

# FEDERAL HEALTH UPDATE

April 13, 2007

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

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*“Walter Reed is one of the pivotal academic medical centers and casualty receiving hospitals for the joint medical force.” --Army Maj. Gen. Eric B. Schoomaker said to members of the Defense Health Board assembled at the medical center for a meeting on April 11, 2007.*

## **Congressional Schedule**

- On April 11, 2007, the Senate passed S. 5, Stem Cell Research Enhancement Act of 2007. This legislation amends the Public Health Service Act to provide for human embryonic stem cell research.
- The Senate passed S. 30, the Hope Offered through Principled and Ethical Stem Cell Research Act, or HOPE Act, on April 11, 2007. The purpose of the bill is to intensify research that may result in improved understanding of or treatments for diseases and other adverse health conditions, and promote the derivation of pluripotent stem cell lines without the creation of human embryos for research purposes and without the destruction or discarding of, or risk of injury to, a human embryo or embryos other than those that are naturally dead.

- The Senate Armed Services and Veterans Affairs Committees held a joint hearing on April 10, 2007, to examine Departments of Defense (DoD) and Veterans Affairs (VA) disability rating systems and the transition of service members from DoD to the VA. Retired Army Lt. Gen. James Terry Scott, chairman of the Veterans' Disability Benefits Commission, testified that there are serious problems in the Pentagon and Veterans Affairs ratings systems and that the Army might be shortchanging injured soldiers by rating the severity of their disabilities low in a system that is both unwieldy and inconsistent. Veterans' Disability Benefits Commission has been investigating the ratings system, among other issues since 2005. The final report is due later this year. Senior Officials from DoD, the Army and VA also testified.

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## **Military Health Care News**

- According to the *Air Force Times*, the Defense Department (DoD) is moving to make women in the military community less attractive candidates to be surrogate parents by cutting off coverage for any medical procedures related to surrogate pregnancy. It would take an act of Congress to change current coverage. Defense officials have asked for the prohibition to be included in the 2008 defense authorization bill that is expected to be passed by Congress later this year. The change would prohibit both direct care and coverage under the military's TRICARE health insurance program for surrogate-related health expenses.

Under current procedures, a surrogate mother covered by military health care could be expected to pay part of her medical costs if her contractual arrangement is known. TRICARE is supposed to cover only the remaining balance of costs not covered by the surrogacy contract, and the military's interpretation assumes that any payments — not just a payment specifically to reimburse medical care — could be first used to pay for medical treatment, according to the TRICARE operations manual. Defense officials said they do not have any data that tell them how many surrogate pregnancies have been paid for by TRICARE, but officials were “aware of a number of such cases.”

When a surrogate mother does not have health insurance or her health insurance does not cover being a surrogate, health care costs fall to the prospective parent or parents. One company, Surrogate Alternatives Inc., of Chula Vista, Calif., mentions TRICARE in its fee schedule, charging customers \$5,000 less a month if the surrogate has military health coverage.

For carrying a child, a surrogate can expect to be paid \$20,000 or more, in addition to receiving a fee for every invasive medical procedure and a small monthly expense account.

[http://www.airforcetimes.com/news/2007/04/military\\_surrogatepregnancy\\_tricare\\_070411w/](http://www.airforcetimes.com/news/2007/04/military_surrogatepregnancy_tricare_070411w/)

- Pediatricians at Madigan Army Medical Center at Fort Lewis, Wash., are conducting a new study to focus on the effects deployments are having on military children. The study, “Deployment Effects Children,” will provide needed data on an area that has not been thoroughly assessed.

“Deployments Effects Children” is designed to measure stress overall, parenting stress and child symptoms

through questionnaires completed by parents of children age five 5 to 12 who currently are experiencing a deployment. The American Academy of Pediatrics will use the information to create a toolkit for health care providers who treat and work with children who are dealing with the issues of deployment and separation from a parent. The study is expected to be completed by May 2007. <http://www.army.mil/-news/2007/03/30/2478-new-study-to-determine-effects-of-deployment-on-children/>

- In December 2006, the Department of Defense (DoD) launched a pilot program to test the Global Data Synchronization Network (GDSN), a global platform for the secure exchange of product information, as part of its data synchronization program to improve efficiencies throughout the \$200 billion healthcare supply chain. The pilot aims to demonstrate GDSN's potential to improve product data accuracy and to synchronize trading partner systems as the basis for efficient transactions in the complex healthcare supply chain. The Defense Supply Center Philadelphia (DSCP), a field activity of the Defense Logistics Agency, is overseeing the pilot.

