

FEDERAL HEALTH UPDATE

October 20, 2006

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

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"The anthrax vaccine will protect our troops from another threat--a disease that will kill, caused by a bacteria that already has been used as a weapon in America, and that terrorists openly discuss." --Dr. William Winkenwerder Jr., assistant secretary of defense for

health affairs, at media roundtable announcing DoD would resume its mandatory Anthrax Vaccine Immunization Program.

Congressional Schedule

- The House and Senate are in recess until Nov. 9, 2006.
- On Oct. 16, 2006, President Bush signed S. 2562, the "Veterans' Compensation Cost-of-Living Adjustment Act of 2006," into law. The legislation provides a cost of living increase for the beneficiaries of veterans' disability compensation and dependency and indemnity compensation.
- President Bush signed into law H.R. 5122, the "John Warner National Defense Authorization Act for Fiscal Year 2007," on Oct. 17, 2006. The Act authorizes funding for the defense of the United States and its interests abroad, for military construction, for national security-related energy programs, and for maritime security-related transportation programs.

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Military Health Care News

- On Oct. 16, 2006, Dr. William Winkenwerder Jr., assistant secretary of defense for health affairs, held a media roundtable to announce that the Department of Defense (DoD) would resume its the mandatory Anthrax Vaccine Immunization Program (AVIP) for military personnel, emergency-essential DoD civilians and contractors, based on defined geographic areas or roles. For the most part, mandatory vaccinations are limited to military units designated for homeland bioterrorism defense and to U.S. forces assigned to the U.S. Central Command area of responsibility and Korea. The under secretary of defense for personnel and readiness will issue implementing instructions to the military services for resuming the mandatory vaccination program within 30 to 60 days and would affect more than 200,000 troops and defense contractors.

The policy also allows personnel previously immunized against anthrax who are no longer deployed to higher threat areas, to receive follow-up vaccine doses and booster shots on a voluntary basis. Under the voluntary vaccination policy, implemented during the period of a court injunction throughout 2005, the voluntary acceptance rate was about 50 percent. Anthrax is a deadly infection, and the anthrax vaccine is an important force protection measure to combat it. In the fall of 2001, 22 cases of anthrax resulted from attacks with anthrax spores through the U.S. postal system. Five people died in these attacks. The Food and Drug Administration has repeatedly found, and independent medical experts have confirmed, that anthrax vaccine is safe and effective.

<http://www.defenselink.mil/Releases/Release.aspx?ReleaseID=10083>

- The *Associated Press* reports that Thomas Arthur Lutz, president of Health Visions Corp., a Philippines-based company, was indicted on 75 counts of defrauding TRICARE, the military's health care plan, out of more than \$900,000. The scheme was uncovered by Madison-based Wisconsin Physicians Service, a contractor that processes and pays claims for the program. According to the indictments, Health Visions would inflate the bills of other providers by 100 percent or more before sending them in for reimbursement, the indictment said. The company also allegedly submitted fraudulent claims for patients' hospitalization and other services they did not receive. In all, the company and Lutz submitted more than 400 fraudulent claims totaling more than \$1 million between 1998 and 2004. <http://www.centredaily.com/mld/centredaily/business/15790296.htm>
- The Department of Defense announced that Robert L. Wilkie was sworn in on Oct. 17, 2006, as assistant secretary of defense for legislative affairs succeeding Dan Stanley. Wilkie was confirmed by the Senate Sept. 29, 2006. He has been serving as the acting assistant secretary of defense for legislative affairs since Jan. 31, 2006.

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Veterans Health Care News

- The House Committee on Veterans' Affairs Democratic staff released a report "[Review of Capacity of Department of Veterans Affairs Readjustment Counseling Service Vet Centers,](#)" on Oct. 19, 2006. The report found that in nine months, from October 2005 through June 2006, the number of returning veterans from Iraq and Afghanistan who have turned to Vet Centers for post-traumatic stress disorder (PTSD) services and readjustment concerns has doubled from 4,467 to 9,103 veterans. The increase in Vet Center

workload, without commensurate increase in counseling staffing, has affected access to quality readjustment counseling for veterans.

Specifically, the report finds that all of the Vet Centers surveyed have seen a significant increase in outreach and services to OIF/OEF veterans. This increase has affected 50 percent of the Vet Centers' ability to treat the existing client workload; of these Vet Centers, 40 percent have directed veterans for whom individualized therapy would be appropriate to group therapy. Roughly, 27 percent have limited or plan to limit veterans' access to marriage or family therapy. Nearly 17 percent of the workload-affected Vet Centers have or plan to establish waiting lists. 25 percent have taken or will take some action to manage their increasing workload, including limiting services and establishing waiting lists; and 30 percent of the Vet Centers explicitly commented that they need more staff. <http://veterans.house.gov/democratic/press/109th/michaud/10-19-06vetctrs.htm>

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Health Care News

- The Centers for Medicare and Medicaid Services (CMS) announced a new initiative to pay physicians for the quality of the care they provide to seniors and disabled beneficiaries with chronic conditions. CMS will implement the a new demonstration, the Medicare Care Management Performance (MCMP) Demonstration, in four states: Arkansas, California, Massachusetts, and Utah in 2007. It is aimed at physicians practicing in solo or small to medium sized group practices. Approximately 800 practices in the four states will be recruited to participate in this three-year demonstration.

