

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 March 9, 2011, the Senate rejected (44-56) H.R. 1, the Full-Year Continuing Appropriations Act, 2011, which the House passed last month.** This legislation included \$51 billion in spending cuts over the President's proposed budget.

It also rejected (42-58) Senator Daniel Inouye's (D-HI) amendment that was a substitute year-long continuing resolution. This legislation cuts \$4 billion from the President's proposed fiscal year 2011 budget.

- **On March 8, 2011, the House passed H.R. 570, the Dental Emergency Responder Act of 2011.** This legislation amends the Public Health Service Act to authorize the inclusion of dental health facilities in the National Health Security Strategy for purposes of preparedness during public health emergencies.
- **On March 8, 2011, the House passed H.R. 525, the Veterinary Public Health Amendments Act of 2011.** This legislation amends the Public Health Service Act to revise a public health workforce grant program designed to increase the number of individuals in the public health workforce to include a health professions school or program of veterinary public health.
- **Senator John Ensign (R-Nev.) announced he would not seek re-election in 2012.** Senator Ensign has been a senator since 2001. He serves on the Finance Subcommittee on Health Care.

Ensign is the eighth senator and third Republican to announce retirement in the past year.

Military Health Care News

- **UnitedHealth Group Inc. has filed a protest over the TRICARE contract it had initially won but was later awarded to its competitor, Humana Inc.**

The protest, filed by the UnitedHealth's military division with the U.S. Government Accountability Office, challenges the Department of Defense (DoD) decision to award the TRICARE contract to Humana Military Healthcare Services Inc. on Feb. 25, 2011.

Initially, UnitedHealth won the TRICARE contract in July 2009. But after continuous protests by Humana, DoD reviewed its decision and awarded the \$23.5 billion five-year contract to Humana.

As a result, Humana will continue supporting DoD's delivery of health care services to 3 million active duty and retired service members and their families in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Oklahoma, South Carolina, Tennessee and most of Texas.

With winning the contract, Humana's management upgraded its earnings guidance for 2011 to reflect the extinguishment of expenses of approximately \$0.25 per share, which would have been otherwise incurred for the loss of contract in early 2012.

According to UnitedHealth, Humana had revised its bid, benefiting from the two-year delay in awarding the contract. Also, the company has announced significant discounts that would pay doctors and hospitals below the rates paid in the Medicare system. The officials at UnitedHealth believe that this could force doctors to leave the military healthcare network, besides threatening the TRICARE South region health care system.

- **Health Net Federal Services announced that it was recognized with J.D. Power and Associates Call Center Certification for providing "An Outstanding Customer Service Experience."**

The recognition from J.D. Power and Associates establishes Health Net and the TRICARE North Region's call center as one of the most professional and elite nationally. The certification included audits of call center operations that encompass three organizations which partner to serve the TRICARE North beneficiaries: Health Net Federal Services, the TRICARE Regional Office-North, and PGBA, LLC

The TRICARE North Region successfully completed a two-part examination required by the certification process. J.D. Power and Associates conducted an onsite visit to Health Net's call center facility to determine Health Net's compliance with certification criteria, which indicates its capability to sustain excellent customer service. Additionally, J.D. Power auditors conducted a post-call satisfaction assessment of TRICARE North region beneficiaries to evaluate call center performance. Health Net Federal Services' call centers are located in Rancho Cordova, Calif., Johnstown, Pa., and Hampton and Arlington, Va.

PGBA's call center is located in Surfside Beach, S.C. Health Net was first awarded the J.D. Power and Associates Call Center Certification in 2007.

- **The Defense Department (DoD) developed six inTransition program public service announcements (PSAs) to educate service members, veterans, Reserve and National Guard members, health care providers and family members about the program's coaching resources.**

The inTransition PSAs provide an overview of what the program provides to each audience and how to get more information. The inTransition Coaching and Support Program offers personalized support to people as they navigate changes and maintain mission readiness. When a service member or veteran contacts inTransition, they are assigned a personal coach who will:

- Coach them one-on-one through transition
- Connect them with their new provider
- Empower them with tools to help them continue making healthy life choices

InTransition coaches are master's-level behavioral health clinicians who understand military culture and issues. They provide telephone coaching on how to change providers at the time of transfer or discharge; provide referral support and new provider follow-up; and provide crisis intervention when necessary.