This new pilot is the next step in DoD's ongoing, congressionally funded program to test a healthcare Product Data Utility (PDU) to reduce healthcare costs, improve business processes and ultimately improve patient safety. In the first phase of the PDU program, the DoD synchronized product data from 23 medical manufacturers, two major distributors and 30 military hospitals, and identified \$10.1 million in savings for the hospitals to date. DoD's data synchronization initiative is supported by industry organizations, including the Coalition for Healthcare e-Standards, which hosts a working group to educate the healthcare industry of the pilot's progress. In addition, the U.S. Department of Veterans Affairs (VA) has recently joined DoD's data synchronization efforts with the help of congressionally mandated DoD/VA Joint Incentive Funding (JIF).

Participants in the initial phase of the GDSN pilot

- DSCP and Premier, representing GPOs
- Baptist Health South Florida, representing a hospital
- BD, representing the medical technology industry
- Sage Products, Inc., representing a medical products manufacturer
- Lawson Software, representing an information system
- 1SYNC, a GDSN data pool
- Ontuet, representing a data on-boarding partner

Other industry organizations, including University Health Care System (Augusta, Ga.), and Mayo Clinic, have expressed interest in testing their systems and data as well in upcoming phases of the pilot.

<http://www.tricare.mil/pressroom/news.aspx?fid=272>

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## **Veterans Health Care News**

- The Department of Veterans Affairs (VA) announced that for the eighth straight year, the VA has received one of the best annual performance reports in the federal sector by the Mercatus Center of George Mason University, an independent research center.

Since 2000, the Mercatus Center of George Mason University has examined the performance and accountability reports issued annually by federal agencies. This year, VA tied for second-best in the federal government, receiving 51 points on a 60-point scale. VA also tied for having the highest score in transparency, an example of the Department's commitment to provide information that is useful and easy to understand.

Called "[\*Eighth Annual Performance Report Scorecard: Which Federal Agencies Best Inform the Public?\*](#)" the new Mercatus study found VA's reports are "rich in information on efforts to improve programmatic and managerial performance."

VA published its latest [performance and accountability report](#) in November 2006. It documents VA's progress toward ensuring that America's veterans and their families receive timely, compassionate, high-quality care and benefits. <http://www1.va.gov/opa/pressrel/pressrelease.cfm?id=1320>

- The Department of Veterans Affairs' (VA's) electronic health records (EHRs) system, VistA, or Veterans Information Systems and Technology Architecture was highlighted in a Washington Post article on April 10, 2007. VistA, established in 1999, allows authorized VA personnel to view EHRs for all of the 5.3 million patients treated at the 155 hospitals, 881 clinics, 135 nursing homes and 45 rehabilitation centers operated by the department. According to the Post, EHRs collect, organize, and make accessible health data, which allows physicians to analyze the data to detect trends in physiological variables such as serum chemistry, cell counts, blood pressure and weight.

In addition, EHRs improve the transition of health care when patients leave hospitals—helping physician performance and preventing medication errors. Pat Wise, an executive with Healthcare Information and Management Systems Society, refer to one estimate that as much as \$162 billion a year could be saved in health care costs with the implementation of EHRs nationwide. President Bush has called for a nationwide EHR system by 2014, but VA currently is one of the few health care systems that has implemented such a system. Many health care systems have not implemented EHR systems because of the initial costs, which can range from a few million dollars to \$60 million. <http://www.washingtonpost.com/wp-dyn/content/article/2007/04/06/AR2007040601911.html?sub=AR>

- The White House nominated Charles L. Hopkins, of Massachusetts, to be Assistant Secretary of Veterans Affairs for Operations, Preparedness, Security and Law Enforcement on April 12, 2007. Mr. Hopkins currently serves as Director of the Office of National Security Coordination at the Federal Emergency Management Agency at the Department of Homeland Security. Prior to this, he served as Director of Emergency Management Programs and Security at the Internal Revenue Service.

