FEDERAL HEALTH UPDATE
May 4, 2007

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

To subscribe, please visit http://usminstitute.org/subscriber.cfm.

Sponsored by

TriWest
HEALTHCARE ALLIANCE

Additional sponsorship by

Congressional Schedule

• On May 1, 2007, President George W. Bush vetoed H.R 1591, the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007. The legislation passed by Congress provided $124.2 billion in emergency supplemental appropriations for the fiscal year ending September 30, 2007, but included a deadline for troop withdrawal in Iraq that the President opposed. The House failed to overturn the veto (222-203).

• The House Appropriations Defense Subcommittee held a hearing to review the President's proposed FYO8 budget for the Military Health System (MHS). Under Secretary of Defense for Personnel and Readiness David S. C. Chu was the only witness to testify before the committee. Committee members questioned Chu on a variety of issues including the closing of Walter Reed Army Medical Center, issues related to medical hold, strategies DoD has implemented to stabilize costs other than raising fees and efforts made to ease the transition for service members from DoD to the VA system.

Gen. Theresa Casey, assistant surgeon general for modernization, and Navy Rear Adm. David Smith, deputy chief of staff for health care operations, were among those who testified.

• The House Appropriations Defense Subcommittee held a hearing to receive testimony from the Services' surgeons general and the new assistant secretary of defense for health affairs, S. Ward Casscells, regarding the proposed budget for fiscal year 2008.

• On May 3, 2007, President Bush signed H.R. 727, the "Trauma Care Systems Planning and Development Act of 2007," which authorizes appropriations and makes changes to the Department of Health and Human Services' Trauma/Emergency Medical Services Systems State grant program.

Military Health Care News

• On April 27, 2007, TRICARE Management Activity announced an upgrade to the military’s inpatient documentation software, which allows medical information to be sent from the battlefield directly to a worldwide database. This software, named Theater Medical Information Program Composite Health Care System Caché or TC2, will make all new medical data collected on the battlefield accessible to military providers anytime, anywhere, worldwide. The software was developed and released by the Theater Medical Information Program – Joint (TMIP-J), a contributing office to the Department of Defense Military Health System.

Personnel from the TMIP-J training and testing team are traveling to Iraq, Kuwait, Afghanistan and Qatar at the end of April to assist with the deployment of TC2. Once it is deployed, providers will use this software to document doctors’ and nurses’ notes (both pre- and post-operative), order and view test results and compile discharge summaries for wounded or ill soldiers. The inpatient data will also be sent to AHLTA, the military’s electronic health record, to ensure a complete record of care for all military personnel.

In the future, DoD plans to merge this system with the Joint Patient Tracking Application, a battlefield software application used to track both an injured warrior’s medical information and current location. This merger will continue to streamline the medical data documentation and its transfer and better serve our troops in the field. http://www.tricare.mil/pressroom/news.aspx?fid=279

• TriWest Healthcare Alliance and the Military Child Education Coalition (MCEC) are co-sponsoring an innovative, unique program in California designed to help school counselors and administrators understand the unique challenges faced by children with one or more parents deployed as part of their parent's service in the National Guard and Reserve, and others, including children of active duty military parents who experience transitions as a result of changing schools due to the relocation of their parents.

More than 100 school guidance counselors and administrators from 43 California public school districts will attend their choice of two interactive training sessions: "Supporting Children of the National Guard and Reserve Institute," or the "Transition Counselor Institute: School Transitions & Military Life." The two
institutes are based upon research and have been provided for educators serving military-connected students throughout the world.

TriWest Healthcare Alliance administers TRICARE, the military’s healthcare program throughout California and 20 other states in the West Region. http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=104&STORY=/www/story/05-01-2007/0004578540&EDATE=

• The Department of Defense published a notice in the Federal Register announcing the next meeting of the Uniform Formulary Beneficiary Advisory Panel will be held on June 21, 2007. The panel will review and comment on recommendations made to the Director, TRICARE Management Activity, by the Pharmacy and Therapeutics Committee regarding the Uniform Formulary. The meeting will be open to the public.

Veterans Health Care News

• The Associated Press (AP) reports that months after a politically embarrassing $1 billion shortfall that put veterans’ health care in peril, Veterans Affairs officials involved in the foul-up got hefty bonuses ranging up to $33,000. The list of bonuses to senior career officials at the VA in 2006 documents a generous package of more than $3.8 million in payments by a financially strapped agency straining to help care for thousands of injured veterans returning home from Iraq and Afghanistan.

