FEDERAL HEALTH UPDATE

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Happy New Year!

Executive and Congressional News

- **On Dec. 23, 2011, President Obama signed into law H.R. 2055, the *Consolidated Appropriations Act, 2012*.**

Military Health Care News

- **Navy Vice Adm. John Mateczun, commander of the National Capital Region Medical Joint Task Force, has extended an invitation to all attendees of the 2012 Military Health System Conference to tour the new Walter Reed National Military Medical Center and Fort Belvoir Community Hospital.**

  Tours will be available Jan. 30 and Feb. 1. Buses will depart the Gaylord National Hotel and Convention Center at 11:00 a.m. and return by 4:00 p.m. Limited space will be available and reservations will be first-come, first-served. Conference attendees interested in taking a tour will be able to sign up at the JTF desk next to the conference registration.

  The 2012 MHS conference takes place at the Gaylord National Hotel and Convention Center at National Harbor, Md. Jan 30 through Feb. 2, 2012. For more information about the conference, or to register, visit the MHS Conference web pages.

- **The Department of Defense (DoD) announced the next Uniform Formulary Beneficiary Advisory Panel will be held on Jan. 12, 2012, at the Navel Heritage Center in Washington DC.**

  The meeting, to be held from 9:00 a.m. to 1:00 p.m., will include a review of the recommendations made to the Director of TRICARE Management Activity by the Pharmacy and Therapeutics Committee, regarding the Uniform Formulary.

  The topics under discussion include:

  - Antidepressants and Non-Opioid Pain Syndrome Agents
  - Pulmonary-1 Agents: Short Acting Beta Agonists
  - Phosphodiesterase-5 Inhibitors for Erectile Dysfunction
  - Designated Newly Approved Drugs in Already-Reviewed Classes
  - Pertinent Utilization Management Issues

  The public or interested organizations may submit written statements to the membership of the panel at any time or in response to the stated agenda of a planned meeting. Written statements should be submitted to the panel's Designated Federal Officer (DFO). The DFO's contact information can be obtained from the General Services Administration's Federal Advisory Committee Act Database at https://www.fido.gov/facadatabase/public.asp.

  In addition to written statements, the panel will set aside one hour for individuals or interested groups to address the panel. A sign-up roster will be available at the panel meeting for registration on a first-come, first-serve basis. Those wishing to address the panel will be given no more than 5 minutes to present their comments, and at the end of the one hour time period, no further public comments will be accepted.

- **The Department of Defense (DoD) released key findings from the Academic Program Year (APY) 2010-2011 "Annual Report on Sexual Harassment and Violence at the Military Service Academies."**

  The report also contains the results from the 2011 Service Academy Gender Relations Focus Groups.

  One of the department's strategic priorities is to address the increase in the number of reports made to authorities to ensure victims obtain needed support and services.

  Supporting victims is also the focus of two new DoD policies. Under a new policy on expedited transfers, service members who have been the victim of sexual assault and have filed an Unrestricted Report now have the option to request an expedited transfer from their unit and/or installation. The service member must receive a response to the transfer request from the unit commander within 72 hours, and can request a review of any denied request by a General/Flag Officer (or SES equivalent) in the chain of command and receive that response within the next 72 hours.

  The second new policy standardizes the retention periods for sexual assault records across the military services. In unrestricted cases, specified documents will be retained for 50 years and in restricted cases, for five years, to ensure victims have extended access to documents related to the sexual assault.

  The academies saw an overall increase in the number of sexual assault reports made to authorities in APY 2010-2011. During the evaluation period, a total of 65 reports of sexual assault involved cadets and midshipmen compared to a total of 41 reports in the prior APY.

  As part of the comprehensive review, DoD officials conducted site visits at the U.S. Military Academy, U.S. Naval Academy and the U.S. Air Force Academy, reviewed academy policies, trainings, and procedures, and held focus groups with cadets and midshipmen.

  Based on information obtained during these site visits, DoD officials found that most academy programs fulfilled, and in some cases, surpassed the requirements of existing DoD policies and directives

  The complete report is available at http://www.sapr.mil.

