

## 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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*Happy Thanksgiving!*

### Executive and Congressional News

- o The House will stand adjourned until Nov. 29, 2010.
- o The Senate will stand in recess until Nov. 29, 2010.
- o **The Senate voted to postpone a 25 percent cut in Medicare pay for doctors, agreeing to pay doctors at current levels through Dec. 31.**

The legislation must be passed by the House before Dec. 1 and signed by President Obama.

The two-part agreement would first provide for a one-month extension of the SGR or sustainable growth rate formula that is scheduled to impose the 25 percent pay cut for federal health care beneficiaries on Dec. 1. Another 1.9 percent cut is scheduled to take effect Jan. 1.

The extra spending required to extend the cut would come from the Physician Payment and Therapy Relief Act of 2010, which was intended to reduce payments for multiple therapy services provided to patients in one day, according to a statement from the committee.

Additionally, therapists would have their payment cut.

### Military Health Care News

- o **The Department of Defense (DoD) announced the appointment of Navy Capt. Paul S. Hammer, as the director of the Defense Center of Excellence for Psychological Health and Traumatic Brain Injury (DCoE) in Arlington, Va.**

The DCoE was created in November 2007 to assess, validate, oversee and facilitate prevention, resilience, identification, treatment, outreach, rehabilitation and reintegration programs for psychological health (PH) and traumatic brain injury (TBI). It assists in the DoD's efforts to meet the needs of the military communities, warriors and families.

DCoE partners with the DoD, the Department of Veterans Affairs and a national network of military and civilian agencies, community leaders, advocacy groups, clinical experts and academic institutions to establish best practices and quality standards for the treatment of PH and TBI. Its work is carried out across these major areas: clinical care; education and training; prevention; research, and patient, family and community outreach.

Hammer will begin in January 2011. Information about the DCoE can be found at [www.dcoe.health.mil](http://www.dcoe.health.mil).

- o **The Army released suicide data for the month of October.**

Among active-duty soldiers, there were nine potential suicides: two have been confirmed as suicides, and seven remain under investigation. For September, the Army reported 19 potential suicides among active-duty soldiers. Since the release of that report, six have been confirmed as suicides, and 13 remain under investigation.

During October 2010, among reserve component soldiers who were not on active duty, there were 16 potential suicides. For September, among that same group, there were 10 total suicides. Of those, four were confirmed as suicides and six are pending determination of the manner of death.

Soldiers and families in need of crisis assistance can contact the National Suicide Prevention Lifeline by dialing 1-800-273-TALK (8255) or by visiting their website at <http://www.suicidepreventionlifeline.org>.

- o **According to the Army Times, the Debt Reduction Task Force of the Bipartisan Policy Group recommends cutting military retirement costs in half.**

In its Nov. 17 report, the task force recommends three changes:

- Instead of drawing a retirement check immediately after completing active duty, retirees would not see their checks start until age 57.
- Instead of calculating retirement benefits on the highest three years of basic pay, the highest five years of consecutive service could be used as the multiplier to set amounts.
- A new formula would be adopted for calculating cost-of-living adjustments in military and federal civilian retired pay and Social Security — a formula expected to result in smaller increases by disregarding price increases in some goods and services if people could use a less expensive alternative product or service.

The Debt Reduction Task Force was headed by former Senate Budget Committee chairman Pete Domenici, a Republican from New Mexico, and Alice Rivlin, who was the White House budget director during the Clinton administration.

The report also talks of either freezing defense spending or rolling back the size of the defense budget to pre-2001 levels.

Retirement changes are similar, but slightly less drastic, than recommendations made by co-chairmen of another bipartisan group, the National Commission on Fiscal Responsibility and Reform. That panel also recommended a high-five calculation for military retirement with a revised COLA calculation, but would have made retirees wait until age 60 to draw their first checks.

The Domenici-Rivlin task force calculated \$131 billion in savings by 2040 from the revised retirement plan, but it noted that by postponing the effect on anyone with 15 or more years in the military, the plan wouldn't start achieving real savings until 2017.

