Welcome to Federal Health Update. This newsletter is a compilation of the latest news in the federal health care sector.

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[mailto:ktheroux@federalhealthcarenews.com](mailto:ktheroux@federalhealthcarenews.com)

**Happy Veterans Day!**

**EXECUTIVE AND CONGRESSIONAL NEWS**

*The House and Senate will resume on Nov. 13, 2012.*

**MILITARY HEALTH CARE NEWS**

*The Department of Defense’s Military Health System is sponsoring the third annual Building Stronger Female Physician Leadership course.*

The goal of the two and half day seminar is to provide training and mentoring opportunities for mid-career female physicians from all service branches to help prepare them for senior military healthcare positions.

The leadership seminar is scheduled to run Feb. 8-10, 2013 at the Gaylord National Resort and Convention Center in National Harbor, Md.

Female physicians with the Army, Navy, Air Force, Coast Guard and Public Health Service are encouraged to participate. There is no cost, however, doctors must be nominated by their military treatment facility commanders or equivalent level officer in order to attend.

Nomination applications are due by Nov. 28, 2012 to the Military Health System Chief Human Capital Office. MTF commanders can submit multiple names but there is a limit of up to 20 active duty DoD female physicians at the 04 select, o4, or junior 05 grade who will be funded for travel, hotel and per diem.

[Criteria and agenda](#) for the 2013 MHS Stronger Female Physician Leadership Course.

*Evolvent Technologies has won a potential three-year contract from the TRICARE Management Activity to add new features to the military’s in-theater electronic health record application.*
The contract is worth up to $20.5 million over one base year and two option years.

AHLTA-Theater is a clinical documentation and management application that serves as the military’s EHR for service members in theater and was developed by the Defense Health Information Management System.

For this project, Evolvent will convert databases, update and optimize code and add new features.

VETERANS AFFAIRS NEWS

- A report being issued this week by the Center for a New American Security warns that the Obama administration will “face an array of hard choices” involving veterans and the military community as it tries to cope with problems ranging from military suicide to veterans’ disability claims during the president’s second term.

The “Upholding the Promise: Supporting Veterans and Military Personnel in the Next Four Years,” identifies three broad priority areas for the Obama administration:

  o The first includes issues such as military suicides, combat stress and veteran homelessness, which “must be decisively addressed by the next administration, in ways that exceed the work done during the past four years, simply because veterans and military personnel continue to suffer.”

  o The second area of priority would be to “make substantially more progress” in improving government service, chief among them reversing the growth of the claims backlog at the Department of Veterans Affairs.

  o As a third area, the report warns that with the wars in Iraq and Afghanistan receding from public consciousness the danger exists that public interest in veterans and the military community could disappear in “an ocean of apathy.”

The report calls on the Obama administration to “maintain public attention” on issues facing veterans and military families, and to maintain political support for finding solutions to the problems.

GENERAL HEALTH CARE NEWS

- The Centers for Disease Control and Prevention (CDC) announced Get Smart About Antibiotics Week is November 12-18, 2012.

Get Smart About Antibiotics Week 2012 will highlight the threat of antibiotic resistance and the importance of appropriate antibiotic use nationally and globally. In recognition of the week, the Centers for Disease Control and Prevention and its partners announce the following:

  o Unveiling of important policy statement outlining strategies to conserve and replenish our antibiotic resources

  o Releasing of Pew Health Group 2012 poll results on Americans’ knowledge and behaviors about antibiotic use and resistance

  o Launching of the CDC/IHI Driver Diagram and Change Package for Antibiotic Stewardship – conceptual model to improve antibiotic use in hospitals

  o Hosting Twitter chats on the use of antibiotics in doctors’ offices and hospitals across our nation
Launching of CDC’s five-week Television and YouTube campaign about only using antibiotics when necessary, created to reach parents of young children

For more information about the events scheduled, please visit: http://www.cdc.gov/media/releases/2012/a1108_get_smart.html.

- The U.S. Food and Drug Administration approved Xeljanz (tofacitinib) to treat adults with moderately to severely active rheumatoid arthritis (RA) who have had an inadequate response to, or who are intolerant of, methotrexate.

RA is an autoimmune disease, in which the body’s immune system mistakenly attacks healthy tissue leading to inflammation of the joints and surrounding tissues. According to the Centers for Disease Control and Prevention, RA affects an estimated 1.5 million Americans. Xeljanz, a pill taken twice daily, works by blocking molecules called “Janus kinases,” which are important in the joint inflammation of RA.

