

# Federal Health Update

MAY 25, 2012

*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 Senate Appropriations Committee approved the fiscal year 2013 Military Construction, Veterans Affairs, and Related Agencies bill on May 22, 2012.**

To view the full bill, please visit <http://www.gpo.gov/fdsys/pkg/BILLS-112s3215pcs/pdf/BILLS-112s3215pcs.pdf>.

- **On May 18, 2012, the House passed H.R. 4310, the National Defense Authorization Act for Fiscal Year 2013.**

The legislation rejects the Obama administration's recommendations to raise premiums for military retirees based on their retirement pay, among other fee hikes.

The House legislation modestly raises TRICARE co-pays for brand and non-formulary drugs in 2013, ranging from an additional \$4 to \$19 either monthly or every three months, depending on the enrollee's prescription refill schedule. It also would cap pharmacy co-pays beginning in 2014 so that such fees are in line with the annual retiree cost-of-living adjustment. The costs associated with the fee increases would be offset by a five-year pilot program requiring TRICARE for Life recipients to obtain

maintenance drug refills through the mail.

According to the White House, President Obama will veto the \$643 billion bill if it reaches him.

- **The House Appropriations Committee approved the fiscal year 2013 Defense Appropriations bill on May 17, 2012.**

In total, the legislation provides \$519.2 billion in non-war funding, an increase of \$1.1 billion over the fiscal year 2012 level and \$3.1 billion above the President's request. It contains \$33 billion for Defense health and family programs. To read the full text, please visit: <http://appropriations.house.gov/UploadedFiles/BILLS-112HR-FC-AP-FY13-Defense.pdf>

- **U.S. Senators Marco Rubio (R-FL) and Frank R. Lautenberg (D-NJ) introduced legislation on May 18 that would place caps on health insurance enrollment fees, deductibles and pharmacy co-payments for military retirees enrolled in the Department of Defense's TRICARE program.**

The bill would protect the 9 million beneficiaries in the military health care system, particularly military retirees, from unfair insurance fee hikes.

The Lautenberg-Rubio "Military Health Care Protection Act of 2012" would establish that the percentage of increase in certain military health care fees in any given year cannot exceed the percentage of increase in military retired pay. The bill is supported by 21 military and veteran groups, including: Military Officers Association of America (MOAA), Iraq and Afghanistan Veterans of America (IAVA), American Legion, Fleet Reserve Association, and the National Military Family Association (NMFA).

## MILITARY HEALTH CARE NEWS

- **The President has nominated Army Brig. Gen. Joseph Carvalho Jr. for appointment to the rank of major general.**

Carvalho is currently serving as commanding general, Northern Regional Medical Command, Fort Belvoir, Va.

- **Defense Secretary Leon E. Panetta and Veterans Affairs Secretary Eric K. Shinseki announced that initial capabilities of the Integrated Electronic Health Record (iEHR) will be rolled out at two test sites: San Antonio, Texas, and Hampton Roads, Va. in 2014.**

DoD and VA provide medical care to thousands of service members and veterans in these two locations. The secretaries are also reaffirming 2017 as the target date for iEHR to replace the two departments' separate legacy electronic health records systems.

For more information regarding DoD/VA iEHR collaborative efforts can be found at <http://www.defense.gov/news/EHRDoDVAFactSheet.pdf>.

- **Senior defense leaders, family members and friends paused to remember fallen military medical personnel at the [2012 Military Health System Remembrance Ceremony on May 21.](#)**

The annual ceremony was held at the Women in Military Service for America Memorial at Arlington National Cemetery and marked the fourth year in which the MHS joined with loved ones of medical service members killed in action while deployed to the battlefields of Iraq and Afghanistan.

Dr. Jonathan Woodson, assistant secretary of defense for Health Affairs, addressed the intimate gathering, expressing his gratitude for their sacrifice. Also at the ceremony were Air Force Chief Master Sgt. Charles R. Cole, chief, Medical Enlisted Force, Marine Master Gunnery Sgt. William T. Mahoney, senior enlisted advisor to the under secretary of defense for Personnel and Readiness and assistant secretary of defense for Health Affairs and Army Master Sgt. Jonathan Clouse, a special forces medic.