The White House nominated Michael J. Kussman, of Massachusetts, to be Under Secretary for Health at the Department of Veterans Affairs, for a four-year term. Dr. Kussman currently serves as Principal Deputy Under Secretary for Health at the Department of Veterans Affairs. On August 12, 2006 he assumed the role of Acting Under Secretary for Health at the Department of Veterans Affairs.

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**Health Care News**

- Almost one-fourth of all stays in U.S. community hospitals for patients age 18 and older—7.6 million of nearly 32 million stays—involved depressive, bipolar, schizophrenia and other mental health disorders or substance use related disorders in 2004, according to a new report by HHS' Agency for Healthcare Research and Quality.

This study, [\*Care of Adults with Mental Health and Substance Abuse Disorders in U.S. Community Hospitals, 2004\*](#), presents the first documentation of the full impact of mental health and substance abuse disorders on U.S. community hospitals. According to the report, about 1.9 million of the 7.6 million stays were for patients who were hospitalized primarily because of a mental health or substance abuse problem. In the other 5.7 million stays, patients were admitted for another condition but they also were diagnosed as having a mental health or substance abuse disorder.

Nearly two-thirds of costs were billed to the government: Medicare covered nearly half of the stays, and 18 percent were billed to Medicaid. Roughly eight percent of the patients were uninsured. Private insurers were billed for the balance. The study also found that one of every three stays of uninsured patients was related to a mental health or substance abuse disorder.

AHRQ also found that patients who have been diagnosed with both a mental health condition and a substance abuse disorder—those with "dual diagnoses"—accounted for 1 million of the nearly 8 million stays. Suicide attempts accounted for nearly 179,000 hospital stays. Of these, 93 percent involved a mental health condition—most commonly mood disorders—and/or substance abuse. Nearly three-quarters of these patients were between ages 18 and 44 and more than half were women. Poisoning, by overdosing prescription medicines or ingesting a toxic substance, was the most common way patients attempted suicide. <http://www.ahrq.gov/news/press/pr2007/hcup10pr.htm>

- The Centers for Medicare and Medicaid Services (CMS) announced that it will provide funding for health insurance counseling in every state to help beneficiaries get the most from the health program for elderly and disabled persons. Each state will receive a share of \$30 million in grant funds so state agencies can bring personalized assistance to people with Medicare at the local level. Under the State Health Insurance Assistance Programs (SHIPs), CMS provides funding to 54 SHIPs, including all 50 states, and the District of Columbia, Puerto Rico, Guam and the Virgin Islands.

SHIPs are a key part of Medicare's education and outreach efforts to educate beneficiaries about health insurance coverage, including Medigap, Medicare Advantage options, Medicare prescription drug coverage, and long-term care financing. In recent months, they assisted millions of beneficiaries with finding drug plans suited to their individual needs. SHIP counselors will continue to provide enrollment assistance to Medicare beneficiaries and offer personalized counseling regarding all of their Medicare benefits, including new preventive health screenings and services.

For a complete list of state health insurance counseling programs, visit [www.shiptalk.org](http://www.shiptalk.org).  
[CMS NR 4-11-2007](#)

- On April 11, 2007, the Centers for Medicare and Medicaid Services (CMS) announced the national launch of [DOQ-IT \(Doctor's Office Quality Information Technology\) University](#), or DOQ-IT U, to support health information technology (HIT) in physicians' offices. DOQ-IT U is an interactive, Web-based tool designed to provide solo and small-to-medium sized physician practices with the education for successful

HIT adoption, including lessons on culture change, vendor selection and operational redesign, along with clinical processes. The nationally available e-learning system is available at no charge.

DOQ-IT U will provide lessons in assessment, planning and implementation methodologies that will be disease and population specific, incorporating clinical decision support and evidence-based medicine guidelines. This e-learning platform will be utilized to provide physicians with a self-paced curriculum and associated tools, based on adult learning principles, available at their convenience. Additional features, such as surveys, utilization tracking, and Continuing Medical Education/Continuing Education Unit (CME/CEU) offering/issuing capabilities will also be included in the near future.

