

## FEDERAL HEALTH UPDATE

May 13, 2011

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

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### Executive and Congressional News

- **House Appropriations Defense Subcommittee held its annual oversight hearing on the Defense Health Program on May 11, 2011.** Jonathan Woodson, MD, assistant secretary of defense for health affairs, and the Service surgeons general testified about the current state of affairs of the defense health program. During the hearing, the surgeons general highlighted the mission and accomplishments of their Service medical programs. Woodson focused on the challenges of delivering care to beneficiaries and increasing costs of providing care to service members, retirees and their families.

- **On May 11, 2011, the House Armed Services Committee approved the [National Defense Authorization Act for Fiscal Year 2012](#).**

This legislation provides \$690 billion for the Department of Defense and the national security activities within the Department of Energy for the next fiscal year.

According to the *Stars and Stripes*, the committee voted to allow the first bump in TRICARE Prime enrollment fees in more than 15 years. Retirees not yet eligible for Medicare would see a \$30-a-year fee increase, to \$260, for individual coverage and a \$60 hike, to \$520, for family coverage.

The committee's bill also would allow these fees for retirees to be adjusted each year to keep pace with inflation. But while the Department of Defense wanted the fees indexed to medical inflation nationwide, the committee language would cap any increase to the percentage rise in retired pay made through by the annual COLA or cost-of-living adjustment. The committee's final version of the defense authorization bill for fiscal 2012 also would allow co-pays to rise, by \$2 or \$3, on prescriptions filled in the TRICARE network of retail pharmacies, a move to encourage greater use of TRICARE mail order.

### Military Health Care News

- **Health Net Federal Services, LLC was awarded the 2009-2010 Program Integrity Anti-Fraud Performance Award by TRICARE Management Activity (TMA) Program Integrity.**

The honor is awarded once every two years and is the highest form of recognition imparted to a TRICARE contractor's Program Integrity Department for the prevention, detection and deterrence of fraud and abuse in the TRICARE program. TRICARE is the uniformed health care program for active duty and retired service members, National Guard and Reserve members, family members, survivors and other eligible beneficiaries.

Health Net's manager of Program Integrity, Sam Ferguson, accepted the award on Thursday, April 28, 2011, on behalf of Health Net at the 2011 TRICARE Health Care Anti-Fraud Conference in Denver, Colo.

Health Net was the recipient of the 2007-2008 Program Integrity Anti-Fraud Performance Award as well, distinguishing it as the incumbent recipient of this coveted recognition.

In addition, Health Net Federal Services, LLC, announced it has been awarded full Health Network Reaccreditation, effective July 1, 2011 – July 1, 2014, from URAC.

[URAC](#) is a health care accrediting organization that establishes quality standards for the health care industry. URAC accreditation establishes and measures key industry standards for health care management and improvement, as well as consumer protection.

- **The conservative think tank Center for American Progress held a meeting on May 10 to discuss its recommendations to reform the Department of Defense's health care program, TRICARE, claiming that would save as much as \$15 billion a year.**

Moderated by Rudy deLeon, senior vice president of National Security and International Policy, Center for American Progress, the panel included Norbert R. Ryan, Jr., USN (Ret.), president, Military Officers Association of America (MOAA); David S. Chu, former undersecretary of defense for personnel and readiness and president, Institute for Defense Analyses; and Lawrence J. Korb, senior fellow, Center for American Progress.

The center's recommendations include:

- Increasing TRICARE enrollment fees for working-age retirees, based on retirement pay. Also, implementing a \$120 per person annual enrollment fee for TRICARE for Life (TFL), which applies to eligible beneficiaries over age 65.
- Implementing a \$500 deductible for TFL enrollees from the first dollar, and limiting coverage to 50 percent of the next \$5000 in Medicare cost sharing.
- Limiting TRICARE enrollment to military retirees below certain income limits and those without access to other insurance coverage (to avoid double coverage problems).
- Attaching TRICARE premiums to Medicare Part B premiums for future increases.

Overall, the panelists agreed that the TRICARE program cost structure must be reformed to ensure its sustainability but the path of this reform is still highly contentious.