- **TRICARE Management Activity published a proposed rule in the Dec. 29, 2011, *Federal Register* to remove the exclusion of drug abuse maintenance programs and allow, as part of a comprehensive treatment plan for an individual with substance dependence, the substitution of a therapeutic drug with addictive potential for a drug of addiction (e.g. the substitution of methadone for heroin).**

  The current regulation prohibits drug maintenance programs where one addictive substance is substituted for another. However, this prohibition of maintenance treatment of substance dependence utilizing a specific category of psychoactive agent is outdated and fails to recognize the accumulated medical evidence supporting certain maintenance programs as one component of the continuum of care necessary for the effective treatment of substance dependence. Current medical evidence shows that this is medically or psychologically necessary and integral to the safe and effective treatment of drug abuse as is generally required for all treatment benefits for inclusion in the TRICARE benefit.

  Written comments to the proposed rule must be received by Feb. 27, 2012.

- **TRICARE Management Activity published a final rule in the Dec. 28, 2011, *Federal Register* which eliminates copayments for authorized preventive services for TRICARE Standard beneficiaries other than Medicare-eligible beneficiaries.**

  This rule, effective Jan. 27, 2011, applies to dates of service on or after Oct. 14, 2008, for preventive services and realigns the covered preventive services listed in the exclusions section of the regulation to the special benefits section in the regulation.

- **TRICARE Management Activity published a final rule in the Dec. 28, 2011, *Federal Register* to implement section 703 of the National Defense Authorization Act for fiscal year 2010 (NDAA for FY10).**

  Specifically, that legislation amends the transitional health care dental benefits for Reserve Component members on active duty for more than 30 days in support

of a contingency operation. The legislation entitles these Reserve Component members to dental care in the same manner as a member of the uniformed services on active duty for more than 30 days, thus providing care to the Reserve member in both military dental treatment facilities and authorized private sector dental care. This final rule does not eliminate any medical or dental care that is currently covered as transitional health care for the member.

The rule is effective Jan. 27, 2011.

Veterans Health Care News

- **The Department of Veterans Affairs announced that all of its 152 medical centers are now actively represented on Facebook.**

  The process that began with a single Veterans Health Administration Facebook page in 2008 has now produced more thab 150 Facebook pages, 64 Twitter feeds, a YouTube channel, a Flickr page, and the VAntage Point blog. Additionally, in June 2011, VA produced a department-wide social media policy that provides guidelines for communicating with veterans online. The overarching strategy is designed to help break down long-perceived barriers between the Department and its stakeholders.

  VA clinicians can't discuss the specific health concerns of individual veterans on Facebook, but that doesn't prevent staff from monitoring VA's sites closely each day — and providing helpful information to veterans when they can. In the last year, for instance, VA's Crisis Line counselors have successfully intervened on Facebook in cases where veterans have suggested suicidal thoughts or presented with other emotional crises.

  VA currently has more than 345,000 combined Facebook subscribers (or, "fans"). The Department's main Facebook page has more thab 154,000 fans and its medical centers have a combined subscribership of over 69,000. The Department plans to continue expanding its Facebook presence while also focusing on bringing Twitter to every VA medical center as well.

  For more information, please visit the sites below:

  - Directory of All VA Social Media Sites: www.va.gov/opa/SocialMedia.asp
  - VA Facebook Page Directory: www.facebook.com/VeteransAffairs?sk=app_7146470109

- **Veterans of the Persian Gulf War with undiagnosed illnesses have an additional five years to qualify for benefits from the Department of Veterans Affairs.**

  A recent change in VA regulations affects veterans of the conflict in Southwest Asia. Many have attributed a range of undiagnosed or poorly understood medical problems to their military services. Chemical weapons, environmental hazards and vaccinations are among the possible causes.

  At issue is the eligibility of veterans to claim VA disability compensation based upon those undiagnosed illnesses and the ability of survivors to qualify for VA's Dependency and Indemnity Compensation.

  Under long-standing VA rules, any undiagnosed illnesses used to establish eligibility for VA benefits must become apparent by Dec. 31, 2011. The new change pushes the date back to Dec. 31, 2016.

