

## FEDERAL HEALTH UPDATE

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Produced by Kate Connelly Theroux in collaboration with the Institute of Federal Health Care (IFHC)

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## Executive and Congressional News

- On May 19, 2010, the House Armed Services Committee passed H.R. 5136, the Fiscal Year 2011 National Defense Authorization bill.** The bill authorizes \$567 billion for the Department of Defense (DOD) and the national security programs of the Department of Energy. The provisions in the NDAA that relate to health care include:
  - Allowing TRICARE beneficiaries to extend coverage to their dependent children until age 26, to provide the same benefit that was afforded to individuals under the new health care reform legislation
  - Providing an exemption for medical providers older than age 42 to be considered for regular appointments, giving active forces greater flexibility to recruit health care professionals
  - Increasing incentives for students in health care education programs to pursue military careers by allowing HPSP participants to also receive payments from the Active Duty Health Professions Loan Repayment Program (ADHPLRP).
  - Creating a Unified Medical Command modeled after the structure of Special Operations Command. The Unified Medical Command would remove many of the challenges in place under the current structure that are caused by disconnect between requirements determination, performed by the services, and resource allocation, currently controlled by the assistant secretary of defense for health affairs.
  - Extending special pays and bonuses for a wide variety of groups and services, including enlistments, reenlistments, accessions, referrals, retention, and critical wartime specialties such as mental health professionals and nurses.

The Committee summary included a statement with regard to establishing a Unified Medical Command:

*"The Military Health System has an organizational structure unlike any other in the Department of Defense, and given its demonstrated shortcomings, the Committee believes that it is time to move toward a proven command structure."*

- The U.S. Senate passed H.R. 5014 to clarify that Veterans Affairs (VA) health care programs can meet the minimum coverage standard required by the Patient Protection and Affordable Care Act.** This legislation includes the health care VA provides to children with spina bifida born to veterans of the Vietnam conflict, to some veterans who served in Korea during specified times, and to children of women Vietnam veterans with certain birth defects. The bill passed the House of Representatives last week and now awaits the President's consideration.

## Military Health Care News

- To educate beneficiaries on the risks and prevention of heart disease, TRICARE and the regional health care contractors have posted a range of educational materials online.**

Each website focuses on risk factors associated with developing heart disease; they include smoking, physical inactivity, high blood pressure, excessive alcohol use, high cholesterol and glucose levels and a diet low in fruits and vegetables.

The Military Health System and regional websites also include information relating to the symptoms and stages of heart disease, prognoses for a chronic condition, treatment options and tips for healthy living.

Only a medical professional can properly determine the risk for developing heart disease. Once beneficiaries have read through the information online, they can schedule a doctor's appointment to discuss possible risk factors, and, if necessary, a course of treatment.

To learn more about heart health, visit the Military Health System website at [www.health.mil/Themes/Heart\\_Health.aspx](http://www.health.mil/Themes/Heart_Health.aspx) or a regional contractor's website.

- Health Net Federal Services (North Region): [www.hnfs.net/bene/healthyliving/dm\\_chf\\_main.htm](http://www.hnfs.net/bene/healthyliving/dm_chf_main.htm)
  - Humana Military Healthcare Services (South Region): [www.humana-military.com/south/bene/health-wellness/Disease-Management/heart-failure/HeartFailure.asp](http://www.humana-military.com/south/bene/health-wellness/Disease-Management/heart-failure/HeartFailure.asp).
  - TRICARE West (West Region): [www.triwest.com/beneficiary/healthy\\_living/condition/hf\\_overview\\_of\\_the\\_heart.aspx](http://www.triwest.com/beneficiary/healthy_living/condition/hf_overview_of_the_heart.aspx).
- The Navy medical research facility in Cairo is the first overseas Department of Defense (DoD) research laboratory to receive College of American Pathologists Laboratory Accreditation.**

The Naval Medical Research Unit No. 3 CAP-certified Diagnostics Laboratory will be an asset for U.S. Central Command (CENTCOM), U.S. African Command and the U.S. Embassy community in Cairo.