Each speaker described personal experiences with military medical service members and reminded audience members that they remain part of the military medical family.

## VETERANS AFFAIRS NEWS

- **On May 20, 2012, veterans gathered in San Francisco to meet with members of Congress and Department of Veterans Affairs' officials about their backlogged disability claims.**

The regional VA office in Oakland has approximately 34,000 backlogged cases. Additionally, an inspection by the department's Office of Inspector General revealed 39 percent of sampled claims at the Oakland office were processed incorrectly. The OIG report also said that as of December 2011 the average claim's pending period was 269 days — 89 days longer than the targeted 180 days.

To try to streamline the backlog, the Oakland office stopped taking new claims, filtering them to other VA offices around the country. According to Clark, there are more than 600,000 claims backlogged in the 18 offices he oversees.

Western Area VA Director Willie Clark said he is working as best as he can to handle the backlog. "I'm going to take ownership of it. I'm in leadership," Clark said. "We have to fix it." Clark said his department's goal is to have no claims pending for more than 125 days with a 98 percent accuracy rating by 2015.

## GENERAL HEALTH CARE NEWS

- **The Health Resources and Services Administration (HRSA) has launched a nationwide campaign to encourage Americans age 50 or older to become organ, eye and tissue donors.**

More than 114,000 people are on the national transplant waiting list for an organ, and more than 100 of them die each week waiting for an organ that never comes. In 2011, people 50 and older accounted for 32 percent of donors but 60 percent of the total number of transplants.

The 50-plus campaign was developed to dispel the myth that there are age limitations for

giving the gift of life through organ, eye and tissue donation or for being a transplant recipient. Adults well into their 90s have successfully donated organs, extending the lives of recipients. Campaign materials include a brochure in English and Spanish; an article; radio and print public service announcements; and web banners.

To learn more about the campaign, visit [www.organdonor.gov](http://www.organdonor.gov) and click on the 50+ campaign button, and continue the conversation on Facebook at [www.facebook.com/organdonor.gov](http://www.facebook.com/organdonor.gov).

- **Health and Human Services (HHS) Secretary Kathleen Sebelius announced \$4.9 million in Affordable Care Act funding to support Family-to-Family Health Information Centers, primarily non-profit organizations run by and for families with children with special health care needs.**

Created in 2005, the centers are state-wide, family-led organizations that provide information, education, training, outreach, and peer support to families of children and youth with special health care needs and the professionals who serve them.

The centers are staffed by trained family leaders who have children with special health care needs and have expertise in navigating federal, state and local public and private health care systems. HHS' Health Resources and Services Administration (HRSA) oversees the centers.

The centers have served hundreds of thousands of families and health care providers. The new funding will support 51 centers, one in each state and the District of Columbia. Each grantee will receive \$95,700. A list of awards can be found at [www.hrsa.gov/about/news/2012tables/120523familyvoices.html](http://www.hrsa.gov/about/news/2012tables/120523familyvoices.html).

- **Death rates for people with diabetes dropped substantially from 1997 to 2006, especially deaths related to heart disease and stroke, according to researchers at the Centers for Disease Control and Prevention and the National Institutes of Health.**

Deaths from all causes declined by 23 percent, and deaths related to heart disease and stroke dropped by 40 percent, according to the study published today in the journal *Diabetes Care*. Scientists evaluated 1997-2004 National Health Interview Survey data from nearly 250,000 adults who were linked to the National Death Index. Although adults with diabetes still are more likely to die younger than those who do not have the disease, the gap is narrowing.

Improved medical treatment for cardiovascular disease, better management of diabetes, and some healthy lifestyle changes contributed to the decline. People with diabetes were less likely to smoke and more likely to be physically active than in the past. Better control of high blood pressure and high cholesterol also may have contributed to improved health. However, obesity levels among people with diabetes continued to increase.

Previous studies have found that rates of heart disease and stroke are declining for all U.S. adults. Those rates are dropping faster for people with diabetes compared to adults without diabetes. Recent CDC studies also have found declining rates of kidney failure, amputation of feet and legs, and hospitalization for heart disease and stroke among people with diabetes.