Among those receiving payments were a deputy assistant secretary and several regional directors who crafted the VA’s flawed budget for 2005 based on misleading accounting. They received performance payments up to $33,000 each, a figure equal to about 20 percent of their annual salaries. Also receiving a top bonus was the deputy undersecretary for benefits, who helps manage a disability claims system that has a backlog of cases and delays averaging 177 days in getting benefits to injured veterans.

According to the AP, the bonuses were awarded even after government investigators had determined the VA repeatedly miscalculated the budget needs for health care. In July 2005, the VA stunned Congress by suddenly announcing it faced a $1 billion shortfall after failing to take into account the additional cost of caring for veterans injured in Iraq and Afghanistan.

Annual bonuses to senior VA officials now average more than $16,000--the most lucrative in government. The VA said the payments are necessary to retain hardworking career officials.

Sen. Daniel Akaka, chairman of the Senate Veterans’ Affairs Committee, said the payments pointed to an improper "entitlement for the most centrally placed or well-connected staff." Seeking an explanation from Secretary Jim Nicholson, Akaka also asked the department to outline steps to address disparities in which Washington-based senior officials got higher payments than their counterparts elsewhere.

The bonuses are determined by the heads of the VA’s various divisions, based in part on performance evaluations. All requests are submitted to Nicholson for final approval.

The 27th National Veterans Wheelchair Games will be held on June 19-23, 2007 in Milwaukee, Minn. Five hundred disabled American heroes will test their agility, athleticism and strength of spirit at this event—the largest annual wheelchair sports event in the world. Veterans from the recent conflicts in Afghanistan and Iraq will again join veterans from the Gulf War, Vietnam and other conflicts in 17 competitive events.

The Wheelchair Games, presented by the Department of Veterans Affairs (VA) and Paralyzed Veterans of America (PVA), are open to all U.S. military veterans who use wheelchairs for sports competition due to spinal cord injuries, certain neurological conditions, amputations or other mobility impairments. For the first time at the Games, a demonstration track event will be held for athletes who are able to stand using prosthetic devices.

The Clement J. Zablocki VA Medical Center in Milwaukee and the Wisconsin chapter of the Paralyzed Veterans of America (PVA) are hosting the 2007 Games. Veterans competing in the National Veterans Wheelchair Games come from nearly all 50 states, plus the District of Columbia, Puerto Rico and Great Britain.

Sports are important in the therapy used to treat many disabilities. VA is a recognized leader in rehabilitation, with therapy programs available at VA health care facilities across the nation. For many injured veterans, the Wheelchair Games provide their first exposure to wheelchair athletics. [http://www1.va.gov/opa/pressrel/pressrelease.cfm?id=1328](http://www1.va.gov/opa/pressrel/pressrelease.cfm?id=1328)

At the 59th Annual meeting of the American Academy of Neurology (AAN), Dr. Roberta White, MD, chairman of environmental health at the Boston University School of Public Health, revealed preliminary results from a study probing the possible effects of chemical exposure during the Persian Gulf War. The study of brain scans and memory tasks administered to 36 veterans showed signs of structural brain changes in Gulf War veterans with multiple health problems.

This comes eight months after a government advisory panel acknowledged that U.S. soldiers who served in Iraq and Kuwait in the early 1990s suffer increased rates of many ailments.

According to the Dr. White, the two regions of the brain involved in thinking and memory were significantly smaller in veterans who returned with more than five health problems than in those who had fewer ailments. Furthermore, these changes correlated with delayed recall and learning on standard memory tests.

In September 2006, experts convened by the Institute of Medicine (IOM) said they could find no evidence of a 'Gulf War syndrome,' striking a blow to veterans who maintain that exposures to pesticides, weapons residues, or other chemicals caused a set of symptoms unique to their service in Operation Desert Storm.

But the IOM did affirm that combat veterans are more likely to have many individual ailments, including fatigue, joint pain, memory loss, severe headaches, and respiratory and skin ailments, which interfered with normal daily activities. [http://www.webmd.com/brain/news/20070501/gulf-war-vets-suffer-brain-changes](http://www.webmd.com/brain/news/20070501/gulf-war-vets-suffer-brain-changes)
Health Care News

• On May 3, 2007, the White house announced that President Bush intends to nominate Tevi David Troy, of New York, to be Deputy Secretary of Health and Human Services. Dr. Troy currently serves as Deputy Assistant to the President for Domestic Policy. Prior to this, he served as Special Assistant to the President and Deputy Cabinet Secretary. Earlier in his career, he served as Deputy Assistant Secretary for Policy at the Department of Labor. Dr. Troy received his bachelor's degree from Cornell University and his master's degree and PhD from The University of Texas at Austin.