To view the new videos, go to www.health.mil/intransition/PSA.aspx. For more information about the inTransition Program, please visit

www.health.mil/InTransition or call its confidential, toll-free number at 1-800-424-7877.

- **Repeated deployments of American soldiers to Iraq and Afghanistan have taken their toll not only on the troops themselves but also their families, according to the Department of Defense (DoD).**

Information provided by the Pentagon to the U.S. Senate Armed Services Committee revealed that visits by family members of active-duty military personnel to therapists have increased at a compound annual growth rate of 15 percent over the past 10 years.

Jonathan Woodson, assistant secretary of defense for health affairs, said the increase was due in large part to "the stresses of repeated deployments."

The one good thing to take away from the mental health news, says Alan Peterson, a retired Air Force psychologist now at the University of Texas Health Science Center, is that the numbers show military families are beginning to get over the stigma of seeing a therapist.

Veterans Health Care News

- **Four new members have been appointed to the Department of Veterans Affairs (VA) Advisory Committee on Women Veterans, an expert panel that advises VA on issues and programs affecting women veterans.**

Established in 1983, the advisory committee makes recommendations to the Secretary for administrative and legislative changes. The committee members are appointed to two-year terms. The new committee members are:

- **Jack Phillip Carter, Jr.**, Bradenton, Fla. A retired Marine Corps lieutenant colonel, decorated for valor during the Persian Gulf War; currently serves as lead detective of the economic crimes section for the Sarasota police department.
- **Nancy A. Glowacki**, Silver Spring, Md. A former Army Reserve officer; currently owns a consulting firm, where she serves as a subject matter expert on veterans' transition issues, specializing in employment and special challenges of disabled veterans and veterans of the Global War on Terrorism.
- **Nancy Kaczor**, Franklin, Wis. A retired Air Force colonel, with service in Kosovo, Kuwait, Iraq and Afghanistan; currently serves as an active volunteer for a number of veterans and community service organizations.
- **Terry F. Moore**, Stetson, Maine. A retired Air Force lieutenant colonel; currently serves as chair of the Maine Advisory Commission on Women Veterans, and serves on several professional and veterans service organizations.

Women are one of the fastest growing segments of the veterans population. There are 23.4 million veterans; approximately 1.8 million are women. They comprise nearly 8 percent of the total veterans' population and nearly 5 percent of all veterans who use VA health care services.

VA estimates that by 2020 women veterans will comprise 10 percent of the veteran population. VA has women veterans' program managers at VA medical centers and women veterans' coordinators at VA regional offices to assist women veterans with health and benefits issues.

- **Australia has donated \$3.3 million to a new education center at the Vietnam Veterans Memorial on the National Mall.**

The Education Center at the Wall, as it's officially known, will be highlighted by a display of photos of the more than 58,000 Americans who died in the war and, now, those of the fallen Australians. It will also feature some of the thousands of items — boomerangs, campaign hats, unit patches — presumably left by Australians who served alongside the Americans.

More than 60,000 Australians served in Vietnam, and 521 of them lost their lives.

- **Longmont-based R/X Automation Solutions Inc. has been awarded a contract worth nearly \$13 million from the U.S. Department of Veterans Affairs' National Acquisition Center in Tucson, Ariz., for the delivery of special machinery used to dispense medicine and pharmaceuticals to veterans.**

R/X Automation provides the company's pharmaceutical and health care customers with automated inventory management, auto-packaging and dispensing systems equipment and software.

The company was launched in 2004 to serve the mail-order pharmaceutical industry. Today, the company has more than 100 systems in the field that automatically handle inventory management and pill handling, dispensing and packaging.

- **Dr. Haru Okuda was recently named national medical director for the Department of Veterans Affairs Simulation Learning Education and Research Network (SimLEARN) program.**

Currently, Okuda leads a staff of clinical simulationists and educators in conducting research, developing curricula and best practices and coordinating acquisitions of clinical simulation training systems in support of health care providers at VA medical centers.

Before joining VA, Okuda served as the director and assistant vice president of the Institute for Medical Simulation and Advanced Learning for the New York City Health and Hospitals Corporation, the largest municipal health care system in the United States. He oversaw the construction of a 10,000 square foot, \$10 million simulation center; coordinated the development and implementation of simulation programs in areas such as central line placement, obstetrical emergencies and code team training; and worked to link simulation training with patient safety outcomes for the organization.