  Veterans or survivors who believe they qualify for these benefits should contact VA at 1-800-827-1000.

  Further information about undiagnosed illnesses is available online at www.publichealth.va.gov/exposures/gulfwar and www.publichealth.va.gov/exposures/oefoif/index.asp.

Health Care News

- **The National Institute of Allergy and Infectious Diseases will spend $9.3 million in fiscal year 2013 to fund research and development of new diagnostic and therapeutic countermeasures for use in biodefense efforts against dangerous pathogens and toxins.**

  The new grants will support between 10 and 15 projects that are focused on preclinical development of medical diagnostics or lead candidate therapeutics that have received a substantial investment from at least one industry partner. That investment may not necessarily be financial, but could include a commitment of resources such as support for product development, personnel, and in-kind contributions of materials and/or reagents.

  Applicants for these grants, of up to $750,000 per year, must propose a project aimed at advancing a lead therapeutic or diagnostic candidate that has already been identified, but it is not necessary that these projects result in a final product or even reach readiness for clinical trials or validation. While clinical development strategies may be included within an overall project, these grants will not support clinical trials.

  In addition, NIAID said that applicants may request up to $300,000 for major equipment to ensure that research aims can be met and biohazards can be contained. Such requests must be included in the first year requested budget with justification, and are in addition to the $750,000 direct cost limit.

  NIAID sees a need for diagnostics to identify infectious agents or toxins rapidly and in a range of clinical samples including blood, sputum, serum, CSN, urine, and others, from individuals at multiple stages of infection.

  These diagnostic tests also should be cost-effective, easy to use, adaptable for new agents or targets, and must be able to meet the specificity the Food and Drug Administration requires for tests for these agents.

- **The Department of Health and Human Sevices (HHS) awarded more than $296 million to 23 states for ensuring more children have health coverage.**

  The performance bonus payments are funded under the Children's Health Insurance Program Reauthorization Act, one of the first pieces of legislation signed into law by President Obama in 2009. To qualify for these bonus payments, states must surpass a specified Medicaid enrollment target. They also must adopt procedures that improve access to Medicaid and the Children's Health Insurance Program (CHIP), making it easier for eligible children to enroll and retain coverage.

  The bonuses come one week after new data from the Centers for Disease Control and Prevention show that the number of children with insurance increased by 1.2 million since the CHIP reauthorization in 2009. An HHS issue brief notes that this increase has been entirely due to greater enrollment in public programs such as Medicaid and CHIP.

  Performance bonuses help offset the costs states incur when they enroll lower income children in Medicaid. By ensuring that states streamline their enrollment and renewal procedures, the bonuses also give states the incentive to adopt long-term improvements in their children's health insurance programs.

  The 23 states eligible for performance bonuses include: Alabama, Alaska, Colorado, Connecticut, Georgia, Idaho, Illinois, Iowa, Kansas, Louisiana, Maryland, Michigan, Montana, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oregon, South Carolina, Virginia, Washington, and Wisconsin.

  For more information on today's CHIP awards, visit http://www.insurekidsnow.gov/professionals/eligibility/performance_bonuses.html.

- **The Centers for Medicare & Medicaid Services (CMS) announced a new demonstration to help Medicare patients with chronic conditions.**

  The *Independence at Home Demonstration* greatly expands the scope of in-home services Medicare beneficiaries can receive. The Independence at Home Demonstration will provide chronically ill patients with a complete range of primary care services. Participation in the demonstration is voluntary for Medicare beneficiaries.

  CMS will join with medical practices to test the effectiveness of delivering primary care services in a home setting on improving care for Medicare beneficiaries with multiple chronic conditions. Medical practices led by physicians or nurse practitioners will provide primary care home visits tailored to the needs of beneficiaries with multiple chronic conditions and functional limitations.

  The demonstration will reward healthcare providers that show a reduction in Medicare expenditures through an incentive payment if they succeed in providing high-quality care while reducing costs. CMS will use quality measures to ensure beneficiaries experience high quality care.

  Medical practices eligible to participate in the demonstration must include physicians or nurse practitioners who have experience delivering home-based primary care. Up to 50 practices will be selected and each must serve at least 200 Medicare fee-for-service beneficiaries with multiple chronic conditions and functional limitations. Practices in the demonstration will be responsible for coordinating patient care with other health and social service professionals.