The recommendations from the National Commission on Fiscal Responsibility and Reform co-chairmen, former Sen. Alan Simpson, R-Wyo., and former Clinton White House chief of staff Erskine Bowles, do not include a specific savings estimate from changing military retired pay, instead lumping cost estimates in with changes in federal civilian retired pay. Additionally, the Simpson-Bowles recommendations do not specifically say whether anyone now in the military would be grandfathered or whether the reduced and delayed retired pay could apply to everyone still in the service.

Any change in retirement calculations would require congressional approval, since the formula and timing for payments are set in law. The two reports are expected to get attention from Congress next year when current lawmakers are faced with drawing up a 2012 federal budget plan after the 2010 elections featured a lot of talk about cutting federal spending.

- **The Naval Medical Center San Diego (NMCS) hosted a grand opening of the Overcoming Adversity and Stress Injury Support (OASIS) residential treatment program on Nov. 19.**

The 10-week residential program is designed to provide "intensive mental health care for service members with combat related mental health symptoms from post traumatic stress disorder, as well as major depressive disorders, anxiety disorders and substance abuse problems."

The pilot program began treating five patients in August 2010 and aims to grow to a capacity of 20 by July 2011. Thus far, three patients have graduated from the program and nine are currently in treatment.

Any active duty service member suffering from combat PTSD whose symptoms have not improved with outpatient treatment is eligible for the program.

The program offers a comprehensive approach, focusing on mind and body through various methods including yoga, meditation, spirituality classes, recreation therapy, art therapy, intensive sleep training, daily group therapy, individual psychotherapy, family skills training, medication management and vocational rehabilitation.

After graduation, OASIS monitors patients once a month to ensure they have access to care and that it is sustained in an outpatient environment.

- **TRICARE Management Activity published a news release reminding its beneficiaries that TRICARE covers adjunctive dental care.**

Adjunctive dental care is a very limited dental benefit under the medical plan and may be considered an important part of treating a TRICARE covered medical condition. The following are some examples of adjunctive dental procedures that TRICARE may cover:

- Intraoral abscesses,
- Extraoral abscesses,
- Cellulitis and osteitis,
- Total or complete tongue-tie,
- Severe congenital anomaly, and
- Facial trauma requiring removal of teeth or tooth fragments

All adjunctive dental care requires preauthorization by the regional health care contractor to ensure the services will be covered. Preauthorization requirements may be waived only when adjunctive dental care involves a medical emergency.

Visit [www.tricare.osd.mil/dental](http://www.tricare.osd.mil/dental) for more information on TRICARE dental programs.

## Veterans Health Care News

- **The Department of Veterans Affairs launched two online dashboards in an effort to offer transparency of its internal clinical performance.**

Available on the [VA Hospital Compare](http://VA.Hospital.Compare) website and accessible to the general public, the tools are:

- VA's Linking Information Knowledge and Systems, or LinkS, provides outcome measures data on areas such as acute, intensive and outpatient care. LinkS allows patients and health care workers to assess a specific medical facility's performance against other facilities in VA's network.
- The Aspire tool compiles data from VA's individual hospitals and hospital systems to measure performance against national private-sector benchmarks. Aspire uses color systems and directional arrows to show users how specific hospitals compare with benchmarks and to display trends in performance metrics.

The tool categorizes process measures and outcomes for clinical effectiveness, efficiency, equitable care, patient centeredness, patient safety and timeliness.

- **The US Department of Veterans Affairs (VA) has selected a comprehensive workforce management solution from Kronos Inc. to manage employees across its entire enterprise.**

Kronos partnered as a sub-contractor to the prime contractor Systems Made Simple (SMS), a service-disabled veteran-owned IT service provider, to further offer value-added technical services to the department.

VA selected SMS and the Kronos webTA solution as part of its department-wide financial and payroll modernization and centralization program. One of the primary goals of the department's selection of webTA was to standardize the time and attendance system for all employees.

- **The expanded Fort Worth Outpatient Clinic, the largest VA outpatient clinic in the nation, is now open.**

The 239,000 square-foot clinic is more than five and a half times as large as the city's former clinic on West Rosedale St. The \$55 million clinic was constructed on a 24-acre site.

The new outpatient clinic includes a magnetic resonance imaging (MRI) machine, a computerized tomography (CT) scanner, a mammography unit, and a comprehensive women's clinic, as well as expanded pharmacy, lab and physical medicine and rehabilitation departments.