Because people with diabetes are living longer and the rate of new cases being diagnosed is increasing, scientists expect the total number of people with the disease will continue to rise. The number of Americans diagnosed with diabetes has more than

tripled since 1980, primarily due to type 2 diabetes, which is closely linked to a rise in obesity, inactivity and older age. CDC estimates that 25.8 million Americans have diabetes, and 7 million of them do not know they have the disease.

- **A team of researchers led by the U.S. Food and Drug Administration has discovered a new mechanism for identifying and understanding drug-related autoimmune reactions.**

In an article available online in the journal [AIDS](#) the team found that in certain at-risk patients, the anti-HIV drug Ziagen causes the immune system to “see” a patient’s own healthy tissues and proteins as a foreign invader. The effect is similar to what happens when the immune system recognizes a viral or bacterial protein during an infection.

Abacavir is known to cause allergic reactions in certain, at-risk patients. These reactions can range from mild skin reactions to severe allergic shock and even death.

The research team’s work will provide the FDA with new tools to analyze the safety of drugs that have the potential to cause severe allergic reactions. This latest discovery will advance the FDA’s ability to approve therapies that are personalized for safety.

The results also may give biopharmaceutical companies and other research organizations new methods to identify early in the development process drugs with the potential to cause severe adverse drug reactions. This may also serve as a model for future research to predict drug reactions in different populations of at-risk patients.

- **The U.S. Preventive Services Task Force has recommended that men not be screened routinely for prostate cancer using the prostate-specific antigen (PSA) test.**

In its ruling, published Monday in the [Annals of Internal Medicine](#), the panel said that the risks of population-wide screening outweigh the benefits. The decision could affect millions of men if Medicare and private insurers use the conclusion to justify ending reimbursements for the tests.

Today, most men who receive regular medical care have PSA tests, typically starting at age 50, though sometimes younger. But the panel, citing large epidemiological studies from both Europe and the United States, said the benefits of PSA screening and early treatment amount to less than one prostate cancer death avoided for every 1,000 men screened.

The test, which measures a protein in the blood, does not diagnose cancer. It looks for a tell-tale sign that cancer may be present. A positive test usually kicks off a series of events such as a confirming biopsy, and then treatments including surgery, radiation, chemotherapy and hormone deprivation.

Because the test often results in false positives, and because it can’t tell how aggressive or benign a cancer may be, doctors and patients are often in the dark about whether the tumor requires treatment. So, out of caution, most men with positive PSA tests are biopsied and, if cancer is found, treated.

“Thus,” the task force stated, “many men are being subjected to the harms of treatment of prostate cancer that will never become symptomatic. PSA-based screening for prostate cancer results in considerable overtreatment and its associated harms.”

- **Mobile devices like smartphones could easily become vectors for malicious**

**attacks, network outages, information theft, according to a [new report published by Department of Homeland Security](#).**

The report added that as "mini-computers" that can have instantaneous access to hospital networks, [smartphones] pose a major threat to patient information, hospital networks and more.

The report calls for hospitals to install anti-virus and malware protections, encrypt data during transmission and on both sending and receiving ends of the channel, require people to log-on and password protections. One interesting suggestion was to route mobile devices through an entirely separate, secured part of the network.

## **. GUARD/RESERVE**

- As of May 22, 2012, the total number of Guard and Reserve currently on active duty has **decreased** by 540 to 68,194. The totals for each service are Army National Guard and Army Reserve 48,284; Navy Reserve, 4,414; Air National Guard and Air Force Reserve, 10,108; Marine Corps Reserve, 4,560, and the Coast Guard Reserve, 828. [www.defenselink.mil](http://www.defenselink.mil)

