

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 Armed Services Subcommittee on Military Personnel held an oversight hearing on the Defense Health Program.**

During his testimony, Assistant Secretary of Defense for Health Affairs Jonathan Woodson (MD) told the committee that all parts of the Defense Department must find places to save money. In the case, of the DHP, savings efforts would include appropriate payment rates for providers, increased premiums and fees, and operations efficiencies, among other initiatives. He also suggested that a shared headquarters take advantage of all possible operational efficiencies.

The service surgeons general also testified about medical readiness and their unique efforts. Col. Steve Strobridge, USAF (Ret.), co-chair, The Military Coalition, was also part of the panel and challenged the need to raise fees for military retirees.

- **The House passed (223-181) H.R. 5, the Help Efficient, Accessible, Low-Cost, Timely Healthcare (HEALTH) Act of 2011.** This legislation eliminates the Independent Payment Advisory Board from the 2010 health care reform law that would recommend how to achieve

needed, but as-yet-unreachable Medicare savings. The measure is not expected to pass in the Senate.

MILITARY HEALTH CARE NEWS

- **Beginning March 21, 2012, Metropolitan Life Insurance Company, Inc., (MetLife) began accepting new enrollment applications for the TRICARE Dental Program (TDP).**

As the TDP contractor, MetLife will provide dental benefits to more than 2 million active duty family members, Selected and Individual Ready Reservists and their families. The contractor will begin providing dental coverage to beneficiaries on May 1, 2012. Most current TDP enrollees won't have to do any paperwork or take any action during the transition. Only TDP enrollees using automatic payments from their checking accounts or credit cards to pay their monthly premiums need contact MetLife to reauthorize their payment.

On March 21, MetLife's TDP website with customer service contact information and phone lines went live to support enrollees. All TDP enrollees will receive welcome packages with their new enrollment cards.

TDP enrollees will have access to MetLife's network of more than 164,000 dentist locations. The TDP will have a \$1,300 annual benefit maximum and a \$1,750 lifetime orthodontic maximum – both increases from the previous contract. It also offers expanded coverage, including an additional cleaning for pregnant women, and survivor benefits for eligible family members.

For more information or to enroll in the TDP, please visit: www.TRICARE.mil/TDP or <https://mybenefits.metlife.com/tricare>.

- **On March 16, 2012, the Department of Defense announced it awarded UnitedHealth Military & Veterans Services, Minnetonka, Minn., a contract that is primarily cost-plus-fixed-fee to provide managed care support to the Department of Defense TRICARE Program in the West Region.**

TriWest has held the West Region contract since 1996.

The instant obligation on the award is \$10,000,000. The total potential contract value, including the approximate 10-month base period and five one-year option periods for health care delivery, plus a transition-out period, is estimated at \$20.5 billion. The West Region contractor will assist the Military Health System in operating an integrated health care delivery system combining the resources of the contractor and the military's direct medical care system to provide healthcare, plus medical and administrative support services to eligible beneficiaries in the West Region.

The West Region, serving 2.9 million active duty service members, retirees and their families, includes the states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Iowa (except the Rock Island Arsenal area), Kansas, Minnesota, Missouri (except the St. Louis area), Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Texas (areas of Western Texas only), Utah, Washington, and Wyoming.

The TRICARE military health program has been subject to numerous challenges in recent years as rival insurers seek to secure the lucrative government contracts. The federal government evaluates health-insurance contractors based on technical proficiency, performance and price.

In July 2009, the federal government awarded the West Region contract to TriWest after

deciding that the Phoenix company provided the best overall value. The federal government reopened bidding for the region in April 2011 based on UnitedHealth Group's protest of the contract award. At the time, UnitedHealth Group said that the Department of Defense forced contractors to focus on low costs instead of quality of care.

- **U.S. Department of Defense's Joint Project Manager Transformational Medical Technologies has awarded a U.S. a \$138.5 million contract to drug-development company, MediVecto, to develop a therapeutic agent against multiple influenza viruses.**

The broad-based therapeutic, Favipiravir (T-705), could be effective against the 2009 H1N1 pandemic virus and drug-resistant influenza strains as well as common influenza. Favipiravir has been reported to show positive results in published animal studies and Phase 1 human clinical trials JPM-TMT looks to invest in mature drug candidates to reduce risk of technical failure and rapidly deliver U.S. Food and Drug Administration-approved products to the warfighter.

Investing in drugs that test favorably in early stage human clinical trials reflects the program's goal to provide promising therapeutics to fight emerging infectious diseases.