Okuda received his Bachelor of Science degree in neuroscience from Brown University, his medical degree from New York Medical College, and completed his residency in emergency medicine at the Mount Sinai School of Medicine. He is completing a clinical quality fellowship with the Greater New York Hospital Association/United Hospital Fund. He is certified by the American Board of Emergency Medicine.

Sited at VA's SimLEARN National Simulation Center in Orlando, Fla., the strategy of the SimLEARN program is to improve clinical outcomes for America's veterans by providing a safe and supportive environment in which practitioners master skills, practice protocols, learn system-based practices, apply critical decision making and promote communication and interpersonal skills.

- **The U.S. Department of Veterans Affairs (VA) will collaborate with the Australian Department of Veterans Affairs on a new research effort focused on investigating the impact of recent conflicts on the health of returning service members.**

The program will be conducted in three phases involving short, medium and longer-term comparative research. In the first phase, scheduled for completion in six months, researchers will review previous studies on this topic which will help inform the final stages of the research collaboration.

Although both countries conduct their own extensive research on veterans' health, this joint effort will allow both nations to take advantage of larger data sets and comparative analyses to learn best practices and treatments that can help returning veterans manage post-deployment health effects.

This joint effort will complement the extensive work VA continues to support in both leading research, advancing treatment, and supporting evidence-based treatments for our veterans.

Health Care News

- **A study completed by the Office of the National Coordinator for Health Information Technology (ONC) finds growing evidence of the benefits of health information technology (HIT).**

The new study, "*The Benefits of Health Information Technology: A Review of the Recent Literature Shows Predominantly Positive Results*," was published in the journal [Health Affairs](#) and finds that 92 percent of articles on HIT reached conclusions that showed overall positive effects of HIT on key aspects of care including quality and efficiency of health care.

In addition, the study finds increasing evidence of benefits for all health care providers, not just the larger health IT "leader" organizations (i.e., early adopters of HIT) that have provided much of the data regarding experience with HIT in the past. The previous reviews identified a gap between "leaders" and non-leaders in demonstrating benefits from HIT.

The review included articles published from July 2007 up to February 2010, following up on earlier reviews of articles from 1995 to 2004 and from 2004 to 2007. This latest review initially surveyed more than 4,000 peer-reviewed articles, of which 154 were found qualified for the parameters of the study, a number similar to the previous efforts.

The current review found positive results in 96 of the articles (62 percent), and mixed but predominantly positive results in 46 other articles (30 percent). Ten articles were found to have negative or mixed-negative results. In addition to quality and efficiency of care, the authors categorized additional outcomes including access to care, preventive care, care process, patient safety, and provider or patient satisfaction.

The review also reflected a new balance of evidence between HIT "leader" organizations and other entities, especially smaller medical practices. In previous years, much evidence has come from the "leaders." The current review shows increased evidence of benefits for others as well.

Under the Health Information Technology for Economic and Clinical Health Act (HITECH), as much as \$27 billion Medicare and Medicaid incentive payments will be available to eligible professionals, eligible hospitals, and critical access hospitals when they adopt certified EHR technology and successfully demonstrate "meaningful use" of the technology in ways that improve quality, safety and effectiveness of patient-centered care.

Positive results highlighted in the article include:

- One study found that at three New York City dialysis centers, patient mortality decreased by as much as 48 percent while nurse staffing decreased by 25 percent in the three years following implementation of EHRs.
- In an inpatient study, a clinical decision support tool designed to decrease unnecessary red blood cell transfusions reduced both transfusions and costs, with no increase in patient length-of-stay or mortality.
- Another study addressing HIT in 41 Texas hospitals found that hospitals with more advanced HIT had fewer complications, lower mortality and lower costs than hospitals with less advanced HIT.

Negative findings in the study were most often associated with provider or staff satisfaction related to difficulties in the process of transitioning from paper-based to electronic-based records and care. According to the article, these findings "highlight the need for studies that document the challenging aspects of implementing HIT more specifically and how these challenges might be addressed," such as through strong leadership or staff participation when adopting and implementing HIT.

