

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

- **The House and Senate are in recess this week.**
- **On Feb. 23, 2012, President Obama signed H.R. 3630, the “Middle Class Tax Relief and Job Creation Act of 2012.”**

This legislation extends through Dec. 31, 2012 a reduction in employment tax rates for employees and the self-employed: an initial eligibility for emergency unemployment compensation and 100 percent federal funding for extended unemployment insurance benefits: and (3) a Medicare physician payment update delaying a rate reduction for physician services..

MILITARY HEALTH CARE NEWS

- **The Army released suicide data for the month of January.**

During January, among active-duty soldiers, there were 16 potential suicides: five have been

confirmed as suicide and 11 remain under investigation. For December, the Army reported 11 potential suicides among active-duty soldiers. Since the release of that report, eight have been confirmed as a suicide and three remain under investigation.

In January, among reserve component soldiers who were not on active duty, there were six potential suicides (five Army National Guard and one Army Reserve): none have been confirmed as suicide and six remain under investigation. For December, among that same group, the Army reported five potential suicides. Since the release of that report, one case has been added for a total of six cases (four Army National Guard and two Army Reserve). Six were confirmed as suicides and none remain under investigation.

Soldiers and families in need of crisis assistance can contact the National Suicide Prevention Lifeline. Trained consultants are available 24 hours a day, seven days a week, 365 days a year and can be contacted by dialing 1-800-273-TALK (8255) or by visiting their website at <http://www.suicidepreventionlifeline.org>.

- **Overseas-based uniformed service retiree have much more flexibility in choosing providers than TRICARE Overseas Program (TOP) Prime enrollees, according to TRICARE Management Activity (TMA).**

Since overseas-based retirees don't have a primary care manager, they don't need specialty care referrals. Many overseas host nation providers require up-front payment for services, and retirees usually have to file their own claims when using TOP Standard. TMA suggests retirees contact their TRICARE Overseas Program Regional Call Center (www.tricare-overseas.com/ContactUs) to get help in finding a host nation network provider or filing a TRICARE claim.

Retirees who live in the Philippines, you must get care from a TOP-certified provider. Certified providers can be found on the Philippines Certified Provider Directory (www.tricare.mil/tma/pacific/pacificcertifiedproviders.aspx) or on TRICARE.mil by using the profile on the home page.

Referrals are not needed for TOP Standard, but retirees must get prior authorization for some services:

- Adjunctive dental services
- Home health services (only available in U.S. Territories)
- Hospice care (only available in U.S. Territories)
- Nonemergency inpatient admissions for substance use disorders or behavioral health care
- Outpatient behavioral health care visits beyond the eighth visit per fiscal year (Oct. 1–Sept. 30)
- Transplants – all organ and stem cell

TMA suggests that retirees always contact their TOP Regional Call Center to check on any new prior authorization requirements.

For retirees who become Medicare-eligible, TRICARE For Life acts the same as Standard overseas except in U.S. Territories. Although Medicare services are only available in U.S. Territories overseas, you must still enroll in Medicare Part B and pay the monthly Part B premium to be eligible for TRICARE For Life, regardless of location.

Uniformed services retirees cannot enroll in TOP Prime. At some overseas military treatment facilities, retirees can enroll in TRICARE Plus to obtain no-cost, space-available primary care in the facility. TRICARE Plus enrollees must make their own appointments, file their own claims and pay appropriate deductibles and cost-shares, however, when seeking host-nation

care.

For more information regarding TOP Standard and TRICARE For Life in overseas areas, visit www.tricare.mil.

- **Chairman of the Joint Chiefs of Staff Martin Dempsey told service members that the Defense Department is continuing to review the military's health care structure after proposing changes in its fiscal 2013 budget that would increase TRICARE fees.**

"I want those of you who serve and who have served to know that we've heard your concerns, in particular your concern about the tiered enrollment fee structure for TRICARE in retirement," Dempsey said in a [statement](#). "You have our commitment that we will continue to review our health care system to make it as responsive, as affordable and as equitable as possible."

The Obama administration's fiscal 2013 budget proposal includes new TRICARE co-pays, increases to TRICARE Prime enrollment fees, initiation of standard and extra annual enrollment fees, and adjustments to deductibles and catastrophic coverage caps.

It also modifies pharmacy co-pays to encourage the use of less expensive mail-order and military treatment facility pharmacies, and includes modest annual fees for Medicare-covered beneficiaries older than 65, or TRICARE for Life.

The TRICARE fee increases mean that military retirees in upper-income tiers would see their health care contributions nearly quadruple during the next five years.