The President also intends to nominate Kerry N. Weems, of New Mexico, to be Administrator of the Centers for Medicare & Medicaid Services at the Department of Health and Human Services. Mr. Weems currently serves as Deputy Chief of Staff at the Department of Health and Human Services. Prior to this, he served as the Acting Assistant Secretary for Budget, Technology, and Finance and Chief Financial Officer. Earlier in his career, he served as Deputy Assistant Secretary for Budget at the Department of Health and Human Services. Mr. Weems received his bachelor's degree and BBA from New Mexico State University and his MBA from the University of New Mexico.


• On May 2, 2007, the U.S. Food and Drug Administration (FDA) issued a formal written request to Shelhigh, Inc. to recall all of its medical devices remaining in the marketplace, including hospital inventories, because of sterility concerns.

On April 17, 2007, U.S. Marshals, at FDA’s request, seized all medical devices including components at Shelhigh's Union, N.J., facility after finding significant deficiencies in the company's manufacturing processes. During the seizure, Shelhigh was asked to perform a voluntary recall of its products, but the company declined. FDA recommends that doctors and hospitals consider using alternative products. Physicians and patients concerned about Shelhigh devices can visit www.fda.gov/cdrh/safety/041907-shelhigh.html and www.fda.gov/cdrh/medicaldevicesafety/atp/041907-shelhigh.html for more information, including a list of the company's products.

The company's deficiencies, described in a complaint filed with the U.S. District Court of New Jersey, may compromise the safety and effectiveness of the devices. Shelhigh's own records indicate a number of sterility test failures and that its testing and retesting procedures were not properly performed.

Shelhigh devices are used in infants, children and adults. The products include pediatric heart valves, tube-like devices for blood flow (conduits), surgical patches, dural patches to aid in tissue recovery after neurosurgery, annuloplasty rings to help repair heart valves, and arterial grafts.

http://www.fda.gov/bbs/topics/NEWS/2007/NEW01625.html

• The Centers for Disease Control and Prevention released two reports: “Infant Mortality Statistics from

According to the first report, infant mortality rate remained almost the same in the United States in 2004 -- 6.78 infant (under 1 year of age) deaths per 1,000 live births. The report, “Infant Mortality Statistics from the 2004 Period Linked Birth/Infant Death Data Set,” also found continued racial/ethnic differences in infant mortality rates.

In 2004, Non-Hispanic black women had the highest infant mortality rate in the United States—13.60 per 1,000 live births compared to 5.66 per 1,000 births among non-Hispanic white women. Women of Cuban ethnicity in the United States had the lowest infant mortality rate—4.55 per 1,000 live births. Other infant mortality rates in the United States broken down by race and Hispanic origin include American Indian (8.45), Puerto Rican (7.82), Mexican (5.47), Asian/Pacific Islander (4.67) and Central/South American (4.65).

The overall infant mortality rate has declined by 10 percent since 1995, when the rate was 7.57 per 1,000 live births. However, the rate has not declined much since 2000 when it was 6.89. The second, related report, “Trends in Preterm-Related Infant Mortality by Race/Ethnicity: United States, 1999-2004,” found that in 2004, 36.1 percent of all infant deaths in the United States were due to preterm-related causes, up from 34.5 percent of all infant deaths in 1999.

In addition, the report found that nearly half (46 percent) of infant deaths to non-Hispanic black women and 40 percent of infant deaths to Puerto Rican women were due to preterm-related causes of death. The percentage was somewhat lower for other race/ethnic groups.

In 2004, the preterm-related infant mortality rate for non-Hispanic black mothers was actually higher than the infant mortality rate for all causes for non-Hispanic white, Mexican, and Asian or Pacific Islander women.

The two reports are available at www.cdc.gov/nchs.

• On May 1, 2007, the Commissioner of Food and Drugs Dr. Andrew C. von Eschenbach announced the creation of the position of Assistant Commissioner for Food Protection to provide advice and counsel to the Commissioner on strategic and substantive food safety and food defense matters. David Acheson, M.D., F.R.C.P. will be assigned to this new senior leadership role, effective immediately.

Currently, Dr. Acheson serves as chief medical officer and director of the Office of Food Defense, Communication and Emergency Response at the Food and Drug Administration's (FDA) Center for Food Safety and Applied Nutrition (CFSAN). In his new role, Dr. Acheson will work with individual FDA product centers, as well as the Office of Regulatory Affairs, to coordinate FDA's food safety and defense assignments and commitments. In addition, Dr. Acheson will serve as the commissioner's direct liaison to the Department of Health and Human Services and to other U.S. departments and agencies on food safety and food defense related inter-agency initiatives.

