

Federal Health Update

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Welcome to *Federal Health Update*. This newsletter, produced by Kate Connelly Theroux in collaboration with the Institute of Federal Health Care, is a compilation of the latest news in the federal health care sector.

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EXECUTIVE AND CONGRESSIONAL NEWS

- **During a Veterans Affairs Committee budget hearing on the proposed budget for fiscal year 2013, Chairman Jeff Miller accused the White House on Wednesday of leaving veterans “twisting in the wind” by refusing to declare the Department of Veterans Affairs exempt from automatic cuts to reduce the deficit, reports *The Washington Post*.**

Miller said the Congressional Research Service and the Government Accountability Office have given the committee legal opinions that under current law, VA should be ruled exempt. But the White House’s Office of Management and Budget has not yet given a legal opinion.

Democrats dispute this characterization, noting the proposed VA budget includes a 10.5 percent overall increase.

Miller acknowledged that the increases are “certainly positive” given the tight fiscal climate. But he added that “veterans don’t care about numbers, they want their claims decided faster, their health care taken care of and their aging facilities upgraded.”

In testimony before the panel, VA Secretary Eric K. Shinseki said the budget request “continues the momentum” for the department’s three top priorities: improving veterans’ access to care and benefits, eliminating the huge disability claims backlog and ending veterans’ homelessness by 2015.

MILITARY HEALTH CARE NEWS

- **On Feb. 13, 2012, President Barack Obama sent to Congress a proposed defense budget of \$613.9 billion for fiscal 2013.**

The request for the Department of Defense (DoD) includes \$525.4 billion in discretionary budget authority to fund base defense programs and \$88.5 billion to support Overseas Contingency Operations (OCO), primarily in Afghanistan. This is a 1 percent decrease from the fiscal year 2012 budget request

The Military Health System is “fully funded” at \$48.7 billion. An additional \$8.5 billion is slotted for family support programs, \$200 million for the Yellow Ribbon program, and \$100 million for transition assistance.

The Administration’s budget calls for continued increases in TRICARE enrollment fees and new Standard/Extra and TRICARE-for-Life enrollment fees. Under the president’s budget, retail pharmacy copays would increase to encourage greater use of the mail order pharmacy benefit. None of these fees would apply to those still on active duty, survivors of service members who died while on active duty, or those who retired due to disability.

The budget calls for a markedly smaller military. The Army will lose 72,000 troops; the Marine Corps will lose 20,000; the Navy will lose 6,200; and the Air Force will lose 4,200. Smaller reductions will also occur within the Reserves and National Guard. The Administration estimates that this will save about \$50 billion in the next several years.

DoD is also asking for two new rounds of base closures, in 2013 and again in 2015.

Highlights of the proposed DoD budget are outlined at <http://www.defense.gov/news/2013budget.pdf>

VETERANS AFFAIRS NEWS

- **The Department of Veterans Affairs is expanding its efforts to prevent suicide through several new initiatives that increase the availability of services for veterans, service members and their families.**

The new initiatives include a new, free, confidential text-messaging service in the existing Veterans Crisis Line, the introduction of toll-free access from Europe, and collaboration with Vets Prevail and Vets4Warriors.

Since its founding July 2007, VA’s Veterans Crisis Line and the later Chat Service have received 500,000 calls and engaged in 31,000 chats resulting in over 18,000 rescues of Veterans in immediate crisis.

Now, in addition to the Veterans Crisis Line (1-800-273-8255 and Press 1) and online chat (www.VeteransCrisisLine.net), veterans and service members in crisis—and their friends and families—may text free of charge to 83-8255 to receive confidential, personal and immediate support. The text service is available, like the Veterans Crisis Line and online chat, 24 hours a day, seven days a week, 365 days a year and connects a user with a specially trained VA

professional -- many who are veterans themselves.

As a part of the effort to extend VA's reach, veterans and members of the military community in Europe may now receive free, confidential support from the European Military Crisis Line, a new initiative recently launched by VA. Callers in Europe may dial 0800-1273-8255 or DSN 118 to receive confidential support from responders at the Veterans Crisis Line in the U.S.

