

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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"I intend to use this chairmanship to fight aggressively for the interests of those who have defended our nation." —Expected incoming Chairman of the Military Quality of Life and Veterans Affairs Subcommittee for the House Appropriations committee,

Representative Chet Edwards (D-Waco)

Congressional Schedule

- The House and Senate resumed on Jan. 4, 2007.
- On Dec. 27, 2006, President Bush signed into law H.R. 6344, the "Office of National Drug Control Policy Reauthorization Act of 2006" (the "Act"). The Act amends the Office of National Drug Control Policy Reauthorization Act of 1998 (Title VII in Division C of Public Law 105-277) (the "1998 Act") and adjusts the authorities and duties of the Director of the Office of National Drug Control Policy.
- President Bush signed into law H.R. 6342, the "Veterans Programs Extension Act of 2006," on Dec. 21, 2006. The legislation extends certain Department of Veterans Affairs' programs, and makes changes to education benefits and medical facilities and lease authorities.
- On Dec. 21, 2006, President Bush signed into law H.R. 3248, the "Lifespan Respite Care Act of 2006," which amends the Public Health Service Act to establish a program to assist family caregivers in accessing affordable and high-quality respite care.
- Staff members for Senators Barack Obama, (D-Ill.), Barbara Boxer (D-Calif.), and Kit Bond (R-Mo.), as well as staff representing four Colorado congressional members were sent to Fort Carson on a fact-finding mission this week to investigate reports from NPR and CBS that combat veterans were provided inadequate care or were even denied treatment for their complaints of PTSD symptoms.

In the reports, several Fort Carson soldiers complained that they were harassed by junior officers and noncommissioned officers after seeking doctor's appointments for mental and emotional problems after coming home from Iraq. Some said they were denied permission to obtain appointments to see Army doctors for PTSD symptoms. Others said they were threatened with disciplinary action, and some said they were given discharges for personality disorders or patterns of misconduct, which could leave the soldiers ineligible for veterans medical care and other benefits.

Fort Carson had diagnosed 577 cases of PTSD in 2006 through early December and expected the number to surpass 600 for the year. That compares with only 32 cases in 2002, before the Iraq war began. Problems with treating PTSD do not appear isolated to Fort Carson. Across the Army, PTSD has become a serious issue. More than 650,000 soldiers have deployed to Iraq or Afghanistan since the war on terrorism began in 2001. The Army estimates that 20 percent to 30 percent of them will report symptoms such as sleep disorders or anxiety after combat and 10 percent to 15 percent will eventually develop PTSD. A recent Government Accountability Office report criticized the Army and other branches of the military for inconsistent diagnosis and treatment of PTSD.

<http://www.scrippsnews.com/node/18206>

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Military Health Care News

- The Defense Department released its report to Congress on the quality of health care it provided during fiscal year 2005 on Dec. 28, 2006. The report covered medical management and population health; evidence-based practice and quality measurement; patient safety; patient satisfaction; and biosurveillance. For complete details on the Department's innovations for fiscal year 2005, the comprehensive health care quality report to Congress is available online at <http://www.tricare.mil/planning/congress/downloads/2006/ModifiReq.pdf>.
- On Dec. 22, 2006, TRICARE Management Activity (TMA) announced that the T-Pharm contract solicitation was cancelled. The T-Pharm contract solicitation would have combined the current retail and mail-order pharmacy contracts in the future. The development affected TRICARE's ability to award a contract under existing conditions. <http://www.tricare.mil/pressroom/news.aspx?fid=253>
- TRICARE Management Activity (TMA) published a news release "***TRICARE Reminds Prime Retirees of a Convenient Payment Option,***" reminding retirees that they can pay their TRICARE Prime enrollment fees by establishing a monthly allotment from their Service retirement pay and outlining the steps needed to create the allotment. The [Defense Financial Accounting System \(DFAS\)](#), the U.S. Coast Guard or the U.S. Public Health Service deducts the retirement pay allotment. DFAS will put allotment orders in a pay system for processing once TRICARE sends the request. Retirees may view their allotment details through myPay at <https://mypay.dfas.mil/mypay.aspx>, or on their pay statements (leave and earnings statement or retired or annuitant account statement), when DFAS activates the allotment. Beneficiaries who receive survivor benefits from either retired or active duty

sponsors are paid through a separate pay account and are not eligible for an enrollment fee allotment.

