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

▪ The Senate Committee on Appropriations approved the FY 2014 Military Construction and Veterans Affairs bill.

   The legislation appropriates $158.8 billion for military construction and the Department of Veterans Affairs. The bill provides $74.4 billion in discretionary funds in fiscal 2014, $2.5 billion more than fiscal 2013.

   For more details, please visit: http://www.appropriations.senate.gov/news.cfm?method=news.view&id=7c4cfde2-8733-4d82-b0e3-d6d84c2ce08a.


   The legislation authorizes $552.1 billion in military spending and an additional $85.8 billion for overseas contingency operations.

   Details of the legislation can be found at: http://armedservices.house.gov/index.cfm/files/serve?file_id=4161cd66-5e41-4d4e-a98f-9cc1ddebce91
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MILITARY HEALTH CARE NEWS

The U.S. Department of Defense (DoD) has extended the specialty care authorization and referral request waiver for TRICARE covered services through July 2, 2013.

The waivers were deemed necessary to address significant delays in processing of authorization and referral requests since the transition of TRICARE managed care services from TriWest to United Heath Military & Veterans Service (UVMS) on April 1, 2013.

The waiver will be in place for referrals received through July 2, 2013, for care with dates of service of April 1, 2013, through September 15, 2013. Referrals made during the waiver period with anticipated dates of service of September 16 and beyond will need authorization. Physicians are urged to call UMVS at (877) 988-9378 to arrange for such authorization so that claims for those services are paid correctly.

IntelliDyne announced it has won two contracts totaling $43 million with the Defense Department to provide information technology consulting services in support of its Health Affairs/TRICARE Management Activity.

One contract, worth $36.6 million, was awarded by the NSS Defense Health Headquarters; the other, worth $6.4 million, was awarded for web support by the prime, BlueWater Federal Solutions, IntelliDyne. The contracts have a combined period of performance of three and a half years, including options.

TRICARE beneficiaries who regularly get their care at military clinics and hospitals now can download a summary of their personal health data at TOL(www.tricareonline.com).

TOL, a secure Defense Department patient portal, has made available through its "blue button" feature a continuity of care document to include such information as lab results, medications, allergies and lists of medical problems.

The document, known as the CCD, is an industry standard and is easy to share with other health care systems like RelayHealth and Microsoft Health Vault. Patients can download TOL Blue Button data into a CCD and share it with any health care system capable of accepting the file, including non-DoD health care systems. The CCD guarantees the complete and accurate transfer of Blue Button health data.
More information about the CCD and how to upload it to a personal health record is available on the secure patient portal at www.tricareonline.com.


SRMC is the Army's largest medical region with 11 military treatment facilities across 11 states plus Puerto Rico and the Virgin Islands, caring for 503,116 beneficiaries with a total of 23,284 staff members.

During his two-year tenure as the SRMC commanding general, Wong also served as the commanding general of Brooke Army Medical Center for 18 months. He was hand-picked by the Army Surgeon General, Lt. Gen. Patricia D. Horoho, commanding general of the Army Medical Command, to lead the transformation of BAMC through the Army's portion of the Base Realignment and Closure process, integrating with Wilford Hall Medical Center, the largest Air Force military treatment facility, which is located on Lackland AFB.

Wong simultaneously served as the San Antonio Military Health System deputy director and worked closely with SAMHS’s director, Air Force Maj. Gen. Byron C. Hepburn, to continue to deliver high-quality care to San Antonio area military members and their families.

Wong, who continues to serve as chief of the Army Dental Corps, will assume command as the commanding general of the Northern Regional Medical Command at Fort Belvoir, Va.

Keenan entered the Army as a nurse corps officer in July 1986, receiving her commission through the Reserve Officer Training Corps at Henderson State University in Arkansas. She holds a Master of Science in Nursing Administration from the Medical College of Georgia and a Masters Degree in Strategic Studies from the U.S. Army War College. She has also served as a congressional fellow to former U.S. Sen. Kay Bailey Hutchison of Texas and is currently the chief of the U.S. Army Nurse Corps. She was the commanding general for U.S. Army Public Health Command prior to her selection as commanding general of SRMC.

Keenan also assumes the duties of the deputy director of SAMHS, and in September will take over as the director. Keenan will be the first Army general officer to hold the position of director of SAMHS, overseeing all of the military medical treatment facilities across the San Antonio metropolitan area to include Wilford Hall.

**VETERANS AFFAIRS NEWS**

- **The Department of Veterans Affairs (VA) announced that more than 65,000 claims – or 97 percent of all claims over two years old in the inventory – have been eliminated from the backlog.**

Veterans Benefits Administration (VBA) staff will now focus their efforts on completing the disability claims of veterans who have been waiting over one year for a decision, while completing the final batch of oldest claims in progress.

