# Federal Health Update

**OCT. 19, 2012**

*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 House and Senate are in recess until after the election.**

## MILITARY HEALTH CARE NEWS

- **TRICARE Management Activity has awarded Four Points Technology a multi-year contract to facilitate the expanded rollout of RelayHealth's Medical Home Support Package.**

  RelayHealth will continue to support the Military Health System's patient engagement strategy by providing interoperable secure messaging to TRICARE beneficiaries worldwide.

  Four Points Technology is dedicated to providing IT products and professional services to the federal government. Four Points offers solutions that support a wide variety of business initiatives specifically suited for government organizations.

- **According to *Air Force Times*, the Department of Defense (DoD) is eliminating the Prime option in three states and two cities in the TRICARE West region.**

  As of April 1, as many as 30,000 Prime beneficiaries — retirees, Active Guard and Reserve troops, and family members — in Iowa; Minnesota; Oregon; Reno, Nev.; and Springfield, Mo., will have to switch to TRICARE Standard, a traditional fee-for-service health plan, according to a source with knowledge of the reorganization.

  Pentagon officials would not confirm that the five areas will lose Prime in April.

  The areas lie outside Prime service areas covered under new Tricare regional contracts awarded by the Pentagon. Under those contracts, Tricare will offer Prime networks only within "catchment areas," defined as a 40-mile radius around military treatment facilities and in areas affected by the 2005 base closure and realignment process.

  The intent is to bolster health care support for the core active-duty populations near military treatment facilities that have been left short-handed "due to the deployment

requirements of military medical providers. In addition, the move would cuts contract administration overhead in these Prime areas and shifts more of the costs of care to beneficiaries.

Active-duty family members in Prime pay no enrollment fees or co-pays. Military retirees pay annual enrollment fees of $269.26 for an individual and $538.56 for families, and their co-pays for outpatient care are just $12. Prime requires no deductibles.

Under the changes that will start April 1, as many as 170,000 Prime enrollees across all three regions eventually may have to drive longer distances to see a Prime provider or switch to Tricare Standard, which has no enrollment fees but carries greater out-of-pocket costs:

- Cost shares are 20 percent for active-duty family members and 25 percent for retirees and other eligible beneficiaries.
- Annual deductibles for outpatient care are $50 for an individual and $100 for a family for active-duty members in pay grades E-4 and below, and $150 for an individual and $300 for a family for all others.
- The annual catastrophic cap — the maximum health care costs a beneficiary must pay in any one fiscal year — is $1,000 for active-duty families and $3,000 for retirees.

The move to eliminate Prime service areas away from military installations has been in the works since 2007, when the Defense Department released a draft of its new TRICARE contract proposal. But a series of contract disputes delayed the launch of the new initiative.

Under the old contracts, the entire Tricare South region was designated a Prime service area. In the West and North regions, the companies that managed the contracts also expanded Prime into areas not located near military bases, populated mainly by retirees, Active Guard and Reserve troops and their families.

Health Net Federal Services manages the North region contract. Beginning April 1, UnitedHealth Federal Services takes over the West region from TriWest Healthcare Alliance.

Dismantling Prime networks outside the immediate vicinity of military treatment facilities also will eliminate Tricare Extra in these places; that option allowed non-Prime users to lower their costs by seeing Prime network providers.

According to the Pentagon, those in Tricare Prime Remote — a program for active-duty troops and their families living in rural areas — as well as those on or near an installation with a hospital or clinic will see no change to their health benefits.

## VETERANS AFFAIRS NEWS

- **Systems Made Simple, Inc. (SMS), a provider of IT systems and services to support critical architecture, data and application challenges in the healthcare industry, announced its contract award with the Department of Veterans Affairs (VA) Office of Information & Technology (OIT) to increase automated processing of veterans benefits claims.**

  The Long Term Solution (LTS) Application Maintenance contract provides improved technical service-oriented capabilities designed to further streamline the delivery of Chapter 33 (CH33) benefits.

  The CH33 Program, administered by the VA as part of the Post-9/11 GI Bill, provides

educational assistance and benefits to members of the armed forces who served on or after Sept. 11, 2001. These benefits can be applied to undergraduate and graduate level degree programs, vocational training and various technical, professional, and one-time certification programs.

Under the LTS Application Management contract, SMS will transition the CH33 Program Management Office support and assume responsibility for the ongoing application maintenance support operations of the LTS. SMS will provide a full range of strategic planning and technical expertise to increase automation for the VBA workforce to streamline the delivery of CH33 benefits.

The LTS Application Maintenance contract includes a performance period of up to 24 months with a total value exceeding $8 million. It is part of the Transformation Twenty-One Total Technology (T4) initiative, a five-year indefinite delivery/indefinite quantity (IDIQ) contract which will modernize VA services through transformational capabilities, systems engineering and other solutions that span the entire range of lifecycle-based IT.

