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

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ktheroux@federalhealthcarenews.com

EXECUTIVE AND CONGRESSIONAL NEWS

- On June 3, 2013, President Obama signed into law: H.R. 258, the "Stolen Valor Act of 2013," which makes it a Federal crime for an individual to fraudulently hold oneself out to be a recipient of any of several specified military decorations or medals with the intent to obtain money, property, or other tangible.


The bill provides the nation’s military with the infrastructure needed to house, train, and equip military personnel, provides for the quality of life of our troops and their families, and maintains our strong military base structure. It also funds veterans' benefits and programs to ensure that all veterans receive needed services.

The legislation includes $73.3 billion in discretionary funding, which is $1.4 billion above the enacted level for fiscal year 2013, and approximately $2.4 billion above the current level caused by automatic sequestration spending cuts, which do not affect veterans spending. This level is nearly $1.4 billion below the President's request for these programs.

For a list of adopted amendments to H.R. 2216, please visit:
http://appropriations.house.gov/UploadedFiles/06.04.13_FY_2014_Military_Construction_and_Veterans_Affairs_Bill_-_Floor
The House Armed Services Committee marked up the National Defense Authorization Act (NDAA) for fiscal year 2014 this week.

NDAA authorizes $552.1 billion in spending for national defense and an additional $85.8 billion for Overseas Contingency Operations.

- The bill rejects most Administration proposals to increase some TRICARE fees or establish new TRICARE fees. It also provides beneficiaries an opportunity to remain in TRICARE Prime after the Department of Defense reduces the availability of Prime to retired beneficiaries.
- The bill prohibits DOD from proposing, planning, or initiating another round of BRAC.

Sexual assault of course receives priority consideration in this legislation, and several reforms are provided. These reforms include:

- Removal of commanders’ authority to dismiss a finding by a court martial;
- Prohibit commanders from reducing guilty findings to guilty of a lesser offense;
- Minimum sentencing guidelines for sexual assault-related offenses;
- Allowance of permanent change of station or unit transfer for victims of sexual assault;
- Commanders may temporarily reassign service members who are alleged perpetrators of sexual assault;
- Provision of victims’ counsels to provide legal assistance to victims;
- Addition of rape, sexual assault or other sexual misconduct to the protected communications of service members with a Member of Congress or an IG.

In addition, DoD is required to study the role and authorities of commanders in the administration of military justice and the investigation, prosecution, and adjudication of offenses under the UCMJ. The GAO is required to review implementation of the Air Force’s corrective actions after the sexual misconduct at Lackland Air Force Base.


House Armed Services Committee Chairman Rep. Buck McKeon (R-Calif.) introduced a provision to the 2014 defense authorization bill, which would allow TRICARE beneficiaries, who were bumped from TRICARE Prime from a new DoD policy, a one-time chance to stay in Prime as long as they continue residing in the same ZIP code where they opted into Prime.

On Oct. 1, 2013, DoD reduced its Tricare Prime managed-care program to locations within 40 miles of an active or former military base, forcing 173,000 retirees and family members to switch to TRICARE Standard, a traditional fee-for-service health care program with higher out-of-pocket costs than Prime.

Pentagon officials said reducing Prime coverage will save the government $45 million to $65 million annually. A family of three using TRICARE Standard averaged $2,075 in out-of-pocket costs for health care in fiscal 2009, while a similar family in Prime paid about $1,375, according to figures provided by the Defense Department.

Nearly 100,000 TRICARE Prime beneficiaries live in the Tricare South region; the remaining 73,000 are split equally between the North and West regions.

Active-duty members and their families are not affected by the impending changes or proposed legislation.
• On June 3, 2013, the White House held the National Conference on Mental Health as part of the Administration’s effort to launch a national conversation to increase understanding and awareness about mental health.

The conference brought together people from across the country, including mental health advocates, educators, health care providers, faith leaders, members of Congress, representatives from local governments and individuals who have struggled with mental health problems, to discuss how we can all work together to reduce stigma and help the millions of Americans struggling with mental health problems recognize the importance of reaching out for assistance.

To learn more about the conference, please visit: http://www.whitehouse.gov/the-press-office/2013/06/03/background-national-conference-mental-health.

