

FEDERAL HEALTH UPDATE

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Produced by Kate Connelly Theroux in collaboration with the U.S. Medicine Institute for Health Studies

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"Veterans across America should know that while Republicans and Democrats have our differences, when it comes to veterans, we are working together to make health care and education benefits more accessible." --Senate VA Committee Chairman Larry Craig (R-Idaho) commenting on the passage of a bipartisan bill, which will fund numerous major medical

facilities for veterans in 22 states for fiscal years 2006 and 2007.

Congressional Schedule

- The House passed H.R. 5533, Biodefense and Pandemic Vaccine and Drug Development Act of 2006 on Sept. 27, 2006.
- The Senate passed S.3421, the VA Construction Bill on Sept. 26, 2006. The bill authorizes more than \$2 billion in funding for numerous major medical facilities for veterans in 22 states for fiscal years 2006 and 2007, and for other purposes.
- On Sept. 22, 2006, the conference report for the Defense Appropriations Bill for fiscal year 2007 was approved. The bill funds \$377.6 billion in addition to a \$70.0 billion bridge fund for military operations in Iraq and Afghanistan. The conferees also decided to include a continuing resolution that funds government operations at the lower rate of House-passed, Senate-passed or last year's funding level through November 17th.
- The House Ways and Means Committee approved H.R. 6134, the Health Opportunity Patient Empowerment Act of 2006, which would to expand enrollment in health savings accounts.
- The Senate Veterans Affairs Committee approved the nomination of Robert T. Howard, of Virginia, to be an Assistant Secretary of Veterans Affairs (Information and Technology) on Sept. 26, 2006.
- The House Veterans Affairs Subcommittee on Health held oversight hearing: *Post Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI): Emerging Trends in Force and Veteran Health,* on Sept. 28, 2006. Army Col. (Dr.) Elspeth Cameron Ritchie, psychiatry consultant to the U.S. Army Surgeon General testified that one of the steps the Army is taking to combat the stigma associated with asking for help with mental health problems is to integrate behavioral healthcare into primary care to assure those suffering from mental health problems the same immediate attention those who are experiencing physical problems. Dr. Gerald Cross, VA acting principal deputy under secretary for health; and Army Col. (Dr.) Charles W. Hoge, chief of Psychiatry and Behavior Sciences, Division of Neurosciences for Walter Reed Army Institute of Research also

testified.

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Military Health Care News

- TRICARE Management Activity (TMA) announced that the new TRICARE Reserve Select program will begin on Oct. 1, 2006, for members who have Tier 2 and Tier 3 coverage and whose request form and premium is postmarked or submitted to a TRICARE Service Center Aug. 1 through Sept. 25, 2006. Coverage begins Jan. 1, 2007, for members whose request form and premium is postmarked or submitted Sept. 26 through Nov. 25, 2006. TRICARE Reserve Select Tier 1 members must contact their Reserve Component to obtain qualification guidance. The TRICARE Reserve Select Program was expanded by Congress earlier this year and offers health care coverage to qualified members of the National Guard and Reserve and their family members. The expansion of TRICARE Reserve Select will allow all qualified members of the Selected Reserve to purchase health care coverage, with three tiers of premium sharing. TRICARE Management Activity and Reserve Affairs worked together to develop this new benefit and finalize system changes to launch the program. More information about TRICARE Reserve Select can be found on the TRICARE Web site at www.tricare.osd.mil/reserve/reserveselect/index.cfm. http://www.tricare.osd.mil/pressroom/press_article.aspx?fid=426

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Health Care News

- On Sept. 27, 2006, the Department of Health and Human Services (HHS) announced it was awarding nearly \$6 million in additional funding to 22 states to expand their efforts to establish single entry points to long-term care for families who are trying to learn about and access services in their communities. These Aging and Disability Resource Center (ADRC) grants

are part of the President's New Freedom Initiative and the Administration's commitment to bring transparency to health and long-term care so consumers can make informed decisions about their care options. To date, 43 states have received over \$40 million in support under the ADRC initiative, which is jointly administered by the Administration on Aging (AoA) and the Centers for Medicare and Medicaid Services (CMS). States are using ADRC funds to better coordinate and redesign their existing methods for providing seniors, younger people with disabilities, and family caregivers with information and personalized assistance in accessing services such as meals-on-wheels, personal care, housekeeping, specialized transportation, assisted living and nursing home care. <http://www.hhs.gov/news/press/2006pres/20060927a.html>