- **The U.S. Food and Drug Administration (FDA) approved Benlysta (belimumab) to treat patients with active, autoantibody-positive lupus (systemic lupus erythematosus) who are receiving standard therapy, including corticosteroids, antimalarials, immunosuppressives, and nonsteroidal anti-inflammatory drugs.**

Benlysta is delivered directly into a vein (intravenous infusion) and is the first inhibitor designed to target B-lymphocyte stimulator (BLyS) protein, which may reduce the number of abnormal B cells thought to be a problem in lupus.

Prior to Benlysta, FDA last approved drugs to treat lupus, Plaquenil (hydroxychloroquine) and corticosteroids, in 1955. Aspirin was approved to treat lupus in 1948.

Lupus is a serious, potentially fatal, autoimmune disease that attacks healthy tissues. It disproportionately affects women, and usually develops between ages 15 and 44. The disease affects many parts of the body including the joints, the skin, kidneys, lungs, heart, and the brain. When common lupus symptoms appear (flare) they can present as swelling in the joints or joint pain, light sensitivity, fever, chest pain, hair loss, and fatigue.

Estimates vary on the number of lupus sufferers in the United States ranging from approximately 300,000 to 1.5 million. People of all races can have the disease; however, African American women have a 3 times higher incidence (number of new cases) than Caucasian women.

In the clinical trials, patients treated with Benlysta and standard therapies experienced less disease activity than those who received a placebo and standard of care medicines. Results suggested, but did not definitively establish, that some patients had a reduced likelihood of severe flares, and some reduced their steroid doses.

Human Genome Sciences Inc., based in Rockville, Md., developed Benlysta and will co-market the drug in the United States with GlaxoSmithKline of Philadelphia.

- **The Departments of Health and Human Services (HHS) and Treasury proposed new rules outlining the steps states may pursue in order to receive a State Innovation Waiver under the Affordable Care Act.**

The Affordable Care Act gives states the flexibility to receive a State Innovation Waiver so they may pursue their own innovative strategies to ensure their residents have access to high quality, affordable health insurance. Under the law, State Innovation Waivers are available in 2017. President Obama supports bipartisan legislation that would make waivers available to states beginning in 2014.

State Innovation Waivers are designed to allow states to implement policies that differ from those in the Affordable Care Act so long as they:

- Provide coverage that is at least as comprehensive as the coverage offered through Health Insurance Exchanges – new competitive, private health insurance marketplaces.
- Make coverage at least as affordable as it would have been through the Exchanges.
- Provide coverage to at least as many residents as otherwise would have been covered under the Affordable Care Act.
- Do not increase the federal deficit.

Under the Affordable Care Act, states have significant flexibility in implementing the law. They also have new resources to improve and lower costs in their Medicaid programs. To read more about new resources and flexibilities for states under the Affordable Care Act, visit www.HealthCare.gov/center/reports/states02252011a.pdf.

The proposed regulation announced describes the content of the waiver application and how such proposals may be disclosed to the public, monitored and evaluated. For more information on the regulations announced today, visit www.HealthCare.gov/news/factsheets/stateinnovation03102011a.html. To read the new regulations, visit www.ofr.gov/inspection.aspx.

Reserve/Guard

- As of March 8, 2011, the total number of Guard and Reserve currently on active duty has **decreased** by 49 to 88,995. The totals for each service are Army National Guard and Army Reserve 67,497; Navy Reserve, 5,961; Air National Guard and Air Force Reserve, 9,675; Marine Corps Reserve, 5,058; and the Coast Guard Reserve, 804. www.defenselink.mil

Reports/Policies

- **The GAP published "Medicare and Medicaid Fraud, Waste, and Abuse: Effective Implementation of Recent Laws and Agency Actions Could Help Reduce Improper Payments," (GAO-11-409T) on March 9, 2011.** This report focuses on how implementing prior GAO recommendations and recent laws, as well as other agency actions, could help CMS carry out five key strategies GAO identified in previous reports to help reduce fraud, waste, and abuse and improper payments in Medicare and Medicaid. <http://www.gao.gov/new.items/d11409t.pdf>
- **The Institute of Medicine (IOM) published "Innovations in Health Literacy - Workshop Summary," on March 10, 2011.** The report explores areas for

research in health literacy, the relationship between health literacy and health disparities, and ways to apply information technology to improve health literacy.