The CAP Laboratory Accreditation Program was developed to improve patient safety by advancing the quality of pathology and laboratory services through education, standard setting, and ensuring laboratories meet or exceed regulatory requirements. The CAP-certified laboratory will serve as the premier training ground for future technicians of NAMRU-3 (Naval Medical Research Unit No. 3) and laboratorians throughout the eastern Mediterranean region.

Regular proficiency testing is a critical part of NAMRU-3's CAP-accreditation that ensures the lab test results reported by NAMRU-3 are as reliable as those reported by CAP-accredited medical centers back in the US.

According to the CAP website, the College of American Pathologists is a medical society serving more than 17,000 physician members and the laboratory community throughout the world. It is the world's largest association composed exclusively of pathologists and is widely considered the leader in laboratory quality assurance.

The CAP is an advocate for high-quality and cost-effective medical care. More than 6,000 laboratories are accredited by the CAP, and approximately 23,000 laboratories are enrolled in the College's proficiency testing program.

The mission of NAMRU-3 is to conduct infectious disease research, including the evaluation of vaccines, therapeutic agents, diagnostic assays and vector control measures, and to carry out public health activities, principally aimed toward improved disease surveillance and outbreak response assistance.

NAMRU-3 works closely with the Egyptian Ministry of Health, the U.S. National Institutes of Health, the World Health Organization (WHO), the U.S. Agency for International Development and the U.S. Centers for Disease Control and Prevention. NAMRU-3 has been a WHO Collaborating Center for HIV/AIDS since 1987.

NAMRU-3 also serves as a WHO reference laboratory for influenza and meningitis in the eastern Mediterranean region. Research partnerships have been established in Yemen, Saudi Arabia, Oman, Syria, Sudan, and the Republics of Ukraine, Uzbekistan, Kyrgistan, Kazakhstan, and Azerbaijan.

## Veterans Health Care News

- The Department of Veterans Affairs (VA) plans to develop a kiosk-based system for its mental health clinics that would allow patients who have limited computer literacy or cognitive disabilities to conduct self-assessments of their conditions.**

With the audio and Web-based system, patients would sit at kiosks in VA health centers and, using a console and browser, conduct the assessment as part of their routine mental health care.

Information from the Patient Assessment System (PAS) would be converted into a standard data format, incorporated in VA's VistA electronic medical record

system and used to generate chart notes for clinicians.

Clinical data is often lacking in electronic medical records related to some illnesses and most psychiatric disorders, a situation that makes it more difficult to improve care, VA said in an announcement. Besides collecting information, the self-assessment system would summarize the findings for the patient and offers healthcare education.

VA initially plans to deploy the system at four VA mental health clinics in different regions of the country as part of routine care: Los Angeles, Honolulu, Washington, D.C., and Albany, N.Y.

The VA is looking for vendors to develop software for the system, according to the May 14 [notice](#) on Federal Business Opportunities Web site.

**Government Health IT reports that the Veterans Affairs Department will step up enforcement of its contractors to make certain that they meet information security requirements in protecting veterans' personal health data.**

VA includes a clause in its contracts requiring information security safeguards, including encryption and policies limiting who can access personal data. But that is no guarantee that vendors follow through, said VA senior IT and procurement officials at a hearing May 19 of the House Veterans Affairs Committee subcommittee on oversight and investigations.

The challenge lies in verifying that over 22,000 VA contractors with whom the department shares veteran information adhere to security requirements, said Roger Baker, VA's CIO. These vendors help VA provide healthcare and benefits.

The hearing occurred in the aftermath of the April 22 theft in Texas of a laptop with the personal information of 644 veterans, which was not encrypted, from the vehicle of an employee of a health services contractor.

VA subsequently notified the affected veterans and is providing them with precautionary credit monitoring services. The contractor reported the incident immediately to law enforcement and to the agency and disabled the user account and server access from the stolen laptop, Baker said.