The remaining two-year-old claims will be finalized in the coming days except for those that are outstanding due to unique circumstances, such as the unavailability of a claimant for a needed medical exam, military service, vacation, or travel overseas.
In May, VA announced that it was mandating overtime for claims processors in its 56 regional benefits offices to increase production of compensations claims decisions, which will continue through the end of FY 2013. Today, VA has the lowest number of claims in its inventory since August 2011 and has reduced the number of claims in the VA backlog – claims pending over 125 days – by 10 percent since the initiative began.

Under this initiative, VA claims raters may make final or provisional decisions on the oldest claims in the inventory, which will allow Veterans to begin collecting compensation benefits more quickly, if eligible. Veterans are able to submit additional evidence for consideration a full year after the provisional rating before VA issues a final decision. If no further evidence is received within that year, VBA will inform Veterans that their ratings are final and provide information on the standard appeals process, which can be found at http://www.bva.va.gov/. If a veteran disagrees with a final decision and chooses to appeal, the appeal is entered into the appellate processing system, and is not reflected in the claims inventory.

VA’s inventory is comprised mostly of supplemental claims from veterans already receiving disability compensation who are seeking to address worsening conditions or claim additional disabilities. Regardless of the status of compensation claims, veterans who have served in combat since Nov. 11, 1998, are eligible for five years of free medical care for most conditions from VA. This eligibility was enacted through the National Defense Authorization Act of 2008.

Veterans can learn more about disability benefits on the joint Department of Defense/VA web portal eBenefits at www.ebenefits.va.gov.

- The Department of Veterans Affairs (VA) has launched a new online application, enabling disability compensation claims to be processed faster in a more end-to-end electronic environment.

VA is urging veterans and their veterans service organization (VSO) representatives to make full use of its capabilities to receive speedier decisions and reduce the backlog of claims.

The availability of the joint VA-Department of Defense Web portal eBenefits, which now integrates with the new internal Veterans Benefits Management System (VBMS) electronic claims processing system, marks a major milestone in VA’s transformation from paper claims records to a fully digital operating environment, one of the keys to VA’s goal to eliminate the disability claims backlog by the end of 2015.

VBMS has now been fielded at all 56 regional offices across the country, ahead of schedule. VA will continue to upgrade and improve VBMS based on user feedback, and add features and tools that make it faster and easier to process claims. Instead of filling out and mailing paper forms to VA, veterans can now use eBenefits to enter claim information online using a step-by-step, interview-style application, with pre-populated data fields and drop-down menus similar to popular tax preparation software.

By filing electronically, any compensation benefits that are awarded will be effective back to the date the veteran started entering their claim information in eBenefits. From that initial claim establishment date, each Veteran has up to a year to gather all necessary records and hit “submit” to preserve their original date of claim.

VA will still accept claims in paper form, though processing may take longer than for an electronically-submitted claim. As of this summer, VA scans all new paper claims and uploads them into VBMS so they too can be processed electronically, though without many of the benefits provided when Veterans initiate the process in eBenefits such as guided questions that help ensure complete and accurate information and the immediate
receipt of information without having to wait for the scanning and processing of paper documents. In addition to filing claims online, registered eBenefits users can track their claim status and access information on a variety of other benefits, like pension, education, health care, home loan eligibility, and vocational rehabilitation and employment programs.

A free Premium eBenefits account is required to file claims electronically. The quickest and most convenient method of establishing a free premium eBenefits account is to complete the remote verification process through the eBenefits home page, or use DoD’s common access card (CAC) to register for and/or upgrade to a free premium account. Veterans can also establish an account by telephone at 1-800-827-1000, option 7, if they are in receipt of VA benefits via direct deposit, or by visiting a VA regional office or TRICARE Service Center (if they are a military retiree). For the location of the nearest VA regional office, visit www.va.gov and search the VA regional benefits office locator.

For more information about VA benefits, go to http://www.benefits.va.gov. For more information on VA’s Transformation, go to http://benefits.va.gov/transformation.

GENERAL HEALTH CARE NEWS

- The U.S. Department of Health and Human Services (HHS) released a new guideline to improve patient safety by reducing unexpected disease transmission through organ transplantation.

This guideline updates the 1994 U.S. Public Health Service (PHS) guideline for preventing transmission of human immunodeficiency virus (HIV) through organ transplantation and adds guidance for reducing unexpected transmission of hepatitis B virus (HBV) and hepatitis C virus (HCV) through organ transplants.