"In forming this budget, we looked at all cost variables," Dempsey told service members in his statement. "Many of you will know that pay and benefits account for more than one-third of the budget and that health care costs in particular have increased from \$19 billion in 2001 to \$48 billion today. We had to act to slow this growth."

These changes would save Defense an estimated \$12.9 billion in discretionary funding and \$4.7 billion in mandatory savings on Medicare-eligible retiree health care over the next five years.

Defense already has implemented TRICARE Prime fee increases for new retiree enrollees beginning in fiscal 2012; under the fiscal 2013 proposal, the fees would be phased in based on annual retirement pay.

- **The Army has removed the head of Madigan Army Medical Center over an investigation into whether soldiers had a diagnosis of post-traumatic stress disorder reversed to reduce medical costs.**

The *News Tribune* reports (<http://is.gd/VQpF4z>) the removal of Col. Dallas Homas was announced Feb. 21, 2012, by Maj. Gen. Phillip Volpe, who leads the Western Region Medical Command.

The Army Surgeon General is contacting the families of 14 soldiers whose diagnoses for PTSD were adjusted by the Madigan forensic psychiatry team to reduce disability pensions. The soldiers' cases were reviewed at Walter Reed Army Medical Center over the past few weeks.

Memos show that last fall, members of the forensic psychiatry team urged Madigan behavioral health professionals to consider the long-term costs of a PTSD diagnosis on taxpayers.

- **In response to details released about President Barack Obama's fiscal 2013 budget proposal, Dr. Jonathan Woodson, assistant secretary of defense for health affairs and director of TRICARE Management Activity, explained the impact on the military health system.**

In an interview on the Pentagon Channel, Woodson said that the MHS is in a transformative period and that there would be minimal changes in coverage and costs for beneficiaries.

Changes include adjustments to pharmacy co-pays for some beneficiaries. For example, military retirees and families would see an increase in existing TRICARE Prime enrollment fees and TRICARE Standard deductibles, new enrollment fees for TRICARE Standard and TRICARE for Life - and the removal of enrollment fees from catastrophic cap calculations.

Retirees and their families as well as active duty families would see increased co-payments for certain prescription drugs when filled from retail or mail order pharmacies (not from MTFs). The proposals would exempt medically retired service members and their families; and survivors of military members who died on active duty.

Watch the full [Pentagon Channel report](#).

- **Researchers in the Departments of Defense and Veterans Affairs are collaborating across a broad spectrum of topics, focusing on needs like traumatic brain injury, post-traumatic stress disorder and other psychological health topics.**

Through this partnership, specific solutions are being developed to enable appropriate prevention and treatment options for service members and veterans.

Read the full article about these research efforts at the [Force Health Protection and Readiness website](#).

- **A new research study rated the customer experience of 206 large companies, including TRICARE, across 18 industries.**

The second annual study, published by Temkin Group, is based on a survey of 10,000 U.S. consumers in January 2012, includes 13 health plans. Kaiser Permanente was the top-rated health plan, the only plan to receive an "okay" rating, but it only ranked 87th in the overall ratings. TRICARE, Medicare, Aetna, United Healthcare, Humana, Empire BCBS, Blue Shield of CA, and CIGNA all received "poor" ratings. Four plans received "very poor" ratings and are ranked in the bottom seven across all 18 industries: Highmark BCBS, Health Net, Medicaid, and Anthem BCBS.

Health plans represented the lowest-rated industry, and only one of three industries to receive an average rating of "poor." The industry, however, experienced a modest improvement between 2011 and 2012.

The Temkin Experience Ratings evaluates three dimensions of customer experience:

- Functional: Does the company meet consumers' needs?
- Accessible: How easy is it for consumers to do what they are trying to do?
- Emotional: How do consumers feel about their interactions with companies?

Other highlights from the research include:

- Kaiser Permanente and TRICARE received the highest Functional ratings, while Highmark BCBS and Health Net received the lowest.
- Kaiser Permanente and Aetna received the highest Accessible ratings, while Medicaid, Health Net, and Highmark BCBS received the lowest.

- Kaiser Permanente and TRICARE received the highest Emotional ratings, while Highmark BCBS and Health Net received the lowest.

Ten health plans were included in both the 2011 and 2012 Temkin Experience Ratings. Kaiser Permanente had a double-digit improvement in its score while five other plans increased their score by five or more points: Anthem BCBS, Aetna, United Healthcare, CIGNA, and Humana.

TRICARE was the only health plan to slip by five points or more between 2011 and 2012, but Medicaid and Medicare also declined.

