

# 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

- **President Barack Obama announced his intent to nominate Stephen W. Preston to be the next general counsel, Department of Defense.**

Preston is general counsel for the Central Intelligence Agency. Prior to his appointment in 2009, he was a partner at WilmerHale, where he was co-chair of the Defense and National Security Practice.

He joined WilmerHale in 1986, and later returned in 2001 after serving at both the Pentagon and the U.S. Department of Justice. From 1998 to 2000, Preston was general counsel of the Department of the Navy. From 1995 to 1998, he was deputy assistant attorney general at the U.S. Department of Justice. From 1993 to 1995, Preston was principal deputy general counsel of the Department of Defense, during which time he also served as acting general counsel. Preston received a B.A. from Yale University and a J.D. from Harvard Law School.

## MILITARY HEALTH CARE NEWS

- **The Department of Defense (DoD) has established the world's first brain tissue repository to help researchers understand the underlying mechanisms of traumatic brain injury (TBI) in service members.**

The announcement follows Secretary of Defense Chuck Hagel's Symposium on Traumatic Brain Injury. Secretary Hagel convened a group of senior defense officials, experts in the medical field, and outside organizations to discuss advancements and areas of collaboration regarding traumatic brain injury.

The Center for Neuroscience and Regenerative Medicine Brain Tissue Repository for Traumatic Brain Injury was established at the Uniformed Services University of the Health Sciences (USU) in Bethesda, Md., with a multi-year grant from the U.S. Army Medical Research and Materiel Command, to advance the understanding and treatment of TBI in service members.

DoD is hoping the research will help it better understand Chronic Traumatic Encephalopathy (CTE), a neurodegenerative disorder that involves the progressive accumulation of the protein tau in nerve cells within certain regions of the brain. As the tau protein accumulates, it disturbs function and appears to lead to symptoms seen in affected patients such as boxers and, more recently, football players with multiple head trauma.

DoD researchers will look at the brain tissue samples to characterize the neuropathologic features of TBI in service members. Important questions to be addressed include "What does blast exposure do to the brain?" and "Do the different forms of brain injury experienced in the military lead to CTE?"

Official note that service members exposed to blasts are coming home with troubling, persistent problems. This research is aimed at addressing the issues facing these service members and developing approaches to detecting accumulated tau in the living individual as a means of diagnosing CTE during life - and, ultimately, creating better therapies or ways to prevent the injury in the first place.

For further information on donation to the brain tissue repository for traumatic brain injury, please contact the Repository team at [CNRM-TBI@usuhs.edu](mailto:CNRM-TBI@usuhs.edu) or 855-DON-8TBI (855-366-8824).

- **UnitedHealthcare Military & Veterans Services has ousted its chief executive officer following the company's rocky transition in assuming management of the TRICARE West Region contract two months ago.**

UnitedHealthcare Military & Veterans CEO Lori McDougal has been transferred to another United HealthCare subsidiary while Tina Jonas, who served as the Defense Department's chief financial officer from 2004 to 2008, was named to a new position of president. Jonas had been working as president of Logistics Health, another United HealthCare subsidiary.

The leadership changes follow a transition period marked by delays in customer care, problems with referrals and issues with payments to providers in the 21-state TRICARE West region.

The concerns were so pervasive that the Pentagon on May 2 took the unprecedented step of waiving referral authorization requirements for TRICARE Prime beneficiaries in the West region.

- **UnitedHealthcare Military & Veterans also announced that retired Vice Adm. John Mateczun has joined the organization as the chief medical officer.**

Mateczun, a former Army explosive ordnance disposal staff sergeant, Navy psychiatrist and administrator, completed his military career last year as commander of the Joint Task Force National Capital Region, overseeing the consolidation of the National Naval

Medical Center and Walter Reed Army Medical Center. He also served as TRICARE's first chief medical officer during his 41 years on active duty.

- **The Military Health System has unveiled a new [Web landing page to increase awareness about the Defense Department's Operation Live Well initiative and to provide supplemental healthy living resources for the military community.](#)**

The site features links to tools, programs and organizations that promote healthy living and offers outreach materials for medical commanders and public affairs officers, a newsroom and links to Operation Live Well's social media channels on Facebook, Twitter, Pinterest and YouTube.

Operation Live Well is DoD's education, outreach and behavior change initiative, designed to improve the health and well-being of the entire defense community. Its core areas of focus include healthy eating, physical activity, mental wellness and tobacco avoidance. The initiative supports the U.S. National Prevention Strategy, which aims to increase the number of Americans who are healthy at every stage of life, as well as the MHS Quadruple Aim, which promotes better health, better care, lower costs and increased readiness.

- **The *Federal Times* reports that plans to build a joint DoD/VA electronic health records system have been cancelled.**

Following a 30-day review of the Integrated Electronic Health Record (iEHR) program, Defense acquisition chief Frank Kendall announced the department's plans to use commercial software to replace its existing electronic health records system instead of adopting VA's existing system, VistA. The commercial software would have to be able to communicate with VA's system.

