

# FEDERAL HEALTH UPDATE

April 27, 2007

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

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*“We renew our commitment to lead the world toward an urgent goal, and that is to turn the tide against malaria in Africa, and around the globe.”* --President George W. Bush proclaiming April 25, 2007, to be Malaria Awareness Day. <http://www.whitehouse.gov/infocus/malaria/>

## **Congressional Schedule**

- The House passed H.R.1591, the U.S. Troop Readiness, Veterans' Health, and Iraq Accountability Act, 2007, on April 25, 2007. The Senate passed the bill on April 26, 2007. The legislation provides \$124 billion in emergency supplemental appropriations for the fiscal year ending September 30, 2007. It also contains a troop withdrawal timetable beginning 180 days of the legislation's enactment. President Bush has promised to veto the bill if it included this provision.
- The House passed H.R.493, Genetic Information Nondiscrimination Act of 2007, on April 25, 2007. The bill prohibits discrimination on the basis of genetic information with respect to health insurance and employment.

## Military Health Care News

- TRICARE Management Activity (TMA) announced that it is coordinating benefits with Medicare to make it easier for beneficiaries with end-stage renal disease to participate in three Medicare demonstrations. Medicare is offering patients with end-stage renal disease the opportunity to enroll in three demonstrations to receive integrated disease management services in multiple counties in Alabama, Arizona, California, Connecticut, Georgia, Massachusetts, Pennsylvania, Tennessee and Texas. The demonstrations will test the effectiveness of disease management models to increase quality of care for these patients while ensuring they receive care more effectively and efficiently. At the same time, Medicare will assess alternatives for paying for services these beneficiaries receive. TRICARE is acting as second payer for TRICARE covered services for beneficiaries participating in these demonstrations. <http://www.tricare.mil/pressroom/news.aspx?fid=278>
- The new Assistant Secretary of Defense for Health Affairs, S. Ward Casscells, M.D., posted his first memorandum to the staffs at Health Affairs and TRICARE Management Activity. In the memorandum, he thanked his predecessor, Dr. Winkenwerder, for his service and listed areas where he plans to make changes, such as case management for care of wounded service members. <http://www.ha.osd.mil/asd/ASD-HA-Welcome.pdf>
- TRICARE Management Activity announced that its Theater Medical Information Program-Joint (TMIP-J) has upgraded its medical software suite to include a new capability, known as AHLTA Warrior. The newer version of the software will allow doctors on the battlefield to view a patient's complete electronic health record that is stored stateside in the AHLTA Clinical Data Repository. In addition, a "wildcard" patient search function, updated medical dictionaries and new medical and disease classification codes are available. <http://www.tricare.mil/pressroom/news.aspx?fid=277>
- On April 23, 2007, U.S. Senators Barack Obama (D-IL), Barbara Boxer (D-CA), Kit Bond (R-MO), Daniel K. Akaka (D-HI), Tom Harkin (D-IA), Joe Lieberman (I-CT), Patty Murray (D-WA), Claire McCaskill (D-MO), and Bernie Sanders (I-VT) sent a letter to the Government Accountability Office (GAO) requesting a review of the Department of Defense's treatment of service-related mental health conditions affecting troops that have served in Iraq and Afghanistan. The letter comes in the wake of reports of poor treatment and conditions at Walter Reed Army Medical Center, where many patients and family members described not receiving adequate mental health care, and more recent reports that suggest the Department of Defense (DOD) has not effectively screened and diagnosed mental health conditions.

The full text of the letter is available on Senator Obama's Web site at [http://obama.senate.gov/press/070419-senators\\_urge\\_gao\\_to\\_study\\_the\\_militarys\\_mental\\_health\\_care/index.html](http://obama.senate.gov/press/070419-senators_urge_gao_to_study_the_militarys_mental_health_care/index.html)

- The Task Force on the Future of Military Health Care held a meeting on April 25, 2007, to continue its examination of Department of Defense's pharmacy program. Representatives from Pharmaceutical

Research and Manufacturers of America (PhARMA) and the Coalition for Government Procurement provided recommendations to improve efficiency and save money. Suggestions include following industry best practices; using the mail-order pharmacy program more broadly; implementing a disease management program, which integrates the pharmacy benefit with the medical benefit; and empowering the pharmacy benefits manager to apply commercial cost saving techniques, including market share rebates. The next meeting is scheduled to be held on May 22, 2007.

