

# Federal Health Update

JULY 12, 2013

*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

- **On July 11, 2013, the White House hosted Secretary of Veterans Affairs Eric Shinseki, Chief of Staff Denis McDonough, and Director of the Domestic Council Cecilia Munoz for the Veterans and Military Family Mental Health Conference.**

Mental health professionals, members of veterans service organizations, military service organizations, military family organizations, and representatives from the Department of Defense and Veterans Affairs came together to discuss how to better serve veterans and military in regards to mental health.

The event was closed to the press.

- **The House Armed Services and Veterans Affairs Committees held a joint hearing to discuss how Departments of Defense and Veterans Affairs can collaborate in assisting service members in their return to civilian life.**

The two top issues addressed were the status of the integrated electronic health record (iEHR) and eliminations of the claims backlog.

Defense Under Secretary of Defense for Acquisition, Technology and Logistics, DoD Frank Kendall and VA Acting Assistant Secretary for Information and Technology Stephen W. Warren were among those who testified.

## MILITARY HEALTH CARE NEWS

- **The 2013 Military Health System Research Symposium will be held as scheduled on Aug. 12-16, 2013, after receiving a waiver by the Undersecretary of Defense for Personnel and Readiness Elizabeth McGrath.**

To learn more about the symposium, please visit: <https://www.mhsrs.org/>.

- **The *Navy Times* reports that the new Defense Health Agency is on track to assume the half of the responsibilities currently held by the existing Joint Task Force National Capital Region Medical Command and other military health offices on Oct. 1, 2013.**

Starting Oct. 1, the Defense Health Agency will oversee about half of the common health services used by the military medical commands, such as TRICARE and pharmacy benefits, health information technology, medical logistics and facilities planning. DHA will take over for the other five “shared services” — public health, medical acquisition, budget and resource management, medical education and training, and medical research and development — by Oct. 1, 2015.

The initial phase could save the government \$1.5 billion to \$2.9 billion over the next six years, according to Pentagon estimates provided to Congress on June 27.

Management activities made up just \$312 million of the roughly \$50 billion military health budget in 2011. But the Defense Department hopes that by restructuring the administrative services, it will drive change throughout the military health system, particularly in TRICARE’s private-sector and direct-care costs, which total nearly \$25 billion a year, Middleton said.

The Defense Health Agency will be led by a three-star general or flag officer and consist of six directorates:

- A two-star health care operations directorate responsible for public health, pharmacy, TRICARE and warrior care.
- A one-star research and development directorate.
- An information and technology directorate overseen by a civilian senior executive service officer.
- A one-star education and training directorate.
- A business support directorate also led by a senior executive service officer.

The two-star National Capital Region Directorate, responsible for the Walter Reed National Military Medical Center, Fort Belvoir Community Hospital and the Joint Pathology Center.

The DHA also will function as a combat support agency, reporting to the chairman of the Joint Chiefs to ensure it meets combatant commanders’ needs.

The services will retain their own medical commands, each led by their respective surgeon general.

- **TRICARE Management Activity (TMA) announced changes to the benefits offered to beneficiaries with Autism Spectrum Disorder (ASD).**

Beginning July 25, 2013, TMA will launch a one-year pilot to provide for the treatment of autism spectrum disorders, including ABA. The pilot expands ABA coverage to military retirees and their dependent family members.

TMA announced comprehensive changes to autism services coverage across the TRICARE Program, including changes to the TRICARE Basic Program and the Extended Care Health Option (ECHO) Autism Demonstration

For details about the changes, please visit:

<http://www.tricare.mil/Home/CoveredServices/SeeWhatsCovered/AppliedBehaviorAnalysis.aspx>

## VETERANS AFFAIRS NEWS

- **The Department of Veterans Affairs has awarded nearly \$300 million in grants that will help approximately 120,000 homeless and at-risk veterans and their families.**

The grants have been awarded to 319 community agencies in all 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands.

Under the Supportive Services for Veteran Families (SSVF) program, VA is awarding grants to private non-profit organizations and consumer cooperatives that provide services to very low-income veteran families living in — or transitioning to — permanent housing. The SSVF program supports VA's efforts to prevent at-risk Veterans from becoming homeless and rapidly re-house those who have recently fallen into homelessness.