- **The Army surgeon general has ordered a review of mental health facilities that evaluate post-traumatic stress disorder after reports that a screening team at Joint Base Lewis-McChord reversed more than 40 percent of the PTSD diagnoses of patients being considered for medical retirement since 2007.**

An Army Medical Command investigation of the forensic psychiatry unit at Madigan Army Medical Center has revealed that screeners reversed the diagnosis of roughly 300 patients being treated for PTSD. The investigation found that screeners took "the cost of mental health care into account" when they evaluated these patients' previous diagnosis, said Sen. Patty Murray, who expressed shock at the way the Army has attempted to deal with PTSD throughout a decade of war.

The Army surgeon general has ordered the Army's Inspector General to examine similar facilities across the service. Part of the IG investigation will seek to ensure that all psychiatric facilities are following standardized diagnostic procedures.

VETERANS AFFAIRS NEWS

- **This year, nearly 400 disabled veterans from across the country, including those from Operation Iraqi Freedom, Operation Enduring Freedom and Operation New Dawn, will attend the National Disabled Veterans Winter Sports Clinic in Snowmass Village, Colo.**

The event, now in its 26th year, is open to all military veterans with spinal cord injuries or disease, visual impairments, certain neurological conditions, orthopedic amputations or other disabilities, who receive care at any Department of Veterans Affairs health care facility.

Co-sponsored by VA and the Disabled American Veterans (DAV), the clinic is hosted each year by the Grand Junction VA Medical Center in Colorado and VA's Rocky Mountain Network.

During the six-day program, veterans will learn adaptive Alpine and Nordic skiing and be

introduced to a variety of other adaptive activities and sports, such as rock climbing, scuba diving, trap-shooting and sled hockey.

In addition to learning valuable skills at the clinic, veteran athletes can set their sights higher and become eligible to compete in some of the nation's premiere athletic events. Since 2005, VA's Winter Sports Clinics have provided participants to American paralympic teams engaged in national and international competition.

To train these veteran athletes and meet their unique needs, an estimated 200 certified ski instructors for the disabled and several current and former members of the U.S. Disabled Ski Team will serve as instructors.

- **The Department of Veterans Affairs announced the release of 68 new forms that will help speed the processing of veterans' disability compensation and pension claims.**

The new forms bring to 71 the number of documents, called disability benefits questionnaires (DBQs), that guide physicians' reports of medical findings, ensuring VA has the medical information required to make a prompt decision.

When needed to decide a disability claim for compensation or pension benefits, VA provides veterans with free medical examinations for the purpose of gathering the necessary medical evidence.

Veterans who choose to have their private physicians complete the medical examination can now give their physicians the same form a VA provider would use. It is very important that physicians provide complete responses to all questions on the DBQs. VA cannot pay for a private physician to complete DBQs or for any costs associated with examination or testing.

DBQ's can be found at <http://benefits.va.gov/disabilityexams>.

GENERAL HEALTH CARE NEWS

- **Federal officials are challenging developers to design Web-based applications that use Twitter to track health trends in real time. Health officials may be able to use knowledge of these trends as an early indicator of emerging health issues and a warning of public health emergencies in a community.**

The U.S. Department of Health and Human Services' Office of the Assistant Secretary for Preparedness and Response (ASPR) issued a challenge to developers to design Web-based applications that use Twitter to track health trends in real time.

The online contest, called Now Trending - #Health in My Community, runs through June 1, 2012.

Social media trends can be powerful indicators of community health issues. However, current Web-based apps look backward, collating social media data to show how trends developed. The ASPR challenge would create a Web-based app to use social media data as an advance signal of a public health emergency.

With early identification, health officials can respond quickly, including advising people how to protect their health and minimize the spread of the disease. Minimizing the spread of disease could help the community bounce back quickly from an outbreak or a public health emergency — or potentially prevent a public health emergency, such as a pandemic, from occurring.

To win the challenge, the application must be innovative, scalable, dynamic and user-friendly. The app must use open-source Twitter data to deliver a list automatically of the top five trending illnesses over a 24-hour period in a specified geographic region. The application

must be able to send the data to state and local health agencies. These agencies, in turn, can cross-reference the data with traditional biosurveillance systems, build a baseline of trends, determine emerging public health threats, and advise the public on how to protect their health.

The person or team developing the best application will receive \$21,000 from ASPR as well as a \$1,000 travel stipend to attend an event announcing the winner. The winning application will be made available to state, territorial, tribal and local health agencies across the nation for use in their communities.

To register to participate in the Now Trending - #Health in My Community Developer Challenge, visit <http://challenge.gov/HHS/334-now-trending-health-in-my-community>. Upon submission participants must warrant that they are the sole authors and owners of the final product.

