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

- Senate Majority Leader Harry Reid (D-Nev.) cancelled votes on Sept. 20, delaying the passage of a continuing resolution funding the government until later in the week. Reid charged the Republicans of delayed a deal to help Sen. Scott Brown (R-Mass.) avoid a campaign debate.

- On Sept. 19, 2012, the House of Representatives passed two veterans bills to ensure vital VA programs don't expire at the end of the fiscal year and to protect veterans from fraud within VA.
  - VA Major Construction Authorization and Expiring Authorities Extension Act of 2012 (H.R. 6375, as amended) provides funding authority for VA to complete construction at medical facilities around the country. The legislation also extends for one year certain long-standing existing authorities important to providing services to veterans that would otherwise expire this year, including services for veterans who are seriously mentally ill or homeless.
  - The Veterans Fiduciary Reform and Honoring Noble Service Act (H.R. 5948), puts in place protections for veterans under VA's Fiduciary Program. If signed into law, the bill will mandate that all VA fiduciaries submit to a background and credit check, and will institute an appeals process to ensure that veterans and their families have recourse should they lose confidence in a VA-appointed fiduciary.

MILITARY HEALTH CARE NEWS

- Military Update is reporting that the co-payment increases on prescriptions filled at TRICARE retail outlets or mail order will be postponed if the continuing resolution (CR) is passed.

  The CR will require federal government to continue to spend at 2012 budget levels until new funding bills are passed. The bill, drafted and passed in the House, is expected to be approved by the Senate.

  The CR would fund the federal government until March 27, 2013, delaying Congress passing the national defense authorization act for fiscal 2013 and the increases in co-
pays at TRICARE retail pharmacies and through mail order or “home delivery” program, which are included in the draft legislation.

To read his full column, please visit: http://www.militaryupdate.com/.

- A new report found that substance abuse among America’s soldiers is increasing and charges that the Department of Defense isn’t doing enough to address the problem, according to a new report.

The Institute of Medicine report found that TRICARE doesn’t cover the best treatments for alcohol and drug abuse nor does it permit long-term use of certain medications to treat addiction and requires treatment in a specialized rehab center.

The study, conducted at the request of Congress because of the rising rate of prescription drug abuse among the military ranks, calls for updating TRICARE coverage, including allowing for outpatient treatment.

About 20 percent of active-duty soldiers said they engaged in heavy drinking in 2008, the latest year for which data are available, according to the report. Binge drinking increased from 35 percent in 1998 to 47 percent in 2008. The rate of medication misuse is also increasing. Two percent of active duty personnel reported misusing prescription drugs in 2002 compared with 11 percent in 2008.

- The Uniform Formulary Beneficiary Advisory Panel website has been updated to include the meeting materials for the Sept. 27 meeting.

To view the information, please click on the following link: http://www.tricare.mil/pharmacy/BAP/default.htm.

VETERANS AFFAIRS NEWS


Dawson, a native of Pritchard, Ala., comes to the Coast from Salisbury, N.C., where he had served as interim medical center director at the W.G. "Bill" Hefner VA Medical Center. He was responsible for operations at the Salisbury medical center and three outpatient clinics.

He takes over for Michael Winn, who was named interim director of the Gulf Coast Veterans Health Care System in June, but has returned to his position as director of the VA’s Central Arkansas Veterans Health Care System in Little Rock, Ark.

- The Departments of Defense and Veterans Affairs are preparing to release a new request for proposals under their integrated electronic health records (iEHR) initiative, according to Federal News Radio.

The RFPs, expected in late October or early November, will support digital clinical capabilities, such as pharmacy services and immunization records. DoD and VA health records must be fully integrated by 2017.
The Department of Veterans Affairs (VA) and the Department of Defense (DoD) are investing more than $100 million in research to improve diagnosis and treatment of mild traumatic brain injury (mTBI) and post-traumatic stress disorder (PTSD).

The two groups, The Consortium to Alleviate PTSD (CAP) and the Chronic Effects of Neurotrauma Consortium (CENC) will be jointly managed by VA, and by the Congressionally Directed Medical Research Programs (CDMRP), on behalf of the DoD.

More than 15 percent of service members and veterans suffer impaired functioning as a result of PTSD. CAP will study potential indicators of the trauma, as well as prevention strategies, possible interventions, and improved treatments. Biomarker-based researched will be a key factor for CAP’s studies.