With these grants, community organizations will provide a range of services that promote housing stability and play a key role in connecting Veterans and their family members to VA services such as mental health care and other benefits. Community-based groups can offer temporary financial assistance on behalf of Veterans for rent payments, utility payments, security deposits and moving costs.

This is the third year SSVF grants have helped Veterans and their families find or remain in their homes. Last year, VA provided about \$100 million to assist approximately 50,000 Veterans and family members.

More information about VA's homeless programs is available at [www.va.gov/homeless](http://www.va.gov/homeless).

## GENERAL HEALTH CARE NEWS

- **As part of an effort to help make sure their residents' health information is available after a hurricane or other wide-spread disaster, four Gulf states have partnered with six states in the East and Midwest to help patients and providers access critical health information when they are unable to visit their regular doctors or hospitals.**

Working with the Department of Health and Human Services Office of the National Coordinator for Health IT (ONC), health information exchange (HIE) programs in Alabama, Georgia, Louisiana, Florida, South Carolina, North Carolina, Virginia, Michigan, Wisconsin, and West Virginia today announced their partnership to allow for the exchange of health information among providers caring for patients who are displaced from their homes.

All of the state HIE programs participating in the initiative currently have established at least one operational interstate connection and are working with other states including Arkansas and Mississippi. The 10-state initiative is being made possible through information technology infrastructure provided through [Direct](#). Direct is a tool developed by an ONC-led collaboration with broad health information technology (IT) industry participation that allows for the secure exchange of health information over the Internet.

The Southeast Regional Health IT and Health Information Exchange Collaboration (SERCH) is leading the collaborative effort. SERCH was funded through ONC's State Health Policy Consortium and its members include Alabama, Arkansas, Louisiana, Georgia, Mississippi, North Carolina, South Carolina, Kentucky, Tennessee, and Virginia. Since SERCH began in April

2010, similar collaborations, using a variety of methods, have helped to resolve cross-border barriers toward facilitating the multi-state exchange of health information.

- **WellPoint Inc. has agreed to pay the Department of Health and Human Services (HHS) \$1.7 million to settle potential violations of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy and Security Rules.**

The HHS Office for Civil Rights (OCR) began its investigation following a breach report submitted by WellPoint as required by the Health Information Technology for Economic and Clinical Health, or HITECH Act. The HITECH Breach Notification Rule requires HIPAA-covered entities to notify HHS of a breach of unsecured protected health information.

The report indicated that security weaknesses in an online application database left the electronic protected health information (ePHI) of 612,402 individuals accessible to unauthorized individuals over the Internet.

OCR's investigation indicated that WellPoint did not implement appropriate administrative and technical safeguards as required under the HIPAA Security Rule.

The investigation indicated WellPoint did not:

- Adequately implement policies and procedures for authorizing access to the on-line application database
- Perform an appropriate technical evaluation in response to a software upgrade to its information systems
- Have technical safeguards in place to verify the person or entity seeking access to electronic protected health information maintained in its application database.

As a result, beginning on Oct. 23, 2009, until Mar. 7, 2010, the investigation indicated that WellPoint impermissibly disclosed the ePHI of 612,402 individuals by allowing access to the ePHI of such individuals maintained in the application database. This data included names, dates of birth, addresses, Social Security numbers, telephone numbers and health information.

The Resolution Agreement can be found on the OCR website at:

<http://www.hhs.gov/ocr/privacy/hipaa/enforcement/examples/wellpoint-agreement.html>.

- **The homicide rate for youth aged 10 to 24 years in the United States reached a 30-year low in 2010, according to data published in the [Morbidity and Mortality Weekly Report \(MMWR\)](#).**

CDC investigated youth homicide trends among U.S. youth, ages 10 to 24, by sex, age, race/ethnicity, and mechanism of injury from 1981 to 2010 using data available through CDC's [Web-based Injury Statistics Query and Reporting System \(WISQARS\)](#). Youth homicide rates varied substantially over this period with a sharp rise from 1985 to 1993 followed by a decline that has slowed since 1999. Even with the slower downward trend in recent years, the youth homicide rate in 2010 was 7.5 per 100,000, the lowest in the 30-year period examined.