Xeljanz, marketed by New York-based Pfizer Inc., is being approved ahead of the product’s prescription drug user fee goal date of Nov. 21, 2012, the date the agency was scheduled to complete review of the drug application. It will cost $25,000 a year, on par with drugs like Humira and Amgen’s Enbrel, which also treat rheumatoid arthritis.

The FDA approved Xeljanz with a Risk Evaluation and Mitigation Strategy (REMS), which consists of a Medication Guide advising patients about important safety information and a communication plan to inform health care providers about the serious risks associated with Xeljanz.

To study the long-term effects of Xeljanz on heart disease, cancer and serious infections, the FDA is requiring a post-marketing study that will evaluate two doses of Xeljanz and include a group of patients on another approved treatment to serve as a comparison.

- An FDA advisory committee voted 8-4 Thursday in favor of approval of a new ultra-long-acting insulin for type-1 and type-2 diabetes.

But the Endocrinologic and Metabolic Drugs Advisory Committee also voted unanimously (12-0) in support of a cardiovascular outcomes trial for the product’s two formulations, insulin degludec (Tresiba) and insulin degludec/aspart, (Ryzodeg), due to a potential signal in a meta-analysis of major trials conducted thus far.

The majority of panelists who voted in favor of approving the drug said such a trial could be done post marketing. Yet some panelists said that the benefits of the drug were not overwhelming and expressed strong concerns over cardiovascular risks that may not outweigh any advantages.

Panelists’ interpretations as to whether the insulin was associated with a lower risk of hypoglycemia compared with other insulins were varied. Many felt the risk of hypoglycemia was comparable to other therapies, though some believed there was indeed a signal for reduced hypoglycemic events with both versions of insulin degludec.

In its review of 16 trials, FDA found a suggestion of an excess risk of cardiovascular events with degludec compared with other insulins. The agency has continued to delay a decision on the company’s new drug application, submitted last September.

The FDA was initially supposed to deliver its decision in October. The agency isn’t obligated to follow the advice of its advisory committees, but often does.
According to Congressional Budget Office’s monthly review, the federal government incurred a budget deficit of $1.1 trillion for fiscal year 2012, $207 billion less than that in 2011.

Fiscal year 2012 marks the fourth consecutive year with a deficit above $1.0 trillion. As a share of the nation’s gross domestic product (GDP), the deficit declined from 8.7 percent in 2011 to 7.0 percent in 2012. CBO notes it was still the fourth highest as a share of GDP since 1946.

To read the full report, please visit: http://www.cbo.gov/publication/43697.


This legislation would amend current law to exclude compensation paid to insurance agents and brokers from the administrative expenses used to determine the calculation of the medical loss ratio (MLR) for health insurance plans. The bill also would make waivers of certain requirements under the MLR rules easier for states to obtain by requiring the Secretary of the Department of Health and Human Services (HHS) to defer to a state’s findings that the application of those rules would destabilize the state’s insurance market. Finally, the legislation would extend the availability of such waivers in other ways.

CBO and the staff of the Joint Committee on Taxation (JCT) estimate that enacting H.R. 1206 would increase deficits by $531 million over the 2013-2017 period and by about $1.1 billion over the 2013-2022 period. Of this increase in the deficit, $127 million would be a decline in off-budget Social Security revenues between 2013 and 2022. Pay-as-you-go procedures apply because enacting the legislation would affect direct spending and revenues.

To read the full report, please visit: http://www.cbo.gov/sites/default/files/cbofiles/attachments/hr1206.pdf.

HILL HEARINGS

The Senate Committee on Health, Education, Labor, and Pensions will hold a hearing on Nov. 15, 2012, to examine pharmacy compounding, focusing on implications of the 2012 meningitis outbreak, which was originated by a drug compounding pharmacy in Massachusetts.

LEGISLATION

- **H.R.6575** (introduced Oct. 10, 2012): the Medicare Audit Improvement Act of 2012 was referred to the Subcommittee on Health
  Sponsor: Representative Sam Graves

- **H.R.6580** (introduced Oct. 26, 2012): the Veterans Dental and Vision Benefits Act of 2012 was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on Veterans' Affairs
  Sponsor: Representative Marcia L. Fudge. [OH-11]
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](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](http://www.amia.org/amia2012)

The 118th AMSUS Annual Continuing Education Meeting will be held on **Nov. 11-15, 2012**, in Phoenix, Ariz. [http://amsusmeeting.org](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](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](http://www.rsna.org/Annual_Meeting.aspx)


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

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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.