### Veterans Health Care News

- **Dr. Robert Jesse, principal deputy under secretary for health for the Department of Veterans Affairs (VA), has been honored by a leading professional association for his work to improve emergency cardiac care.**

The Raymond D. Bahr Award of Excellence was presented by the Society of Chest Pain Centers, best known as a grassroots effort to bring emergency physicians together to improve early cardiac care. This award is given to individuals who demonstrate extraordinary excellence, vision, and leadership in

advancing healthcare. The group said Jesse's work in developing an innovative risk-based triage protocol for patients has contributed significantly to the field of cardiac medicine.

Jesse was honored at an award ceremony on May 4 at the 14th Congress of Chest Pain Centers in Miami. The award was presented by the officers of the executive committee of the society.

- **Researchers from the Veterans Affairs (VA) and Department of Defense (DoD) have produced a new 56-page guidebook to spur more collaboration between the agencies on clinical health research.**

The [VA-DoD Collaboration Guidebook for Healthcare Research](#) is filled with practical tips and information for researchers. It covers topics such as identifying collaborators, submitting research proposals, and understanding the rules for data security and human-subjects protection in each agency.

To date, researchers from VA and DoD have worked jointly on initiatives focused on post-traumatic stress disorder, traumatic brain injury, burn injuries, amputation and prosthetics, sensory loss, infectious disease and many other issues. One prominent example of a joint effort is the high-tech DEKA prosthetic arm, developed through funding from the Defense Advanced Research Projects Agency and now being field tested with Veterans at several VA sites.

The new guidebook, funded by VA's Health Services Research and Development Service, was created by six lead authors from VA and DoD and more than a dozen advisors and reviewers representing the two agencies.

Topics covered include techniques for finding collaborators with common research interests and goals; administrative and funding mechanisms in VA and DoD; types of formal agreements for collaborative projects; suggestions for developing and submitting proposals; and examples of both successful and unsuccessful research collaborations.

The guidebook also contains links to additional resources, and a comprehensive list of acronyms commonly used by researchers in both agencies, ranging from AAHRPP (Association for the Accreditation of Human Research Protection) to WRIISC (War Related Illness and Injury Study Center).

- **The Department of Veterans Affairs (VA) and Easter Seals formally announced a partnership to provide comprehensive caregiver training to family caregivers of eligible post-9/11 veterans as authorized by the Caregivers and Veterans Omnibus Health Services Act of 2010.**

Starting May 11, family caregivers and veterans can apply for services authorized under a VA interim final rule that was published on May 5. Eligible family caregivers of eligible post-9/11 veterans will receive comprehensive training developed by Easter Seals in collaboration with VA clinical experts. It is part of a package of new services that also include a monthly stipend, mental health services and access to medical care under the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA), if the primary family caregiver is not entitled to care or services under a health plan contract.

Easter Seals has been helping people with disabilities and special needs, and their families, live better lives for more than 90 years. From child development centers to physical rehabilitation and job training for people with disabilities, Easter Seals offers a variety of services to help people address life's challenges and achieve personal goals.

Family caregivers of eligible post-9/11 veterans will have a choice of how to receive their training. Options will include traditional classroom training, online learning or a correspondence course. All family caregivers will be expected to complete training as part of the preparation to start receiving other services under the new program. The first training courses are expected to start in June, and monthly stipends, which are backdated to the day applications are formally submitted, could begin as early as July.

Veterans may download a copy of the Family Caregiver program application at [www.caregiver.va.gov](http://www.caregiver.va.gov).

## Health Care News

- **A new report released by the Department of Health and Human Services (HHS) shows that few families without health insurance have the financial assets to pay potential hospital bills.**

On average, uninsured families can only afford to pay in full for approximately 12 percent of hospital stays they may experience; and even higher income uninsured families are unable to pay for most potential hospital stays. Hospital stays for which the uninsured cannot pay in full account for 95 percent of the total amount hospitals bill the uninsured. Other studies have estimated that the bills for all types of health care that the uninsured cannot pay – the uncompensated cost of care – is up to \$73 billion a year, a significant portion of which is shifted into higher costs for Americans with insurance and their employers.