This report can be accessed from the Temkin Group website at <http://www.temkingroup.com>.

- **Beginning Jan. 27, 2012, National Guard and Reserve members separating from active duty after an activation of greater than 30 days in support of a contingency operation began receiving the same dental care benefits as active duty service members.**

The TRICARE Active Duty Dental Program (ADDP) now provides coverage to these members in the Transition Assistance Management Program (TAMP).

ADDP beneficiaries receive active duty dental benefit services as long as the referral and/or authorization requirements are met prior to receipt of care. Authorizations will not be granted for any dental care procedure that cannot be completed within their 180-day maximum TAMP period.

Eligibility is verified by ADDP contractor United Concordia Companies, Inc. using the Defense Enrollment Eligibility Reporting System (DEERS). All TRICARE beneficiaries are advised to keep their enrollment information updated in DEERS; if eligibility cannot be confirmed, ADDP dental care will be denied.

TAMP provides 180 days of transitional health care benefits to help certain uniformed services members and their families transition to civilian life. Benefits begin the day after the service member is separated from active duty. Family members and dependents are not eligible for ADDP benefits under TAMP, but remain eligible to purchase coverage through the TRICARE Dental Program (TDP). Service members receiving benefits under TAMP are ineligible for the TDP until the end of the 180-day transitional benefit period.

For more information about active duty dental benefits visit www.addp-ucci.com. For more information about the TRICARE Dental Program visit www.tricare dental program.com

VETERANS AFFAIRS NEWS

- **The Department of Veterans Affairs have sent personalized booklets to veterans that explain their health care benefits and contain other useful information.**

The new booklet, called a Health Benefits Handbook, will provide a personalized listing of health benefits based on each Veteran's specific eligibility. The handbook will also have contact information for their local VA medical facilities, appointment scheduling information, guidelines for communicating with their clinical team and, as applicable, information about co-pays.

Distribution of the handbooks began this month, with all 8.5 million veterans enrolled in VA's health care system scheduled to receive their handbooks by 2013. Veterans will receive updates to their handbook to reflect changes to their benefits or eligibility.

VA operates 152 medical centers and more than 800 community-based outpatient clinics. Last year, inpatient facilities treated more than 690,000 patients, while outpatient clinics registered more than 79 million visits.

For more information about the Health Benefits Handbook, visit www.va.gov/healthbenefits/vhbh.

GENERAL HEALTH CARE NEWS

- **The Department of Health and Human Services (HHS) announced the number of hospitals using health information technology (IT) has more than doubled in the last two years.**

In addition, HHS' new data shows nearly 2,000 hospitals and more than 41,000 doctors have received \$3.1 billion in incentive payments for ensuring meaningful use of health IT, particularly certified Electronic Health Records (EHR).

The new survey, conducted by the American Hospital Association, found that the percentage of U.S. hospitals that had adopted EHRs has more than doubled from 16 to 35 percent between 2009 and 2011. And, 85 percent of hospitals now report that by 2015 they intend to take advantage of the incentive payments made available through the Medicare and Medicaid EHR Incentive Programs.

The Centers for Medicare & Medicaid Services (CMS) has \$3.12 billion in incentive payments the agency has made to physicians, hospitals and other health care providers who have started to meaningfully use EHRs to improve the quality of patient care. In January alone, CMS provided \$519 million to eligible providers. EHR incentive payments can total as much as \$44,000 under the Medicare EHR Incentive Program and \$63,750 under the Medicaid EHR Incentive Program.

For more information on how health IT can lead to safer, better, and more efficient care, visit <http://www.healthit.gov/>.

For more information about the Medicare and Medicaid EHR Incentive Programs, see <http://www.cms.gov/EHRIncentivePrograms>

- **The U.S. Food and Drug Administration announced a series of steps to increase the supply of critically needed cancer drugs and build on President Obama's Executive Order to help prevent future drug shortages.**

In response to the critical shortage of the cancer drug Doxil and rapidly declining supplies of methotrexate, the FDA took proactive steps needed to increase available supply for patients in the U.S.

For Doxil, there will be temporary importation of a replacement drug, Lipodox, which is expected to end the shortage and fully meet patient needs in the coming weeks. For methotrexate, the agency has approved a new manufacturer of preservative-free formulation of methotrexate that is expected to further bolster supply and help avert a shortage of this lifesaving medicine. FDA expedited review of the application to help address this potential shortage.

In response to President Obama's Executive Order on prescription drug shortages, FDA issued draft guidance to industry on detailed requirements for both mandatory and voluntary notifications to the agency of issues that could result in a drug shortage or supply disruption. Increased awareness of the importance of early notification has resulted in a six-fold increase in voluntary notifications by industry of potential shortages. In 2011, there were a total of 195 drug shortages prevented.