In order to be eligible to participate, physicians must be the main provider of primary care to at least 50 fee-for-service Medicare beneficiaries in a solo or small to medium-sized group practice. Under this demonstration, physician groups will continue to be paid on a fee-for-service basis. Participating physicians will submit data annually on up to 26 quality measures related to the care of patients with diabetes, congestive heart failure, and coronary artery disease, as well as the provision of preventive health services such as immunizations and cancer screenings to high risk patients with a range of chronic diseases.

In its first year, the program will be a "pay-for-reporting" initiative to provide baseline information on quality and to help physicians become familiar with the quality measurement process. In subsequent years, based on their performance on the quality measures, practices will be eligible to earn an annual incentive of up to \$10,000 per physician and up to \$50,000 per practice year. A complete list of the measures is available on the demonstration Web site: [MCMP Demonstration Measures](#). The demonstration will last three years and an independent evaluation, funded jointly by CMS and the Agency for Healthcare Research and Quality, will be conducted

to determine the impact of the demonstration on quality of care, outcomes, and Medicare expenditures.

<http://www.cms.hhs.gov/apps/media/press/release.asp?Counter=2038>

- On Oct. 17, 2006, the Centers for Medicare and Medicaid Services (CMS) published a proposed rule in the *Federal Register*, which would allow the use of Medicare Part D claims data for research and quality initiatives that will improve the health care and health of seniors and persons with a disability. Medicare drug claims would be linked to other Medicare information on patient care such as hospitalizations and physician visits, and made available to researchers and Federal agencies for studies only with appropriate privacy protections and safeguards, as required by the Privacy Act and HIPAA regulations.
- According to the *Washington Post*, Lester Crawford, who resigned as FDA commissioner last year, plead guilty on Oct. 17, 2006, to federal charges that he failed to disclose his and his wife's ownership of stock in companies regulated by the agency.
<http://www.washingtonpost.com/wp-dyn/content/article/2006/10/16/AR2006101601055.html>
- Former HHS Secretary Tommy Thompson will join the board of Medco Health Solutions, a pharmacy benefit management company based in Franklin Lakes, N.J., effective Dec. 13. Thompson, now a partner at Akin Gump Strauss Hauer & Feld, also serves on the boards of C.R. Bard and HMO Centene Corp. He is an independent chairman at Deloitte & Touche's Center for Health Solutions.
- Former CMS Administrator Mark McClellan has become a visiting senior fellow at the AEI-Brookings Joint Center for Regulatory Studies where he will focus primarily on improvements to boost healthcare quality, affordability and innovation. McClellan began work at the center this week, one week after he left CMS, which he led since 2004.
- An initiative of the Agency for Healthcare Research and Quality, the National Guideline Clearinghouse (NGC) is a comprehensive database of evidence-based clinical practice guidelines and related documents. As part of their mission to provide physicians, nurses, and other health care professionals with objective, detailed information on clinical practice guidelines, the NGC has posted a new guideline from the American Heart Association/American College of Cardiology (AHA/ACC), "Secondary Prevention for Patients With Coronary and Other Vascular Disease." The purpose of the guideline is to provide evidence-based recommendations for aggressive secondary prevention and risk-reduction therapies for patients with established coronary and other atherosclerotic vascular

disease, including weight management, blood pressure control, and lipid management. To access the complete guideline, go to www.guideline.gov/summary/summary.aspx?view_id=1&doc_id=9373.

- Sanofi Pasteur, the sole manufacturer of FluZone, the injected flu vaccine for children, announced that most of its supply will be delayed for at least three weeks because it is taking longer than expected to produce the vaccine — a development that worries some doctors because children should be vaccinated as early as possible. Some health care providers will not receive their full allotment until late November or early December, within the time frame recommended by the federal Centers for Disease Control and Prevention, and well before the usual height of the flu season. About one-third of the 50 million doses of FluZone have been distributed. The CDC said that as of Oct. 6, a total 32 million doses of flu vaccine for children and adults had been distributed, and that 75 million doses are expected to be delivered by the end of October. <http://www.cnn.com/2006/HEALTH/10/16/flu.vaccine.ap/>
- A report released by the Journal of American Medicine Association, “*National Surveillance of Emergency Department Visits for Outpatient Adverse Drug Events*,” found that more than 700,000 Americans experience severe enough reactions to some of the most widely used medicines—from insulin to a common antibiotic—to require care at emergency rooms each year. The results were from the first two years of data from a national surveillance project on outpatient drug safety, which included 63 nationally representative hospitals that reported 21,298 severe drug reactions among U.S. adults and children treated in emergency rooms during the two-year period.

The report is part of a project by the Centers for Disease Control and Prevention (CDC) , the Food and Drug Administration (FDA) and the U.S. Consumer Product Safety Commission. Accidental overdoses and allergic reactions to prescription drugs were the most frequent cause of serious illnesses, with people older than 65 faced the greatest risks. Even so, the study authors and other experts agreed that the 700,000 estimate was conservative because severe drug reactions can often be misdiagnosed.

