

FEDERAL HEALTH UPDATE

February 2, 2007

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

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“This is about how we respond to the needs of the beneficiaries that it is our honor to serve and to care for.” --National Naval Medical Center Commander Rear Adm. Adam Robinson, Jr., receiving the 2006 Military Health System’s Military Treatment Facility

Beneficiary Satisfaction award at the 2007 MHS Conference. http://www.dcmilitary.com/stories/020107/journal_28087.shtml

Congressional Schedule

- On Jan. 30, 2007, the House passed a \$463.5 billion continuing resolution (286-140) that will fund a large part of federal spending through the end of the fiscal year. This will fund most federal agencies including the Department of Veterans Affairs, as well as the Military Health System, military construction, and quality of life programs. The resolution now goes over to the Senate. <http://appropriations.house.gov/pdf/CRSummary.pdf>

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Military Health Care News

- The Military Health System (MHS) held its annual conference this week. Nearly 3,000 military medical professionals attended the conference to learn about the new strategic plan that will shape the future of the Military Health System in support of Defense Department goals. Dr. David S. C. Chu, Under Secretary of Defense for Personnel and Readiness, thanked military medical personnel in attendance for their service and support in peace and wartime and outlined the recently announced plan to transform the MHS governance structure to develop more jointness between the Services, designed to increase efficiency and improve the quality of care for servicemembers and their families. Dr. Chu also discussed the financial challenges facing the MHS, indicating that the DoD again would seek to increase premiums and fees for retired beneficiaries who are under 65 years old. This proposal was blocked in 2006 by Congress.

Dr. William J. Winkenwerder Jr., Assistant Secretary of Defense for Health Affairs and director of TRICARE Management Activity (TMA), Army Maj. Gen. Elder Granger, deputy director of TMA, and the Surgeons General of the Army, Navy and Air Force hosted the four-day event. <http://www.tricare.mil/pressroom/news.aspx?fid=264>

- The Center for the Intrepid, a \$50 million state-of-the-art physical rehabilitation facility, and two new Fisher Houses opened on Jan. 29, 2007, during a ceremony that included speeches from Chairman of the Joint Chiefs of Staff Marine Gen. Peter Pace and Deputy Secretary of Defense Gordon England. R. James Nicholson, secretary of the Department of Veterans Affairs also spoke at the ceremony. The \$50 million center was built entirely from private funds through the Intrepid Fallen Heroes Fund, which provides assistance to those injured in the performance of duty and their families.

The four-story, 60,000-square-foot center is equipped with the latest rehabilitation technology. The facility includes an indoor running track, firing range, pool, two-story climbing wall, prosthetic center and a computer assisted rehabilitation environment known as CAREN. The center will initially cater to amputees and burn patients injured in Iraq and Afghanistan, but is hoped to expand to encompass retirees, family members and veterans.

The two new Fisher Houses bring the on-post total to four. Fisher Houses serve as a home away from home for families of patients receiving medical care at major military and Veterans Affairs medical centers. http://www.blackanthem.com/News/International_21/50_Million_Rehabilitation_Center_Opens_on_Fort_Sam_Houston_printer.shtml

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Veterans Health Care News

- Secretary of Veterans Affairs Jim Nicholson, joined by White House Director of National Drug Control Policy John Walters and Denver Mayor John Hickenlooper, announced a new VA program to take substance abuse services directly to homeless veterans in the community. In addition to the new, VA-funded 14-bed transitional housing facility for veterans at Denver C.A.R.E.S. (Comprehensive Addiction Rehabilitation Evaluation and Services), the VA has committed to placing 30 substance abuse counselors in communities around the country to take substance abuse counseling directly to homeless provider sites. One of the new counselors is slated to serve Denver-area programs, including C.A.R.E.S.

The addition of the counselors is in response to the President's New Freedom Commission on Mental Health, which called for a more recovery-oriented mental health system. The commission found that a key challenge to developing integrated treatment programs is overcoming the traditional separation between mental health and substance abuse treatment.