The findings show declines in youth homicide rates from 2000 to 2010 have been slower for groups at high risk for homicide, including males and non-Hispanic black youth. Recent declines have also been slower for firearm homicides than for homicides by other means. These findings indicate the need for increased use of youth violence prevention strategies, especially approaches that engage high-risk youth.

Key findings in this report include:

- In 2010, 4,828 homicides occurred among youth ages 10 to 24 years in the U.S.,

resulting in an estimated \$9 billion in lost productivity and medical costs.

- From 1985 to 1993, the overall youth homicide rate rose 83 percent (from 8.7 per 100,000 in 1985 to 15.9 in 1993).
- From 2000 to 2010, the overall youth homicide rate declined on average by about one percent per year.
- In 2010, the youth homicide rate was 12.7 per 100,000 for males, 13.2 for youth ages 20 to 24 years, and 28.8 for non-Hispanic black youth.
- The annual rate of firearm homicide among youth ages 10 to 24 years was 3.7 times the annual rate of non-firearm homicides during the examined 30 year period.

For the full report and the study details, please visit <http://www.cdc.gov/mmwr>.

## REPORTS/POLICIES

- **The GAO published “*Electronic Drug Labeling: No Consensus on the Advantages and Disadvantages of Its Exclusive Use*,” (GAO-13-592) on July 8, 2013.** This report examines the benefits and efficiencies of electronic labeling as a partial or complete substitute and its impact on public health, focusing on the advantages and disadvantages of relying on electronic labeling as a complete substitute for paper labeling; and the barriers associated with relying on electronic labeling as a complete substitute for paper labeling.  
<http://www.gao.gov/assets/660/655760.pdf>
- **The GAO published “*Internet Pharmacies: Federal Agencies and States Face Challenges Combating Rogue Sites, Particularly Those Abroad*,” (GAO-13-560) on July 8, 2013.** The report identifies how rogue sites violate federal and state laws; challenges federal agencies face in investigating and prosecuting operators; efforts to combat rogue Internet pharmacies; and efforts to educate consumers about the risks of purchasing prescription drugs online.  
<http://www.gao.gov/assets/660/655751.pdf>
- **The Institute of Medicine published “*Toward Quality Measures for Population Health and the Leading Health Indicators*,” on July 9, 2013.** This report examines the intersection of HHS’s public health quality effort and the Leading Health Indicators (LHIs) in Healthy People 2020, the nation’s 10-year agenda for advancing toward long, healthy lives for all.  
<http://www.iom.edu/Reports/2013/Toward-Quality-Measures-for-Population-Health-and-the-Leading-Health-Indicators.aspx#sthash.VfknWZG6.dpuf>

## HILL HEARINGS

- The Senate Armed Services Committee will hold hearings on **July 18, 2013**, to examine the nominations of General Martin E. Dempsey, USA for reappointment to the grade of general and reappointment as chairman of the Joint Chiefs of Staff, and Admiral James A. Winnefeld, Jr., USN for reappointment to the grade of admiral and reappointment as vice chairman of the Joint Chiefs of Staff, both of the Department of Defense.
- The House Veterans Affairs Subcommittee on Economic Opportunity will hold a hearing on **July 18, 2013**, to examine pending legislation.

## LEGISLATION

- **H.R.2632** (introduced July 9, 2013): School-based Health Centers Program Reauthorization Act of 2013 was referred to the House Committee on Energy and Commerce.  
Sponsor: Representative Capps, Lois [CA-24]
- **H.R.2651** (introduced July 10, 2013): To improve the understanding and coordination of critical care health services was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means.  
Sponsor: Representative Paulsen, Erik [MN-3]
- **S.1272** (introduced July 10, 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 Roberts, Pat [KS].
- **S.1277** (introduced July 10, 2013): A bill to establish a commission for the purpose of coordinating efforts to reduce prescription drug abuse and for other purposes was referred to the Committee on Health, Education, Labor, and Pensions.  
Sponsor: Senator Boxer, Barbara [CA]

## MEETINGS

- The 2013 Military Health System Research Symposium will be held on **Aug. 12-16, 2013**, Fort Lauderdale, Fla. <https://www.mhsrs.org/>
- The Learning in Disaster Health: A Continuing Education Workshop will be held on **Sept. 17-18, 2013**, in Washington DC. <http://hjfcvent.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 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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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).