A primary goal of CENC is to establish an understanding of the aftereffects of an mTBI. Potential comorbidities — conditions associated with and worsen because of a neurotrauma — also will be studied.

Specific information on the consortia, including the full description of each award, eligibility, and submission deadlines, and General Application Instructions, are posted on the Grants.gov and CDMRP websites (http://www.grants.gov and http://cdmrp.army.mil, respectively).

Two Department of Veterans Affairs (VA) public awareness campaigns designed to help veterans who seek mental health care assistance have received 43 industry and association awards for communication and design excellence.

The Veterans Crisis Line has released three PSAs that collectively earned 570 million television impressions since March 2011. The last two PSAs have consistently ranked in the top five percent of PSAs tracked by Nielsen. Additionally, through its suicide prevention outreach plan, VA is creating a network of collaborating partners to spread the word, strategically placing advertising, rebranding the website, and developing new collateral materials.

Make the Connection is a new, online tool to help veterans and their friends and family members find resources for overcoming life’s challenges and living well. The website, MakeTheConnection.net, has information on a variety of experiences and challenges, such as sleeping trouble, transitioning to civilian life, loss of a loved one, and post-traumatic stress disorder (PTSD). Since its launch in November 2011, the website has received over 1 million visits and the videos have been viewed over 3 million times.

The campaigns have received recognition from many organizations and associations, including the Association of Marketing and Communication Professionals, the Service Industry Advertising Awards, the Telly Awards, American Psychological Association, Interactive Media Awards, and the National Association of Government Communicators.

GENERAL HEALTH CARE NEWS

The American Cancer Society reports that cancer has replaced heart disease as the leading cause of death among U.S. Hispanics, similar to more a broad national trend.

Death rates for heart disease have been declining more rapidly than for cancer, helped by better treatments for heart problems such as cholesterol-lowering statin drugs.
The report estimates that in 2012, some 33,200 Hispanics will die from cancer and 112,800 will be newly diagnosed with the disease. Even so, cancer rates among Hispanics have been falling at a faster rate than in non-Hispanics in the past decade. According to the report, cancer deaths between 2000 and 2009 fell by 2.3 percent per year in men and 1.4 percent per year in women.

That compared with annual declines of 1.5 percent and 1.3 percent among non-Hispanic white men and women, respectively.

Hispanics tend to suffer from different types of cancers than other Americans and have lower rates of the four most common cancers — breast, prostate, lung and colon — than non-Hispanic whites. However, U.S. Hispanics are much more likely to be afflicted with stomach, liver, cervix and gallbladder cancers.

Hispanics are the fastest-growing demographic group in the United States, accounting for 16.3 percent of the U.S. population, or 50.5 million.

- **The U.S. Department of Health and Human Services and the Million Hearts Initiative** recognized two medical practices for success in helping patients control their high blood pressure.

  Kaiser Permanente Colorado, Denver, and Ellsworth Medical Clinic, Ellsworth, Wis., were named Million Hearts High Blood Pressure Control Champions for achieving blood pressure control rates of greater than 80 percent among their patients with high blood pressure.

  - Since January 2008, Kaiser Permanente Colorado’s focus on managing hypertension has improved the blood pressure control rate of its patients from 61 percent to 82.6 percent.
  - Between 2007 and 2011 the Ellsworth Medical Clinic improved blood pressure control among patients with cardiovascular disease from 68 percent to 97 percent. As of August 2012, the practice had achieved a 90 percent control rate for all patients with hypertension.

  Both systems credit the improvement to using electronic health records to track and monitor patients, sending email and phone reminders to increase medication adherence and encourage healthy lifestyle changes, and working closely with staff to prioritize high blood pressure control.

  Million Hearts is a joint initiative of CDC and the Centers for Medicare & Medicaid Services. Controlling high blood pressure is a key component of the initiative to prevent a million heart attacks and strokes by 2017. For more information about the initiative and links to tools for health care professionals and consumers, visit: [http://millionhearts.hhs.gov](http://millionhearts.hhs.gov).

- **Ten top U.S. and European drug makers have started a nonprofit organization, called TransCelerate BioPharma, to collaborate on ways to improve how experimental drugs are tested so they can get approved, and reach patients faster.**

  Research productivity across the industry has been declining while costs have been rising over the past few decades. About 5,000 to 10,000 potential drugs fail for every one approved, although all but about five of those compounds are scrapped by the time costly tests in people begin.