The first learning sessions (modules), available now, focus on physician office workflow redesign, culture change, and communication necessary for successful Electronic Health Record (EHR) adoption, implementation of care management, and the incorporation of a strong patient self-management component to clinical care. Disease specific modules, starting with diabetes, will include a patient self-management component, which is critical to successfully managing patients with chronic disease. The content and evaluation for all of the modules is conducted by technical advisory panel (TAP) composed of leading medical experts throughout the healthcare industry. [CMS NR 4-11-2007a](#)

- The Indian Health Service (I H S), an agency of the Department of Health and Human Services, held a formal dedication of the new Four Corners Regional Health Center in Red Mesa, Arizona, on April 4, 2007. The new 118,005-square-foot regional health center will support a comprehensive outpatient health care program with a full range of ambulatory care, community health, mental health, dental, associated support services, and Navajo tribal health programs. It will replace a 5,520-square-foot IHS health station in Teec Nos Pos, Arizona.

The new regional health center has a 24-hour emergency room and a six-bed short stay nursing unit. This facility was built to house a total staff of 249 full-time employees, which includes 37 tribally funded positions. Along with this new facility, 93 new staff housing units have been built.

The design of the center's interior reflects Navajo culture, with the lobby's eight-sided cedar dome representing a traditional hogan. Also, the main lobby's floor design incorporates the Navajo's four sacred colors of white, blue, yellow, and black, and represents the four sacred mountains. The building's entrance canopy supports are faced in sandstone to symbolize the Red Mesa.

[http://www.ihs.gov/misc/links\\_gateway/download.cfm?doc\\_id=10914&app\\_dir\\_id=4&doc\\_file=5-CornersRegHlthCtr-Red\\_MesaAZ.pdf](http://www.ihs.gov/misc/links_gateway/download.cfm?doc_id=10914&app_dir_id=4&doc_file=5-CornersRegHlthCtr-Red_MesaAZ.pdf)

- On April 12, 2007, the Centers for Disease Control and Prevention (CDC) announced it no longer recommends antibiotics known as fluoroquinolones (ciprofloxacin, ofloxacin, and levofloxacin) as a treatment for gonorrhea in the United States. This limits the options available to treat gonorrhea, one of the most common sexually transmitted diseases in the United States.

The recommendation was prompted by new data released today in CDC's Morbidity and Mortality Weekly Report (MMWR) showing that fluoroquinolone-resistant gonorrhea is now widespread in the United States among heterosexuals and men who have sex with men (MSM). The new CDC analysis shows an increase in the past five years in the overall proportion of gonorrhea cases that are fluoroquinolone-resistant – from less than 1 percent in 2001 to 13.3 percent in the first half of 2006. The data also showed the proportion of

drug-resistant cases among heterosexuals rising above the recognized threshold of 5 percent for changing treatment recommendations. CDC had recommended fluoroquinolones no longer be used to treat gonorrhea in MSM when this threshold was crossed in earlier years.

The new data, from CDC's Gonococcal Isolate Surveillance Project (GISP) in 26 U.S. cities, showed that among heterosexual men, the proportion of gonorrhea cases that were fluoroquinolone-resistant *Neisseria gonorrhoeae* (QRNG) reached 6.7 percent in the first half of 2006, an 11-fold increase from 0.6 percent in 2001.

Recommended options for treating gonorrhea are now limited to a single class of antibiotics known as cephalosporins. Public health officials believe the lack of treatment options underscores the need for accelerated research into new drugs, as well as increased efforts to monitor for emerging drug resistance, especially to cephalosporins. <http://www.cdc.gov/od/oc/media/pressrel/2007/r070412a.htm>

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## Reserve/Guard

- The total number of Guard and Reserve currently on active duty has **increased** by 1,030 from the last report to 80,988. The totals for each service are Army National Guard and Army Reserve, 63,689; Navy Reserve, 6,404; Air National Guard and Air Force Reserve, 5,079; Marine Corps Reserve, 5,514; and the Coast Guard Reserve, 302. [www.defenselink.mil](http://www.defenselink.mil)

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## Contracts/Procurements

- The Agency for Healthcare Research and Quality (AHRQ) of the U.S. Department of Health and Human Services (DHHS) is conducting a market survey to seek potential sources from qualified small business firms under North American Industry Classification (NAICS), which have the capability to assist the Agency through various implementation phases which will complete the Agency's competitive sourcing program activities.