The former outpatient clinic opened in 1992, and served nearly 20,300 patients just this past year. With the newly expanded clinic, VA plans on an additional 1,600 patients.

The expanded Fort Worth Outpatient Clinic employs approximately 280 staffers, up from the former staff total of 190. Its primary service area consists of 16 North Texas counties from Fort Worth going west, with the majority of veterans served residing in Hood, Johnson, Parker, and Tarrant Counties.

VA North Texas Health Care System serves more than 100,000 patients each year, delivering more than one million outpatient visits to veterans in 38 North Texas counties and two counties in southern Oklahoma.

## Health Care News

- **For only the second time, the Food and Drug Administration (FDA) approved a company's request to test an embryonic stem cell-based therapy on human patients.**

Advanced Cell Technology (ACT), based in Marlborough, Mass., will begin testing its retinal cell treatment this year in a dozen patients with Stargardt's macular dystrophy, an inherited degenerative eye disease that leads to blindness in children. In July, the FDA released its hold on the first trial of an embryonic stem cell based treatment, for spinal cord injury.

ACT's trial will involve injecting retinal pigment epithelium (RPE) cells, which nurture the retina, into volunteers with the most advanced forms of Stargardt's, in an attempt to replace dying and no longer functioning photoreceptor cells. In animals, the infusion of healthy cells improved vision and rescued the function of some diseased cells.

Robert Lanza, ACT's chief scientific officer, is hoping that the company's RPE cells do the same in the patients. The company had initially submitted its request to begin human trials with its RPE cells in November 2009, but has spent the past year addressing the FDA's concerns about the safety of the embryonic stem from which the RPE cells are made.

If successful, the treatment could be extended to address other degenerative eye diseases as well, including retinitis pigmentosa and macular degeneration. The healthy RPE cells could also be used in patients at earlier stages of these diseases, to prevent the degeneration before it starts.

- **Xanodyne Pharmaceuticals Inc. which makes Darvon and Darvocet, the brand version of the prescription pain medication propoxyphene, has agreed to withdraw the medication from the U.S. market at the request of the U.S. Food and Drug Administration (FDA).**

The FDA has also informed the generic manufacturers of propoxyphene-containing products of Xanodyne's decision and requested that they voluntarily remove their products as well.

The FDA sought market withdrawal of propoxyphene after receiving new clinical data showing that the drug puts patients at risk of potentially serious or even fatal heart rhythm abnormalities. As a result of these data, combined with other information, including new epidemiological data, the agency concluded that the risks of the medication outweigh the benefits.

The FDA is advising health care professionals to stop prescribing propoxyphene to their patients, and patients who are currently taking the drug should contact their health care professional as soon as possible to discuss switching to another pain management therapy.

Propoxyphene is an opioid used to treat mild to moderate pain. First approved by the FDA in 1957, propoxyphene is sold by prescription under various names both alone (e.g., Darvon) or in combination with acetaminophen (e.g., Darvocet).

- **The National Institutes of Health (NIH) has expanded a genetic and clinical research database to give researchers access to the first digital study images.**

The National Eye Institute (NEI) has made available more than 72,000 lens photographs and fundus photographs of the back of the eye, collected from the participants of the Age-Related Eye Disease Study (AREDS).

These images are now accessible to scientists through NCBI's online database of Genotypes and Phenotypes, known as dbGaP, which archives data from studies that explore the relationship between genetic variations (genotype) and observable traits (phenotype). Though study descriptions and protocols are publicly accessible, researchers must apply for controlled access to de-identified information about study subjects, including the new images.

The NEI-supported AREDS was one of two studies included in the December 2006 launch of dbGaP. The first version of controlled-access AREDS information was made available in 2007, including data gathered from genome-wide scans of DNA samples from 600 study participants. The database was updated in November 2008 to include clinical trial and natural history information from the 4,757 total AREDS participants over 10 years. The latest addition to the AREDS dataset includes more than 72,000 lens and fundus photographs from 595 study participants with genome-wide scan data available.