  Including all the failed drugs, the cost of getting one approved has risen from about $140 million in the 1970s to more than $1.2 billion, according to the industry group,
Pharmaceutical Research and Manufacturers of America. The rise in cost is attributed to the length of time it takes to find a compound to and get it approved by regulators (usually 10 to 15 years).

TransCelerate’s mission is to shorten the time it takes to bring safe drugs to market, reducing costs along the way. Initially, it will develop strategies to make it easier and quicker to set up and run clinical tests of experimental drugs, including developing standard methodology for collecting data from patient tests and ensuring that study participants are protected.

TransCelerate also will set standards for qualifying clinic sites and investigators to work on studies. Another goal is to increase the number of researchers at hospitals and universities qualified to conduct trials, because that will give more patients the chance to participate in them.

The group's participants include Pfizer Inc., Johnson & Johnson, Bristol-Myers Squibb Co., Eli Lilly and Co., Abbott Laboratories, GlaxoSmithKline PLC, AstraZeneca PLC, Sanofi SA, Boehinger Ingelheim Corp. and Genentech, a unit of The Roche Group. TransCelerate also will collaborate with several industry groups focused on creating innovative medicines and setting standards for study data, as well as government regulators including the U.S. Food and Drug Administration.

The Congressional Budget Office released a report, estimating that nearly 6 million Americans will have to pay a tax penalty for not getting health insurance once the Patient Protection and Affordable Care Act (PPACA) is fully in place.

Starting in 2014, the new health care law requires virtually every legal resident of the U.S. to carry health insurance, or face a tax penalty. The Supreme Court upheld PPACA as constitutional after finding that the penalty fell within the power of Congress to impose taxes.

CBO and the staff of the Joint Committee on Taxation (JCT) have estimated that about 30 million nonelderly residents will be uninsured in 2016, but the majority of them will not be subject to the penalty tax. Unauthorized immigrants, for example, who are prohibited from receiving almost all Medicaid benefits and all subsidies through the insurance exchanges, are exempted from the mandate to obtain health insurance. Others will be subject to the mandate but exempted from the penalty tax.

CBO estimates that 2 million more Americans will be subject to the penalty to than a previous estimate found. The average penalty will be nearly $1,200. Total collections will be about $7 billion in 2016 and average about $8 billion per year over the 2017–2022 period. Those estimates differ from projections that CBO and JCT made in April 2010 — about $3 billion more per year.

Most of the increase—about 85 percent—in the number of people who are expected to pay the penalty tax stems from changes in CBO and JCT’s baseline projections since April 2010, including the effects of legislation enacted since that time, changes in the economic outlook (primarily a higher unemployment rate and lower wages and salaries), and other technical updates.

A small share—about 15 percent—of the increase in the number of uninsured people expected to pay the penalty results from the recent Supreme Court decision. As a result of that decision, CBO and JCT now anticipate that some states will not expand their Medicaid programs at all or will not expand coverage to the full extent authorized by the ACA. Such state decisions are projected to increase the number of uninsured, a small percentage of whom will be subject to the penalty tax.
The National Institutes of Health has awarded funding to six projects to develop robots that can interact and work cooperatively with people and respond to changing environments in a variety of healthcare applications.

The total amount for these projects over the next four years amounts to $4.4M, subject to the availability of funds.

The awardees for the National Robotics Initiative (NRI) will work on projects that would accelerate the development of the next generation of robotics, in what is called co-robotics. These projects include robots that help engineers better design prosthetic legs for amputees, miniature robot pills that help doctors diagnose and treat disease, and even microrobots that help researchers make artificial tissues.

Below are the awarded projects:

- **Parallel, Independent Control of Microrobots for Microassembly of Tissues**: This project plans to develop and use micron-size bubbles as a robotic system that will be used for the assembly of artificial tissues. The creation of artificial tissues can improve drug discovery and testing, leading to higher-quality medical care.

- **Advanced Biophotonics for Image-guided Robotic Surgery**: The goal of this research is to develop a robot that assists in automatically and optically guiding minimally invasive surgery.

- **Control of Powered Segmented Legs for Humanoids and Rehabilitation Robotics**: The goal of this project is to uncover the principles behind the biomechanical design and neuromuscular control of human legs in a variety of gaits and to transfer these principles to the design and control of powered leg prostheses and robotic rehabilitation devices.