Approximately 50 million Americans are uninsured. The report, [The Value of Health Insurance: Few of the Uninsured Have Adequate Resources to Pay Potential Hospital Bills](#), found that most uninsured people have virtually no savings. In fact, the median financial assets for all uninsured families are just \$20. Even among higher income families, assets are low. Half of families with income at 400 percent of the Federal Poverty Level (FPL), or \$89,400 a year for a family of four in 2011, have financial assets below \$4,100.

Every year, nearly 2 million uninsured Americans are hospitalized. With 58-percent of these hospital stays resulting in bills of more than \$10,000, most uninsured people are unable to afford potential hospital bills. Even the top 10-percent of uninsured families with the most assets are estimated to be able to pay the full bill for only half of potential hospital stays. Uninsured families can, on average, afford to pay the full bills for only about 12-percent of the hospital stays they might experience, bills that account for just 5-percent of the total amount hospitals bill them.

The high cost of hospitalization means that lacking health insurance poses a greater risk of financial catastrophe than lacking car insurance or homeowner's insurance. Although people are 50 percent more likely to have a car accident than to be hospitalized in a given year, the average bill for a hospital visit is over two and a half times higher than the average loss for a car accident. And, while the bill for a single hospitalization is about the same as the average loss from a house fire, a person is ten times more likely to be hospitalized than to experience a house fire.

- **Martha J. Somerman, D.D.S., Ph.D., has been appointed as director of the National Institute of Dental and Craniofacial Research (NIDCR).**

As director of NIDCR, Somerman will oversee a budget of \$410 million and lead a staff of more than 400 researchers and administrators on the NIH campus as well as hundreds of grantees at universities, medical schools, dental schools, and other research institutions. NIDCR-supported scientists conduct research on the full spectrum of topics related to oral, dental, and craniofacial health and disease.

An internationally known researcher and educator, Somerman's research has focused on defining the key regulators controlling development, maintenance and regeneration of oral-dental-craniofacial tissues. Her work has been recognized with numerous honors and awards.

Somerman, currently dean of the University of Washington School of Dentistry, Seattle, will begin her duties as NIDCR director on Aug. 29, 2011. She has been a long-standing member of the NIH and NIDCR communities, having received her first NIH grant in 1987. In the early 1980s, she was a staff fellow in the dental institute's intramural research program. She served on the National Advisory Dental and Craniofacial Research Council from 1999 to 2002.

Somerman holds a bachelor's degree in biology and a D.D.S. from New York University, a master's degree in environmental health from Hunter College, New York City, and a Ph.D. in pharmacology from the University of Rochester, N.Y. She completed her periodontal residency at the Eastman Dental Center in Rochester.

The National Institute of Dental and Craniofacial Research is the Nation's leading funder of research on oral, dental, and craniofacial health. [www.nidcr.nih.gov](http://www.nidcr.nih.gov)

- **The U.S. Food and Drug Administration approved the first test for *Staphylococcus aureus* (S.aureus) infections that is able to quickly identify whether the bacteria are methicillin resistant (MRSA) or methicillin susceptible (MSSA).**

There are many different types of Staphylococci bacteria, which cause skin infections, pneumonia, food and blood infections (blood poisoning). While some S.aureus infections are treated easily with antibiotics, others are resistant (MRSA) to commonly prescribed antibiotics such as penicillin and amoxicillin.

The KeyPath MRSA/MSSA Blood Culture Test determines whether bacteria growing in a patient's positive blood culture sample are MRSA or MSSA within about five hours after any bacterial growth is first detected in the sample. Aside from blood culture equipment, the test does not require any specific instruments to get results, which makes it useful in any laboratory.

MRSA infections can occur anywhere; however, infections appearing in health care settings are usually more severe and potentially life-threatening given patients being treated in those facilities may have weakened immune systems and frequently undergo procedures such as surgery, which allows an easier spread of bacteria directly into the body.