<http://www.tricare.mil/pressroom/news.aspx?fid=256>

- The Department of Defense (DoD) published a proposed rule in the *Federal Register* on Dec. 28, 2006, which outlines double coverage payment procedures and makes revisions to TRICARE rules to accommodate beneficiaries who are eligible under both Medicare and TRICARE, and who participate in Medicare's outpatient prescription drug program under Medicare Part D.

The proposed rule establishes requirements and procedures for implementation of the improvements to the TRICARE Pharmacy Benefits Program directed by section 714 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (NDAA FY 05) (Public Law 108-365). The rule clarifies that the cost-sharing requirements for Medicare-eligible beneficiaries may not be in excess of the cost-sharing requirements applicable to other retirees, their dependents, former spouses and survivors. Additionally, the rule authorizes the DoD Pharmacy and Therapeutics Committee to make a separate and additional determination of the relative clinical and cost effectiveness of pharmaceutical agents to assure pharmacies of the uniformed services have on their formularies pharmaceutical agents that provide greater value than other uniform formulary agents in that therapeutic class. This rule also describes the transition process that will occur as the uniform formulary is developed and uniform service facilities move to a uniform formulary, consistent with their scope of practice. Comments on this proposed rule will be accepted until Feb. 26, 2007.

- On Dec. 22, 2006, Deputy Defense Secretary Gordon England announced the names of the 14-member future military healthcare task force, which will evaluate and recommend alternatives to ensure the availability and affordability of military medicine over the long term. The task force will review wellness initiatives, education programs, accurate cost accounting, universal enrollment, system command and control, procurement adequacy, military and civilian personnel mix, Medicare-eligible beneficiary needs, efficient and cost effective contracts, and the beneficiary-government cost share structure to sustain military health benefits over the long term. This cost sharing structure has significant priority in that the task force must report on this element in both the interim and the final reports. As directed by Congress in the National Defense Authorization Act for 2007, the task force will include seven members from within the department and seven experts from a variety of disciplines external to the department. Secretary of Defense will receive the interim report of the task force in May 2007, and the final report in December 2007. Following review by the secretary, the report will go to the Armed Services Committees of the Senate and the House of Representatives.

Task Force Members

Department of Defense Members:

- Air Force Gen. John D. W. Corley, vice chief of staff, Headquarters U.S. Air Force
- Retired Army Maj. Gen. Nancy Adams, former commander Tripler Army Medical Center and acting director, TRICARE Regional Office, North
- Navy Rear Adm. John Mateczun, Deputy Surgeon General
- Air Force Lt. Gen. James Roudebush, Surgeon General
- Air Force Maj. Gen. Joseph Kelley, deputy director of logistics for medical readiness, the Joint Staff
- Shay Assad, director of defense procurement and acquisition policy, Office of the Undersecretary for Acquisition, Technology and Logistics
- Retired Air Force Gen. Richard B. Myers, former chairman of the Joint Chiefs of Staff

Non Departmental Members:

- Robert J. Henke, assistant secretary for management, Department of Veterans Affairs
- Dr. Carolyn Clancy, director of the Agency for Healthcare Research and Quality, Department of Health and Human Services
- Gail R. Wilensky, Ph.D., elected member of the Institute of Medicine of the National Academies and its governing council
- Robert F. Hale, senior fellow at the Logistics Management Institute and member of the Defense Business Board; formerly assistant secretary of the Air Force for financial management and comptroller
- Army Reserve Maj. Gen. Robert Smith, past president and current member of the Board of the Reserve Officers Association, and global controller, Vehicle Service & Programs, Ford Motor Co.
- Larry Lewin, founder of The Lewin Group and currently executive consultant on clinical and technology effectiveness, health promotion.
- Dr. Robert Galvin, director of global healthcare for General Electric.