- **High Performance Robotic Below-Knee Prostheses**: The proposed project aims to develop a novel robotic actuator that can generate more power and store a larger amount of energy in a compact and light-weight robotic prosthesis, with the objective of significantly enhancing the health and life quality of the 400,000 trans-tibial (below-knee) amputees in the United States.

- **Personal Pill-Sized Soft Medical Robots for the Gastrointestinal Tract**: This proposal aims to design and manufacture new pill-sized soft capsule robots that can be precisely controlled remotely to enable diagnostic and therapeutic functions in the digestive tract for clinical and potentially personal use.

- **Brain Machine Interface (BMI) Control of a Therapeutic Exoskeleton**: This proposal plans to combine a human-robot interface with a non-invasive brain-machine to allow the patient to use their thoughts to control the movement of the robot to better rehabilitate their stroke affected upper limb.

NIH has long supported the development and use of robotic technologies through its 27 institutes and centers.

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**REPORTS/POLICIES**

- **The GAO published “Medicare Special Needs Plans: CMS Should Improve Information Available about Dual-Eligible Plans’ Performance,”** (GAO-12-864) on Sept. 19, 2012. This report examines special needs plans’ specialized services to dual-eligible beneficiaries.  
- **The GAO published** "Military Disability System: Improved Monitoring Needed to Better Track and Manage Performance," (GAO-12-676) on Sept. 19, 2012. This report studies the extent to which DoD and VA are meeting IDES timeliness and service member satisfaction performance goals; and steps the agencies are taking to improve IDES performance. [http://www.gao.gov/assets/650/647591.pdf](http://www.gao.gov/assets/650/647591.pdf)


### HILL HEARINGS

- There are no hearings scheduled.

### LEGISLATION

- **S.3560** (introduced Sept. 19, 2012): A bill to provide for scientific frameworks with respect to recalcitrant cancers was referred to the Committee on Health, Education, Labor, and Pensions.  
  Sponsor: Senator Sheldon Whitehouse [RI]

- **S.3562** (introduced Sept. 19, 2012): A bill to reauthorize and improve the Older Americans Act of 1965, and for other purposes was referred to the Committee on Health, Education, Labor, and Pensions.  
  Sponsor: Senator Bernard Sanders [VT]

- **S.3565** (introduced Sept. 19, 2012): A bill to eliminate discrimination and promote women's health and economic security by ensuring reasonable workplace accommodations for workers whose ability to perform the functions of a job are limited by pregnancy, childbirth, or a related medical condition was referred to the Committee on Health, Education, Labor, and Pensions.  
  Sponsor: Senator Robert P. Casey, Jr. [PA]

- **S.3573** (introduced Sept. 19, 2012): A bill to recognize the primacy of States, provide for the consideration of the economic impact of additional regulations, and provide for standards and requirements relating to certain guidelines and regulations relating to health and the environment was referred to the Committee on Environment and Public Works.  
  Sponsor: Senator John Hoeven [ND]

- **S.3574** (introduced Sept. 19, 2012): A bill to amend section 403 of the Federal Food, Drug, and Cosmetic Act to improve and clarify certain disclosure requirements for restaurants, similar retail food establishments, and vending machines was referred to the Committee on Health, Education, Labor, and Pensions.  
  Sponsor: Senator Roy Blunt [MO]
CFHA’s 14th Annual Conference: will be held on Oct. 4-6, 2012, in Austin, Texas
http://www.cfha.net/?page=2012Austin


The 23rd Annual Symposium for the Health Facility Institute will be held Oct. 21-24, 2012, in Englewood, Colo. www.hfi.org


The AMIA 2012 Annual Symposium will be held on Nov. 7-11, 2012, in Chicago Ill. http://www.amia.org/amia2012

The 118th AMSUS Annual Continuing Education Meeting will be held Nov. 11-15, 2012, in Phoenix, Ariz. http://amsusmeeting.org

The 2012 American Academy of Medical Administrators (AAMA) Annual Conference will be held on Nov. 13 - 16, 2012, San Antonio, Texas http://www.aameda.org/Conference/Annual/AnnualMain.html


The 2013 Military Health System Conference will be held Feb. 11-14, 2013, in National Harbor, Md.

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