The incident compelled VA to start auditing its supply chain partners to ensure compliance with its policies. In addition, VA will verify that contracts where information is exchanged have the necessary information security clause. Baker also expanded the authority of information security officers at VA facilities to review all contracts where information is exchanged. Previously their scope was limited to IT contracts.

VA will also randomly select a number of contracts at a facility for more in-depth audits of vendors' compliance with VA security policies.

To ensure that the contractor that reported the Texas data breach is beefing up security safeguards, VA said it will conduct an onsite assessment of the contractor's facility and its scope of compliance with all IT information and physical security and records management requirements.

VA is also examining security related to the vendor's 55 other contracts with the Veterans Health Administration and will ultimately work with the department's legal counsel to determine any consequences.

## Health Care News

- **On May 17, 2010, President Barack Obama nominated Dr. Harold Varmus, former National Institutes of Health director, to head the National Cancer Institute.**

Varmus, whose nomination to the government's agency for medical research has been widely expected, received the 1989 Nobel Prize in Physiology or Medicine for studies of the genetic basis of cancer and has been president of Memorial Sloan-Kettering Cancer Center in New York City since January 2000.

In 1993, then-president Bill Clinton appointed Varmus to become director of the NIH. Varmus left in 1999.

- **U.S. Health and Human Services Secretary Kathleen Sebelius announced \$1 billion of American Recovery and Reinvestment Act funds have been awarded to construct, repair and renovate scientific research laboratories and related facilities across the country.**

The National Institutes of Health (NIH) National Center for Research Resources (NCRR) administered the grants, which are expected to create or sustain jobs nationwide and to help foster scientific advances that may lead to improved human health.

A total of 146 grants to institutions in 44 states, the District of Columbia and Puerto Rico were awarded to upgrade and construct buildings, laboratory spaces and core facilities that are crucial to biomedical and behavioral investigators.

These awards are part of an overall \$100 billion federal government investment in science, innovation and technology the administration is making through the Recovery Act to spur domestic job creation in emerging industries and create a long-term foundation for economic growth.

More information about NCRR's Recovery Act grants can be found at [www.ncrr.nih.gov/recovery/construction](http://www.ncrr.nih.gov/recovery/construction).

- **The Centers for Medicare & Medicaid Services (CMS) issued two notices to Quality Health Plan (QHP) with intent to impose intermediate sanctions and a civil monetary penalty (CMP) on the Tampa, Fla.-based insurer for failure to comply with a number of administrative and contract management requirements.**

The plan shortfalls included deficiencies in billing procedures and practices, denying and/or delaying Part D medications to beneficiaries, developing and implementing an adequate compliance plan for both its operations and pharmacy benefit manager and non-compliance in beneficiary appeals and grievance procedures.

The first notice of intent would suspend QHP's marketing and enrollment of new members in its two Medicare Advantage health plans and a stand-alone prescription drug plan. A second notice of intent would impose a CMP of \$586,800 against QHP based on the adverse impact or substantial likelihood of adverse impact that QHP's premium billing violations had on their enrollees. About 17,400 Medicare beneficiaries - many of whom are entitled to low income subsidy (LIS) benefits - in New York and Florida are currently enrolled in QHP's Medicare contracts.

CMS discovered that QHP had not been billing beneficiaries for their premiums since January 2008. The plan recently sent enrollees a lump sum bill for the entire amount of back premium, in some cases up to \$1,000, with no payment options. QHP's current stand alone prescription drug plan enrollees are largely comprised of low income subsidy (LIS) beneficiaries (75 percent) and the average lumped premium bill was approximately \$332.

Following an extensive review of denied claims documents and an on-site audit at QHP's Tampa headquarters, CMS found that the plan had failed to fully meet obligations to Medicare beneficiaries by not providing them with timely monthly premium invoices, denying their coverage of approved Part D prescription drugs and the plan's contradictory and inappropriate payments for medications that are specifically excluded on CMS's drug formulary. Other areas of non-compliance were identified in CMS' May 17, 2010, letter to the health plan.