- **The Department of Health and Human Services (HHS) issued new regulations requiring health insurers to spend 80 to 85 percent of consumers' premiums on direct care for patients and efforts to improve care quality.**

This regulation, known as the "medical loss ratio" provision of the Affordable Care Act, will make the insurance marketplace more transparent and make it easier for consumers to purchase plans that provide better value for their money.

Today, many insurance companies spend a substantial portion of consumers' premium dollars on administrative costs and profits, including executive salaries, overhead and marketing. Under the new law, insurance companies will be required to spend at least 80 to 85 percent of premium dollars on medical care and health care quality improvement, rather than on administrative costs, starting in 2011. If they don't, the insurance companies will be required to provide a rebate to their customers starting in 2012.

In 2011, the new rules will protect up to 74.8 million insured Americans and estimates indicate that up to 9 million Americans could be eligible for rebates starting in 2012 worth up to \$1.4 billion. Average rebates per person could total \$164 in the individual market.

The Affordable Care Act required the National Association of Insurance Commissioners (NAIC) to develop uniform definitions and methodologies for calculating insurance companies' medical loss ratios.

More information about the medical loss ratio is available at [http://www.healthcare.gov/news/factsheets/medical\\_loss\\_ratio.html](http://www.healthcare.gov/news/factsheets/medical_loss_ratio.html). The regulation and other technical information are available at <http://www.hhs.gov/ocio/regulations/index.html>.

- **The Health Resources and Services Administration (HRSA) awarded nearly \$8 million to provide additional training and technical assistance on a national, regional and state basis to community-based organizations for existing Community Health Center Cooperative Agreements.**

Health Center Cooperative Agreements support the development and operation of health centers. Cooperative agreement organizations use training and technical assistance funds to support the following core functions related to supporting health centers: community development, expansion planning, patient-centered medical home development, meaningful use health information technology adoption and workforce development.

Community health centers serve nearly 19 million patients, about 40 percent of whom have no health insurance. Community health centers deliver preventive and primary care services at more than 7,900 service delivery sites around the country to patients, regardless of their ability to pay. Charges for services are set according to income.

Over the next five years, the Affordable Care Act will provide \$11 billion in funding for the operation, expansion and construction of community health centers across the country. Of the \$11 billion, \$9.5 billion is targeted to creating new health center sites in medically underserved areas and expanding preventive and primary health care services, including oral health, behavioral health, pharmacy, vision, and enabling services at existing health center sites. An additional \$1.5 billion will support major construction and renovation projects at health centers nationwide.

For the full list of awardees, please visit <http://www.hhs.gov/news/press/2010pres/11/20101119b.html>.

- **The Centers for Medicare and Medicaid Services (CMS) has opened its innovation center to test models of coordinated care for patients as well shared payments for healthcare providers in various real-world settings.**

The *Center for Medicare and Medicaid Innovation*, mandated in this year's health reform law, will study healthcare delivery methods for patient-centered, integrated care as an alternative to the current fragmented healthcare experience, where providers are paid piecemeal for clinical treatments.

In its first effort, CMS will invite states to apply for funds in December to develop demonstration projects for synchronizing care for "dual-eligible" persons, those who are eligible for both Medicare and Medicaid benefits.

The innovation center expects to award up to \$1 million each in design contracts to as many as 15 state programs. People who are eligible for both programs account for 16 percent to 18 percent of enrollees in Medicare and Medicaid and about 25 to 45 percent of spending in these programs

respectively. Significant health benefits and savings can result from coordinating the care of low-income seniors and people with disabilities. .

The center will also test models that include establishing an "open innovation community" that serves as a clearinghouse of best practices in healthcare innovation. CMS will take what it learns and share it so other providers can rapidly establish these new care models.

CMS also announced several new efforts to strengthen primary care in patient-centered, coordinated "health home" and "medical home" concepts. The efforts include:

- The expansion of the multi-payer advanced primary care practice demonstration in which eight states will participate in evaluating the effectiveness of providers across the care system working in an integrated fashion and receiving payment from Medicare, Medicaid, and private health plans;
- Creation of the Federally Qualified Health Center advanced primary care practice demonstration to test the results of clinicians working in teams to treat low-income Medicare patients at 500 community health centers; and
- Launch of the Medicaid health home state plan through which patients enrolled in Medicaid with at least two chronic conditions will designate a provider as a "health home" to coordinate treatment. States that participate will receive increased payments.

