FEDERAL HEALTH UPDATE

Jan 14, 2011

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

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Executive and Congressional News

- **On Jan. 7, 2011, President Obama signed into law H.R. 6523, the *"Ike Skelton National Defense Authorization Act for Fiscal Year 2011."*** The Act authorizes funding for the defense of the United States and its interests abroad, for military construction, and for national security-related energy programs.

- **On Jan. 13, 2011, Texas Sen. Kay Bailey Hutchison announced she won't seek re-election next year.**

  In 1993, Texans elected Kay Bailey Hutchison to the United States Senate in a special election, making her the first -- and, to date, the only -- woman elected to represent the state in the Senate. Hutchison is the former chairman and now the ranking member of the Appropriations Subcommittee on Military Construction and Veterans Affairs and as a member of the Appropriations Subcommittee on Defense. She introduced and passed legislation creating an Overseas Basing Commission, which conducted a comprehensive review of the U.S. military's global footprint. She also serves as the chairman of the Board of Visitors for the U.S. Military Academy at West Point.

Military Health Care News

- **TRICARE Management Activity awarded the TRICARE Dental Program (TDP) contract to Metropolitan Life Insurance Company of Bridgewater, N.J.**

  The contract award includes a base year and five one-year options. The award amount for the base year is $7,049,314. If all options are exercised, the total contract price to the government is $1.9 billion. Source selection procedures in accordance with the Federal Acquisition Regulation were used to determine the successful offeror.

  Dental care coverage under the new contract begins Feb. 1, 2012, following a 12-month transition period from the current contractor, United Concordia Companies, Inc. During the 12-month transition enrollees can access customer service at the same toll-free phone numbers they have been using. That contact information can be found at www.tricare.mil/contactus. Before Feb. 1, 2012, enrollees will receive a welcome packet and new enrollment cards.

  More than 1.9 million beneficiaries purchase dental coverage through the TDP, which provides comprehensive dental coverage to family members of uniformed services active duty personnel, as well as members of the selected reserve and individual ready reserve and their eligible family members worldwide.

  New and enhanced benefits including an increase in the annual maximum, an increase in the lifetime orthodontic maximum, accidental dental injury coverage, an additional cleaning for women during pregnancy, and others. Under the new contract, all enrollees will have lower premiums in the first year.

  Beneficiaries can keep up-to-date on dental benefits via e-mail by signing up for benefit updates and news at www.tricare.mil/subscriptions. More information about the TRICARE Dental Program is available at www.tricare.mil/mybenefit/home/Dental/DentalProgram, and information about the TDP contract is available at www.tricare.mil/TDPcontract.

- **The Department of Defense (DoD) is studying new medication methods to deliver individual doses at regularly scheduled times and in the correct amount.**

  The Navy has partnered with DoD's Telemedicine and Advanced Technology Research Center (TATRC) to study the potential benefits of a "Tele-pharmacy Robotic Medication Dispensing Unit" (TRMDU) for returning service members suffering from traumatic brain injuries or suffering from psychological stress.

  The study will evaluate the impact of point-of-care medication delivery systems on medication adherence, drug related problems, the effect on hospital admissions and emergency department visits, impact of TRMDU's on patient pain, on the psychological well-being and health-related quality of life, and as well, the study will evaluate the costs for using TRMDUs.

  The TRMDU, a FDA approved medical device, will be located in a warrior transition unit. The device has two-way communication software, which enables a health care professional to remotely manage prescriptions stored and released by the patient-operated delivery unit. The delivery unit is about the size of a bread box and plugs into a standard power outlet. It stores prescription medications, emits an audible alert to the patient when the prescribed medications are scheduled to be taken, and then releases the medications onto a delivery tray.

  Medications are delivered at appropriate times when the system is activated by the patient. Healthcare professionals would be able to use a web-based application to remotely schedule or adjust a patient's prescribed medications and they are notified each time a patient accesses the system.

  The TRMDU is a patient-friendly device linked wirelessly to software that can be used in a number of environments. Each TRMDU holds a one month supply of up to ten prescriptions and multiple TRMDUs may be connected to increase the number of managed prescriptions.

- **According to a recent *FluView* report released by the Centers for Disease Control and Prevention (CDC), several states — Alabama, Arizona, Georgia, Kentucky, Louisiana, New York, North Carolina and Virginia — already have widespread reports of flu.**

  TRICARE published a news release reminding its beneficiaries, who have not been vaccinated, to do so as soon as possible.