The 2013 PHS Guideline for Reducing Human Immunodeficiency Virus, Hepatitis B Virus and Hepatitis C Virus Transmission through Organ Transplantation, published in Public Health Reports, recommends the use of more sensitive tests so that patients can be informed of risks to the greatest extent possible and protected from unintentional infections caused by transplanted organs.

To update standards for safe transplants, CDC led an HHS workgroup comprised of experts on evidence-based guidelines and a multidisciplinary group that included transplant and infection prevention experts to conduct a systematic review of the best available evidence on reducing HIV, HBV and HCV infection transmitted through organ transplantation. The 2013 PHS guideline includes recommendations based on this review.

To learn about the changes, please visit: http://www.hhs.gov/news/press/2013pres/06/20130619a.html.

- The U.S. Food and Drug Administration approved a test that identifies the genotype of hepatitis C virus (HCV) that a patient is carrying.

The Abbott Real Time HCV Genotype II, which can differentiate between genotypes, using a sample of an infected patient’s blood plasma or serum, will aid health care professionals in determining the appropriate approach to treatment. Because the various HCV genotypes respond differently to available drug therapies, knowing the type of HCV a person is infected with can result in better patient outcomes.

According to the Centers for Disease Control and Prevention, HCV is the most common
chronic blood-borne infection in the United States and the leading cause of liver transplants. About 3.2 million people in the United States have a chronic HCV infection and approximately 15,000 people die from the effects of the virus each year. Seventy-five to 85 percent of people infected with HCV are not able to fight off the virus on their own and develop a chronic HCV infection that requires treatment. Untreated chronic HCV infections may lead to liver cancer, severe liver damage and liver failure.

HCV is transmitted through blood and other bodily fluids. Injection drug users who share needles are at the highest risk for HCV infection. Health care workers stuck by needles that have been used on HCV-infected patients and children born to HCV-infected mothers are also at risk.

The Abbott Real Time HCV Genotype II, manufactured by Abbott Molecular Inc., in Des Plaines, Ill, is approved for individuals known to be chronically infected with HCV. It is not approved for use as a diagnostic test or as a screening test for the presence of HCV genetic material in blood, blood products or tissue donors. It has not been evaluated in newborns or pediatric patients, or in patients with compromised immune systems, such as people with AIDS.

- This week the American Medical Association (AMA) adopted a policy, recognizing obesity as a disease requiring a range of medical interventions to advance obesity treatment and prevention.

  The goal of the new policy is to prompt the development more treatment options and better reimbursement for treating overweight Americans to create better health outcomes.

REPORTS/POLICIES


- The Congressional Budget Office published “Dual-Eligible Beneficiaries of Medicare and Medicaid: Characteristics, Health Care Spending, and Evolving Policies” on June 6, 2013. This report examines the characteristics and costs of dual-eligible beneficiaries, focusing on 2009, the most recent year for which comprehensive data were available when CBO began this analysis. The report also examines the different payment systems that Medicare and Medicaid use to fund care for dual-eligible beneficiaries and recent efforts at the federal and state levels to integrate those payment systems and to coordinate the care that such beneficiaries receive from the two programs. http://www.cbo.gov/sites/default/files/cbofiles/attachments/44308_DualEligibles.pdf

HILL HEARINGS

- 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. 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

- **H.R.2376** (introduced June 18, 2013): To implement a demonstration project under titles XVIII and XIX of the Social Security Act to examine the costs and benefits of providing payments for comprehensive coordinated health care services provided by purpose-built, continuing care retirement communities to Medicare beneficiaries was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means. 
  
  Sponsor: Representative Michael G. Fitzpatrick [PA-8].

- **H.R.2412** (introduced June 18, 2013): To amend title 38, United States Code, to direct the Secretary of Veterans Affairs to consider the best interest of the veteran when determining whether the veteran should receive certain contracted health care referred to the House Committee on Veterans’ Affairs. 
  
  Sponsor: Representative Ron Barber [AZ-2]

- **H.R.2425** (introduced June 18, 2013): To amend title I of the Employee Retirement Income Security Act of 1974 to provide protection for company-provided retiree health benefits was referred to the House Committee on Education and the Workforce. 
  
  Sponsor: Representative John F. Tierney [MA-6]

- **H.R.2433** (introduced June 19, 2013): To amend the Public Health Service Act to provide for human stem cell research, including human embryonic stem cell research, and for other purposes was referred to the House Committee on Energy and Commerce. 
  
  Sponsor: Representative Diana DeGette [CO-1]

- **H.R.2443** (introduced June 19, 2013): To amend the Internal Revenue Code of 1986 to exempt certain educational institutions from the employer health insurance mandate was referred to the House Committee on Ways and Means. 
  
  Sponsor: Representative Luke Messer [IN-6]

### 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 katherine@federalhealthcarenews.com.