Under FDA's exercise of enforcement discretion the chemotherapeutic drug Lipodox will be

imported as an alternative to Doxil. Doxil is used in multiple treatment regimens, including treatment of ovarian cancer after failure of platinum-based chemotherapy. The drug is also indicated for use in AIDS-related Kaposi's sarcoma and multiple myeloma. FDA anticipates that the incoming supply of Lipodox will be able to fully meet patient needs.

FDA's exercise of enforcement discretion for Lipodox is a temporary, limited arrangement specific to Sun Pharma Global FZE and its authorized distributor, Caraco Pharmaceutical Laboratories Ltd.

Temporary importation of unapproved foreign drugs is considered in rare cases when there is a shortage of an approved drug that is critical to patients and the shortage cannot be resolved in a timely fashion with FDA-approved drugs.

- **A federal advisory panel voted (20-2) to approve the weight-loss drug Qnexa to the Food and Drug Administration.**

The vote raised fresh hopes that drug makers have finally found a pill to help the millions of Americans who struggle to shed pounds. Two-thirds of Americans considered overweight or obese,.

Qnexa, which is made by a small California firm called Vivus Inc., and two other weight-loss drugs were rejected by the FDA in the past two years on concerns about potential safety risks. But this week, a panel of non-FDA medical experts reviewed additional clinical data that convinced panelists the drug's benefits outweigh any dangers.

The FDA is expected to make a final decision by April 17.

GUARD/RESERVE

- As of Feb.21, 2012, the total number of Guard and Reserve currently on active duty has **decreased** by 423 to 74,911. The totals for each service are Army National Guard and 54,366; Navy Reserve, 4,497; Air National Guard and Air Force Reserve, 8,913; Marine Corps Reserve, 4,991, and the Coast Guard Reserve, 761. www.defenselink.mil

REPORTS/POLICIES

- **The Institute of Medicine (IOM) published “Alzheimer's Diagnostic Guideline Validation: Exploration of Next Steps - Workshop Summary,” on Feb. 16, 2012.** This report discusses next steps in the validation of these new diagnostic guidelines for Alzheimer's disease. <http://www.iom.edu/Reports/2012/Alzheimers-Diagnostic-Guideline-Validation-Exploration-of-Next-Steps.aspx>
- **The GAO published “Various Challenges Likely to Slow Implementation of a Public Safety Broadband Network,” (GAO-12-343) on Feb. 22, 2012.** This study examines the investments in and capabilities of LMR systems; plans for a public safety broadband network and its expected capabilities and limitations; challenges to building this network; and factors that affect the prices of handheld LMR devices. <http://www.gao.gov/assets/590/588795.pdf>
- **The GAO published “Use of Preventive Services Could Be Better Aligned with Clinical Recommendations,” (GAO-12-81) on Feb. 17, 2012.** This report examines

whether preventive service use by Medicare fee-for-service (FFS) beneficiaries aligns with recommendations from the U.S. Preventive Services Task Force and the Advisory Committee on Immunization Practices (ACIP); use of the Welcome to Medicare (WTM) exam and its association with use of preventive services; preventive service use in Medicare Advantage (MA) relative to FFS; and service use among MA health maintenance organizations (HMO) and efforts by high-performing HMOs to encourage preventive care. <http://www.gao.gov/assets/590/587767.pdf>

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.4083** (introduced Feb. 17, 2012): To amend title V of the Social Security Act to extend funding for family-to-family health information centers to help families of children with disabilities or special health care needs make informed choices about health care for their children was referred to the House Committee on Energy and Commerce.
Sponsor: Representative Frank Pallone, Jr. [NJ-6]
- **S.2123** (introduced Feb. 17, 2012): A bill to amend title V of the Social Security Act to extend funding for family-to-family health information centers to help families of children with disabilities or special health care needs make informed choices about health care for their children was referred to the Committee on Finance.
Sponsor: Senator Robert Menendez [NJ]
- **S.2124** (introduced Feb. 17, 2012): A bill to amend title III of the Public Health Service Act to authorize and support the creation of cardiomyopathy education, awareness, and risk assessment materials and resources by the Secretary of Health and Human Services through the Centers for Disease Control and Prevention and the dissemination of such

materials and resources by State educational agencies to identify more at-risk families was referred to the Committee on Health, Education, Labor, and Pensions.
Sponsor: Senator Robert Menendez [NJ]

MEETINGS

- 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.