Health Care News

- The Joint Commission on Accreditation of Healthcare Organizations' board of commissioners appointed David Nahrwold, to be its chairman in 2007. A member of the JCAHO board since 2003, Nahrwold is emeritus professor of surgery at Northwestern University's Feinberg School of Medicine, Chicago. In addition, the following officers also were selected: dentist and former American Dental Association President David A. Whiston, vice chairman; cardiologist and former American Medical Association board of trustees Chairman J. James Rohack, treasurer; internist and former American College of Physicians board of regents Chairwoman Mary Herald, secretary; JCAHO board public member and assistant to the AFL-CIO President for Government Affairs Gerald Shea, executive committee member-at-large; former JCAHO board Chairman, President and Chief Executive Officer of BJC Healthcare, St. Louis, Fred Brown, executive committee member-at-large. http://www.jointcommission.org/NewsRoom/NewsReleases/nr_122006.htm
- According to *FederalTimes.com*, more than 690,000 employees and retirees signed up for new dental or vision insurance during the inaugural open season, far exceeding the government's expectations. The Office of Personnel Management, which administers federal benefits, had expected about 250,000 people to enroll in the new plans. The high interest overwhelmed the Web site dedicated to processing enrollments and forced OPM to extend enrollment for two additional weeks. The new benefits took effect Dec. 31. They supplement the mostly meager dental and vision insurance provided through existing medical plans. Unlike medical insurance, where the government picks up about 71 percent of premiums, enrollees in the supplemental dental or vision plans must pay the full premium. <http://federaltimes.com/index.php?S=2455926>
- On Jan. 4, 2006, the Department of Health and Human Services (HHS) awarded a \$102.6 million, four-year contract to BioCryst Pharmaceuticals, Inc. for advanced development of their influenza antiviral drug, peramivir. In laboratory studies to date, peramivir has shown effectiveness against a number of influenza strains. Funding provided under the new contract will support further studies to determine if peramivir can be an effective treatment for seasonal and life-threatening influenza, including highly pathogenic H5N1 influenza. Additional research may also examine the drug's potential use for prophylaxis to protect against influenza infection. The funding in this contract will support manufacturing of clinical investigational and consistency lots; Phase 2 and 3 clinical studies to support product approval in the U.S.; manufacturing process validation; and other product approval requirements. The advanced

development of peramivir by parenteral injection has been given "Fast Track" designation by the Food and Drug Administration, which will expedite the agency's review of BioCryst's application for approval. <http://www.hhs.gov/news/press/2007pres/20070104.html>

- The Department of Health and Human Services (HHS) formally recognized Puget Sound Health Alliance as part of an expanded network of region-based organizations focused on improving the quality of health care while reducing health care cost inflation. The Seattle-based Alliance—which includes health care providers, payers, patient representatives and others—is the first organization designated by the HHS Secretary as a Community Leader for Value-Driven Health Care. As a "Community Leader" organization, it will support four key national health care goals and work to achieve the four goals at the local and regional level.

As a Community Leader organization, the Puget Sound Alliance will expand its efforts to bring together regional health care providers, health plans, payers and employers, as well as consumers, employee organizations and other stakeholders to reach agreement on approaches for achieving better quality and value in health care.

The Alliance is already an established collaborative, with support from the Robert Wood Johnson Foundation's "Aligning Forces for Quality" project, which also supports regional efforts. In particular, the alliance approach brings together stakeholders to concur on "evidence-based" care, where best practices for treatment and care have been shown. With agreement on best practices, physicians, hospitals and other providers can identify processes to measure quality of care, aiming toward public reporting of performance by individual providers. At the same time, stakeholders can work together to examine cost implications. Better quality care can often be more cost-effective than lower-quality care, especially by avoiding costly medical errors or unnecessary duplication of care.