  The new demonstration is one of a series of CMS initiatives to build a Medicare program that offers beneficiaries better care and better health at an affordable cost. It will be supported by the CMS Innovation Center, which was created by the Affordable Care Act to develop and test new models of health care delivery and payment, and disperse best practices throughout the health care system.

  Applications and Letters of Intent, if applicable, are due on Feb. 6, 2012. Additional information about this demonstration, including how to apply, can be found at https://www.cms.gov/apps/media/press/factsheet.asp?Counter=4230

- **Thirty-two leading health care organizations will participate in a new Pioneer Accountable Care Organizations (ACOs) initiative made possible by the**

Affordable Care Act.

The Pioneer ACO initiative will encourage primary care doctors, specialists, hospitals and other caregivers to provide better, more coordinated care for people with Medicare and could save up to $1.1 billion over five years.

Under this initiative, operated by the Centers for Medicare & Medicaid Services (CMS) Innovation Center (Innovation Center), Medicare will reward groups of health care providers that have formed ACOs based on how well they are able to both improve the health of their Medicare patients and lower their health care costs.

The Pioneer ACO initiative is just one of a menu of options for providers looking to better coordinate care for patients and use health care dollars more wisely. The Pioneer ACO model is designed specifically for groups of providers with experience working together to coordinate care for patients. More information about the full menu of options for providers and how to apply to participate is available here.

The 32 Pioneer ACOs underwent a rigorous competitive selection process by the Innovation Center, including extensive review of applications and in-person interviews.

The initiative will test the effectiveness of several innovative payment models and how they can help experienced organizations to provide better care for beneficiaries, work in coordination with private payers, and reduce Medicare cost growth. These payment models will allow organizations that are successful in achieving better care and lower cost growth to move away from a payment system based on volume under the fee-for-service model, towards one where the ACO is paid based on the value of care it provides.

The Pioneer ACO model requires ACOs to engage other payers in similar efforts to reward health care providers that deliver high-quality care. The Pioneer ACO model also includes strict beneficiary protections, including the ability for patients to seek care from any Medicare provider they wish.

Selected Pioneer ACOs include physician-led organizations and health systems, urban and rural organizations, and organizations in various geographic regions of the country, representing 18 States and the opportunity to improve care for about 860,000 Medicare beneficiaries.

The first performance period of the Pioneer ACO Model will begin Jan. 1, 2012.

For the final list of participating Pioneer ACOs and more information about the Pioneer ACO Model, a fact sheet is posted at http://www.cms.gov/apps/media/press/factsheet.asp?Counter=4225

- **The Department of Health and Human Services, Office of the Inspector General (OIG), has identified 20 portable x-ray suppliers with "questionable billing patterns," according to a report issued on Dec. 27, 2011.**

  OIG researchers said they used 2008 and 2009 Medicare claims data, nursing home stay data, and provider enrollment data to examine portable x-ray suppliers' billing patterns and to identify individual claims that may warrant further review. In the report, the OIG found Medicare paid approximately $225 million for all x-rays rendered in 2009 by portable x-ray suppliers.

  According to OIG, portable x-ray suppliers are entities that furnish x-rays at a beneficiary's location using mobile diagnostic equipment. Medicare pays portable x-ray suppliers separately for the transportation and setup of the mobile equipment in addition to the administration of the test and interpretation of the results.

  By law, portable x-rays must be ordered by a licensed physician. In 2009, however, the OIG found that Medicare paid approximately $6.6 million for portable x-rays ordered by non-physicians.

  In addition to finding the 20 x-ray suppliers with questionable billing patterns, the OIG said it also found that Medicare paid approximately $12.8 million for return trips to nursing facilities on a single day. OIG officials are concerned that some x-ray suppliers may have called for residents to leave their facilities to receive a portable x-ray, only to be returned to their nursing home the same day.