To read President Obama’s opening remarks, please visit: http://www.whitehouse.gov/the-press-office/2013/06/03/remarks-president-national-conference-mental-health.

MILITARY HEALTH CARE NEWS

• The Military Times reports that medical providers in TRICARE’s West Region continue to be reluctant to accept military patients because UnitedHealthcare, the new regional contract manager, is slow to reimburse claims, say patients and physicians in the 21-state area.

TRICARE Prime beneficiaries have told Military Times they still face problems getting appointments despite an effort announced May 2 that allows them to get specialty care without prior authorization.

The patients say doctors are not being paid promptly because they are showing up in the UnitedHealthcare Military & Veterans system as lacking proper referrals.

According to the office of Rep. Doug Lamborn, R-Colo., at least one specialty care provider in Colorado Springs has not been paid since April 1 and is owed more than $100,000 by UnitedHealthcare.

Among the examples given by Military Times, is a Marine Corps family member based in California who said he has deferred necessary diagnostic tests because he can’t get an appointment under the waiver. “My doctors are not taking the waiver because they accepted it for a couple of patients but haven’t gotten paid … there is no referral in the system,” he said.

TRICARE’s problems with UnitedHealthcare Military & Veterans services began immediately after the company assumed management of the regional contract April 1.

The company experienced an overload of calls to its customer service line, and its Web-based assistance program was inadequate to handle demand. Referrals began piling up in UnitedHealthcare’s system and were being processed in weeks rather than days, as was done by previous contractor TriWest Healthcare Alliance.

To reduce the backlog and speed the process, the Pentagon announced May 2 it would allow Prime beneficiaries in TRICARE West to seek recommended specialty care without obtaining authorization or paying penalty fees.

The waiver period was later extended through June 18.

Payments to providers also are meeting government guidelines that require the contractor to reimburse within 30 days, said Bruce Jasurda, vice president for corporate communications.
VETERANS AFFAIRS NEWS

- The Department of Veterans Affairs (VA) announced that it has met the goal to hire 1,600 new mental health professionals outlined in President Obama’s Aug. 31, 2012, Executive Order to Improve Access to Mental Health Services for Veterans, Service Members, and Military Families.

As of May 31, 2013, VA has hired a total of 1,607 mental health clinical providers to meet the goal of 1,600 new mental health professionals. Additionally, VA has hired 2,005 mental health clinical providers to fill existing vacancies and hired 318 new peer specialists towards the specific goal of 800 peer specialists by Dec. 31, 2013 as outlined in the Executive Order. VA expects to meet that goal as well.

Mental health professionals interested in seeking employment with the Department of Veterans Affairs can obtain information at www.vacareers.va.gov. Veterans and their families interested in learning more about the mental health services provided by VA can go to www.mentalhealth.va.gov.

- The Department of Veterans Affairs has appointed Kathleen M. Turco as the chief financial officer for the Veterans Health Administration, effective June 16, 2013.

Turco currently serves as the associate administrator, Office of Government-wide Policy (OGP), at GSA, a position she has held since 2010. In this role, she implemented a strategic plan for government-wide policy management and directed new vision of evidenced-based regulation management using cost and data analysis, collaboration with federal agencies and external parties. Turco led the transformation of OGP across all policy areas including asset management, real property, federal acquisition training and regulations, information sharing and identity management and sustainability in real property management.

Turco has over thirteen years of experience in federal financial management, including managing budget direction for federal agencies to include GSA, Internal Revenue Service (IRS), and Office of Management and Budget (OMB).

Turco earned her Bachelor of Science in Education from the University of Maryland. She earned a Master of Business Administration from the University of Florida.

GENERAL HEALTH CARE NEWS

- Fewer American families are having trouble paying their medical bills, according to a report from CDC’s National Center for Health Statistics.


The study also found that within each six month period from January 2011 through June 2012, children aged 0-17 years were more likely than adults aged 18-64 years to be in families having problems paying medical bills. Medical bills are defined as bills for doctors, dentists, hospitals, therapists, medication, equipment, nursing home or home care.