  Beneficiaries six months of age and older should be vaccinated, according to the CDC. Beneficiaries who are older, pregnant and young children are especially at high risk for serious flu complications. Immunization is important not only for pregnant beneficiaries, but also for those who may become pregnant during flu season. The injectable seasonal influenza vaccine is safe for pregnant women in any trimester.

  The 2010-2011 flu vaccine protects against three different flu viruses: H3N2, influenza B and the H1N1 virus that caused so much illness last season. Currently, two forms of influenza vaccine are distributed in the U.S. and both are covered by TRICARE:

- An injectable, inactivated vaccine that contains a killed virus and can be used in all age groups six months and older.

- An intranasal spray made with live, weakened influenza viruses; limited to use in healthy people between the ages of 2 and 49 years, and who are not pregnant at the time they receive the vaccination.

- **Gray-area retirees from the National Guard and Reserves who want to purchase TRICARE health care coverage now have a new way to get a DoD Self-service Logon (DS Logon).**

  Most will need a DS Logon to qualify for and purchase TRICARE Retired Reserve (TRR) health coverage. Since Sept. 1, 2010, members of the Retired Reserve who aren't 60, the so-called "gray area" retirees, have been able to purchase TRR to provide health coverage for themselves and their eligible family members. To make purchasing TRR easier, gray area retirees can now get a DS Logon by contacting the Defense Enrollment Eligibility Reporting System/Defense Manpower Data Center Support Office (DSO) and remotely verify their identity.

  Gray area retirees can use the DS Logon to access the Web-based Reserve Component Purchased TRICARE Application (RCPTA) to qualify for and purchase TRR. If a gray area retiree doesn't have a DS Logon, but has a retired military ID card, he or she can call the DSO at 1-800-538-9552.

  Gray area retirees who don't have a retired ID card and a DS Logon can get both, and complete the in-person proofing process at a RAPIDS ID card issuing site. To locate the nearest RAPIDS site, go to www.dmdc.osd.mil/rsl. Alternatively, they may still go to designated Veterans Administration (VA) regional offices to complete in-person-proofing and get a DS Logon. To locate a VA regional office, visit www.vba.va.gov/vba/benefits/offices.asp.

  Retired Reservists may qualify to purchase TRR coverage if they are under the age of 60 and are not eligible for, or enrolled in, the Federal Employees Health Benefits (FEHB) program. They must be members of the retired Reserve and qualified for non-regular retirement. For instructions on how to qualify for and purchase TRR go to www.tricare.mil/trr.

- **Recognizing that medical experience working on soldiers in Afghanistan and Iraq could be of benefit, the military detailed its most highly trained medical experts in brain injury to consult on the injury suffered by U.S. Rep. Gabrielle Giffords, according to CNN.**

  Giffords is in critical condition at a Tucson hospital, but she is breathing on her own, doctors said. The Arizona congresswoman was shot in the head during a meet-and-greet event Saturday.

  The medical team in Arizona working on Giffords' case includes Peter Rhee, who had extensive battlefield experience. Rhee and his team also were reaching out for help from those with military experience.

  Dr. James Eklund, a retired Army colonel who served in Iraq, is "probably the most experienced with penetrating trauma in the U.S.," according to Rhee, a Navy veteran of tours in Iraq and Afghanistan.

  Also consulting is Col. Geoffrey Ling, currently on active duty, who Rhee said is prominent in neurocritical care.

  "The resources of the entire military have been made available to us," Rhee said.

  Ling was pulled off a brief trip to Afghanistan, where he was assessing the latest diagnosis and treatment of traumatic brain injury, to consult in the Giffords case

- **On Jan. 6, 2011, Defense Secretary Robert Gates detailed how the department identified $100 billion in savings through cuts to existing programs and operations over the next five years, announcing the cancellation of troubled programs and confirming a reduction in support from contractors.**

  Much of the $100 billion in savings will impact Defense personnel, through salary freezes, a trimmed work force and changes to TRICARE, the military health care program.

  But local government contractors will also be directly impacted through cuts in the number of contractors supporting the department. Gates confirmed previously announced cuts to support service contractors — 10 percent per year for the next three years — that will result in $3 billion in total savings.

  He said 270 contractors combined would be cut from the Office of the Under Secretary of Defense for Policy and the Office of Acquisition, Technology and Logistics, while 780 contractors would be cut from the TRICARE program and 360 contractors from the Missile Defense agency.

  To read the transcript of Secretary Gate's press briefing, please visit: http://www.defense.gov/transcripts/transcript.aspx?transcriptid=4747.

