting Priorities of the Federal Budget*, 45 percent of the 2013 federal budget went to Social Security, Medicare and Medicaid.** To read the report, please visit: <http://www.cbo.gov/sites/default/files/cbofiles/attachments/45342-StanfordEconomicPolicyResearch.pdf>

## HILL HEARINGS

- The Senate Armed Services Subcommittee on Personnel will hold a budget hearing on **May 21, 2014**, to markup those provisions, which fall under the subcommittee's jurisdiction of the proposed National Defense Authorization Act for fiscal year 2015.
- The Senate Armed Services Committee will hold a budget hearing on **May 21-23, 2014**, to markup the proposed National Defense Authorization Act for fiscal year 2015.

## LEGISLATION

- **H.R.4625** (introduced May 9, 2014): To amend title XVIII of the Social Security Act to suspend the application of the rebasing of Medicare home health prospective payment amounts, and for other purposes was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce.  
Sponsor: Representative Ralph M/ Hall, Ralph M. [TX-4]
- **H.R.4630** (introduced May 9, 2014): To amend title 10, United States Code, to provide for certain behavioral health treatment under TRICARE for children and adults with developmental disabilities, and for other purposes was referred to the House Committee on Armed Services.  
Sponsor: Representative John B. Larson [CT-1]
- **H.R.4631** (introduced May 9, 2014): To reauthorize certain provisions of the Public Health Service Act relating to autism, and for other purposes was referred to the House Committee on Energy and Commerce.  
Sponsor: Representative Christopher H. Smith [NJ-4].
- **H.R.4633** (introduced May 9, 2014): To amend title XXVII of the Public Health Service Act to require certain health insurance premium increase information submitted to the Secretary of Health and Human Services be disclosed to Congress was referred to the House Committee on Energy and Commerce.  
Sponsor: Representative H. Morgan Griffith [VA-9].
- **H.R.4656** (introduced May 13, 2014): To amend title 10, United States Code, to improve access to mental health services under the TRICARE program was referred to the House Committee on Armed Services.  
Sponsor: Representative Cory Gardner [CO-4]
- **S.2333** (introduced May 14, 2014): A bill to amend title 10, United States Code, to provide for certain behavioral health treatment under TRICARE for children and adults with developmental disabilities was referred to the Committee on Armed Services.  
Sponsor: Senator Patty Murray [WA]
- **S.2339** (introduced May 14, 2014): A bill to amend the Patient Protection and Affordable Care Act to require States with failed American Health Benefit Exchanges to reimburse the Federal Government for amounts provided under grants for the establishment and operation of such Exchanges was referred to the Committee on Finance.  
Sponsor: Senator John Barrasso [WY]

## MEETINGS/WEBINARS

- The 2014 DoD/VA Healthcare Conference will be held **May 19-21, 2014**, in San Antonio, Texas. <http://www.dodhealthcare.com/>
- The National Center for Disaster Medicine and Public Health will host a webinar on mental health resiliency in the disaster health workforce, "Fostering Resilience in Disaster Health Responders," on **May 22, 2014**.  
[https://ncdmph.adobeconnect.com/\\_a1137435577/resilientresponders/](https://ncdmph.adobeconnect.com/_a1137435577/resilientresponders/)
- The National Center for Disaster Medicine and Public Health will host the 2014 Learning in Disaster Health Workshop on **Sept. 9-10, 2014**, in the Washington DC area.  
<http://ncdmph.usuhs.edu/>
- The AUSA 2014 Annual Meeting & Exposition will be held **Oct. 13-15, 2014**, in Washington DC. <http://www.ausa.org/meetings/2014/Pages/AnnualMeeting.aspx>
- The 30th Annual Meeting of the International Society for Traumatic Stress Studies (ISTSS) will be held **Nov. 6-8, 2014**, in Miami, Fla. <http://www.istss.org/MeetingsEvents.htm>
- The AMIA 2014 Annual Symposium will be held on **Nov. 15-19, 2014**, in Washington DC. <http://www.amia.org/amia2014>
- AMSUS Annual Continuing Education Meeting will be held **Dec. 2-5, 2014**, in Washington, DC <http://amsusmeetings.org>
- The 100<sup>th</sup> Annual Meeting of Radiological Society of North America (RSNA) 2014: **Dec. 5-9, 2014**, in Chicago, Ill. [http://www.rsna.org/Annual\\_Meeting.aspx](http://www.rsna.org/Annual_Meeting.aspx)
- The 2014 Special Operations Medical Association (SOMA) Science Assembly will be held on **Dec. 8-11, 2014**, in Tampa, Fla.  
<http://www.specialoperationsmedicine.org/Pages/scientificassembly.aspx>
- The AAMA 2015: The National Summit of Medical Administrators will be held on **Jan. 19-21, 2015**, in Clearwater, Fla. <http://aameda.org/p/cm/ld/fid=159>

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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](mailto:katetheroux@federalhealthcarenews.com).**