Other communities receiving new counselors as part of today's announcement are:

Albuquerque, N.M.; Atlanta; Baltimore; Boston; Chicago; Cincinnati; Cleveland; Columbia, S.C.; Dallas; Detroit; Houston; Gainesville, Fla.; Indianapolis; Iowa City, Iowa; Las Vegas; Little Rock, Ark.; Long Beach, Calif.; Los Angeles; Memphis, Tenn.; Miami; Milwaukee; Montrose, N.Y.; Philadelphia; Portland, Ore.; Salisbury, N.C.; San Francisco; St. Louis; Syracuse, New York; and West Haven, Conn.

- The Department of Veterans Affairs (VA) announced that a new Fisher House will be built on the grounds of VA medical center in Dallas. Construction is scheduled to begin this year, along with a previously announced Fisher House at the VA medical center in Richmond, Va. Secretary Nicholson also recently announced plans to construct new Fisher Houses in Boston and Seattle. Fisher Houses, built through public donations and contributions from the Fisher House Foundation, provide living facilities at VA medical centers and military health care facilities to allow families to be with their loved ones during lengthy medical treatments and rehabilitation. VA assumes responsibility for operating costs of the finished homes. Currently, VA has eight Fisher Houses in Albany, N.Y.; Bay Pines, Fla.; Cincinnati; Denver; Houston; Minneapolis; Palo Alto, Calif.; and West Palm Beach, Fla. Another Fisher House is under construction in Tampa, with completion due early this year. <http://www1.va.gov/opa/pressrel/pressrelease.cfm?id=1281>

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Health Care News

- The Centers for Medicare and Medicaid Services (CMS) announced the second-year results from the Participants in the Premier Hospital Quality Improvement Demonstration Project on Jan. 26, 2007. The hospital value-based purchasing project showed substantial improvement in quality of care, leading to incentive payments totaling \$8,690,447 to 115 top-performing hospitals. The average improvement in the project's second year was 6.7 percentage points, for total gains of 11.8 percentage points over the project's first two years.

Launched in October 2003 by CMS and the Premier Inc. healthcare alliance, the value-based purchasing project is part of an overall shift in Medicare to pay based on value, not volume of services. The first national project of its kind, the Hospital Quality Improvement Demonstration (HQID) is designed to determine if economic incentives to hospitals are effective at improving the quality of inpatient care.

The Premier project involves more than 250 hospitals across the nation, which submit data to Premier for validation and analysis. In turn, Premier submits the data to CMS. Participating hospitals report process and outcome measures in five clinical areas—acute myocardial infarction (AMI), heart failure, coronary artery bypass graft (CABG), pneumonia, and hip and knee replacement and are scored based upon their performance in these clinical areas. For complete information about the HQID project and to view a list of those hospitals ranking in the top 50 percent in each focus area, visit www.cms.hhs.gov/HospitalQualityInits. [CMS NR 01-26-2007](#)

- The U.S. Food and Drug Administration (FDA) and the Veterans Health Administration (VHA) signed a [memorandum of understanding \(MOU\)](#) to share information and expertise related to the review and use of FDA-regulated drugs, biologics and medical devices (medical products). This partnership is part of the ongoing drug and medical product safety initiatives detailed in a report released today by the FDA.

The goals of the collaboration are to explore ways to enhance post-market medical product safety data collection and risk communication through more robust interagency activities. It will promote efficient use of tools and expertise for medical product risk identification, validation and analysis. Additionally, this effort will help build infrastructure and processes that meet the common needs for evaluating the safety, efficacy and use of medical products. By strengthening the process for post-marketing safety, VHA and FDA are continuing to improve the safe and effective use of medical products by using the best management approaches, the best information technology and the best quality systems and review processes. <http://www.fda.gov/bbs/topics/NEWS/2007/NEW01552.html> and <http://www1.va.gov/opa/pressrel/pressrelease.cfm?id=1282>

- To correct recent news reports implying that newer generation hormonal contraceptives are less effective than those approved decades ago, FDA issued a statement saying the newer products are "highly effective in preventing pregnancy." FDA said the news reports prompted "misperceptions" about the effectiveness of current contraceptive products.