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## Veterans Health Care News

- The President's Commission on America's Returning Wounded Warriors held a meeting on April 23, 2007, in Washington DC. The Commission began the meeting with testimony from veterans service organizations. It also examined and compared Veterans Affairs (VA) Disability System, VA/Military Disability System and Civilian Disability System. The Government Accountability Office (GAO) reported that there are inconsistencies between the VA and DoD ratings systems, as well as between the Services. Among its recommendations, the GAO suggested that ratings and benefit decisions within the military disability system should be consistent and timely across the Services; the VA should develop new performance measures for ratings and improve service delivery to veterans; and that VA and DoD look at their respective systems to find ways to better align the entire process using the research and background information available. The meeting ended with a report on the site visit to Bethesda Naval Medical Center, which received a favorable review.

This commission is headed by former HHS Secretary Donna Shalala (D) and former Senator Robert Dole (R). The seven other members include two veterans wounded in Iraq, the wife of a wounded Army sergeant, two experts in healthcare, an expert on veterans affairs and military health care, and Kenneth Fisher (of the Fisher Foundation). One of the experts is Gail Wilensky, who is also co-chairing the task force examining the future of military health care.

- The Interagency Task Force on Returning Global War on Terror Heroes released its [report](#) on April 23, 2007, which reviewed federal benefits and processes for changes that could quickly improve veterans' access to services and programs.

The Task Force brought together top officials from the departments of Defense, Veterans Affairs, Labor, Health and Human Services, Housing and Urban Development, and Education, as well as the Office of Management and Budget, the Small Business Administration and Office of Personnel Management.

The Task Force focused on improvements that could be made within the authority of the individual departments or agencies, using existing resources. The panel specifically targeted health care, benefits, employment, education, housing and outreach activities. The report includes 25 recommendations to improve delivery of federal services to returning military men and women. The government-wide action plan contains steps for individual department and agency activities and incorporates cooperative interaction among those providing complimentary services.

Recommendations focus on increasing awareness of available benefits among service members and their

families and improving the process for receiving them. Eighteen recommendations will involve collaborative efforts among several federal agencies to improve the timeliness, ease of application, and delivery of services and benefits. <http://www1.va.gov/opa/pressrel/pressrelease.cfm?id=1327>

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## Health Care News

- The U.S. Food and Drug Administration (FDA) approved the first generic versions of Ambien (zolpidem tartrate) immediate-release tablets. Zolpidem (ZOLE-pi-dem) tartrate is a sedative-hypnotic drug indicated for the short-term treatment of insomnia.

Zolpidem tartrate tablets in formulations of five milligrams and 10 milligrams are manufactured by multiple generic drug companies in the United States. The following 13 manufacturers have received FDA approval for zolpidem tartrate tablets: Mylan Pharmaceuticals Inc., TEVA Pharmaceuticals USA, Roxane Laboratories Inc., Watson Laboratories Inc., Ranbaxy Laboratories Ltd., Dr. Reddy's Laboratories Ltd., Apotex Inc., Synthron Pharmaceuticals Inc., Genpharm Inc., Mutual Pharmaceutical Company Inc., Caraco Pharmaceutical Laboratories Ltd., Carlsbad Technology Inc., and Lek Pharmaceuticals.

In March, FDA requested that all manufacturers of sedative-hypnotic drug products, a class of drugs used to induce and/or maintain sleep, strengthen their product labeling to include stronger language concerning potential risks. These risks include severe allergic reactions and complex sleep-related behaviors, which may include sleep-driving. Sleep driving is defined as driving while not fully awake after ingestion of a sedative-hypnotic product, with no memory of the event. For more information see [www.fda.gov/bbs/topics/NEWS/2007/NEW01587.html](http://www.fda.gov/bbs/topics/NEWS/2007/NEW01587.html). Generic versions of these drugs will also include this labeling.