VA's Veterans Crisis Line continues to add external resources to provide veterans with additional support. Two of these organizations include Vets Prevail (www.VetsPrevail.org) and Vets4Warriors (www.Vets4Warriors.com).

In December, Vets Prevail launched a chat service that connects veterans to caring responders who provide information on a wide variety of resources. If the Veteran is in crisis or needs mental health support, the conversation is then seamlessly transferred to a VA Veterans Crisis Line responder.

Vets4Warriors has helped thousands of their peers connect with confidential assistance through a free hotline (1-855-838-8255/1-855-VET-TALK) and online chat (www.Vets4Warriors.com). If a veteran is in need of professional crisis or mental health support, Vets4Warriors' responders will transfer the Veteran to a responder at the Veterans Crisis Line.

For more information about VA's suicide prevention program, visit: http://www.mentalhealth.va.gov/suicide_prevention/.

- **President Barack Obama has proposed a \$140.3 billion budget for the Department of Veterans Affairs for the fiscal year beginning Oct. 1.**

The proposed budget would fund services for newly discharged veterans, continue the drive to end homelessness among veterans, improve access to benefits and services, reduce the disability claims backlog, improve the Department's collaboration with the Defense Department and strengthen its information-technology program that is vital for delivering services to Veterans.

The budget request includes \$64 billion in discretionary funds, mostly for medical care, and \$76 billion for mandatory funds, mostly for disability compensation and pensions.

If approved by Congress, the new spending levels would support a health care system with 8.8 million enrollees and growing benefits programs serving nearly 12 million service members, veterans, family members and survivors, including the eighth largest life insurance program in the nation; education benefits for more than 1 million Americans; home loan guarantees for more than 1.5 million veterans and survivors; plus the largest national cemetery system in the country.

Highlights from the President's 2013 budget request for VA, include

Medical Care

- The President's proposed budget seeks \$52.7 billion for medical care, a 4.1 percent increase over the \$50.6 billion approved by Congress for the current fiscal year, and a net increase of \$165 million above the advance appropriations level already enacted for FY 2013.
- For the next fiscal year, VA estimates 6.33 million patients will use VA for health care. About 610,000 of those patients will be Veterans of the conflicts in Iraq and Afghanistan. The budget request also would provide:
- \$403 million for the gender-specific health care needs of women Veterans,

improving their access to services and treatment facilities;

- \$6.2 billion for mental health, a 5.3 percent increase in funding over the current level, making possible increased outreach and screenings, expansion of innovative technologies for self-assessment and symptom management of post-traumatic stress disorder, and enhancements to programs that reduce the stigmas of mental health;
- \$7.2 billion for long-term care, meeting VA's commitment to provide long-term care in the least restrictive and most clinically appropriate settings, such as non-institutional programs that serve a daily population of about 120,000 people;
- \$583 million in direct appropriations for medical research, which receives another \$1.3 billion from other sources, with emphasis on research for traumatic brain injury, suicide prevention, PTSD and genomic medicine;
- \$792 million to support the activation of health care facilities, including new hospitals in New Orleans, Las Vegas, Denver and Orlando, Fla.
- Funding in VA's major construction account of \$396.6 million is provided to continue construction of new medical facilities at Seattle, Dallas, St. Louis and Palo Alto, Calif.

Since enactment of the Veterans Health Care Budget Reform and Transparency Act in 2009, VA includes an advance appropriations request for medical care in the Budget submission. Included in today's spending request is \$54.5 billion for FY 2014, which begins Oct. 1, 2013. This request for advance appropriations will support nearly 6.38 million unique patients and fulfill our commitment to Veterans to provide timely and accessible high-quality medical services. The Administration will review the initial advance appropriations request in the FY 2014 budget cycle.

Information Technology

The 2013 budget proposal includes \$3.3 billion for information technology, a \$216 million increase over the current budget. VA operates one of the largest consolidated IT organizations in the world, supporting over 300,000 VA employees and about 10 million veterans and family members who use VA programs. About 80 percent of the IT budget supports the direct delivery of health care and benefits to veterans and their families.