- The Centers for Medicare and Medicaid Services (CMS) announced that CMS Deputy Administrator Leslie Norwalk will become acting administrator at the agency on Oct. 15, following the departure of current Administrator Mark McClellan. In addition, Herb Kuhn, director of the CMS' Center for Medicare Management, will serve as acting deputy administrator. On Nov. 15, the CMS starts its second open-enrollment period for the drug benefit.
- On Sept. 28, 2006, the Department of Health and Human Services (HHS) announced the release of more than \$13 million to 16 states to improve the health and quality of life for older Americans. This announcement is part of an ongoing collaboration with The Atlantic Philanthropies supporting President Bush's HealthierUS Initiative, which encourages people to take control over their health in order to live longer, better and healthier lives. HHS will support efforts over three years in up to 16 states to support the delivery of evidence based programs for senior aging services provider organizations, such as senior centers, nutrition programs, senior housing projects and faith based organizations. At least 36 communities will have programs up and running within a year. This collaboration led by the Administration on Aging (AoA) and involving several HHS agencies, states and various public and private organizations at the community level, will empower older people, who are disproportionately affected by chronic disease, to take more control of their own health through life style and behavioral changes. <http://www.hhs.gov/news/press/2006pres/20060928.html>
- According to the *Washington Post*, a study by the Centers for Disease Control and Prevention (CDC) found that between 40 and 50 percent of emergency departments (EDs) at many hospitals are routinely stretched to the breaking point, raising concerns that they would not be able to handle victims during a terrorist attack or natural disaster. The problem is more dramatic in metropolitan areas, where almost two-thirds of emergency departments experienced crowding conditions and shortages of nursing staff. The study also found that visits have increased more than 18 percent into fewer EDs over the past

decade. http://www.washingtonpost.com/wp-dyn/content/article/2006/09/27/AR2006092701831_pf.html

- The results from a survey by the Kaiser Family Foundation, in collaboration with the Health Research and Educational Trust were released on Sept. 26, 2006. The report found that the cost of employee health care coverage rose 7.7 percent this year, more than double the overall inflation rate and well ahead of the increase in the incomes of workers. The good news is that this is the lowest increase since 1999. But the average cost to employees continued an upward trend, reaching \$2,973 annually for family coverage out of a total cost of \$11,481. Since 2000, the cost of family coverage has risen 87 percent while consumer prices are up 18 percent and the pay of workers has increased 20 percent, the survey noted. That is without counting the cost of deductibles and other out-of-pocket payments, which have also been rising.

<http://www.kff.org/insurance/ehbs092606nr.cfm>

- The New York City Department of Health proposed a near ban on the use of artificial trans fat at restaurants on Sept. 25, 2006. The proposal would limit the use of the artery-clogging fat, which is often used in fast foods, to 0.5 grams per serving. The proposal comes after a year-long city campaign to educate restaurants on the effects of such fats and encourage them to stop their use. The city said the voluntary campaign failed and while some of New York's more than 20,000 restaurants reduced or stopped using artificial trans fat, overall use did not decline at all. If approved, New York would become the first city in the United States to regulate trans

fat. <http://www.sciam.com/article.cfm?chanID=sa003&articleID=EBB87FAA733D9A04EBB40F422B135FB0>

- The Centers for Medicare and Medicaid Services (CMS) announced the award of \$7.5 million to organizations developing Programs of All-Inclusive Care for the Elderly (PACE) in rural service areas. This grant program was initiated through the Deficit Reduction Act of 2005 (DRA) and follows the New Freedom Initiative to develop and provide additional care options in the community while providing more efficient and coordinated care through Medicare and Medicaid. PACE programs provide patient-centered and coordinated care to frail elderly individuals living in the community, including people with both Medicare and Medicaid. The PACE program has served beneficiaries in a number of urban areas, and is now broadening care options in rural America. Care typically includes social and medical services primarily in an adult day health center, supplemented by in-home and referral services in accordance with the participant's needs. The new Rural PACE Provider Grant Program will provide funds to support the coordination of comprehensive care for some of the most vulnerable Medicare and Medicaid beneficiaries living in rural areas within thirteen states across the country. Each site will receive