<http://www.washingtontimes.com/national/20061018-123124-3707r.htm>

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Reserve/Guard

- The total number of Guard and Reserve currently on active duty has **increased** by 451 from the last report to 101,145. The totals for

each service are Army National Guard and Army Reserve, 80,856; Navy Reserve, 5,996; Air National Guard and Air Force Reserve, 6,806; Marine Corps Reserve, 7,222; and the Coast Guard Reserve, 265.

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Contracts/Procurements

- The Department of Health and Human Services (HHS), Centers for Medicare and Medicaid Services (CMS) issued a Sources Sought notice and released a [draft Statement of Work \(SOW\)](#) to determine the availability of potential small businesses (e.g., 8(a), service-disabled veteran owned small business, HUBZone small business, small disadvantaged business, veteran-owned small business, and women-owned small business) that can provide specific fee-for service health insurance benefit administration services including Medicare claims processing and payment services, in support of the Medicare program. This sources sought notice covers the Second RFP for Cycle One (Jurisdictions 1,2,7 and 13) and Cycle Two (Jurisdictions 6,8,9,10,11,14 and 15). Interested parties having the capabilities necessary to perform the stated requirements may submit capability statements not later than Monday, Oct. 30, 2006, via e-mail to Desiree Wheeler at Desiree.Wheeler@cms.hhs.gov. <http://www.fbo.gov/spg/HHS/HCFA/AGG/AB%2DMAC%2DCycle%2DOne%2Dand%2DCycle%2DTwo/SynopsisR.html>
- The U.S. Army Medical Research Acquisition Activity, in Frederick, Md. released a Request for Information (RFI) for a Department of Defense (DoD) Acquisition and Management of an Electronic Clinical Reference (ECR). TRICARE Management Activity (TMA) is conducting market research to determine current functionality of commercial systems offering a clinical knowledge base that may provide for an Electronic Clinical Reference (ECR) for the Military Health System (MHS). TMA is also interested in information regarding additional capabilities of existing commercial products that can contribute to an electronic clinical knowledge-base. Responses should be sent via e-mail by 4:00 PM on Oct. 30, 2006, to John L. Fitzsimmons, contract specialist, at john.fitzsimmons@amedd.army.mil. <http://www.fbo.gov/spg/USA/USAMRAA/DAMD17/USA%2DSNOTE%2D061017%2D009/Synopsis.html>

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Reports/Policies

- According to recently released Agency for Healthcare Research and Quality (AHRQ) report, [Genomic Tests for Ovarian Cancer Detection and Management](#), many genomic tests that are currently used to diagnose and guide treatment of ovarian cancer are not shown to decrease the number of women who die from the disease or improve their quality of life. Ovarian cancer causes more deaths than any other cancer of the female reproductive system. More than 20,000 women are diagnosed with the disease annually, and approximately 15,000 die from it. The risk for ovarian cancer increases with age and most often is diagnosed in white women over the age of 50.

If diagnosed during stage I, ovarian cancer has a survival rate of over 90 percent. Most cases are diagnosed in advanced stages, however, when the cancer has spread to other organs. Researchers performed a comprehensive review of the literature and found few studies evaluated genetic tests other than CA-125 or BRCA1 and BRCA2 to diagnose ovarian cancer or identify women at risk. Among the tests evaluated in the report, the researchers found no studies showing that changing treatment based on test results reduced deaths or improved quality of life in women who were diagnosed with ovarian cancer.

<http://www.ahrq.gov/news/press/pr2006/genovpr.htm>

- The Institute of Medicine (IOM) released “Seafood Choices. Balancing Benefits and Risks,” on October 17. In the report, the IOM reviewed evidence on the benefits and risks associated with seafood consumption to recommend ways to guide U.S. consumers in making seafood selections to meet their needs. Overall, the research conducted over the past several years suggests that there are benefits linked to eating seafood that include the dietary advantages associated with consuming a low-fat protein source and possible additional benefits linked to brain and visual system development in infants and reduced risk for certain forms of heart disease. Although regular seafood consumption has been linked to health benefits for the general population, contaminants that may be present in seafood may pose a risk to some especially susceptible groups of people. <http://www.iom.edu/CMS/3788/23788/37679.aspx>

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Legislation

- No legislation was proposed this week.

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Hill Hearings

- There are no hearings scheduled.

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Meetings / Conferences

- 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 Gerontological Society of America (GSA) 59th Annual Scientific Meeting, will be held on **Nov. 16-20, 2006**, in Dallas, Texas. http://agingconference.com/about_the_meeting.cfm
- 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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If you need further information on any of the items in the Federal Health Update, please contact Kate Connelly Theroux at (703) 447-3257 or by e-mail at kate@usminstitute.org. To subscribe, please visit <http://usminstitute.org/subscriber.cfm>. To unsubscribe, please send an email to update@usminstitute.org with UNSUBSCRIBE as the subject.