- **The Department of Veterans Affairs signed a formal agreement with the National Association of State Directors of Veterans Affairs (NASDVA) to enhance their relationship on Feb. 13, 2012.**

The agreement pledges the two groups to maintain "effective communications, an exchange of ideas and information, identification of emerging needs, and continuous reevaluation of existing programs."

NASDVA represents the state departments of veterans affairs in dealings with VA and with veterans residing in their respective states. The states fund about \$5 billion in benefits and services for Veterans.

The involvement of state governments in veterans affairs goes back to the American Revolution, with the federal government becoming involved after the Civil War. In 1946, NASDVA was created to coordinate programs between VA and the states, territories and the District of Columbia.

- **Nine employees of the Department of Veterans Affairs are among the top 100 leaders**

in the IT industry, according to the “Federal 100” created by *Federal Computer Week*.

This year’s top federal IT leaders were selected for their “pivotal roles in the federal government IT community . . . affecting change, progress and efficiency in determining how the federal government acquires, develops and manages IT,” according to a statement from *Federal Computer Week*.

VA’s honorees were:

- Deputy Secretary W. Scott Gould;
- Charles J. De Sanno, executive director of VA Enterprise Infrastructure Engineering;
- Lisa Doyle, chancellor of VA’s Acquisition Academy;
- Charles Hume, deputy chief of the Office of Health Information;
- Peter L. Levin, senior advisor to the Secretary on IT;
- Wendy J. McCutcheon, associate executive director of VA’s New Jersey Health Care System;
- Jeff Shyshka, VA’s deputy chief information officer;
- Maurice C. Stewart, associate deputy assistant secretary for Acquisition & Logistics Programs & Policy; and
- Stephen Warren, principal deputy assistant secretary for the Office of Information and Technology.

Federal Computer Week will honor the “Federal 100” March 28 in a gala at Washington’s Grand Hyatt Hotel.

GENERAL HEALTH CARE NEWS

- **The National Health Service Corps (NHSC) awarded \$9.1 million in funding to medical students in 30 States and the District of Columbia who will serve as primary care doctors and help strengthen the health care workforce.**

The National Health Service Corps’ Students to Service Loan Repayment Program provides financial support to fourth year medical students who are committed to a career in primary care in exchange for their service in communities with limited access to care.

Administered by HHS’ Health Resources and Services Administration (HRSA), Students to Service is a pilot program that provides loan repayment assistance of up to \$120,000 to medical students (MDs and DOs) in their last year of education. In return, they commit to serve in a health professional shortage area upon completion of a primary care residency program.

These newest NHSC providers must serve three years of full-time service or six years of half-time service in rural and urban areas of greatest need.

The NHSC provides financial, professional, and educational resources to medical, dental, and mental and behavioral health care providers who bring their skills to areas of the United States with limited access to health care. The NHSC was established in 1972 and has connected over 41,000 primary health care practitioners to communities all over America.

For more information about NHSC programs, please visit <http://www.NHSC.hrsa.gov>.

- **Attorney General Eric Holder and Department of Health and Human Services (HHS) Secretary Kathleen Sebelius released a new report showing that the government's health care fraud prevention and enforcement efforts recovered nearly \$4.1 billion in taxpayer dollars in Fiscal Year (FY) 2011.**

This is the highest annual amount ever recovered from individuals and companies who attempted to defraud seniors and taxpayers or who sought payments to which they were not entitled.

The annual [Health Care Fraud and Abuse Control Program \(HCFAC\) report](#) found that approximately \$4.1 billion stolen or otherwise improperly obtained from federal health care programs was recovered and returned to the Medicare Trust Funds, the Treasury and others in FY 2011. This is an unprecedented achievement for HCFAC, a joint effort of the two departments to coordinate federal, state and local law enforcement activities to fight health care fraud and abuse.

The recently-enacted Affordable Care Act provides additional tools and resources to help fight fraud that will help boost these efforts, including an additional \$350 million for HCFAC activities. The administration is already using tools authorized by the Affordable Care Act, including enhanced screenings and enrollment requirements, increased data sharing across government, expanded overpayment recovery efforts and greater oversight of private insurance abuses.

For more information on the fraud prevention accomplishments under the Affordable Care Act visit: <http://www.healthcare.gov/news/factsheets/2012/02/medicare-fraud02142012a.html>.