In a May 21 memo to Kendall, Defense Secretary Chuck Hagel said based on the review's findings, which were not made public, he is "convinced that a competitive process is the optimal way to ensure we select the best value solution for DoD."

According to lawmakers, DoD and VA have spent more than \$1 billion on their most recent efforts to build a joint system, and the interagency program office created to oversee joint electronic health records initiatives alone has spent about \$362 million this year on these efforts.

DoD's decision to acquire a new system follows the DoD and VA secretaries' announcement in February to modernize and integrate their separate systems, as opposed to building a single system. The change was due in part to the skyrocketing costs of continuing work on a joint system. Costs would have reportedly ballooned from an estimated \$4 billion to \$12 billion.

DoD's Kendall will assume direct responsibility for DoD health care records modernization and interoperability and will lead DoD coordination with VA on related technical and acquisition matters.

## VETERANS AFFAIRS NEWS

- **Thomas Murphy, director of compensation service for the Veterans Benefits Administration, testified to the Senate Veterans Affairs committee that VA has**

**decreased pending claims by 74,000 over the past 45 days, reaching a “tipping point” in its backlog of disability claims and he expects the backlog to shrink.**

The number of pending claims stands at more than 816,000, including nearly 540,000 pending for more than 125 days.

The VA has promised that by the end of 2015, it will have resolved all cases pending for more than 125 days, with a 98 percent accuracy rate. Murphy testified that he believes VA will meet this goal.

- **Fleishman Hillard announced it has launched a military and veterans affairs group based in its Washington DC office.**

The Omnicom Group agency formed the unit in response to increased demands from public and private organizations looking to improve services after 11 years of sustained conflict around the world for US Armed Forces personnel.

The group is working with clients on public affairs, external outreach, community relations, consumer education, veterans affairs, military health, social media and crisis communications.

In May, the agency added former Secretary of Defense Leon Panetta to its international advisory board.

## GENERAL HEALTH CARE NEWS

- **The Centers for Disease Control and Prevention, through its partner Viridian Health Management, has identified 104 employers in eight counties across the nation, which have voluntarily chosen to participate in the National Healthy Worksite Program.**

This is a new initiative aimed at reducing chronic disease and building a healthier, more productive U.S. workforce. The initiative primarily focuses on small and mid-sized employers.

Supported through the Affordable Care Act’s Prevention and Public Health Fund, the National Healthy Worksite Program is designed to assist employers in building successful workplace wellness programs by implementing science-based disease prevention and wellness strategies to help reduce chronic diseases. All program and implementation support to participating employers will be provided by Viridian Health Management over a 12- month period. Viridian was selected as an implementation partner through a competitive process.

The eight participating communities are Buchanan County, Mo.; Harris County, Texas; Kern County, Calif.; Marion County, Ind.; Philadelphia County, Pa.; Pierce County, Wash.; Shelby County, Tenn.; and Somerset County, Maine.

The communities were selected because of their high rates of chronic diseases and health risk behaviors such as smoking and physical inactivity. Also important in the community selection process was the availability of local resources to support a sustainable workplace health program, such as proximity to hospitals and existing community health promotion programs.

Employers in the eight communities volunteered to participate and were chosen based on interest and industry diversity. A variety of large, medium and small employers are volunteering to participate in this opportunity to improve the health and well-being of their employees. Each business will receive intensive support and expertise in developing a

combination of interventions. Employers can choose which strategies to implement that support physical activity, good nutrition, and tobacco-use cessation. Examples include voluntarily choosing:

- Nutrition counseling/education, worksite farmer's markets, menu labels on healthy foods in vending machines and cafeterias, access to healthy foods in cafeterias and vending machines, and weight management counseling.
- Tobacco-cessation counseling (including quit lines and health plans) and tobacco-free campus policy.
- Physical fitness/counseling, and walking clubs.

At the end of the program, a national evaluation will document best practices and models on how to successfully implement workplace health programs in small worksites more broadly.

A complete listing of the selected employers and more information about the program is located <http://www.cdc.gov/NationalHealthyWorksite>.

▪ **The U.S. Food and Drug Administration expanded the approved use of Xgeva (denosumab) to treat adults and some adolescents with giant cell tumor of the bone (GCTB), a rare and usually non-cancerous tumor.**

GCTB generally occurs in adults between the ages of 20 and 40 years. In most cases, GCTB does not spread to other parts of the body but destroys normal bone as it grows, causing pain, limited range of motion and bone fractures. Rarely, GCTB can transform into a cancerous tumor and spread to the lungs.

Xgeva is a monoclonal antibody that binds to RANKL, a protein essential for maintenance of healthy bone. RANKL is also present in GCTB. Xgeva is intended for patients whose GCTB cannot be surgically removed (unresectable) or when surgery is likely to result in severe morbidity, such as loss of limbs or joint removal. It should only be used in adolescents whose bones have matured.