## Reserve/Guard

- As of May 10, 2011, the total number of Guard and Reserve currently on active duty has **increased** by 545 to 92,312. The totals for each service are Army National Guard and Army 70,155; Navy Reserve, 5,462; Air National Guard and Air Force Reserve, 9,906; Marine Corps Reserve, 5,988, and the Coast Guard Reserve, 801. [www.defenseink.mil](http://www.defenseink.mil)

## Reports/Policies

- The GAO published "*Hospital Emergency Departments: Health Center Strategies That May Help Reduce Their Use*," (GAO-11-643T) on May 11, 2011. The report discusses strategies that health centers employ that may help reduce hospital emergency department use. <http://www.gao.gov/new.items/d11643t.pdf>
- The GAO published "*Information Technology: Department of Veterans Affairs Faces Ongoing Management Challenges*," (GAO-11-663T) on May 11, 2011. This report shares the GAO's past work on VA's weaknesses in managing its IT resources, specifically in the areas of systems development, information security, and collaboration with the Department of Defense (DOD) on efforts to meet common health system needs
- The GAO published "*Nursing Homes: More Reliable Data and Consistent Guidance Would Improve CMS Oversight of State Complaint Investigations*," (GAO-11-280) on May 9, 2011. In this report, GAO examined complaints received, investigated, and substantiated by state survey agencies; whether those agencies were meeting CMS performance standards and other requirements; and the effectiveness of CMS's oversight. <http://www.gao.gov/new.items/d11280.pdf>
- The GAO published "*Nursing Home Quality: Implementation of the Quality Indicator Survey*," (GAO-11-403R) on May 6, 2011. This report discusses the approach that the Centers for Medicare & Medicaid Services (CMS) is taking to implement the Quality Indicator Survey (QIS) nationally. CMS developed the QIS—a new electronic process used to conduct nursing home inspections—to provide a more reliable assessment of the quality of care in nursing homes. <http://www.gao.gov/new.items/d11403r.pdf>

## Legislation

- H.R.1799** (introduced May 6, 2011): St. Albans VA Veteran Cares Act of 2011 was referred to the House Committee on Veterans' Affairs  
Sponsor: Representative Gregory W. Meeks [NY-6]
- H.R.1809** (introduced May 10, 2011): To amend the Employee Retirement Income Security Act of 1974 to ensure health care coverage value and transparency for dental benefits under group health plans was referred to the House Committee on Education and the Workforce.  
Sponsor: Representative Robert E. Andrews [NJ-1].
- H.R.1810** (introduced May 10, 2011): To direct the Secretary of Health and Human Services to encourage research and carry out an educational campaign with respect to pulmonary hypertension, and for other purposes was referred to the House Committee on Energy and Commerce.  
Sponsor: Representative Kevin Brady [TX-8]
- H.R.1826** (introduced May 11, 2011): To amend title 38, United States Code, to reinstate criminal penalties for persons charging veterans unauthorized fees was referred to the Committee on Veterans' Affairs, and in addition to the Committee on the Judiciary.  
Sponsor: Representative Gus M. Bilirakis [FL-9].
- H.R.1832** (introduced May 11, 2011): To amend title 10, United States Code, to expand the State licensure exception for certain health-care professionals, and for other purposes was referred to the Committee on Armed Services, and in addition to the Committee on Veterans' Affairs.  
Sponsor: Representative Glenn Thompson [PA-5]
- H.R.1833** (introduced May 11, 2011): To amend the Public Health Service Act to improve mental and behavioral health services on college campuses was referred to the Committee on Energy and Commerce, and in addition to the Committee on Education and the Workforce.  
Sponsor: Representative Janice D. Schakowsky [IL-9]
- H.R.1839** (introduced May 11, 2011): To ensure and foster continued patient safety and quality of care by making the antitrust laws apply to negotiations between groups of independent pharmacies and health plans and health insurance issuers (including health plans under parts C and D of the Medicare Program) in the same manner as such laws apply to protected activities under the National Labor Relations Act was referred to the House Committee on the Judiciary.  
Sponsor: Representative Anthony D. Weiner [NY-9].
- H.R.1854** (introduced May 11, 2011): To require the Secretary of Veterans Affairs to carry out a program of outreach for veterans was referred to the House Committee on Veterans' Affairs.  
Sponsor: Representative Tom Ryan [OH-17].
- H.R.1855** (introduced May 11, 2011): To amend title 38, United States Code, to improve the provision of rehabilitative services for veterans with traumatic brain injury was referred to the House Committee on Veterans' Affairs.  
Sponsor: Representative Timothy J. Walz [MN-1]
- S.910** (introduced May 9, 2011): the *Veterans Health Equity Act of 2011* was referred to the Committee on Veterans' Affairs  
Sponsor: Senator Jeanne Shaheen [NH]
- S.914** (introduced May 9, 2011): A bill to amend title 38, United States Code, to authorize the waiver of the collection of copayments for telehealth and telemedicine visits of veterans was referred to the Committee on Veterans' Affairs.  
Sponsor: Senator Mark Begich [AK].
- S.928** (introduced May 11, 2011): A bill to amend title 38, United States Code, to limit the authority of the Secretary of Veterans Affairs to use bid savings on major medical facility projects of the Department of Veterans Affairs to expand or change the scope of a major medical facility project of the Department was referred to the Committee on Veterans' Affairs.  
Sponsor: Senator Richard Burr [NC]
- S.957** (introduced May 9, 2011): A bill to amend title 38, United States Code, to improve the provision of rehabilitative services for veterans with traumatic brain injury was referred to the Committee on Veterans' Affairs. Sponsor: Senator John Boozman [AR]