- **Health and Human Services Secretary Kathleen Sebelius announced that the Affordable Care Act provided approximately 54 million Americans with at least one new free preventive service in 2011 through their private health insurance plans.**

Secretary Sebelius also announced that an estimated 32.5 million people with Medicare received at least one free preventive benefit in 2011, including the new Annual Wellness Visit, since the health reform law was enacted.

Together, this means an estimated 86 million Americans were helped by health reform's prevention coverage improvements. The new data were released in two new reports from HHS.

The Affordable Care Act requires many insurance plans to provide coverage without cost sharing to enrollees for a variety of preventive health services, such as colonoscopy screening for colon cancer, Pap smears and mammograms for women, well-child visits, and flu shots for all children and adults. The law also makes proven preventive services free for most people on Medicare.

The [report](#) on private health insurance coverage also examined the expansion of free preventive services in minority populations. The results showed that an estimated 6.1 million

Latinos, 5.5 million Blacks, 2.7 million Asian Americans and 300,000 Native Americans with private insurance received expanded preventive benefits coverage in 2011 as a result of the new health care law.

The report discussing Medicare preventive services found that more than 25.7 million Americans in traditional Medicare received free preventive services in 2011. The report also looked at Medicare Advantage plans and found that 9.3 million Americans – 97 percent of those in individual Medicare Advantage plans – were enrolled in a plan that offered free preventive services. Assuming that people in Medicare Advantage plans utilized preventive services at the same rate as those with traditional Medicare, an estimated 32.5 million people benefited from Medicare's coverage of prevention with no cost sharing.

- **Physician practices, hospitals, and other healthcare employers should "strongly consider" mandating that their employees receive influenza vaccinations if they fall short of a 90 percent immunization rate on a voluntary basis, a federal advisory committee has recommended.**

The National Vaccine Advisory Committee (NVAC), which advises the US Department of Health and Human Services (HHS), adopted its position this week. It also said healthcare employers should be free to exempt employees from a vaccination requirement based on their medical condition or religious convictions.

The Healthy People 2020 initiative of HHS set a target of 90 percent of healthcare personnel getting immunized. While the actual rate has been rising in recent years, it still is a long way off from the HHS goal. During the 2010-2011 influenza season, for example, just [63.5 percent of healthcare workers](#) received the seasonal vaccine, according to the US Centers for Disease Control and Prevention.

Proponents of mandatory influenza vaccination for healthcare workers argue that this safety precaution not only prevents virus transmission to patients, but also reduces the risk for infection among healthcare workers, thus preserving an adequate workforce during influenza outbreaks. Vaccination also contributes to overall herd immunity.

However, mandatory vaccination has not always gone over well with unionized hospital employees. New York State ordered its healthcare workers to get vaccinated during the H1N1 influenza pandemic of 2009-2010 only to rescind the order several months later after blowback from a large healthcare union.

- **The Office of the National Coordinator for Health IT will test its standards and services for electronic and distributed population health queries in New York.**

The Primary Care Information Project (PCIP) in the New York City Department of Health and Mental Hygiene will test the standards and a reference model for [the Query Health project](#) with the New York State Department of Public Health in a pilot to expand population health monitoring, according to Rich Elmore, ONC coordinator for the Query Health initiative.

PCIP, which supports the adoption of health IT among primary care providers who tend to the city's underserved populations, will use the Query Health standards and reference implementation to expand its population health monitoring network to encompass citywide health information exchange coverage of inpatient and outpatient encounters.

Currently, when health researchers develop questions about a population, they generally manually submit them to provider organizations, which then employ technical teams to produce reports.

With Query Health, the question can be delivered in a format that will be interpreted automatically by an electronic health record or other health IT system, which will generate a report with the answer.

In September, ONC launched Query Health based on the contributions of 100 organizations to identify standards and services to enable providers to send information requests and questions about population health to a variety of places where it is held, primarily certified EHRs.

Providers will distribute their requests through network data partners, who will then deliver the query through a standard clinical information model and then securely return the results to the requester.

Questions can be sent to different types of data sources, such as providers' EHRs, payers' clinical records, personal health records and health information exchanges. The aggregated results do not share patient-level data.