Legislation

- **H.R.948** (introduced March 8, 2011): The *Embedded Mental Health Providers for Reserves Act of 2011* was referred to the House Committee on Armed Services
Sponsor: Representative David Loebsack [IA-2].
- **H.RES.152** (introduced March 8, 2011): Recognizing the life-saving role of ostomy care and prosthetics in the daily lives of hundreds of thousands of people in the United States was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means.
Sponsor: Representative Leonard Lance [NJ-7].
- **S.491** (introduced March 4, 2011): The *Honor America's Guard-Reserve Retirees Act of 2011* was referred to the Committee on Veterans' Affairs.
Sponsor: Senator Mark L. Pryor [AR]
- **S.494** (introduced March 7, 2011): The *Colorectal Cancer Prevention, Early Detection and Treatment Act* was referred to the Committee on Health, Education, Labor, and Pensions
Sponsor: Senator Joseph I. Lieberman [CT]
- **S.501** (introduced March 8, 2011): A bill to establish pilot projects under the Medicare program to provide incentives for home health agencies to utilize home monitoring and communications technologies was referred to the Committee on Finance.
Sponsor: Senator John Thune [SD].
- **S.507** (introduced March 8, 2011): A bill to provide for increased Federal oversight of prescription opioid treatment and assistance to States in reducing opioid abuse, diversion and deaths was referred to the Committee on Health, Education, Labor, and Pensions.
Sponsor: Senator John D. Rockefeller, IV [WV]

Hill Hearings

- The House and Senate Veterans Affairs Committees will hold a joint hearing on March 16, 2011, to hear the legislative presentation from AMVETS, Jewish War Veterans, Military Officers Association of America, Gold Star Wives, Blinded Veterans Association, Non Commissioned Officers Association, Iraq and Afghanistan Veterans of America, Fleet Reserve Association.
- The House Veterans Affairs Committee will hold a hearing on March 17, 2011, to examine U.S. Department of Veterans Affairs FY 2012 Budget for the Veterans Benefits Administration, National Cemetery Administration, and Related Agencies.
- The House and Senate Veterans Affairs Committees will hold a joint hearing on **March 30, 2011**, to hear the legislative presentation from Paralyzed Veterans of America, Air Force Sergeants Association, Military Order of the Purple Heart, National Association of State Directors of Veterans Affairs, Wounded Warrior Project, Vietnam Veterans of America, The Retired Enlisted Association, American Ex-Prisoners of War.

Meetings / Conferences

- The 3rd annual DoD/VA Suicide Prevention Conference will be **March 14-17, 2011**, in Boston, Mass. <http://www.dcoe.health.mil/training/upcomingconferences.aspx>.
- 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 18-25, 2011**, in Hampton Va. <https://usaphcapps.amedd.army.mil/afphc/>
- The Armed Forces Public Health Conference will be held on **March 21-25, 2011**, in Hampton Va. <http://phc.amedd.army.mil/fhpc/>
- The 15th Battlefield Healthcare Series: *VA/DoD Continuum of Care* will be held on **March 21-23, 2011**, in Washington D.C. <http://www.battlefieldhealthcare.com/Event.aspx?id=428934>
- The 2011 National Immunization Conference (NIC) will be held **March 28-31, 2011**, in Washington, DC. <http://www.cdc.gov/vaccines/events/nic>
- The mHealth Networking Conference will be held **March 30-31, 2011**, in Chicago, Ill. www.mobih.org
- 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/>
- The World Vaccine Congress will be held on **April 11-14, 2011**, in Washington, DC. <http://www.terrapinn.com/conference/world-vaccine-congress-washington/>
- ISID-Neglected Tropical Diseases Meeting (ISID-NTD) will be held on **July 8-10, 2011**, in Boston, Mass. <http://ntd.isid.org/>
- National Veterans Small Business Conference and Exposition will be held on **August 15-18, 2011**, in New Orleans.
- CFHA's 13th Annual Conference: Accelerating Adoption of Collaborative Care: Reaching the Tipping Point will be held on **Oct. 27-29, 2011**, in Philadelphia, Pa. <http://www.cfha.net/pages/Conference/>
- 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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