Veterans Health Care News

- **Certain combat veterans, who were discharged from active duty service before Jan. 28, 2003, have until Jan. 27, 2011 to take advantage of their enhanced health care enrollment opportunity through the Department of Veterans Affairs (VA).**

  The enhanced enrollment window was provided for in Public Law 110-181, the National Defense Authorization Act for Fiscal Year 2008. That law gave combat veterans who served after Nov. 11, 1998 but separated from service before Jan. 28, 2003, and did not enroll before Jan. 28, 2008, three years, beginning on Jan. 28, 2008, to apply for the enhanced enrollment opportunity.

  These veterans will still be able to apply for health benefits with VA after Jan. 27, but will have their status for receiving VA health care determined under normal VA procedures that base health care priority status on the severity of a service-connected disability or other eligibility factors. This would mean some veterans could face income or asset-based restrictions, as well as delays in establishing their VA health care eligibility while their disability status is determined.

  Since the inception of the enhanced enrollment opportunity, VA has sent more than 750,000 personal letters to eligible Veterans and hosted thousands of outreach efforts through OIF/OEF and enrollment coordinators stationed at every VA medical center.

  VA sent another 194,000 personal letters to give every eligible veteran a chance to take advantage of this opportunity, but to date only 13,000 of these veterans have enrolled.

  The law does continue to provide the enhanced health care enrollment window to combat Veterans who were discharged or released from active service on or after Jan. 28, 2003. For these veterans, the five-year enrollment period begins on the discharge or separation date of the service member from active duty military service, or in the case of multiple call-ups, the most recent discharge date.

  Veterans can apply for enrollment online at www.1010ez.med.va.gov/sec/vha/1010ez, by contacting VA at 1-877-222-VETS (8387) or with the help of a VA health care eligibility specialist at any VA medical center.

Health Care News

- **The Centers for Medicare & Medicaid Services (CMS) has awarded CGI Federal Inc. (CGI) a competitive, five-year task order worth $55 million under CMS's Enterprise System Development Indefinite-Delivery, Indefinite-Quantity (ID/IQ) contract.**

  Under the contract, CGI will continue software development and operational support services for the Provider Enrollment Chain Ownership System (PECOS) including Health Information Technology for Economic and Clinical Health (HITECH) registration and attestation functionality.

  PECOS supports Medicare's provider and supplier enrollment process by capturing provider/supplier information. The system manages, tracks, and validates enrollment data collected in both paper form and electronically. As an IT cornerstone to CMS' program integrity efforts, PECOS plays a key role in the

agency's effort to combat fraud. To date, more than 800,000 eligible health professionals have registered as Medicare providers via PECOS. Furthermore, CMS's HITECH Registration and Attestation process automatically extracts secured provider data from PECOS to help identify eligibility for incentive payments for adopting Electronic Health Record (EHR) technology.

- **New NIH study projects survivorship and costs of cancer care will increase to $207 billion based on changes in the US population and cancer trends.**

  Based on growth and aging of the U.S. population, medical expenditures for cancer in the year 2020 are projected to reach at least $158 billion (in 2010 dollars) — an increase of 27 percent over 2010, according to a National Institutes of Health analysis.

  If newly developed tools for cancer diagnosis, treatment and follow-up continue to be more expensive, medical expenditures for cancer could reach as high as $207 billion, said the researchers from the National Cancer Institute (NCI). The analysis appears online, Jan. 12, 2011, in the *Journal of the National Cancer Institute*.

  The projections were based on the most recent data available on cancer incidence, survival, and costs of care. In 2010, medical costs associated with cancer were projected to reach $127.6 billion, with the highest costs associated with breast cancer ($16.5 billion), followed by colorectal cancer ($14 billion), lymphoma ($12 billion), lung cancer ($12 billion) and prostate cancer ($12 billion).

  If cancer incidence and survival rates and costs remain stable and the U.S. population ages at the rate predicted by the U.S. Census Bureau, direct cancer care expenditures would reach $158 billion in 2020, the report said.

  However, the researchers also did additional analyses to account for changes in cancer incidence and survival rates and for the likelihood that cancer care costs will increase as new technologies and treatments are developed. Assuming a 2 percent annual increase in medical costs in the initial and final phases of care — which would mirror recent trends — the projected 2020 costs increased to $173 billion. Estimating a 5 percent annual increase in these costs raised the projection to $207 billion. These figures do not include other types of costs, such as lost productivity, which add to the overall financial burden of cancer.