- **U.S. Olympic Committee (USOC) and Veterans Affairs awarded a $25,000 grant to Lakeshore Foundation in support of Paralympic sport and physical activity programs for disabled veterans and disabled members of the Armed Forces.**

  This grant was part of more than $2 million in grant funding that has been awarded to 97 organizations.

  The Olympic Opportunity Fund is provided through a partnership between the USOC and the Department of Veterans Affairs. Grants ranging from $10,000 to $25,000 were provided to USOC partner organizations to increase the number and quality of opportunities for physically and visually impaired veterans to participate in physical activity within their home communities and in more advanced Paralympic sport programs.

  Lakeshore Foundation has made significant contributions to efforts for injured military, serving injured men and women with physically disabling injuries since 2006.

  The grant announced will help Lakeshore with a pair of established projects — a physical fitness program for injured service personnel at Redstone Arsenal and enhancing Lakeshores' involvement with the local Veterans Administration to connect with more servicemen and women.

  In its third year, the Olympic Opportunity Fund has provided more than $4 million to 223 USOC partner and community programs, resulting in thousands of veterans with physical and visual impairments who are participating in sport programs and opportunities at the regional and national levels.

## GENERAL HEALTH CARE NEWS

- **The Institute of Medicine (IOM) announced the names of 70 new members and 10 foreign associates during its 42nd annual meeting on Oct. 15, 2012.**

  Election to the IOM is considered one of the highest honors in the fields of health and medicine and recognizes individuals who have demonstrated outstanding professional achievement and commitment to service.

  New members are elected by current active members through a selective process that recognizes individuals who have made major contributions to the advancement of the medical sciences, health care, and public health. IOM's charter ensures diversity of talent among the Institute's membership by requiring at least one-quarter of the members to be

selected from fields outside the health professions, such as engineering, social sciences, law, and the humanities. The newly elected members raise IOM's total active membership to 1,732 and the number of foreign associates to 112. With an additional 84 members holding emeritus status, IOM's total membership is 1,928.

The Institute of Medicine is unique in its structure as both an honorific membership organization and an advisory organization. Established in 1970 by the National Academy of Sciences, IOM has become recognized as a national resource for independent, scientifically informed analysis and recommendations on health issues. With their election, members make a commitment to volunteer their service on IOM committees, boards, and other activities. Projects during the past year include studies of environmental factors in breast cancer, health IT and patient safety, nutrition rating systems and graphics on food packaging, the scientific necessity of chimpanzees in research, establishing crisis standards of care during catastrophic disasters, improving care for epilepsy, and treatment of post-traumatic stress disorder.

To view the list of new members, please visit:
http://www.iom.edu/Global/News%20Announcements/2012-New-Members.aspx

- **The Department of Health and Human Services released the 2013 quality ratings for Medicare health and drug plans on the web-based Medicare Plan Finder.**

  During Medicare Open Enrollment, people with Medicare can use the star ratings to compare the quality of health and drug plan options and select the plans that are the best value for their needs for 2013.

  In 2013:

  - People with Medicare will have access to 127 four- or five-star Medicare Advantage plans. These plans currently serve 37 percent of Medicare Advantage enrollees, and may attract more with their improved quality ratings. In 2012, people with Medicare had access to 106 four or five star plans, which served only 28 percent of enrollees.
  - People with Medicare will have access to 26 four or five star prescription drug plans, which currently serve 18 percent of enrollees. This is an improvement from 2012, in which 13 four or five star plans are serving only 9 percent of enrollees.

  Medicare plans are given an overall rating on a 1 to 5 star scale, with 1 star representing poor performance and 5 stars representing excellent performance. Users of the Plan Finder will also see a gold star icon designating the top rated 5-star plans, and a different icon for those plans who are consistently poor performers.

  Medicare is doing more to promote enrollment in high quality plans and alert beneficiaries who are enrolled in lower quality plans. Now, persons with Medicare enrolled in consistently low performing plans (those receiving less than 3 stars for at least the past 3 years) will receive notifications to let them know how they can change to a higher quality plan if they choose to do so. In addition, 5-star plans are rewarded by being allowed to continuously market and enroll beneficiaries throughout the year. In 2012, thousands of people with Medicare took advantage of this opportunity to join a top performing plan.

  Medicare Plan Finder users can search for MA and Prescription Drug Plans being offered in their areas by inserting their home zip code. The Medicare Formulary Finder is also available online to help people with Medicare find local plans that cover their specific medications. Both Finders and other helpful Medicare tools are available at www.medicare.gov.