One of Dr. Acheson's first projects will be the development of an agency-wide, visionary strategy for food safety and defense that will prioritize and address food safety and defense challenges. The strategy will identify and characterize changes in the global food safety and defense system and identify current and
future challenges and opportunities. It will also name potential barriers, gaps, and most critical needs in a 
food safety and defense system.

Before joining the agency, Dr. Acheson served as an associate professor at the University of Maryland 
Medical School in Baltimore, where he focused on research of food-borne pathogens.

Dr. Acheson is a graduate of the University of London Medical School in the United Kingdom, with 
training in internal medicine and infectious diseases. Dr. Acheson is a fellow of both the Royal College of 
Physicians (London) and the Infectious Disease Society of America.


• The Centers for Medicare & Medicaid Services (CMS) proposed a 3.3 percent increase to the Medicare 
payment rates to nursing homes. This increase would affect payment rates to nursing facilities that furnish 
certain skilled nursing and rehabilitation care to Medicare beneficiaries recovering from serious health 
problems and is estimated to cost approximately $690 million in fiscal 2008.

Under Medicare’s SNF PPS, each facility is paid a daily rate based on the relative needs of individual 
Medicare patients, adjusted for local labor costs. The daily rate covers the costs of furnishing all covered 
nursing facility services, including routine services such as room, board, nursing services, and some 
medical supplies together with related costs such as therapies, drugs and lab services; and capital costs 
including land, buildings and equipment.

CMS uses a skilled nursing facility “market basket” to measure changes in the prices of an appropriate mix 
of goods and services included in covered skilled nursing facility stays. The price of items in the market 
basket is measured each year, and Medicare payments are adjusted accordingly. The proposed rule 
includes a proposal to revise the market basket which currently reflects data from fiscal 1997 to data 
reflecting fiscal 2004.

The new payment rates also continue to include a special adjustment made to cover the additional services 
required by nursing home residents with HIV/AIDS. CMS NR 04-30-07

• The Department of Health and Human Services (HHS) announced the establishment of the Biomedical 
Advanced Research and Development Authority (BARDA). The office will reside under the HHS Assistant 
Secretary for Preparedness and Response and its director will report to the Assistant Secretary. The 
BARDA office will manage Project BioShield, which includes the procurement and development of 
medical countermeasures for chemical, biological, radiological, nuclear agents, as well as manage the 
advanced development and procurement of medical countermeasures for pandemic influenza and other 
emerging infectious diseases that fall outside the auspices of Project BioShield. BARDA will provide an 
integrated, systematic approach to the development and purchase of the necessary vaccines, drugs, 
therapies and diagnostic tools for public health medical emergencies.

• On May 3, 2007, the U.S. Food and Drug Administration (FDA) announced two new initiatives to 
enhance online communications. A Web page, "Consumer Health Information for You and Your Family".
The e-newsletter replaces the agency's print magazine and is expected to reach far more people. Subscribers will receive notice of product approvals, safety warnings, and other health news. [http://www.fda.gov/bbs/topics/NEWS/2007/NEW01627.html](http://www.fda.gov/bbs/topics/NEWS/2007/NEW01627.html)

**Reserve/Guard**

The total number of Guard and Reserve currently on active duty has **increased** by 54 from the last report to 80,345. The totals for each service are Army National Guard and Army Reserve, 63,170; Navy Reserve, 6,084; Air National Guard and Air Force Reserve, 5,376; Marine Corps Reserve, 5,412; and the Coast Guard Reserve, 303. [www.defenselink.mil](http://www.defenselink.mil)

**Contracts/Procurements**

The Department of Defense (DoD), TRICARE Management Activity (TMA) issued a special notice on April 27, 2007, to advise interested parties that TMA plans for the follow-on procurement of its current managed care support (MCS) contracts, which conclude in March 2009. TMA has developed requirements and is now preparing a draft solicitation for the follow-on contracts. After publication of a separate special notice, TMA expects to release a draft solicitation for industry comment in May 2007. After review and revision, a sources sought notice will be published announcing a formal solicitation.