- **Health and Human Services (HHS) Secretary Kathleen Sebelius unveiled “MyCare,” a collection of online personal video and blog stories of Americans helped by the Affordable Care Act.**

MyCare is a new educational initiative to help inform Americans about new programs, benefits and rights under the health care law. Americans are encouraged to share their own stories by using the Twitter hashtag #MyCare or visiting [facebook.com/HealthCareGov](https://www.facebook.com/HealthCareGov).

The Affordable Care Act was signed into law two years ago on March 23, 2010. The law prohibits insurance companies from dropping coverage when people get sick through a practice called “rescission,” annual or lifetime limits, and, in 2014, will guarantee health insurance for all Americans including anyone with a pre-existing condition. Insurance companies are also required to cover preventive care such as mammograms and other cancer screenings.

Watch the promotional video here: <http://www.youtube.com/watch?v=TW6SJrX1ROw>.

For more information, visit: <http://www.healthcare.gov/mycare>.

- **An FDA advisory committee has endorsed vincristine sulfate liposomal injection (Marqibo) to treat adults with a rare type of acute lymphoblastic leukemia.**

The FDA's Oncologic Drugs Advisory Committee voted 7-4, with two panelists abstaining, that the benefits outweigh the risks for vincristine sulfate liposomal injection for the treatment of adult patients with Philadelphia chromosome negative (Ph-) acute lymphoblastic leukemia (ALL) in second or greater relapse or who have failed at least two prior treatments with other anti-leukemia drugs. There is currently no FDA-approved drug treatment for this specific group of patients.

Adult ALL is one of the rarest types of cancer — there are about 2,000 new cases of adult ALL diagnosed each year in the U.S. (the disease mostly affects children). Of those cases, 1,400 are Ph- ALL. The five-year survival rate for all adults with relapsed Ph- ALL is just seven percent.

Although panelists were only lukewarm about data presented by Talon Pharmaceuticals, the maker of vincristine sulfate liposomal injection, most felt having the option for patients was better than not having the option. If the FDA agrees with the panel's decision, it would then grant the drug an accelerated approval, which would allow it to come to market even as the company was performing another study to prove the drug really works. If that study failed, the FDA could revoke its approval.

- **Health and Human Services (HHS) Secretary Kathleen Sebelius announced that health insurance premium increases in nine states have been deemed “unreasonable” under the rate review authority granted by the Affordable Care Act.**

In the decisions announced, HHS determined, after independent expert review, that two insurance companies have proposed unreasonable health insurance premium increases in nine states—Arizona, Idaho, Louisiana, Missouri, Montana, Nebraska, Virginia, Wisconsin, and Wyoming. The excessive rate hikes would affect over 42,000 residents across these nine states.

In these nine states, the insurers have requested rate increases as high as 24 percent. These increases were reviewed by independent experts to determine whether they are reasonable. In this case, HHS determined that the rate increases were unreasonable, because the insurer would be spending a low percentage of premium dollars on actual medical care and quality improvements, and because the justifications were based on unreasonable assumptions.

Most rates are reviewed by states and many states have the authority to reject unreasonable premium increases. Since the passage of the health care law, the number of states with this authority increased from 30 to 37, with several states extending existing “prior authority” to new markets.

Information on the specific determinations made today is available at:
<http://companyprofiles.healthcare.gov/>.

- **A blood test that can predict whether a person is at high risk of suffering from a heart attack has been developed by researchers at Scripps Translational Science Institute.**

The test can provide the doctor and patient with this vital information up to two weeks before an acute myocardial infarction (heart attack) is likely to occur.

A report of the study, published in the journal *Science Translational Medicine*, explains that if this test is demonstrated to be reliable after further studies, doctors will be better equipped and informed to intervene with patients at very high risk of an imminent heart attack, and thus prevent the attack and the subsequent damage it can cause.

In this study, a blood test was devised that identifies specific cells that flake off when the blood vessel walls weaken — they are called CECs (circulating endothelial cells), and signal the initial stages of acute myocardial infarction.

Cardiologists believe that a heart attack typically commences days before the formation of a clot (which blocks blood flow to the heart). During the initial stages of a heart attack, the walls of the blood vessel weaken, they become eroded, attracting inflammatory cells, which in turn harm and damage the endothelial cells that line the inside of blood vessels. Endothelial cells are those that are inside the cellular lining of a tissue.

The study involved 94 participants, 50 of them had had a heart attack while the other 44 had not (healthy controls). CEC blood levels among those who had had a heart attack were over four times higher compared to those in the healthy control group. In addition, their CECs had changed; they had either become larger, misshapen, and/or many had multiple nuclei.