  For details about the 2013 Part C and D Plan Quality Ratings released, please visit
  http://www.cms.gov/Medicare/Prescription-Drug-

Coverage/PrescriptionDrugCovGenIn/PerformanceData.html.

Medicare Open Enrollment runs from October 15th through December 7th. For more information about Open Enrollment, please visit http://www.cms.gov/Center/Special-Topic/Open-Enrollment-Center.html?redirect=/center/openenrollment.asp.

- **An intensive diet and exercise program resulting in weight loss does not reduce cardiovascular events such as heart attack and stroke in people with longstanding type-2 diabetes, according to a study supported by the National Institutes of Health (NIH).**

  The Look AHEAD (Action for Health in Diabetes) study tested whether a lifestyle intervention resulting in weight loss would reduce rates of heart disease, stroke, and cardiovascular-related deaths in overweight and obese people with type 2 diabetes, a group at increased risk for these events.

  Researchers at 16 centers across the United States worked with 5,145 people, with half randomly assigned to receive an intensive lifestyle intervention and the other half to a general program of diabetes support and education. Both groups received routine medical care from their own health care providers.

  Although the intervention did not reduce cardiovascular events, Look AHEAD has shown other important health benefits of the lifestyle intervention, including decreasing sleep apnea, reducing the need for diabetes medications, helping to maintain physical mobility, and improving quality of life. Previous Look AHEAD findings are available at www.lookaheadtrial.org.

  Participants in the intervention group lost an average of more than eight percent of their initial body weight after one year of intervention. They maintained an average weight loss of nearly five percent at four years, an amount of weight loss that experts recommend to improve health. Participants in the diabetes support and education group lost about one percent of their initial weight after one and four years.

  Type-2 diabetes — affecting nearly 24 million people in the United States — has increased in prevalence along with the country's epidemic of overweight and obesity. Cardiovascular diseases are the most common cause of death among people with type-2 diabetes. Look AHEAD is the first study to examine the long-term effects of a lifestyle intervention on major cardiovascular disease events and death in adults with type-2 diabetes.

  In September 2012, the NIH stopped the intervention arm, acting on the recommendation of the study's data and safety monitoring board. The independent advisory board, charged with monitoring the study data and safety of participants, found that the intensive lifestyle did no harm but did not decrease occurrence of cardiovascular events, the primary study goal. At the time, participants had been in the intervention for up to 11 years.

## REPORTS/POLICIES

- **The Institute of Medicine (IOM) published *"Evaluation of the Lovell Federal Health Care Center Merger: Findings, Conclusions, and Recommendations,"* on Oct. 16, 2012.** This report evaluates whether the Lovell FHCC has improved health care access, quality and cost for the DoD and the VA, compared with operating separate facilities, and to examine whether patients and health care providers are satisfied with joint VA/DoD delivery of health care. http://www.iom.edu/Reports/2012/Evaluation-of-the-Lovell-Federal-Health-Care-Center-Merger.aspx

## HILL HEARINGS

- There are no hearings scheduled.

### LEGISLATION

- **H.R.6575** (introduced Oct. 16, 2012): Medicare Audit Improvement Act of 2012 was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker
  Sponsor: Representative Sam Graves [MO-6]
- **H.R.6576** (introduced Oct. 16, 2012): To amend title 10, United States Code, to permit veterans who have a service-connected disability rated as total to travel on military aircraft in the same manner and to the same extent as retired members of the Armed Forces are entitled to such travel was referred to the House Committee on Armed Services.
  Sponsor: Representative Gus M. Bilirakis [FL-9]

## MEETINGS

- The 23rd Annual Symposium for the Health Facility Institute will be held **Oct. 21-24, 2012**, in Englewood, Colo. www.hfi.org
- The American Public Health Association (APHA) 140th Annual Meeting and Exposition will be held on **Oct. 27-31, 2012**, in San Francisco, Calif. http://www.apha.org/meetings/AnnualMeeting/
- The International Society for Traumatic Stress Studies (ISTSS) 28th Annual Meeting will be held on **Nov. 1-3, 2012**, in Los Angeles, Calif. http://www.istss.org/Home1.htm
- 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 Radiological Society of North America (RSNA) 2012: Patients First will be held on **Nov. 25-30, 2012**, in Chicago, Ill. http://www.rsna.org/Annual_Meeting.aspx
- The 2012 Special Operations Medical Association (SOMA) Conference will be held on **Dec. 15-18, 2012**, in Tampa, Fla. http://www.specialoperationsmedicine.org/
- The International Meeting of Simulation in Healthcare (IMSH) 2013 will be held on **Jan. 26-30, 2013**, in Orlando, Fla. http://ssih.org/events/imsh-2013-central
- The 2013 Military Health System Conference will be held **Feb. 11-14, 2013**, in National Harbor, Md.

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