<http://www.fda.gov/bbs/topics/NEWS/2007/NEW01550.html>

- The Centers for Disease Control and Prevention (CDC), in cooperation with departments and agencies across the federal government, announced two new efforts designed to improve state, local and community preparedness for an influenza pandemic. CDC released new guidance on community planning strategies that state and local community decision-makers, as well as individuals, need to consider based on the severity of an influenza pandemic. These strategies are important because the best protection against pandemic influenza—a vaccine—is not likely to be available at the outset of a pandemic. Community strategies that delay or reduce the impact of a pandemic (also called non-pharmaceutical interventions) may help reduce the spread of disease until a vaccine that is well-matched to the virus is available.

The guidelines incorporate a new pandemic influenza planning tool for use by states, communities, businesses, schools and others. The tool, a Pandemic Severity Index (PSI), is modeled after the approach used to characterize hurricanes, has five different categories of pandemics, with a category 1 representing moderate severity and a category 5 representing the most severe. The severity of a pandemic is primarily determined by its death rate, or the percentage of infected people who die. A category 1 pandemic is as harmful as a severe seasonal influenza season, while a pandemic with the same intensity of the 1918 flu pandemic, or worse, would be classified as category 5.

The second initiative is part of the continuing effort to raise awareness and educate the public about pandemic influenza and the need to prepare in advance, the Department of Health and Human Services unveiled a number of new radio and television public service announcements (PSAs). The PSAs encourage people to learn more about pandemic influenza and to know more about their state and local community's efforts to prepare for a potential pandemic. <http://www.hhs.gov/news/press/2007pres/20070201.html>

- The Agency for Healthcare Research and Quality (AHRQ) has released its [2006 "National Healthcare Quality Report"](#) and ["National Healthcare Disparities Report,"](#) which together track trends in health care quality and access across many racial and ethnic minority groups and socioeconomic groups. The quality report notes that the greatest recent quality improvements have occurred in hospitals, particularly related to improved treatment for heart attack and pneumonia patients. However, the report states that the pace of change among the 40 core quality measures identified by AHRQ is slow overall, and there is a high degree of variation among states. According to the disparities report, blacks receive poorer care than whites for 73 percent of the core measures selected by AHRQ, while Hispanics received poorer care for 77 percent of the measures. Low income patients received lower quality care than

people of high income.

- The Centers for Medicare and Medicaid Services (CMS) announced that more than 1.4 million beneficiaries have enrolled in Medicare's Part D program since June of 2006, bringing the total number of people with Medicare now receiving comprehensive prescription drug coverage to more than 39 million.

December 31, 2006 marked the end of a 45-day open enrollment period, the second open enrollment period for Part D, which was preceded by a multi-faceted outreach campaign nationally and locally to encourage beneficiaries to compare their 2006 plans with 2007 plan options in order to make a confident decision in health and drug coverage plan selection.

According to CMS, beneficiaries are saving an average of \$1,200 a year, with the estimated premiums for 2007 expected to average \$22 a month, down from an average of \$23 a month in 2006 and 42 percent lower than originally estimated. Moreover, CMS actuaries recently estimated that payments to Part D plans are projected to be \$113 billion lower over the next ten years. Importantly, of the \$113 billion reduction in cost, \$96 billion is a direct result of competition and significantly lower Part D plan bids. [CMS NR 1-30-2007](#)

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Reserve/Guard

- The total number of Guard and Reserve currently on active duty has **increased** by 468 from the last report to 91,812. The totals for each service are Army National Guard and Army Reserve, 74,943; Navy Reserve, 5,438; Air National Guard and Air Force Reserve, 5,624; Marine Corps Reserve, 5,498; and the Coast Guard Reserve, 309. www.defenselink.mil

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Reports/Policies

- The GAO issued “*Military Personnel: DoD Needs to Provide a Better Link between Its Defense Strategy and Military Personnel Requirements*,” (GAO-07-397T) on Jan. 30, 2007. The report focuses on the Defense Department processes and analyses and the services used to assess force structure and military personnel levels; the extent to which the services' requirements analyses reflect new demands as a result of the changed security environment; and the extent of information DOD has provided to Congress to support requests for military personnel.