- As of March 20, 2012, the total number of Guard and Reserve currently on active duty has **decreased** by 235 to 71,662. The totals for each service are Army National Guard and 52,118; Navy Reserve, 4,748; Air National Guard and Air Force Reserve, 9,267; Marine Corps Reserve, 4,754, and the Coast Guard Reserve, 775. www.defenselink.mil

REPORTS/POLICIES

- **The Institute of Medicine (IOM) published “Crisis Standards of Care: A Systems Framework for Catastrophic Disaster Response,” on March 21, 2012.** This report examines the effect of its 2009 report providing guidance that health officials could use to establish and implement standards of care during disasters; and develops vital templates to guide the efforts of professionals and organizations responsible for CSC planning and implementations. <http://www.iom.edu/Reports/2012/Crisis-Standards-of-Care-A-Systems-Framework-for-Catastrophic-Disaster-Response.aspx>
- **The Institute of Medicine (IOM) published “Genome-Based Diagnostics: Clarifying Pathways to Clinical Use — Workshop Report,” on March 20, 2012.** This report examines issues which are currently preventing the development of evidence and explores innovative approaches for generating evidence to enable the development of genomic diagnostic tests of clinical value. <http://www.iom.edu/Reports/2012/Genome-Based-Diagnostics-Clarifying-Pathways-to-Clinical-Use.aspx>

HILL HEARINGS

- The Senate Armed Services Committee will hold a hearing on **March 28, 2012**, to examine the Active, Guard, Reserve, and civilian personnel programs in review of the Defense Authorization request for fiscal year 2013 and the Future Years Defense Program.
- The Senate Armed Services Committee will hold a hearing on **March 29, 2012**, to examine the nominations of Frank Kendall III, of Virginia, to be Under Secretary for Acquisition, Technology, and Logistics, James N. Miller, Jr., of Virginia, to be Under Secretary for Policy, Erin C. Conaton, of the District of Columbia, to be Under Secretary for Personnel and Readiness, Jessica Lynn Wright, of Pennsylvania, and Katharina G. McFarland, of Virginia, both to be an Assistant Secretary, and Heidi Shyu, of California, to be an Assistant Secretary of the Army, all of the Department of Defense.
- The Senate Armed Services Subcommittee on Personnel will hold a hearing on **April 25, 2012**, to examine the Active, Guard, Reserve, and civilian personnel programs in review of the Defense Authorization request for fiscal year 2013 and the Future Years Defense Program.

LEGISLATION

- **H.R.4201** (introduced March 16, 2012): the *Servicemember Family Protection Act* was

referred to the House Committee on Veterans' Affairs.

Sponsor: Representative Michael R. Turner [OH-3]

- **H.R.4209** (introduced March 19, 2012): the *Patients' Access to Treatments Act of 2012* was referred to the House Committee on Energy and Commerce.
Sponsor: Representative David B. McKinley [WV-1]
- **H.R.4213** (introduced March 19, 2012): To amend title 38, United States Code, to require judges of the United States Court of Appeals for Veterans Claims to reside within fifty miles of the District of Columbia, and for other purposes was referred to the House Committee on Veterans' Affairs.
Sponsor: Representative Jon Runyan [NJ-3]
- **H.R.4224** (introduced March 20, 2012): the *Offering Patients True Individualized Options Now Act of 2012* was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, Education and the Workforce, the Judiciary, Natural Resources, Rules, Appropriations, and House Administration.
Sponsor: Representative Paul. C. Broun [GA-10]
- **S.2206** (introduced March 20, 2012): A bill to amend title 38, United States Code, to require the Secretary of Veterans Affairs to provide educational counseling to individuals eligible for educational assistance under laws administered by the Secretary before such individuals receive such assistance, and for other purposes was referred to the Committee on Veterans' Affairs.
Sponsor: Senator Frank R. Lautenberg [NJ]
- **H.R.4238** (introduced March 21, 2012): To amend the Public Health Service Act to reauthorize certain programs for individuals with traumatic brain injury, and for other purposes was referred to the House Committee on Energy and Commerce.
Sponsor: Representative Bill Pascrell, Jr. [NJ-8]

MEETINGS

- 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>
- The Conference on Vaccine Research will be held on **May 7-9, 2012**, in Baltimore, Md. <http://immunize.us1.list-manage2.com/track/click?u=69948816469e0f4801f8647ee&id=20e0c08ef8&e=8a0b0385de>
- The Weight of the Nation, Moving Forward, Reversing the Trend Conference will be held on **May 7-9, 2012**, in Washington DC <http://www.cdc.gov/won/>
- 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
- The 28th Annual Meeting of the International Society for Traumatic Stress Studies (ISTSS) will be held **Nov.1-3, 2012**, in Los Angeles, Calif. <http://www.istss.org/Home.htm>

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.