TMA is currently making a variety of military health system (MHS) data available to interested parties for informational purposes. MHS data will be available in two different levels of detail and will be made available using two separate media. First, summary level data is now available on the [TMA Industry Forum Web site](http://www.fda.gov/bbs/topics/NEWS/2007/NEW01627.html). Second, detail level data files can also be ordered for a $1,500 processing fee by potential sources from the Web site. To obtain detailed level data the person(s) or party requesting it must complete the Non-Disclosure Agreement provided by TMA; and return it, along with a signed check made out to Treasurer of the United States, to TRICARE Management Activity, ATTN: Laura Morris, 16401 East Centretech Parkway, Aurora, CO 80011-
Reports/Policies

• The GAO issued “DoD and VA Outpatient Pharmacy Data: Computable Data Are Exchanged for Some Shared Patients, but Additional Steps Could Facilitate Exchanging These Data for All Shared Patients,” (GAO-07-554R) on April 30, 2007. In this report, GAO provides information on DoD's and VA's expectations of what the exchange of computable outpatient pharmacy data will provide in safeguards against adverse medication reactions for shared patients, and the status of DoD's and VA's initiative for attaining computable outpatient pharmacy data. http://www.gao.gov/new.items/d07554r.pdf

• The GAO issued “Medicare: Focus on Physician Practice Patterns Can Lead to Greater Program Efficiency.” (GAO-07-307) on April 30, 2007. In this report, GAO estimates the prevalence in Medicare of physicians who are likely to practice inefficiently; examines physician-focused strategies used by health care purchasers to encourage efficiency; and examines the potential for the Centers for Medicare and Medicaid Services (CMS) to profile physicians for efficiency and use the results. http://www.gao.gov/new.items/d07307.pdf

• The GAO issued “Nursing Workforce: HHS Needs Methodology to Identify Facilities with a Critical Shortage of Nurses,” (GAO-07-492R) on April 30, 2007. In this report, the GAO examining the changes in the number of employed RNs and the shortage of RNs since 2000, both nationally and across states; and describing characteristics of Nursing Education Loan Repayment Program and Nursing Scholarship Program awardees and examining whether these programs have improved the supply of RNs in facilities with critical shortages of nurses. http://www.gao.gov/new.items/d07492r.pdf


• The Association of American Medical Colleges (AAMC) released “Effective Use of Educational Technology in Medical Education,” which provides recommendations and guidelines on the appropriate use of educational technology in teaching and delivering learning resources to medical students. The report covers technologies such as virtual patients, simulation, and computer-aided instruction.

Legislation

- **H.R.2073** (introduced April 30, 2007): To increase the number of well-trained mental health service professionals (including those based in schools) providing clinical mental health care to children and adolescents, and for other purposes was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, 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 Patrick J. Kennedy [RI-1]

- **H.R.2099** (introduced May 1, 2007): To authorize the Secretary of Health and Human Services to order a mandatory recall of any product that is regulated by the Food and Drug Administration, and for other purposes was referred to the House Committee on Energy and Commerce. Sponsor: Representative Betty Sutton [OH-13]

- **H.R.2115** (introduced May 2, 2007): To amend the Public Health Service Act and title XIX of the Social Security Act to provide for a screening and treatment program for prostate cancer in the same manner as is provided for breast and cervical cancer was referred to the House Committee on Energy and Commerce. Sponsor: Representative Jim Marshall [GA-8]

- **S.1266** (introduced May 2, 2007): A bill to amend title 38, United States Code, to increase assistance for veterans interred in cemeteries other than national cemeteries, and for other purposes was referred to the Committee on Veterans' Affairs. Sponsor: Senator Larry E. Craig [ID]

- **S.1271** (introduced May 2, 2007): A bill to provide for a comprehensive national research effort on the physical and mental health and other readjustment needs of the members of the Armed Forces and veterans who served in Operation Iraqi Freedom and Operation Enduring Freedom and their families was referred to the Committee on Armed Services. Sponsor: Senator Barack Obama [IL]

- **S.1274** (introduced May 2, 2007): A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to the safety of food for humans and pets was referred to the Committee on Health, Education, Labor, and Pensions. Sponsor: Senator Richard Durbin [IL]
• **S.1275** (introduced May 2, 2007): A bill to amend the Public Health Service Act and title XIX of the Social Security Act to provide for a screening and treatment program for prostate cancer in the same manner as is provided for breast and cervical cancer was referred to the Committee on Finance. Sponsor: Senator Charles E. Schumer [NY]

**Hill Hearings**

• The Senate Committee on Health, Education, Labor, and Pensions will hold a hearing on **May 8, 2007**, to examine community integration and recovery, focusing on transforming mental health systems of care.

• The House Veterans Affairs Subcommittee on **Oversight and Investigations** will hold a hearing on **May 8, 2007**, to examine the sharing of electronic medical records between Departments of Defense and Veterans Affairs.

• The House Veterans Affairs Committee will hold a hearing on **May 9, 2007**, to examine the results of the President’s Task Force on Returning Global War on Terror Heroes.

• 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.

**Meetings / Conferences**

• 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 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](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.

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