<http://www.gao.gov/new.items/d07397t.pdf>

- The GAO issued “*Children's Health Insurance: State Experiences in Implementing SCHIP and Considerations for Reauthorization*,” (GAO-07-447T) on Feb. 1, 2007. The report is testimony provided to the Senate Committee on Finance, which addresses trends in SCHIP enrollment and the current composition of SCHIP programs across the states, states' spending experiences under SCHIP, and considerations GAO has identified for SCHIP reauthorization

<http://www.gao.gov/new.items/d07447t.pdf>

- The GAO issued “*Health Information Technology: Early Efforts Initiated but Comprehensive Privacy Approach Needed for National Strategy*,” (GAO-07-238) on Jan. 10, 2007, and published the report on Feb. 1, 2007. The report describes HHS's efforts to ensure privacy as part of its national strategy and to identify challenges associated with protecting electronic personal health information. To do this, GAO assessed relevant HHS privacy-related initiatives and analyzed information from health information organizations.

<http://www.gao.gov/new.items/d07238.pdf>

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Legislation

- **H.R.703** (introduced Jan. 29, 2007): To authorize the Department of Energy to oversee certain safety, security, and health functions of the National Nuclear Security Administration, and for other purposes was referred to the Committee on Energy and Commerce, 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 Joe Barton [TX-6]

- **H.R.715** (introduced Jan. 29, 2007): To provide funding for programs at the National Institute of Environmental Health Sciences regarding breast cancer in younger women and for other purposes was referred to the House Committee on Energy and Commerce.
Sponsor: Representative Lynn C. Woolsey [CA-6]

- **H.R.704** (introduced Jan. 29, 2007): To amend title 38, United States Code, to reduce from age 57 to age 55 the age after which the remarriage of the surviving spouse of a deceased veteran shall not result in termination of dependency and indemnity compensation otherwise payable to that surviving spouse was referred to the House Committee on Veterans' Affairs.
Sponsor: Representative Gus M. Bilirakis [FL-9]

- **H.R.727** (introduced Jan. 30, 2007): To amend the Public Health Service Act to add requirements regarding trauma care, and for other purposes was referred to the House Committee on Energy and Commerce.
Sponsor: Representative Gene Green [TX-29]

- **H.R.749** (introduced Jan. 31, 2007): To amend the Social Security Act to improve choices available to Medicare eligible seniors by permitting them to elect (instead of regular Medicare benefits) to receive a voucher for a health savings account, for premiums for a high deductible health insurance plan, or both and by suspending Medicare late enrollment penalties between ages 65 and 70 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, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
Sponsor: Representative Marsha Blackburn [TN-7]

- **H.R.758** (introduced Jan. 31, 2007): To require that health plans provide coverage for a minimum hospital stay for mastectomies, lumpectomies, and lymph node dissection for the treatment of breast cancer and coverage for secondary consultations was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, and Education and Labor, 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 Rosa L. DeLauro [CT-3]

- **S.397** (introduced Jan. 25, 2007): A bill to amend the Internal Revenue Code of 1986 to allow individuals a refundable credit against income tax for the purchase of private health insurance, and for other purposes was referred to the Committee on Finance.

Sponsor: Senator Mel Martinez [FL]

- **S.400** (introduced Jan. 25, 2007): A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to ensure that dependent students who take a medically necessary leave of absence do not lose health insurance coverage and for other purposes was referred to the Committee on Health, Education, Labor, and Pensions.

Sponsor: Senator John E. Sununu [NH]

- **S.401** (introduced Jan. 25, 2007): A bill to amend title XXI of the Social Security Act to eliminate funding shortfalls for the State Children's Health Insurance Program (SCHIP) for fiscal year 2007 was referred to the Committee on Finance.

Sponsor: Senator John D. Rockefeller, IV [WV]

- **S.414** (introduced Jan. 26, 2007): A bill to amend the Federal Food, Drug, and Cosmetic Act and the Federal Meat Inspection Act to require that food that contains product from a cloned animal be labeled accordingly, and for other purposes was referred to the Committee on Health, Education, Labor, and Pensions.