\$500,000 to establish a PACE program in their area. CMS awarded the maximum number of grants authorized by the DRA to expand patient-based care to a greater number of people with Medicare and Medicaid who live in rural areas. <http://www.cms.hhs.gov/apps/media/press/release.asp?Counter=1973>

- The results of a study “*Physician Communication When Prescribing New Medications,*” were released in the Sept. 25 issue of *Archives of Internal Medicine*, one of the *JAMA/Archives* journals. The report concluded that physicians prescribing new medication often do not communicate to patients important details, such as potential side effects, how long or how often to take the drug or the specific name of the medication. Almost half of all Americans take at least one prescription drug, and half of older adults take three or more. Taking medications properly is essential in ensuring their effectiveness. However, patients often do not adhere to prescribed therapies, which can lead to worsening disease, failure of the treatment, adverse effects, drug overdose, unnecessary hospitalization and higher health care costs. A total of 243 new medications were prescribed at visits monitored during the study, including 46 cardiovascular medications; 42 ear, nose and throat preparations; 35 analgesics (pain-relieving drugs); 35 antibiotics; 21 dermatologic creams; 21 psychiatric medications; and 11 pulmonary medications. Overall, physicians communicated an average of 3.1 of the five essential elements, indicating that 62 percent of the necessary information was conveyed. Physicians used the specific name for 74 percent of new prescriptions, explained the purpose for 87 percent and discussed adverse effects for 35 percent. Thirty-four percent of the encounters included instructions on how long to take the drug, 55 percent on the number of tablets to take and 58 percent on the frequency or timing of dosing. Patients receiving incomplete instructions may be less likely to take their medication properly, in part because they do not understand how to do so, the study concluded.

<http://archinte.ama-assn.org/cgi/content/short/166/17/1855>

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Reserve/Guard

- The total number of Guard and Reserve currently on active duty has **decreased** by 496 from the last report to 107,790. The totals for each service are Army National Guard and Army Reserve, 86,831; Navy Reserve, 6,100; Air National Guard and Air Force Reserve, 7,205; Marine Corps Reserve, 7,337; and the Coast Guard Reserve, 317.
www.defenselink.mil

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Contracts/Procurements

- The Centers for Medicare and Medicaid Services (CMS) is seeking to identify businesses (in particular Small Business sources) with capabilities or prior experience for potential award of a contract to provide Fraud Investigation Database (FID) application conversion, standardization, and enhancement services. The intent of this RFI is to support informed decisions with regard to setting aside this competition for Small Businesses. In addition, CMS is interested in obtaining comments on the [draft Statement of Work \(SOW\)](#). Services include the conversion of code, implementation of Section 508 standards, and subsequent ongoing enhancement of the application's functionality. Currently, the maintenance and enhancement of FID is provided under a contract with CGI-AMS, Inc. FID is a centralized system run out of the CMS Data Center that allows CMS to monitor fraudulent activity and payment suspensions related to Medicare and Medicaid providers. FID was designed to capture fraud investigation data from the point when the potential for Medicare fraud is substantiated to the final resolution of a case. The FID also tracks payment suspension information for Medicare and Medicaid providers. Currently Medicare Contractors, State Medicaid Agencies, Law Enforcement Agencies, and CMS CO and RO staff have access to FID. Data entry occurs at the Medicare Contractor and Medicaid State Agency sites. Medicare Contractors are required to update their fraud cases every 30 days until the case is referred to law enforcement. Once the case is referred to law enforcement the Medicare Contractor is required to update the case every 90 days. It is required that active Medicare suspensions are updated every month. It is also anticipated that the award will be issued as a base with four one-year options years. All responses are requested by 12:00 PM ET on Oct. 10, 2006, to craig.gillespie@cms.hhs.gov. <http://www.fbo.gov/spg/HHS/HCFA/AGG/RFI%2DCMS%2D2007%2DFID/Attachments.html>