However, the percentage having problems paying medical bills decreased for both age groups.
Among children aged 0-17 years, the percentage of those who were in families having problems paying medical bills decreased from 23.7 percent in the first six months of 2011 to 21.8 percent in the first six months of 2012. Among adults aged 18-64 years, the percentage in families having problems paying medical bills decreased from 20.9 percent in the first six months of 2011 to 19.7 percent in the first six months of 2012.

Other findings include:

- In the first six months of 2012, among persons under age 65, 36.3 percent of those who were uninsured, 14 percent of those who had private coverage and 25.6 percent of those who had public coverage were in families having problems paying medical bills in the past 12 months.
- During January 2011-June 2012, people under age 65 who were uninsured and those who had public coverage were about twice as likely as those who had private coverage to be in families having problems paying medical bills.

The report is available at [www.cdc.gov/nchs](http://www.cdc.gov/nchs).

The Food and Drug Administration approved two new drugs, Tafinlar and Mekinist, for patients with advanced (metastatic) or unresectable (cannot be removed by surgery) melanoma, the most dangerous type of skin cancer.

Melanoma is the leading cause of death from skin disease. The National Cancer Institute estimates 76,690 Americans will be diagnosed with melanoma and 9,480 will die from the disease in 2013.

Tafinlar, a BRAF inhibitor, is approved to treat patients with melanoma whose tumors express the BRAF V600E gene mutation. Mekinist, a MEK inhibitor, is approved to treat patients whose tumors express the BRAF V600E or V600K gene mutations. Approximately half of melanomas arising in the skin have a BRAF gene mutation. Tafinlar and Mekinist are being approved as single agents, not as a combination treatment.

The FDA approved Tafinlar and Mekinist with a genetic test called the THxID BRAF test, a companion diagnostic that will help determine if a patient’s melanoma cells have the V600E or V600K mutation in the BRAF gene.

Zelboraf and Yervoy were approved in 2011 for the treatment of metastatic or unresectable melanoma.

The FDA’s approval of the THxID BRAF test is based on data from clinical studies that support the Tafinlar and Mekinist approvals. Samples of patients’ melanoma tissue were collected to test for the mutation.

Tafinlar and Mekinist are marketed by GlaxoSmithKline, based in Research Triangle Park, N.C. The THxID BRAF Kit is manufactured by bioMérieux of Grenoble, France. Yervoy is marketed by New York City-based Bristol-Myers Squibb, and Zelboraf is marketed by South San Francisco-based Genentech, a member of the Roche Group.

REPORTS/POLICIES

- The Institute of Medicine (IOM) published “Priorities for Research to Reduce the Threat of Firearm-Related Violence,” on June 3, 2013. This report offers potential research agenda that focuses on the causes of, possible interventions to, and strategies to minimize the burden of firearm-related violence, focusing on the characteristics of firearm violence, risk and protective factors, interventions and strategies, the impact of gun safety technology, and the influence of video games and other media. [http://www.iom.edu/Reports/2013/Priorities-for-Research-to-](http://www.iom.edu/Reports/2013/Priorities-for-Research-to-).
HILL HEARINGS

- The Senate Armed Services Subcommittee on Readiness and Management Support will hold a hearing on **June 11, 2013**, to markup mark-up those provisions which fall under the subcommittee's jurisdiction of the proposed National Defense Authorization Act for fiscal year 2014.
- The Senate Armed Services Subcommittee on Personnel will hold a hearing on **June 11, 2013**, to markup mark-up those provisions which fall under the subcommittee's jurisdiction of the proposed National Defense Authorization Act for fiscal year 2014.
- The Senate Armed Services Committee will hold hearings **June 12-14, 2013**, to markup the proposed National Defense Authorization Act for fiscal year 2014.

LEGISLATION

- **H.AMDT.83 to H.R.2216** An amendment to require that none of the funds be obligated or expended for the development of an electronic health record except for a health record as set forth in the Joint Strategic Plan for Fiscal Years 2013-2015 of the Department of Veterans Affairs and Department of Defense. Joint Executive Council was agreed by voice vote.
  
  Sponsor: Representative John Abney Culberson [TX-7]

MEETINGS

- The AMSUS Annual Continuing Education Meeting will be held **Nov. 3-8, 2013**, in Seattle Wash. [AMSUSMeeting.org](http://www.amsusmeeting.org)
- 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](http://www.istss.org/Home.htm)
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.