- **Danish biopharmaceuticals group Bavarian Nordic has begun deliveries of its Imvamune smallpox vaccine to the U.S. Strategic National Stockpile.**

The deliveries come under a contract to deliver 20 million doses of Imvamune to the U.S. government.

Deliveries were delayed beyond the end of 2009 when the U.S. Food and Drug Administration required Bavarian Nordic to make adjustments to its production facilities.

In March, Bavarian Nordic announced it met all the FDA requirements and would begin shipments in the first half of 2010.

- **The U.S. Food and Drug Administration (FDA) revised its recommendations for rotavirus vaccines for the prevention of the disease in infants.**

The FDA has determined that it is appropriate for clinicians and health care professionals to resume the use of Rotarix and to continue the use of RotaTeq.

The agency reached its decision based on a careful evaluation of information from laboratory results from the manufacturers and the FDA's own laboratories, a thorough review of the scientific literature, and input from scientific and public health experts, including members of the FDA's Vaccines and Related Biological Products Advisory Committee that convened on May 7, 2010, to discuss these vaccines.

The FDA also considered the following in its decision:

- Both vaccines have strong safety records, including clinical trials involving tens of thousands of patients as well as clinical experience with millions of vaccine recipients.
- The FDA has no evidence that PCV1 or PCV2 pose a safety risk in humans, and neither is known to cause infection or illness in humans.
- The benefits of the vaccines are substantial, and include prevention of death in some parts of the world and hospitalization for severe rotavirus disease in the United States. These benefits outweigh the risk, which is theoretical.

- **A 16-state survey found that suicide was the leading cause of violent death in 2007, followed by homicides, according to a new report by the U.S. Centers for Disease Control and Prevention (CDC).**

While the report does not cover the entire United States, it provides some insights into ways to improve efforts to prevent violent deaths.

while the report does not cover the entire United States, it provides some insights into ways to improve efforts to prevent violent deaths.

Most suicides were among people 45 to 54 years of age, which represents a demographic shift; people over 80 typically have the highest suicide rates. The age shift might be related to problems with mental health, jobs, finances or relationships, the study said.

The findings also highlight the importance of helping people to solve social problems such as substance abuse, and to enhance coping skills to deal with stress in their lives, including health and money problems and difficulties with relationships.

According to the report, [Surveillance for Violent Deaths -- National Violent Death Reporting System, 16 States, 2007](#), there were 9,245 suicides in 2007, and 4,563 homicides or deaths due to involvement with the police. The states surveyed were Alaska, Colorado, Georgia, Kentucky, Maryland, Massachusetts, New Jersey, New Mexico, North Carolina, Oklahoma, Oregon, Rhode Island, South Carolina, Utah, Virginia and Wisconsin.

Other findings in the report involving suicide:

- Most suicides were among American Indians/Alaska Natives and non-Hispanic whites.
- Mental health, substance abuse, relationship problems and losses, and recent crises were often linked to suicide.

Findings involving homicide:

- Blacks accounted for the majority of homicide deaths and had the highest rate of homicide of any racial group.
- Homicide rates were more than three times higher among men than women.
- About one in three murders of women was committed by a current or former spouse or partner.
- About 5 percent of murdered men were killed by an intimate partner.
- Men were most likely killed after arguments or conflicts with people other than an intimate partner or for other reasons related to crime or drugs.

The report also found that suicides among former or current military personnel typically involved white men aged 45 or older. These deaths were often related to physical or mental health problems, intimate partner problems or a crisis within the past two weeks.

The data on violent deaths was compiled by the CDC's National Violent Death Reporting System. The system was started in 2003, and currently data is available for only 16 states. The goal is to eventually expand the system to include all 50 states and the District of Columbia.

- **The Centers for Medicare & Medicaid Services (CMS) has awarded a \$34 million contract to Northrop Grumman to develop a national repository for tracking incentive payments to health care providers that CMS will pay for meaningful use of electronic health records starting in 2011.**

Northrop Grumman will design, develop, implement and maintain the data repository that supports the administration and incentive payment disbursements of Medicare and Medicaid programs to medical professionals, hospitals and other organizations.