Xgeva was approved in 2010 to prevent fractures when cancer has spread to the bones. It is marketed by Amgen, based in Thousand Oaks, Calif.

▪ **Surgeon General Regina Benjamin, MD, has announced she will leave her post in July after 4 years on the job.**

The outgoing surgeon general has indicated she wanted to spend time this summer volunteering at the rural health clinic in South Alabama she helped to found.

In 2010, she released her [Vision for a Healthy and Fit Nation](#), outlining opportunities for good nutrition, regular physical activity, and stress management. Her "Everybody Walk" campaign asked Americans to walk for 30 minutes a day, 5 days a week.

Last year, her office released a report on entitled "[Preventing Tobacco Use Among Youth and Young Adults](#)." A separate report from 2010 discussed cigarette smoke and its connection to various diseases.

The 56-year-old was the founder of the Bayou La Batre Rural Health Clinic in Bayou La Batre, Ala., and former associate dean for Rural Health at the University of South Alabama College of Medicine in Mobile.

Benjamin was the first physician under age 40 and the first black woman elected to the American Medical Association's (AMA) Board of Trustees. She served as president of

the AMA's Education and Research Foundation and chair of its Council on Ethical and Judicial Affairs, according to her bio on the surgeon general's website. She also was the first black woman to be named president of the Medical Association of the State of Alabama.

Benjamin was the U.S. recipient of the Nelson Mandela Award for Health and Human Rights in 1998, and won a \$500,000 MacArthur Foundation "genius award" in 2008.

## REPORTS/POLICIES

- **The GAO published “Medicare Program Integrity: Few Payments in 2011 Exceeded Limits under One Kind of Prepayment Control, but Reassessing Limits Could Be Helpful,” (GAO-13-430) on June 11, 2013.** This study review issues related to Medically Unlikely Edits (MUEs). This report examines the extent to which CMS has paid for services that exceeded the unpublished MUE limits; and examined billing from providers that exceeded unpublished MUE limits.  
<http://www.gao.gov/assets/660/654474.pdf>

## HILL HEARINGS

- The House Veterans Affairs Subcommittee on Disability Assistance and Memorial Affairs will hold a hearing on **June 18, 2013**, to review the post-decision process for appealed veterans' disability benefits claims.
- The Senate Appropriations Subcommittee on Military Construction and Veterans Affairs, and Related Agencies will hold a hearing on **June 18, 2013**, to examine proposed budget estimates for fiscal year 2014 for Military Construction and Veterans Affairs, and Related Agencies.
- **The Senate Finance Committee will hold a hearing on June 18, 2013, to examine health care costs.**
- The House Veterans Affairs Subcommittee on Oversight and Investigations will hold a legislative hearing on **June 19, 2013**, to examine H.R. 1490, Veterans' Privacy Act; H.R. 1792, Infectious Disease Reporting Act; and H.R. 1804, 'Foreign Travel Accountability Act.
- The House Veterans Affairs Subcommittee on Oversight and Investigations will hold a legislative hearing on **June 26, 2013**, to examine on H.R. 331, H.R. 821, H.R. 1357, H.R. 1796, H.R. 1842, H.R. 2011, H.R. 2150, H.R. 2210, H.R. 2327, and a draft bill entitled, "To amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to make an alternate election on behalf of certain individuals who are subject to a bar to duplication of eligibility for educational assistance.
- The House Veterans Affairs Committee will hold a hearing on **June 27, 2013**, to assess VA's capital investment options to provide veterans' care.

## LEGISLATION

- **S.1119** (introduced June 7, 2013): Positive Aging Act of 2013 was referred to the Committee on Health, Education, Labor, and Pensions  
Sponsor: Senator Susan M. Collins [ME]
- **S.1152** (introduced June 12, 2013): A bill to amend the Public Health Service Act to help

build a stronger health care workforce was referred to the Committee on Health, Education, Labor, and Pensions.  
Sponsor: Senator Jack Reed [RI].

- **S.1154** (introduced June 12, 2013): A bill to provide that certain requirements of the Patient Protection and Affordable Care Act do not apply if the American Health Benefit Exchanges are not operating on Oct. 1, 2013 was referred to the Committee on Finance.  
Sponsor: Senator Pat Roberts [KS]
- **S.1155** (introduced June 12, 2013): A bill to provide for advance appropriations for certain information technology accounts of the Department of Veterans Affairs, to include mental health professionals in training programs of the Department, and for other purposes was referred to the Committee on Veterans' Affairs.  
Sponsor: Senator Jon Tester, [MT]

## MEETINGS

- The Learning in Disaster Health: A Continuing Education Workshop will be held on **Sept. 17-18, 2013**, in Washington DC. <http://hjf.cvent.com/events/learning-in-disaster-health-a-continuing-education-workshop/event-summary-8688867233a844d3b5a3afeccebbf288.aspx>
- The AMSUS Annual Continuing Education Meeting will be held **Nov. 3-8, 2013**, in Seattle Wash. [AMSUSMeeting.org](http://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>
- 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](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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