The [FDA's Office of Generic Drugs \(OGD\)](#) reviews and decides on approval of generic drug applications. <http://www.fda.gov/bbs/topics/NEWS/2007/NEW01616.html>

- The Centers for Medicare and Medicaid Services (CMS) released the [2007 Medicare Trustees Report](#) on April 23, 2007. The report found that while Medicare's financial outlook remains troubling, the program's outlook has improved slightly compared to last year's estimate.

In the estimate released today, Medicare's Hospital Insurance Trust Fund is projected to be exhausted in 2019, one year later than estimated in last year's report. This change results from slightly higher projected income and slightly lower projected expenditures than shown in last year's report. HI expenditure growth is estimated to average 7.2 percent per year over the next 10 years.

In response to their findings, the Trustees issued a determination of "excess general revenue Medicare funding." This determination has now been made in two consecutive years, triggering a "Medicare funding warning." A Medicare funding warning requires President Bush to propose legislation to respond to the issue within 15 days following the release of the Fiscal Year 2009 Budget, which will be released in early February 2008. The law requires Congress to consider the President's proposals on an expedited basis. The Medicare funding warning indicates that the level of Federal general revenues required to finance Medicare

is an important concern, but it does not signify that program benefits cannot be paid.

The Medicare trustees are Treasury Secretary and Managing Trustee Henry M. Paulson, Jr., Secretary of Health and Human Services Mike Leavitt, Labor Secretary Elaine L. Chao, and Social Security Commissioner Michael J. Astrue. Two other members are appointed by the President and represent the public. The public trustees are John L. Palmer and Thomas R. Saving. Leslie V. Norwalk, Acting Administrator of the Centers for Medicare & Medicaid Services, serves as Secretary to the Board of Trustees. [CMS NR 4-23-07](#)

- The U.S. Food and Drug Administration (FDA) in February began providing audio broadcasts to health care professionals and consumers that provide emerging drug safety information. The broadcasts, commonly known as podcasts, can be transmitted to personal computers and personal audio players.

The service is part of the agency's ongoing effort to broaden and speed its communications concerning the safety of marketed medications when unexpected adverse events are reported to FDA. The broadcasts are an addition to FDA's traditional print- and Web-based public health advisories (PHAs) and anyone can subscribe to them for free at <http://www.fda.gov/cder/drug/podcast/default.htm>.

- James F. Battey, Jr., M.D., Ph.D., director of the National Institute on Deafness and Other Communication Disorders (NIDCD), one of the National Institutes of Health, will be the first recipient of the Distinguished Service Award from the Association for Chemoreception Sciences (AChemS), an international body of scientists that advances understanding of the senses of taste and smell. Researchers are working to learn more about taste and smell because these senses can have a major impact on a person's quality of life, food preferences, diet, and overall health. The newly created award, to be conferred on special occasions, recognizes individuals "with a record of outstanding service to the chemical senses research community."

Dr. Battey received his B.S. degree in physics from the California Institute of Technology, and his M.D. and Ph.D. in biophysics from Stanford University School of Medicine. After receiving training in pediatrics, he pursued a postdoctoral fellowship in genetics at Harvard Medical School. Dr. Battey is widely recognized for his work on G-protein coupled receptors (GPCRs), a large family of proteins important in cell-to-cell communication, and integral to an array of physiological processes, including taste and smell. [www.nih.gov/news/pr/apr2007/nidcd-24.htm](http://www.nih.gov/news/pr/apr2007/nidcd-24.htm)

- Express Scripts released its annual Drug Trends Report, which predicts the rate of prescription drug costs to increase in 2008 and 2009. The [2006 Drug Trend Report](#) found that more than \$13 billion in 2005 brand-drug spending went generic, resulting in an 8.2 percent growth rate in 2006, compared to the nine percent in 2005. The report also found that certain drugs had higher levels of cost growth in 2006, including medications to treat diabetes, which experienced a 15.5 percent growth—the second year of double-digit increases. In addition, the trend for expensive, but critically important specialty drugs rose 20.9 percent. The substantial increase is attributed to higher costs per prescription, increased utilization and the introduction of new medications.

Express Scripts predicts that over the next four years, non-specialty drugs are expected to grow at rates

slightly higher than they have over the past two years. Higher utilization from cyclical patterns of use for acute drugs and a slowdown in the generic pipeline are major factors in the rebound. It also expects that overall pharmacy and medical specialty spending will grow by slightly more than 80 percent during the same time period, rising to 26 percent of total drug spending.