  These new projections are higher than previously published estimates of direct cancer expenditures, largely because the researchers used the most recent data available — including Medicare claims data through 2006, which include payments for newer, more expensive, targeted therapies which attack specific cancer cells and often have fewer side effects than other types of cancer treatments. In addition, by analyzing costs according to phase of care, which revealed the higher costs of care associated with the first year of treatment and last year of life (for those who die from their disease), the researchers were able to generate more precise estimates of the cost of care.

- **The U.S. Department of Health and Human Services (HHS) and the U.S. Environmental Protection Agency (EPA) announced important steps to ensure that standards and guidelines on fluoride in drinking water continue to provide the maximum protection for good dental health, especially in children.**

  HHS is proposing that the recommended level of fluoride in drinking water can be set at the lowest end of the current optimal range to prevent tooth decay, and EPA is initiating review of the maximum amount of fluoride allowed in drinking water.

  These actions will maximize the health benefits of water fluoridation, an important tool in the prevention of tooth decay, while reducing the possibility of children receiving too much fluoride. The Centers for Disease Control and Prevention named the fluoridation of drinking water one of the ten great public health achievements of the 20th century.

  HHS and EPA reached an understanding of the latest science on fluoride and its effect on tooth decay prevention and the development of dental fluorosis that may occur with excess fluoride consumption during the tooth forming years, age eight and younger. Dental fluorosis in the United States appears mostly in the very mild or mild form – as barely visible lacy white markings or spots on the enamel. The severe form of dental fluorosis, with staining and pitting of the tooth surface, is rare in the United States.

  HHS' proposed recommendation of 0.7 milligrams of fluoride per liter of water replaces the current recommended range of 0.7 to 1.2 milligrams. The new EPA assessments of fluoride were undertaken in response to findings of the National Academies of Science (NAS). At EPA's request, in 2006 NAS reviewed new data on fluoride and issued a report recommending that EPA update its health and exposure assessments to take into account bone and dental effects and to consider all sources of fluoride. In addition to EPA's new assessments and the NAS report, HHS also considered current levels of tooth decay and dental fluorosis and fluid consumption across the United States.

- **On Jan. 13, 2011, the Food and Drug Administration (FDA) notified health care professionals that it has asked drug manufacturers to limit the strength of acetaminophen in prescription drug products, predominantly combinations of acetaminophen and opioids, to 325 mg per tablet, capsule, or other dosage unit, making these products safer for patients.**

  This action will help to reduce the risk of severe liver injury and allergic reactions associated with acetaminophen. A Boxed Warning highlighting the potential for severe liver injury and a Warning highlighting the potential for allergic reactions (swelling of the face, mouth, and throat, difficulty breathing, itching, or rash) will be added to the label of all prescription drug products that contain acetaminophen.

  Acetaminophen, one of the most commonly used drugs in the United States, is widely and effectively used in both prescription and over-the-counter (OTC) products to reduce pain and fever. Examples of prescription products that contain acetaminophen include hydrocodone with acetaminophen (Vicodin, Lortab), and oxycodone with acetaminophen (Tylox, Percocet). OTC products containing acetaminophen (e.g., Tylenol) are not affected by this action. Information about the potential for liver injury is already required on the label for OTC products containing acetaminophen. FDA is continuing to evaluate ways to reduce the risk of acetaminophen related liver injury from OTC products. No drug shortages are expected, because the 3-year implementation period should permit adequate time for necessary reformulations.

- **Four-fifths of the nation's hospitals, and 41 percent of office-based physicians, currently intend to take advantage of federal incentive payments for adoption and meaningful use of certified electronic health records (EHR) technology, according to survey released by the Office of the National Coordinator for Health Information Technology (ONC).**

  The survey numbers represent a reversal of the low interest in EHR adoption in previous years. He credited leadership from the medical community and the federal government for the improved prospects for adoption and use of health information technology (health IT).

  The data released come from surveys commissioned by ONC and carried out in the course of regular annual surveillance by the American Hospital Association (AHA) and the National Center for Health Statistics (NCHS).

  The AHA survey found that 81 percent of hospitals plan to achieve meaningful use of EHRs and take advantage of incentive payments. About two-thirds of hospitals (65 percent) responded that they will enroll during Stage 1 of the Incentive Programs, in 2011-2012.

  The NCHS survey found that 41 percent of office-based physicians are currently planning to achieve meaningful use of certified EHR technology and take advantage of the incentive payments. Four-fifths of these, or about a third of all office-based physicians (32.4 percent), responded that they will enroll during Stage 1 of the programs. Only 14 percent of respondents said they were not planning to apply for meaningful use incentives.

  Additional survey data from NCHS show that significantly increasing numbers of primary care physicians have already adopted a basic EHR, rising by 50 percent from 19.8 percent of primary care physicians in 2008 to 29.6 percent in 2010.