CMS officials said The National Level Repository would provide the agency with an agile, flexible and scalable solution to help meet the evolving requirements of the HITECH Act, which promotes the adoption and meaningful use of health information technology to improve patient care.

Northrop Grumman's teammates include Companion Data Services, Columbia, S.C., and InnovTech, Ashburn, Va. The contract is for one year with five and one-half year option periods.

- **The Centers for Medicare & Medicaid Services has awarded CGI Federal Inc. a five-year contract worth \$73.2 million to continue its modernization, application management and maintenance efforts on three external websites that provide information to 44 million beneficiaries and millions more health care providers.**

CGI Federal, a wholly owned U.S. operating subsidiary of Montreal-based CGI Group Inc., is based in Fairfax, Va. The company will update three websites: Medicare.gov, [cms.hhs.gov](#) and MyMedicare.gov, which attract more than 500 million page views each year. The system allows beneficiaries to conduct online transactions with CMS. The sites also support the customer support specialists who run the toll-free Medicare help lines.

CGI has been working with CMS to meet open government requirements for increased transparency, participation and collaboration.

## Reserve/Guard

- As of May 18, 2010, the total number of Guard and Reserve currently on active duty has not changed and remains 131,066. The totals for each service are Army National Guard and Army Reserve 98,791; Navy Reserve, 6,399; Air National Guard and Air Force Reserve, 18,318; Marine Corps Reserve, 6,724; and the Coast Guard Reserve, 834. [www.defenselink.mil](#)

## Reports/Policies

- **The GAO released "Agency for Toxic Substances and Disease Registry: Policies and Procedures for Public Health Product Preparation Should Be Strengthened," (GAO-10-449) on May 20, 2010.** The Agency for Toxic Substances and Disease Registry (ATSDR) investigates community exposures related to certain hazardous chemical sites and releases; assesses associated health effects; and recommends actions to stop, prevent, or minimize harmful effects. In this report, GAO examined the extent to which ATSDR's policies and procedures for product preparation, including work initiation, product development, and review and clearance, provide reasonable assurance of product quality. <http://www.gao.gov/new.items/d10449.pdf>
- **The GAO published "Centers for Disease Control and Prevention: An Appropriate Methodology Is Needed for Determining Administrative Costs Attributable to the Agency for Toxic Substances and Disease Registry," (GAO-10-610R) on May 20, 2010.** <http://www.gao.gov/new.items/d10610r.pdf>

## Legislation

- **H.R.5324** (introduced May 18, 2010): To provide for extension of COBRA continuation coverage until coverage is available otherwise under either an employment-based health plan or through an American Health Benefit Exchange under the Patient Protection and Affordable Care Act was referred to the Committee on Education and Labor, and in addition to the Committees on Energy and Commerce, and 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 Susan A. Davis [CA-53]
- **H.R.5335** (introduced May 18, 2010): To amend the Public Health Service Act to authorize the Secretary of Health and Human Services to make grants to eligible local educational agencies for the purpose of reducing the student-to-nurse ratio in public elementary and secondary schools was referred to the House Committee on Energy and Commerce.  
Sponsor: Representative Jim Marshall [GA-8]
- **S.3378** (introduced May 18, 2010): An original bill to authorize health care for individuals exposed to environmental hazards at Camp Lejeune and the Atsugi Naval Air Facility, to establish an advisory board to examine exposures to environmental hazards during military service, and for other purposes was placed on Senate Legislative Calendar under General Orders.  
Sponsor: Senator Daniel K. Akaka [HI]

## Hill Hearings

- The Senate Armed Services Committee will hold closed meetings on **May 26-28, 2010**, to markup the proposed National Defense Authorization Act for fiscal year 2011.
- The House Veterans Affairs Committee will hold a hearing on **May 27, 2010**, to mark-up H.R. 4062, H.R. 4505, draft legislation on outreach, and pending legislation.
- The House Veterans Affairs Committee will hold a hearing on **June 9, 2010**, to examine the U.S. Department of Veterans Affairs Office of Inspector General's open recommendations.
- The House Veterans Affairs Committee will hold a hearing on **June 10, 2010**, to mark-up pending legislation.
- The Senate Veterans Affairs Committee will hold a hearing on **June 16, 2010**, to examine veterans' claims processing, focusing on if current efforts are working.