- The Centers for Medicare and Medicaid Services (CMS) issued guidance clarifying the responsibility of hospitals to provide emergency services if they participate in the Medicare program. The guidance makes it clear that nearly all hospitals—including specialty hospitals and others without emergency departments—must be able to evaluate persons with emergencies, provide initial treatment, and refer or transfer these individuals when appropriate, 24 hours per day, 7 days per week. The guidance does not apply to critical access hospitals (CAHs), which are small, rural hospitals that are subject to separate regulation.

Three key requirements are (a) the capability to appraise the emergency situation, (b) providing initial treatment, and (c) referral when appropriate. The letter clarifies that the Medicare Conditions of Participation (CoPs) do not permit a hospital to rely upon 9-1-1 services as a substitute for the hospital's own ability to provide these services. [CMS NR 4-26-07](#)

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## Reserve/Guard

- The total number of Guard and Reserve currently on active duty has **decreased** by 612 from the last report to 80,291. The totals for each service are Army National Guard and Army Reserve, 63,266; Navy Reserve, 6,249; Air National Guard and Air Force Reserve, 5,058; Marine Corps Reserve, 5,416; and the Coast Guard Reserve, 302. [www.defenselink.mil](http://www.defenselink.mil)

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## Reports/Policies

- The GAO issued “*Public Health and Hospital Emergency Preparedness Programs: Evolution of Performance Measurement Systems to Measure Progress*,” (GAO-07-485R) March 23, 2007, and published the report on April 25, 2007. In the report, the GAO examined how Centers for Disease Control and Prevention's (CDC's) and Health Resources and Services Administration's (HRSA's) performance measurement systems have evolved and how CDC and HRSA are using these systems to measure the progress of their preparedness programs. <http://www.gao.gov/new.items/d07485r.pdf>

- The Institute of Medicine (IOM) released “*Nutrition Standards for Healthy Schools: Leading the Way toward Healthier Youth*,” on April 25, 2007. In response to the concerns about the growing childhood obesity problem, the IOM conducted a study to review and make recommendations about appropriate nutritional stands for the availability, sale, content and consumption of foods. <http://www.iom.edu/CMS/3788/30181/42502.aspx>



- The Institute of Medicine (IOM) released “*The Future of Disability in America,*” on April 24, 2007. In this report, the IOM, at the Centers for Disease Control, the Department of Education, and the National Institutes of Health (NIH), assessed the current situation and provided recommendations for improvement. The report raised serious questions about how individuals and society will cope with the challenges of disability. This report concludes that immediate action is essential for the nation to avoid harm and to help people with disabilities lead independent and productive lives.

<http://www.iom.edu/CMS/3740/25335/42494.aspx>

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## Legislation

- **H.R.2005** (introduced April 23, 2007): To amend title 38, United States Code, to improve health care for veterans who live in rural areas, and for other purposes was referred to the House Committee on Veterans' Affairs.

Sponsor: Representative John T. Salazar, [CO-3]

- **H.CON.RES.130** (introduced April 25, 2007): Supporting the goals and ideals of Mental Health Month, and for other purposes was referred to the House Committee on Energy and Commerce.

Sponsor: Representative Grace F. Napolitano [CA-38]

- **H.RES.335** (introduced April 24, 2007): Expressing the sense of the House of Representatives that the President should declare lung cancer a public health priority and should implement a comprehensive interagency program to reduce the lung cancer mortality rate by at least 50 percent by 2015 was referred to the House Committee on Energy and Commerce.

Sponsor: Representative Lois Capps [CA-23]

- **H.R.2026** (introduced April 25, 2007): To amend section 1922A of title 38, United States Code, to increase the amount of supplemental insurance available for totally disabled veterans was referred to the House Committee on Veterans' Affairs.

Sponsor: Representative Walter B. Jones, Jr. [NC-3]

- **H.R.2034** (introduced April 25, 2007): To provide quality, affordable health care for all Americans was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, and Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Sponsor: Representative John D. Dingell [MI-15]

- **S.1183** (introduced April 23, 2007): A bill to enhance and further research into paralysis and to improve rehabilitation and the quality of life for persons living with paralysis and other physical disabilities, and for other purposes was referred to the Committee on Health, Education, Labor, and Pensions.