  Incentive payments for the adoption and meaningful use of certified EHR technology were authorized in the Health Information Technology Economic and Clinical Health Act (HITECH) in 2009. Incentive payments will be made through the Medicare and Medicaid programs. High rates of adoption and meaningful use could result in as much as $27 billion in incentive payments over 10 years.

  Survey results from NCHS and AHA can be obtained at: http://www.cdc.gov/nchs/data/hestat/emr_ehr_09/emr_ehr_09.htm.

Reserve/Guard

- As of Jan.11, 2011, the total number of Guard and Reserve currently on active duty has **increased** by 491 to 91,840. The totals for each service are Army National Guard and Army Reserve 71,544; Navy Reserve, 5,678; Air National Guard and Air Force Reserve, 8,831; Marine Corps Reserve, 5,017, and the Coast Guard Reserve, 770. www.defenselink.mil

Reports/Policies

- No reporters were published this week.

Legislation

- **H.R.215** (introduced Jan. 7, 2011): To repeal the Patient Protection and Affordable Care Act and title I of the Health Care and Education Reconciliation Act of 2010 while preserving the reauthorization of the Indian Health Care Improvement Act was referred to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, Ways and Means, House Administration, Rules, the Judiciary, and Appropriations.
  Sponsor: Representative Don Young [AK]
- **H.R.217** (introduced Jan. 7, 2011): The *Title X Abortion Provider Prohibition Act* was referred to the House Committee on Energy and Commerce.
  Sponsor: Representative Mike Pence [IN-6]
- **H.R.238** (introduced Jan. 7, 2011): The *Military Retiree Health Care Relief Act of 2011* was referred to House committee. Status: Referred to the House Committee on Ways and Means
  Sponsor: Representative Jo Ann Emerson [MO-8]
- **H.R.240** (introduced Jan. 7, 2011): To amend title 38, United States Code, to promote jobs for veterans through the use of sole source contracts by Department of Veterans Affairs for purposes of meeting the contracting goals and preferences of the Department of Veterans Affairs for small business concerns owned and controlled by veterans was referred to the House Committee on Veterans' Affairs.
  Sponsor: Representative Bob Filner [CA-51]
- **H.R.248** (introduced Jan. 7, 2011): To provide for identification of members of the Armed Forces exposed during military service to depleted uranium, to provide for health testing of such members and for other purposes was referred to the House Committee on Armed Services.
  Sponsor: Representative Jose E. Serrano [NY-16]
- **H.J.RES.19** (introduced Jan.12, 2011): Disapproving a rule submitted by the Department of Health and Human Services relating to "Health Insurance Issuers Implementing Medical Loss Ratio (MLR) Requirements under the Patient Protection and Affordable Care Act" was referred to the House Committee on Energy and Commerce.
  Sponsor: Representative John R. Carter [TX-31]
- **H.R.276** (introduced Jan. 12, 2011): To amend title 38, United States Code, to allow for the transfer of educational assistance under the Post-9/11 Educational Assistance Program to certain dependents to be used for special education was referred to the House Committee on Veterans' Affairs.
  Sponsor: Representative Jeff Fortenberry [NE-1]

Hill Hearings

- There are no hearings scheduled.

Meetings / Conferences

- The 2011 Military Health System (MHS) Conference will be held on **Jan. 24-27, 2011,** in Washington D.C. www.health.mil
- The 3rd Annual Health 3.0 Conference: The Next Online Generation will be held on **Jan. 25-27, 2011**, Orlando, Fla. www.worldrg.com/health3point0
- The International Meeting on Emerging Diseases and Surveillance will be held on **Feb. 4-7, 2011**, in Vienna Austria. http://imed.isid.org/
- AHIP's 2011 National Policy Forum will be held on **March 8-9, 2011**, in Washington D.C. http://www.ahip.org/
- The 28th Annual Behavioral Risk Factor Surveillance System (BRFSS) Conference will be held **March 19-23, 2011**, in Atlanta, Georgia. http://www.cdc.gov/brfss/about.htm
- The Armed Forces Public Health Conference will be held on **March 21-25, 2011**, in Hampton Va. http://phc.amedd.army.mil/fhpc/
- The Military Health Management 2011 Conference will be held on **April 1, 2011**. www.MilitaryHealthManagement.com
- 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/

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. To subscribe, please visit http://fedhealthinst.org/subscriber.cfm. To unsubscribe, please send an email to newsletter@fedhealthinst.org with UNSUBSCRIBE as the subject.

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