For more information, please visit: <http://www.innovations.cms.gov/>.

- **The Centers for Disease Control and Prevention (CDC) announced that Dr. Linda C. Degutis, Dr. P.H, M.S.N., is now serving as director of CDC's National Center for Injury Prevention and Control (Injury Center).**

As director of CDC's Injury Center, Dr. Degutis works to fulfill the agency's mission of preventing injuries and violence, and reducing their consequences.

Dr. Degutis' research interests have focused on issues related to alcohol and injury, with a particular focus on identifying promising interventions that address key policy issues. She is known internationally for her work in public health, injury, substance abuse and policy and has served as the principal investigator or co-investigator for grants on a wide range of topics including: alcohol interventions; public health preparedness; public health workforce training; public health systems research; and interventions for prescription drug addiction.

Dr. Degutis currently serves on the Institute of Medicine's Advisory Board for the Robert Wood Johnson Health Policy Fellowship Program and the Executive Board of Advocates for Highway and Auto Safety.

Prior to her appointment, Degutis was research director for the Department of Emergency Medicine at Yale School of Medicine and director of the Yale Center for Public Health Preparedness (YCPHP) at the Yale School of Public Health.

To learn more about CDC's National Center for Injury Prevention and Control, visit <http://www.cdc.gov/injury>.

## Reserve/Guard

- As of Nov. 23, 2010, the total number of Guard and Reserve currently on active duty has **increased** by 797 to 95,037. The totals for each service are Army National Guard and Army Reserve 73,369; Navy Reserve, 6,374; Air National Guard and Air Force Reserve, 9,380; Marine Corps Reserve, 5,115; and the Coast Guard Reserve, 799. [www.defenselink.mil](http://www.defenselink.mil)

## Reports/Policies

- **The Centers for Disease and Control and Prevention published report, "Surveillance of Screening-Detected Cancers (Colon and Rectum, Breast, and Cervix) — United States, 2004-2006," on Nov. 24, 2010.** In this report, CDC found that almost half of the colorectal and cervical cancer cases and a third of the breast cancer cases in the United States are diagnosed at late-stages of the diseases when treatment is more difficult. <http://www.cdc.gov/media/pressrel/2010/r101124.html>

## Legislation

- There was no legislation published this week.

## Hill Hearings

- There are no hearings scheduled.

## Meetings / Conferences

- The 21<sup>st</sup> Annual National Forum on Quality Improvement in Health Care will be held on **Dec. 5-8, 2010**, in Orlando, Fla. <http://www.ihl.org/IHL/Programs/ConferencesAndSeminars/22ndAnnualNationalForumonQualityImprovementinHealthCare.htm>
- Military Medicine's Next Gen in Training, Treatment, and Technology will be held on **Dec. 6 - 8, 2010**, in San Antonio, Texas. [www.BattlefieldHealthCare.com](http://www.BattlefieldHealthCare.com)
- The World Influenza Congress will be held **Dec. 7-9, 2010**, in Amsterdam. <http://www.terrapinn.com/2010/flu/conf.stm>
- The 2011 Military Health System (MHS) Conference will be held on **Jan. 24 – 27, 2011** in Washington D.C. [www.health.mil](http://www.health.mil)
- The International Meeting on Emerging Diseases and Surveillance will be held on **Feb. 4-7, 2011**, in Vienna Austria. <http://imed.isid.org/>
- The Armed Forces Public Health Conference will be held on **March 21-25, 2011**, in Hampton Va. <http://phc.amedd.army.mil/fhpc/>
- The World Health Care Congress 8th Annual Health IT/ Interoperability Summit will be held on **April 4-6, 2011**, in Washington D.C. <http://www.worldcongress.com/events/HR11000/>
- National Veterans Small Business Conference and Exposition will be held on **August 15-18, 2011**, in New Orleans.
- The 15th International Congress on Infectious Diseases (ICID) will be held on **June 13-16, 2012**, in Bangkok, Thailand. [http://www.isid.org/15th\\_ICID/](http://www.isid.org/15th_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.theroux@fedhealthinst.org](mailto:kate.theroux@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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