GUARD/RESERVE

- As of Feb. 7, 2012, the total number of Guard and Reserve currently on active duty has **increased** by 432 to 74,911. The totals for each service are Army National Guard and 54,854; Navy Reserve, 4,584; Air National Guard and Air Force Reserve, 9,498; Marine Corps Reserve, 5,214, and the Coast Guard Reserve, 761. www.defenselink.mil

REPORTS/POLICIES

- **The Congressional Budget Office published “The Veterans Health Administration's Treatment of PTSD and Traumatic Brain Injury Among Recent Combat Veterans,” on Feb. 13, 2012.** In this report, CBO found that VHA spent about \$2 billion in fiscal year 2010 to provide medical care to all recent combat veterans. For more details, visit: <http://www.cbo.gov/doc.cfm?index=12711>

HILL HEARINGS

- The Senate Armed Services Committee will hold a hearing on **Feb. 28, 2012**, to examine the Department of the Navy in review of the Defense Authorization request for fiscal year 2013 and the Future Years Defense Program.
- The House and Senate Committees on Veterans' Affairs will hold a joint hearing on **Feb. 28, 2012**, to receive legislative presentation of the Disabled American Veterans (DAV).
- The House and Senate Committees on Veterans' Affairs will hold a joint hearing on **March 7, 2012**, to receive legislative presentation from the Veterans of Foreign Wars (VFW).
- The Senate Armed Services Committee will hold a hearing on **March 8, 2012**, to examine the Department of the Army in review of the Defense Authorization request for fiscal year 2013 and the Future Years Defense Program.
- The House and Senate Committees on Veterans' Affairs will hold a joint hearing on **March 21, 2012**, to receive legislative presentations of the Military Order of the Purple

Heart, Iraq and Afghanistan Veterans of America (IAVA), Non Commissioned Officers Association, American Ex-Prisoners of War, Vietnam Veterans of America, Wounded Warrior Project, National Association of State Directors of Veterans Affairs, and The Retired Enlisted Association.

- The House and Senate Committees on Veterans' Affairs will hold a joint hearing on **March 22, 2012**, to receive legislative presentations of the Paralyzed Veterans of America, Air Force Sergeants Association, Blinded Veterans Association, American Veterans (AMVETS), Gold Star Wives, Fleet Reserve Association, Military Officers Association of America, and the Jewish War Veterans.

LEGISLATION

- **H.R.4023** (introduced Feb. 14, 2012): the *Veterans' Telehealth and Telemedicine Improvement Act* was referred to the House Committee on Veterans' Affairs.
Sponsor: Representative Kathleen C. Hochul [NY-26]
- **H.R.4031** (introduced Feb. 14, 2012): To provide that claims presented to an Indian Health Service contracting officer pursuant to the Indian Self-Determination and Education Assistance Act on or before October 31, 2005, involving claims that accrued after October 1, 1995 and on or before September 30, 1999, shall be deemed timely presented was referred to the House Committee on Natural Resources.
Sponsor: Representative Don Young [AK]
- **H.R.4042** (introduced Feb. 15, 2012): the *Veterans Access to Care Act* was referred to the House Committee on Energy and Commerce
Sponsor: Representative Bruce L. Braley [IA-1]
- **H.R.4046** (introduced Feb. 15, 2012): the *Schoolchildren's Health Protection Act* was referred to the House Committee on Education and the Workforce
Sponsor: Representative Doug Lamborn [CO-5]
- **S.2113** (introduced Feb. 15, 2012): A bill to empower the Food and Drug Administration to ensure a clear and effective pathway that will encourage innovative products to benefit patients and improve public health was referred to the Committee on Health, Education, Labor, and Pensions.
Sponsor: Senator Kay Hagan [NC].

MEETINGS

- 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/
- The 2012 National Conference on Health Statistics will be held **August 6-8, 2012**, in Washington DC 2012 <http://service.govdelivery.com/service/view.html?code=USCDC> 43

If you need further information on any of the items in the *Federal Health Update*, please contact Kate Theroux at (703) 447-3257 or by e-mail at dhakat@aol.com.