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Reports/Policies

- The Institute of Medicine (IOM) released “*The Future of Drug Safety: Promoting and Protecting the Health of the Public,*” on Sept. 22, 2006. In this report, the IOM committee assessed the U.S. drug safety system and to made recommendations to improve risk assessment, surveillance, and the safe use of drugs. The committee also examined some key aspects of the roles and considered the potential contributions of the pharmaceutical industry, the academic research enterprise, Congress, the health care delivery system, patients and the public. <http://www.iom.edu/CMS/3793/26341/37329.aspx>
- The GAO issued “*Military Personnel: DoD and the Services Need to Take Additional Steps to Improve Mobilization Data for the Reserve Components,*” (GAO-06-1068) on Sept. 20, 2006. The GAO initiated a review under the Comptroller General's authority to conduct evaluations on his own initiative to determine what DoD data indicate are the number of reservists mobilized and deployed in support of the Global War on Terrorism (GWOT) and the selected demographic and deployment characteristics of those deployed; and whether DoD's reserve deployment and mobilization data and analyses are reliable. GAO analyzed data and data analyses from DoD's Contingency Tracking System (CTS) and interviewed agency officials.
<http://www.gao.gov/new.items/d061068.pdf>
- The GAO issued “*Military Personnel: DoD Needs an Oversight Framework and Standards to Improve Management of Its Casualty Assistance Programs,*” (GAO-06-1010) on Sept. 22, 2006. The report reviewed the extent to which DoD has an oversight framework and standards to monitor the assistance it provides to survivors of these deceased Servicemembers; and visibility over the costs of its casualty assistance programs. GAO also reviewed the roles of VA and SSA in providing casualty assistance. In conducting this review, GAO analyzed agency documents and interviewed program officials, limiting its scope to federal programs.
<http://www.gao.gov/new.items/d061010.pdf>
- The GAO issued “*Health Savings Accounts: Early Enrollee Experiences with Accounts and Eligible Health Plans,*” (GAO-06-1133T) on Sept. 26, 2006. In this report, GAO reviewed the financial features of HSA-eligible plans in comparison with those of traditional plans, such as preferred provider organizations (PPO), the characteristics of HSA-eligible plan enrollees in

comparison with those of traditional plan enrollees or others; HSA funding and use; and enrollees' experiences with HSA-eligible plans.

<http://www.gao.gov/cgi-bin/orddtab.pl?Item0=GAO-06-1133T>

- The GAO issued “*VA Health Care: Preliminary Information on Resources Allocated for Mental Health Strategic Plan Initiatives*,” (GAO-06-1119T) on Sept. 28, 2006. In this report, GAO was provided preliminary information on VA's allocation and use of funding for mental health strategic plan initiatives in fiscal years 2005 and 2006. A final report on this work will be issued later in the fall of 2006

<http://www.gao.gov/new.items/d061119t.pdf>

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Legislation

- **H.CON.RES.479** (introduced Sept. 25, 2006): Recognizing the health benefits of eating seafood as part of a balanced diet, and supporting the goals and ideals of National Seafood Month was referred to the House Committee on Energy and Commerce.

Sponsor: Representative Henry E. Brown, Jr. [SC-1]

- **H.J.RES.97** (introduced Sept. 25, 2006): Making continuing appropriations for the fiscal year 2007 and for other purposes was referred to the House Committee on Appropriations.

Sponsor: Representative Jerry Lewis [CA-41]

- **H.R.6164** (introduced Sept. 25, 2006): To amend title IV of the Public Health Service Act to revise and extend the authorities of the National Institutes of Health and for other purposes was passed on Sept. 26, 2006...

Sponsor: Representative Joe Barton [TX-6]

- **H.R.6182** (introduced Sept. 26, 2006): To amend the Occupational Safety and Health Act of 1970 to reduce injuries to

patients, direct-care registered nurses, and other health care providers by establishing a safe patient handling standard was referred to the Committee on Education and the Workforce, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Sponsor: Representative John Conyers, Jr. [MI-14]

- **H.R.6185** (introduced Sept. 26, 2006): To amend title 38, United States Code, to improve health care for veterans, and for other purposes was referred to the Committee on Veterans' Affairs, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Sponsor: Representative Katherine Harris [FL-13]

- **H.R.6186** (introduced Sept. 26, 2006): To amend the Public Health Service Act to authorize grants for the purpose of carrying out activities to increase the number of faculty members at collegiate schools of nursing in States with significant shortages of nurses was referred to the House Committee on Energy and Commerce.