## Hill Hearings

- The Senate Veterans' Affairs will hold a hearing **May 18, 2011**, to examine seamless transition, focusing on improving Veterans Affairs and Department of Defense collaboration.
- The House Veterans Affairs Committee will hold a legislative hearing on **June 2, 2011**, to examine pending legislation.

## Meetings / Conferences

- The American Psychiatric Association 164th Annual Meeting will be held on **May 14-18, 2011**, in Honolulu, Hawaii. <http://www.psych.org/annualmeeting>

- The Military Healthcare Convention and Conference will be held on **June 13-16, 2011**, in San Antonio, Texas. <http://www.militaryhealthcareconvention.com/Event.aspx?id=407392>
- The Electronic Health Records Summit will be held on **June 21-23, 2011**, in Chicago, Ill. [www.electronichealthrecordssummit.com](http://www.electronichealthrecordssummit.com)
- ISID-Neglected Tropical Diseases Meeting (ISID-NTD) will be held on **July 8-10, 2011**, in Boston, Mass. <http://ntd.isid.org/>
- The 9th annual BioDefense Vaccines & Therapeutics Conference will be held on **July 20-22, 2011**, in Washington D.C. <http://www.infocastinc.com/index.php/conference/biodef11>
- 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/](http://www.isid.org/15th_ICID/)
- CFHA's 13th Annual Conference: Accelerating Adoption of Collaborative Care: Reaching the Tipping Point on **Oct. 27-29, 2011**, in Philadelphia, Pa. <http://www.cfha.net/pages/Conference/>
- The American Public Health Association Annual Meeting & Exposition will be held on **Oct. 29-Nov. 2, 2011**, in Washington D.C. <http://www.apha.org/meetings/>
- The CDC's 2011 Symposium on Identification, Screening and Surveillance of HCV Infections in the Era of Improved Therapy for Hepatitis C will be held on **Dec. 1-2, 2011**, in Atlanta Ga. <http://www.cdc.gov/hepatitis/hcvsymposium2011/>
- mHealth Summit will held on **Dec. 5-7, 2011**, in Washington, D.C. <http://www.mhealthsummit.org/>
- The International Conference on Emerging Infectious Diseases 2012 (ICEID) will be held on **March 11-14, 2012**, in Atlanta, Ga. <http://www.cdc.gov/eid/content/16/11/e1.htm>.

If you need further information on any of the items in the Federal Health Update, please contact Kate Connolly Theroux at (703) 447-3257 or by e-mail at [katetheroux@fedhealthinst.org](mailto:katetheroux@fedhealthinst.org). To subscribe, please visit <http://fedhealthinst.org/subscriber.cfm>. To unsubscribe, please send an email to [newsletter@fedhealthinst.org](mailto:newsletter@fedhealthinst.org) with UNSUBSCRIBE as the subject.

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