<http://www.hhs.gov/news/press/2007pres/20070103.html>

- A new [report](#) released in the January issue of the *Archives of General Psychiatry* found that men who experienced posttraumatic stress disorder (PTSD) may have an increased the risk of coronary heart disease as they get older. A link between stress and coronary heart disease (CHD) has long been proposed. Laura D. Kubzansky, Ph.D., of the Harvard School of Public Health, Boston, and colleagues conducted a prospective study to test the hypothesis that high levels of PTSD symptoms may increase CHD risk, using two different measures of PTSD (the Mississippi Scale for Combat-Related PTSD and the Keane PTSD scale).

The authors analyzed data on 1,946 men enrolled in the Veterans Affairs Normative Aging Study. All the study subjects were community-dwelling men from the Greater Boston area who served in the military. The authors looked for incident (new cases) of

coronary heart disease occurring during follow-up through May 2001. Using the Mississippi Scale for Combat-Related PTSD, the authors found that for each increase in symptom level, the men had a 26 percent increased risk for non-fatal heart attack and fatal CHD combined. They had a 21 percent increased risk for all CHD outcomes combined (non-fatal heart attack, fatal CHD, and angina). The findings were replicated using the Keane PTSD scale. <http://www.medicalnewstoday.com/medicalnews.php?newsid=59932>

- According to *Kaiser Network.org*, Medicare physician reimbursements will decrease by ten percent in 2008 under H.R. 6111, the Tax Relief and Health Care Act of 2006, which was signed into law by President Bush on Dec. 20, 2006. A [report](#) released by the Congressional Budget Office (CBO) states that the provision included in the law to reverse a 5.1 percent reduction in Medicare physician reimbursements scheduled for 2007 will not impact the scheduled payment rates for 2008 and therefore be reduced by ten percent in 2008. http://www.kaisernetwork.org/daily_reports/rep_hpolicy.cfm#41904

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Reserve/Guard

- The total number of Guard and Reserve currently on active duty has **decreased** by 499 from the Dec. 22 report to 92,268. The totals for each service are Army National Guard and Army Reserve, 76,089; Navy Reserve, 4,921; Air National Guard and Air Force Reserve, 5,326; Marine Corps Reserve, 5,574; and the Coast Guard Reserve, 358. www.defenselink.mil

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Contracts/Procurements

- The Centers for Medicare and Medicaid Services (CMS) issued a Request For Information (RFI) to identify companies with demonstrated capabilities for potential award of a contract for telecommunications Provider Network Support. The intent of this RFI is to support informed decisions and to obtain comments on the draft [Statement of Work](#) (SOW). The Provider Network Support is responsible for providing clear, accurate and consistent responses to questions from the provider community as outlined in section 921

of the Medicare Modernization Act. CMS operates a network of Medicare Provider Contact Centers (PCCs) to administer services and to respond to provider inquiries. The Medicare PCCs handled more than 55 million provider telephone calls in FY2006. All responses should be sent to Paul.Zawicki@cms.hhs.gov and James.VanderDonck@cms.hhs.gov by 12:00 p.m. ET on Jan. 12, 2007. <http://www.fbo.gov/spg/HHS/HCFA/AGG/RFI%2D70223%2D2006%2DMedicare%2DProvider%2DContact%2DCenter%2DSupport/SynopsisR.html>

- The Department of Veterans Affairs (VA), Health Administration Center (HAC) issued a [Request for Information \(RFI\)](#) to take the appropriate measures, in accordance with the Department of Veterans Affairs (VA), Health Administration Center (HAC) laws, regulations, and requirements to determine estimated duration, resources needed and cost in performing IT development to integrate Electronic Medicare Crossover claims processing with existing technology at the HAC through its existing IT Infrastructure. This RFI is being solicited by the VA's HAC to determine level of effort and estimated cost in developing an Information Technology solution as documented in the attached requirements. The proposed solution will be designed and developed within the existing architecture and framework of the HAC's existing legacy systems. All responses should be submitted in hardcopy format by 4:00 p.m. ET, Jan. 19, 2007, to VA Health Administration Center, Attn: Cassandra Williams, Contract Specialist, Logistics, Curtis Parker, Contract Specialist, Logistics, 3773 Cherry Creek North Drive, West Tower, Denver, Colorado 80209. <http://www.fbo.gov/spg/VA/VAHAC741/VAHAC741/741%2D01%2D08/Attachments.html>
- The Substance Abuse and Mental Health Services Administration (SAMHSA) is soliciting applications to enhance and expand substance abuse treatment and/or outreach and pretreatment services in conjunction with HIV/AIDS services in African American, Hispanic, and other racial ethnic communities severely affected by substance abuse and HIV/AIDS. All awards will be subject to the availability of funds. Annual awards amounts are expected to be about \$500,000 per year in total costs for treatment services and \$400,000 for outreach and pretreatment services for up to five years. The actual amounts may vary, depending on the availability of these funds. The grants will be awarded by SAMHSA's Center for Substance Abuse Treatment. More information can be found at www.samhsa.gov or www.grants.gov. All applications must be received by Feb. 28, 2007.