## Meetings / Conferences

- The Electronic Health Records Summit will be held on **May 24-26, 2010**, in Washington D.C. [www.electronichealthrecordssummit.com](http://www.electronichealthrecordssummit.com)
- The 9th National Conference on Immunization and Health Coalitions will be held on **May 26 - 28, 2010**, in Chicago, Ill. <http://www.ilmaternal.org/nchi2010.html>
- The 9th Annual Optimizing Hospital Patient Flow Conference will be held on **June 9 - 10, 2010**, in Chicago, Ill. [www.worldrg.com/patientflow](http://www.worldrg.com/patientflow)
- The 2010 America's Health Insurance Plans (AHIP) Institute's *Embracing Our Common Humanity* will be held on **June 9-11, 2010**, in Las Vegas, Nev. <http://www.ahip.org/links/institute2010/>
- The Military Healthcare Convention & Conference will be held on **June 22-25, 2010**, in San Antonio, Texas. [www.MilitaryHealthcareConvention.com](http://www.MilitaryHealthcareConvention.com)
- The 24th International Congress and Exhibition on Computer Assisted Radiology will be held on **June 23-26, 2010**, in Geneva Switzerland. <http://www.cars-int.org/>
- The International Biodefence Conference & Clinical and Public Health Workshop are scheduled for **July 2-8, 2010**, in Montreal, Canada. <http://bc2010.org>

- The International Papillomavirus Conference & Clinical and Public Health Workshop are scheduled for **July 3-6, 2010**, in Montreal, Canada. <http://ipv2010.org/main/>
- The International Society for Infectious Diseases Neglected Tropical Diseases Meeting will be held on **July 8-10, 2010**, in Boston, Mass. <http://www.isid.org/>
- The CDC 7th International Conference on Emerging Infectious Diseases will be held on **July 11-14, 2010**, in Atlanta, Ga. <http://www.iceid.org/>
- The 8th Annual Health Care Quality Congress (HCQ 2009) will be held on **Aug. 2-4, 2010**, in Boston Mass. <http://www.worldcongress.com/events/HL10025/>
- The 9th International Rotavirus Symposium will be held **Aug. 2-3, 2010**, in Johannesburg, South Africa. <http://www.rotavirus2010.com>
- 13th Annual Force Health Protection Conference: "Military Preventive Medicine and Public Health" will be held on **Aug. 10-13, 2010**, in Phoenix, Ariz. <http://www.theconferencewebsite.com/conference-info/FHPC-2010/>
- National Conference on Health Statistics will be held **Aug. 16-18, 2010**, in Washington, D.C. <http://www.cdc.gov/nchs/events/nchs.htm>
- The 2010 Advanced Technology Applications for Combat Casualty Care (ATACCC) Conference will be held **Aug. 16-19, 2010**, in St. Pete Beach, Fla. <https://www.atacc.org/>
- USU-HJF Military Medicine Symposium: Advancing Public-Private Partnerships will be held on **Sept. 23, 2010**, in Washington D.C. [www.hjf.org/symposium](http://www.hjf.org/symposium)
- The 6th Annual World Healthcare Innovation and Technology Congress (WHIT v.6.0) will be held **Nov. 8-10, 2010**, in Washington D.C. <http://www.worldcongress.com/events/HL10010/>

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 [katetheroux@fedhealthinst.org](mailto:katetheroux@fedhealthinst.org). To subscribe, please visit <http://fedhealthinst.org/subscribe.cfm>. To unsubscribe, please send an email to [newsletter@fedhealthinst.org](mailto:newsletter@fedhealthinst.org) with UNSUBSCRIBE as the subject.

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