Sponsor: Senator Barbara A. Mikulski [MD]

- **S.423** (introduced Jan. 29, 2007): A bill to increase, effective as of December 1, 2007, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans was referred to the Committee on Veterans' Affairs.

Sponsor: Senator Daniel K. Akaka [HI]

- **S.429** (introduced Jan. 30, 2007): A bill to amend the Native Hawaiian Health Care Improvement Act to revise and extend that Act was referred to the Committee on Indian Affairs.

Sponsor: Senator Daniel K. Inouye [HI]

- **S.434** (introduced Jan. 30, 2007): A bill to amend title XXI of the Social Security Act to permit qualifying States to use a portion of their allotments under the State children's health insurance program for any fiscal year for certain Medicaid expenditures was referred to the Committee on Finance.

Sponsor: Senator Jeff Bingaman [NM]

- **S.438** (introduced Jan. 30, 2007): A bill to amend the Federal Food, Drug, and Cosmetic Act to prohibit the marketing of authorized generic drugs was referred to the Committee on Health, Education, Labor, and Pensions.

Sponsor: Senator John D. Rockefeller, IV [WV]

- **S.439** (introduced Jan. 31, 2007): A bill to amend title 10, United States Code, to permit certain retired members of the uniformed services who have a service-connected disability to receive both disability compensation from the Department of Veterans Affairs for their disability and either retired pay by reason of their years of military service or Combat-Related Special Compensation was referred to the Committee on Armed Services.

Sponsor: Senator Harry Reid [NV]

- **S.459** (introduced Jan. 31, 2007): A bill to require that health plans provide coverage for a minimum hospital stay for mastectomies, lumpectomies, and lymph node dissection for the treatment of breast cancer and coverage for secondary consultations was referred to the Committee on Health, Education, Labor, and Pensions.

Sponsor: Senator Olympia J. Snowe [ME]

- **S.464** (introduced Jan. 31, 2007): A bill to amend title XVIII and XIX of the Social Security Act to improve the requirements regarding advance directives in order to ensure that an individual's health care decisions are complied with, and for other purposes was referred to the Committee on Finance.

Sponsor: Senator John D. Rockefeller, IV [WV]

- **S.465** (introduced Jan. 31, 2007): A bill to amend titles XVIII and XIX of the Social Security Act and title III of the Public Health Service Act to improve access to information about individuals' health care options and legal rights for care near the end of life, to promote advance care planning and decision making so that individuals' wishes are known should they become unable to speak for themselves, to engage health care providers in disseminating information about and assisting in the preparation of advance directives, which include living wills and durable powers of attorney for health care, and for other purposes was referred to the Committee on Finance.

Sponsor: Senator Bill Nelson [FL]

- **S.467** (introduced Jan. 31, 2007): A bill to amend the Public Health Service Act to expand the clinical trials drug data bank was referred to the Committee on Health, Education, Labor, and Pensions.

Sponsor: Senator Christopher J. Dodd [CT]

- **S.468** (introduced Jan. 31, 2007): A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to drug safety and for other purposes was referred to the Committee on Health, Education, Labor, and Pensions.

Sponsor: Senator Chuck Grassley [IA]

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Hill Hearings

- The Senate Armed Services Committee (SASC) will hold a hearing on **Feb. 6, 2007**, to receive testimony on the fiscal year 2008 budget request and the fiscal years 2007 and 2008 war supplemental requests in review of the Defense Authorization Request for Fiscal Year 2008 and the Future Years Defense Program.

- The House Ways and Means Committee will hold hearings on **Feb. 6 and 7 2007**, to examine the President's Fiscal Year 2008 Budget

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Meetings / Conferences

- 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
- The 2007 North American Congress of Women in Medicine will be held on **March 23-25, 2007**, in Lake Buena Vista, Florida. <http://www.amwa-doc.org/index.cfm?objectid=653D6888-D567-0B25-5EA863621788DC8A>
- The 2007 Advance Technology Applications for Combat Casualty Care (ATACCC) Conference will be held on Aug. 13-15, 2007 in St Petersburg Beach, Fla. <http://www.usacc.org/ATACCC/index.htm>
- 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.