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Reports/Policies

- The GAO issued “*Long-Term Care Insurance: Federal Program Has a Unique Profit Structure and Faced a Significant Marketing Challenge,*” (GAO-07-202) on Dec. 29, 2006. In this report, GAO compared the federal program's profit structure and marketing efforts with those of other plans and updated its analysis of the program's claims experience. <http://www.gao.gov/new.items/d07202.pdf>
- The GAO issued “*Defense Health Care: Access to Care for Beneficiaries Who Have Not Enrolled in TRICARE's Managed Care Option,*” (GAO-07-48) on Dec. 22, 2006. This report describes how DOD and its contractors evaluate non-enrolled beneficiaries' access to care and the results of these evaluations; impediments to civilian provider acceptance of non-enrolled beneficiaries, and how they are being addressed; and how DOD has implemented the NDAA fiscal year 2004 requirements to take actions to ensure non-enrolled beneficiaries' access to care. To address these objectives, GAO examined DOD's survey results and DOD and contractor documents and interviewed DOD and contractor officials. <http://www.gao.gov/new.items/d0748.pdf>
- The Institute of Medicine (IOM) released “*Implementing Cancer Survivorship Care Planning: Workshop Summary,*” on Dec. 20, 2006. In the report, IOM recommended that patients completing their primary treatment for cancer, as well as their primary care providers, be given a summary of their treatment and a comprehensive plan for follow-up. Such a plan would inform patients (and their providers) of the long-term effects of cancer and its treatment, identify psychosocial support resources in their communities, and provide guidance on follow-up care, prevention, and health maintenance. <http://www.iom.edu/CMS/26765/39416.aspx>
- The Congressional Budget Office (CBO) released “*Prescription Drug Pricing in the Private Sector,*” in January 2007. The report explains the supply chain from manufacturers to consumers, the flow of payments, and the process by which payments are determined and provides estimates of the relative prices that retail pharmacies and non-retail providers pay for prescription drugs. <http://www.cbo.gov/ftpdocs/77xx/doc7715/01-03-PrescriptionDrug.pdf>

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Legislation

- No legislation was proposed this week.

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Hill Hearings

- No hearings are scheduled.

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Meetings / Conferences

- The Food and Drug Administration (FDA) will hold a public workshop on issues related to the application process for seeking approval for marketed unapproved drugs on **Jan. 9, 2007** in Bethesda, Md. http://www.fda.gov/cder/drug/unapproved_drugs.
- 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 American College of Medical Quality's Annual Meeting: "Medical Quality 2007" will be held Feb.22-24, 2007 in Miami, Florida. www.acmq.org/natlconf/index.cfm
- The American College of Preventive Medicine (ACPM) will hold "Preventive Medicine 2007," on **Feb. 21-25, 2007**, in Miami, Florida.
- The 2007 HIMSS will be held **Feb. 25 to March 1, 2007**, in New Orleans, La. <http://www.himss07.org/>

- The 2007 International Symposium on Antimicrobial Agents and Resistance (ISAAR) will be held on **March 7-9, 2007**, in Singapore. http://www.isaar.org/sub01_invitation.asp
- 46th Annual Research in Medical Education (RIME) Conference will be held **Nov. 2-7, 2007**, in conjunction with the AAMC Annual Meeting in Washington, D.C.

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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.