Assistance is sought for various implementation phases which will complete the Agency's Competitive Sourcing Program activities to meet the Presidents Management Agenda (PMA) and assist the Agency with obtaining a green rating on the PMA scorecard. These activities include providing post-competition review support semi-annually (quality assurance evaluation activities for previous competitive sourcing studies), assisting with completion of OMB cost reports, compiling and completing the annual Fair Act Inventory, reviewing and updating the Agency's A-76 Web site and assisting the Agency in completing its scheduled A-76 competitions.

Interested small businesses should submit their capability statements (no more than 15 pages in length) to Jessica Alderton by email at [jessica.alderton@ahrq.hhs.gov](mailto:jessica.alderton@ahrq.hhs.gov) no later than 12 noon, EST on April 23, 2007. <http://www.fbo.gov/spg/HHS/AHRQ/DCM/Reference-Number-AHRQ-07-10019-2/SynopsisR.html>

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## Reports/Policies

- The Institute of Medicine (IOM) released “*Adverse Drug Event Reporting: The Roles of Consumers and Health Care Professionals: Workshop Summary*,” on April 12, 2007. <http://www.iom.edu/CMS/3740/42216.aspx>

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## Legislation

- **S.1082** (introduced April 10, 2007): A bill to amend the Federal Food, Drug, and Cosmetic Act to reauthorize and amend the prescription drug user fee provisions, and for other purposes was referred to the Committee on Health, Education, Labor, and Pensions.  
Sponsor: Senator Edward M. Kennedy [MA]

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## Hill Hearings

- The House Committee on Oversight and Government Reform will hold a hearing: "Is This Any Way to Treat Our Troops - Part II: Follow Up on Corrective Measures at Walter Reed," on **April 17, 2007**.
- The House Veterans Affairs Subcommittee on Health will hold a hearing, "Access to VA Health Care: How Easy is it for Veterans? Addressing the Gaps," on **April 18, 2007**.
- The House Veterans Affairs Subcommittee on Oversight and Investigations will hold a hearing on **April 19, 2007**, to examine the surgical services at the W.G. (Bill) Hefner VA Medical Center in Salisbury, North Carolina.
- The Senate Veterans Affairs (VA) Committee on Health will hold an oversight hearing on **April 25, 2007**, to examine mental health issues at the VA.
- The House Veterans Affairs Subcommittee on Health will hold a hearing on **May 9, 2007**, to examine the VA's Long-Term Care Programs.
- The Veterans Affairs committees for the Senate and House will hold a joint hearing on **Sept. 20, 2007**, to hear the American Legion's legislative presentation.



## Meetings / Conferences

- The American Association for Cancer Research (AACR) will hold its 2007 Annual Meeting, "*A Century of Leadership in Science - A Future of Cancer Prevention and Cures*," on **April 14-18, 2007**, in Los Angeles, Calif. [www.aacr.org](http://www.aacr.org).
- The CDC will hold its Annual Diabetes Translation Conference on **April 30–May 3, 2007**, in Atlanta, Ga. <http://www.team-psa.com/ddt2007/main.asp>
- The 55th Annual Clinical Meeting of The American College of Obstetricians and Gynecologists will be held on **May 5-9, 2007** in San Diego, Calif. [www.acog.org/acm/](http://www.acog.org/acm/)
- The National Institute on Drug Abuse (NIDA) will hold a two day meeting: "*Drug Abuse and Risky Behaviors: The Evolving Dynamics of HIV/AIDS*," on **May 8-9, 2007**, in Bethesda, Md. <http://www.nih.gov/news/pr/apr2007/nida-04.htm>
- 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.usaccc.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.
- The 13th International Congress on Infectious Diseases will be held June 19-22, 2008, in Kuala Lumpur, Malaysia. [http://www.isid.org/13th\\_icid/](http://www.isid.org/13th_icid/)

*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](mailto:kate@usminstitute.org). To subscribe, please visit <http://usminstitute.org/subscriber.cfm>. To unsubscribe, please send an email to [update@usminstitute.org](mailto:update@usminstitute.org) with UNSUBSCRIBE as the subject.*