  OIG recommended that CMS establish a process for routinely finding portable x-ray suppliers that merit greater scrutiny. According to OIG, CMS should also determine what portion of the $12.8 million it paid for return trips to nursing homes in 2009 actually reimbursed portable X-ray suppliers for incorrectly billed transportation component claims and collect any overpayments. OIG also called on CMS to collect the $6.6 million in overpayments it made for portable X-ray services rendered in 2009 that were ordered by non-physicians. In addition, CMS should also implement procedures to ensure that it pays for portable x-ray services only when they are ordered by a physician and establish appropriate controls, the report said.

  According to the OIG report, CMS agreed with all of OIG's recommendations.

Reserve/Guard

- As of Dec. 27, 2010, the total number of Guard and Reserve currently on active duty has **decreased** by 216 to 87,525. The totals for each service are Army National Guard and 66,935; Navy Reserve, 4,421; Air National Guard and Air Force Reserve, 10,180; Marine Corps Reserve, 5,220, and the Coast Guard Reserve, 769. www.defenselink.mil

Reports/Policies

- **The GAO published *"Pediatric Medical Devices: Provisions Support Development, but Better Data Needed for Required Reporting,"* (GAO-12-225) on Dec. 20, 2011.** This report describes barriers to developing pediatric devices; describes how pediatric device consortia have contributed to the development of pediatric devices; and examines FDA data on the number of pediatric devices approved since FDAAA was enacted. http://www.gao.gov/products/GAO-12-225

Legislation

- **H.R.3723** (introduced Dec. 16, 2011): the Enhanced Veteran Healthcare Experience Act of 2011 was referred to the House Committee on Veterans' Affairs
  Sponsor: Representative Robert T. Schilling [IL-17]
- **H.R.3728** (introduced Dec. 19, 2011): To amend the Internal Revenue Code of 1986 to make members of health care sharing ministries eligible to establish health savings accounts was referred to the House Committee on Ways and Means.
  Sponsor: Representative Aaron Schock [IL-18]
- **H.R.3760** (introduced Dec. 20, 2011): the *Collaborative Academic Research Efforts for Tourette Syndrome Act of 2011* was referred to the House Committee on Energy and Commerce.
  Sponsor: Representative Albio Sires [NJ-13]
- **H.R.3762** (introduced Dec. 20, 2011): To amend the Public Health Service Act to include occupational therapists as behavioral and mental health professionals for purposes of the National Health Service Corps was referred to the House Committee on Energy and Commerce.
  Sponsor: Representative Paul Tonko [NY-21]

- There are no hearings scheduled.

- 2012 Military Health System Conference will be held **Jan. 30 - Feb. 2, 2012**, in National Harbor, Md. www.tricare.mil
- Digital Health Communication Extravaganza will be held on **Feb. 15-17, 2012**, in Orlando, Fla. http://conferences.dce.ufl.edu/dhcx/.
- Annual HIMSS Conference & Exhibition will be held **Feb. 20-24, 2012**, in Las Vegas, Nev. http://www.himssconference.org/?src=hwnav
- 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
- Behavioral Risk Factor Surveillance System (BRFSS) 29th Annual Conference will be held on **March 24-28, 2012,** in Atlanta, Ga. http://www.brfss2011conference.com/
- Warrior Resilience Conference IV will be held **March 29-30, 2012**, in Washington DC http://www.dcoe.health.mil/Default_Error.aspx?aspxerrorpath=/content.aspx
- 9th Annual World Healthcare Congress will be held **April 16-18, 2012**, in Washington DC http://www.worldcongress.com/events/HR12000/index.cfm?confCode=HR12000
- Freedom & Recovery—Integrated Mental Health and Addiction Treatment for Veterans will be held **April 23-26, 2012**, in San Diego, Calif. http://www.foundationsrecoverynetwork.com/events/freedom-and-recovery-2012/FRN-Freedom-and-Recovery-Ad.pdf
- Armed Forces Public Health Conference will be held **June 1-8, 2012**, in San Diego, Calif. http://usaphcapps.amedd.army.mil/afphc/
- Armed Forces Public Health Conference "Partners in Prevention" Core Conference will be held on **June 4-8,2012**, in San Diego, Calif. http://www.pdhealth.mil/education/afphc.asp
- 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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