Sponsor: Representative J.D. Hayworth [AZ-5]

- **H.R.6171** (introduced Sept. 26, 2006): To authorize appropriations for the National Veterans Business Development Corporation and for other purposes was referred to the House Committee on Small Business.

Sponsor: Representative Susan A. Davis [CA-53]

- **H.R.6191** (introduced Sept. 26, 2006): To amend title XXVI of the Public Health Service Act to provide for a one-year extension of the program under such title, and for other purposes was referred to the House Committee on Energy and Commerce.

Sponsor: Representative Frank Pallone, Jr. [NJ-6]

- **H.R.6213** (introduced Sept. 27, 2006): To authorize the conveyance of a portion of the campus of the Illiana Health Care System of the Department of Veterans Affairs to Danville Area Community College of Vermilion County, Illinois was

referred to the House Committee on Veterans' Affairs.

Sponsor: Representative Timothy V. Johnson [IL-15]

- **H.R.6214** (introduced Sept. 27, 2006): To increase awareness of and research on autoimmune diseases, which are a major women's health problem, affect as many as 22 million Americans, and encompass more than 100 interrelated diseases, such as lupus, multiple sclerosis, rheumatoid arthritis, Sjogren's syndrome, polymyositis, pemphigus, myasthenia gravis, Wegener's granulomatosis, psoriasis, celiac disease, autoimmune platelet disorders, scleroderma, alopecia areata, vitiligo, autoimmune thyroid disease, sarcoidosis, and fibromyalgia, and for other purposes was referred to the House Committee on Energy and Commerce.

Sponsor: Representative Patrick J. Kennedy [RI-1]

- **S.RES.586** (introduced Sept. 26, 2006): A resolution celebrating 40 years of achievements of medical coders, and encouraging the medical coding community to continue providing accurate medical claims and statistical reporting to the people of the United States and to the world was referred to the Committee on Health, Education, Labor, and Pensions

Sponsor: Senator Orrin G. Hatch. [UT] (introduced 9/26/2006) Cosponsors (None)

Committees: Senate Health, Education, Labor, and Pensions

Latest Major Action: 9/26/2006 Referred to Senate committee. Status: Referred to the Committee on Health, Education, Labor, and Pensions.

- **S.3939** (introduced Sept. 26, 2006): A bill to require the Food and Drug Administration to establish restrictions regarding the qualifications of physicians to prescribe the abortion drug commonly known as RU-486 was referred to the Committee on Health, Education, Labor, and Pensions.

Sponsor: Senator David Vitter [LA]

- **S.3944** (introduced Sept. 26, 2006): A bill to provide for a one year extension of programs under title XXVI of the Public Health Service Act was referred to the Committee on Health, Education, Labor, and Pensions.

Sponsor: Senator Frank R. Lautenberg [NJ]

- **S.3945** (introduced Sept. 25, 2006): A bill to provide for the provision by hospitals of emergency contraceptives to women, and post-exposure prophylaxis for sexually transmitted disease to individuals, who are survivors of sexual assault was referred to the Committee on Health, Education, Labor, and Pensions.
Sponsor: Senator Hillary Rodham Clinton [NY]

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Hill Hearings

- There are no hearings scheduled.

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Meetings / Conferences

- The 2006 AUSA Annual Meeting & Exposition will be held Oct. 9 -11, 2006, in Washington D.C. www.ausea.org
- The Combined Forces Pharmacy Seminar 2006 will be held in Atlanta Ga. on Oct. 23-26, 2006. www.cfpsinfo.org
- The AMSUS 112th Annual Meeting: "Health 2015: Actionable Strategies for Caring for Our Warriors, Veterans and Country" will be held Nov 5-10, 2006, in San Antonio, Texas. www.amsus.org
- The State of the MHS - The 2007 Annual TRICARE Conference will be held Jan. 29 to Feb. 1, 2007, in Washington D.C. <http://www.tricare.osd.mil/conferences.cfm>

- The 2007 HIMSS will be held Feb. 25 to March 1, 2007, in New Orleans, La. <http://www.himss07.org/>

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