Sponsor: Senator Tom Harkin [IA]

- **S.1196** (introduced April 24, 2007): A bill to improve mental health care for wounded members of the Armed Forces, and for other purposes was referred to the Committee on Armed Services.

Sponsor: Senator Joseph Lieberman [CT]

- **S.1198** (introduced April 24, 2007): A bill to determine successful methods to provide protection from catastrophic health expenses for individuals who have exceeded health insurance lifetime limits, to provide catastrophic health insurance coverage for uninsured individuals, and for other purposes was referred to the Committee on Finance.

Sponsor: Senator Gordon H. Smith [OR]

- **S.1199** (introduced April 24, 2007): A bill to strengthen the capacity of eligible institutions to provide instruction in nanotechnology was referred to the Committee on Health, Education, Labor, and Pensions.

Sponsor: Senator Ron Wyden [OR]

- **S.1200** (introduced April 24, 2007): A bill to amend the Indian Health Care Improvement Act to revise and extend the Act was referred to the Committee on Indian Affairs.

Sponsor: Senator Byron L. Dorgan [ND]

- **S.1196** (introduced April 24, 2007): A bill to improve mental health care for wounded members of the Armed Forces, and for other purposes was referred to the Committee on Armed Services.

Sponsor: Senator Joseph Lieberman [CT]

- **S.1198** (introduced April 24, 2007): A bill to determine successful methods to provide protection from catastrophic health expenses for individuals who have exceeded health insurance lifetime limits, to provide catastrophic health insurance coverage for uninsured individuals, and for other purposes was referred to the Committee on Finance.

Sponsor: Senator Gordon H. Smith [OR]

- **S.1200** (introduced April 24, 2007): A bill to amend the Indian Health Care Improvement Act to revise and extend the Act was referred to the Committee on Indian Affairs.

Sponsor: Senator Byron L. Dorgan [ND]

- **S.1204** (introduced April 25, 2007): A bill to enhance Federal efforts focused on public awareness and education about the risks and dangers associated with Shaken Baby Syndrome was referred to the Committee on Health, Education, Labor, and Pensions.

Sponsor: Senator Christopher J. Dodd [CT]

- **S.1205** (introduced April 25, 2007): A bill to require a pilot program on assisting veterans service organizations and other veterans groups in developing and promoting peer support programs that facilitate



community reintegration of veterans returning from active duty, and for other purposes was referred to the Committee on Veterans' Affairs.

Sponsor: Senator Gordon H. Smith [OR]

- **S.1215** (introduced April 25, 2007): A bill to amend title 38, United States Code, to extend and improve certain authorities of the Secretary of Veterans Affairs, and for other purposes was referred to the Committee on Veterans' Affairs.

Sponsor: Senator Daniel K. Akaka [HI]

- **S.1218** (introduced April 25, 2007): A bill to provide quality, affordable health care for all Americans was referred to the Committee on Finance.

Sponsor: Senator Edward M. Kennedy [MA]

- **S.1221** (introduced April 25, 2007): A bill to provide for the enactment of comprehensive health care reform was referred to the Committee on Homeland Security and Governmental Affairs.

Sponsor: Senator John F. Kerry [MA]

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## Hill Hearings

- 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 Senate Veterans' Affairs Committee will hold a hearing on **May 9, 2007**, to examine legislation on benefits.

- The Senate Veterans' Affairs Committee will hold a hearing on **May 16, 2007**, to examine the nomination of Michael K. Kussman, of Massachusetts, to be Under Secretary for Health of the Department of Veterans Affairs.

- The Senate Veterans' Affairs Committee will hold a hearing on **May 23, 2007**, to examine legislation on health issues.

- 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.

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## Meetings / Conferences

- 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 National Institute of Biomedical Imaging and Bioengineering (NIBIB) will hold it’s fifth annual symposium: "Changing the World's Healthcare through Biomedical Technologies," on **June 1, 2007**, in Bethesda, Md. <http://www.nibibmeetings.org/Symposium/>
- 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/)

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