## **REPORTS/POLICIES**

- **The GAO published “Military Disability System: Preliminary Observations on Efforts to Improve Performance,” (GAO-12-718T) on May 23, 2012.** In this report, GAO examines extent to which DoD and VA are meeting Integrated Disability Evaluation System (IDES) timeliness and service member satisfaction performance goals, and steps the agencies are taking to improve the performance of the system. <http://www.gao.gov/assets/600/591061.pdf>
- **The GAO published “VA Dialysis Pilot: Increased Attention to Planning, Implementation, and Performance Measurement Needed to Help Achieve Goals,” (GAO-12-584) on May 23, 2012.** This report examines VA’s planning and early implementation efforts for the Dialysis Pilot, and how VA plans to evaluate the pilot. <http://www.gao.gov/assets/600/591071.pdf>

## **HILL HEARINGS**

- The Veterans' Affairs Subcommittee on Oversight and Investigations will hold a hearing entitled, Purchasing Perspective: VA's Prosthetics Paradox, on **May 30, 2012**.
- The Veterans' Affairs Subcommittee on Disability Assistance and Memorial Affairs will hold a hearing on **June 6, 2012**, to discuss pending legislation.

## **LEGISLATION**

- **H.R.5838** (introduced May 18, 2012): To prohibit anti-competitive activities and to provide that health insurance issuers and medical malpractice insurance issuers are subject to the antitrust laws of the United States, and for other purposes was referred to

the House Committee on the Judiciary.

Sponsor: Representative John Conyers, Jr..

- **H.R.5841** (introduced May 18, 2012): the *Supporting Child Maltreatment Prevention Efforts in Community Health Centers Act of 2012* was referred to the House Committee on Energy and Commerce  
Sponsor: Representative Marcia L. Fudge. [OH-11]
- **H.R.5842** (introduced May 18, 2012): To amend the Internal Revenue Code of 1986 to repeal the amendments made by the Patient Protection and Affordable Care Act, which disqualify expenses for over-the-counter drugs under health savings accounts and health flexible spending arrangements was referred to the House Committee on Ways and Means.  
Sponsor: Representative Lynn Jenkins [KS-2]
- **S.3212** (introduced May 22, 2012): A bill to require the Secretary of Health and Human Services to promulgate regulations regarding the authorship, content, format, and dissemination of Patient Medication Information to ensure patients receive consistent and high-quality information about their prescription medications and are aware of the potential risks and benefits of prescription medications was referred to the Committee on Health, Education, Labor, and Pensions.  
Sponsor: Senator Kirsten E. Gillibrand. [NY]
- **S.3215** (introduced May 22, 2012): the *Military Construction and Veterans Affairs, and Related Agencies Appropriations Act, 2013* was placed on the Senate Legislative Calendar.  
Sponsor: Senator Tim Johnson [SD]
- **S.3229** (introduced May 23, 2012): A bill to develop a model disclosure form to assist consumers in purchasing long-term care insurance was referred to the Committee on Health, Education, Labor, and Pensions.  
Sponsor: Senator Amy Klobuchar [MN]
- **S.3230** (introduced May 23, 2012): A bill to require issuers of long term care insurance to establish third-party review processes for disputed claims was referred to the Committee on Health, Education, Labor, and Pensions  
Sponsor: Senator Amy Klobuchar [MN]

## MEETINGS

- 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/](http://www.isid.org/15th_ICID/)
- 2012 American College of Oncology Administrators (ACOA) Oncology Update will be held on **June 20 - 22, 2012**, in Chicago, Ill. <http://www.aameda.org/Conference/ACOA/ACOAMain.html>
- 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](http://service.govdelivery.com/service/view.html?code=USCDC_43)
- CFHA's 14th Annual Conference: will be held on **Oct. 4-6, 2012**, in Austin, Texas <http://www.cfha.net/?page=2012Austin>

- 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>
- The AMIA 2012 Annual Symposium will be held on **Nov. 7-11, 2012**, in Chicago Ill. <http://www.amia.org/amia2012>
- The 118th AMSUS Annual Continuing Education Meeting will be held **Nov. 11-15, 2012**, in Phoenix, Ariz. <http://amsusmeeting.org>
- 2012 American Academy of Medical Administrators (AAMA) Annual Conference will be held on **Nov. 13 - 16, 2012**, San Antonio, Texas <http://www.aameda.org/Conference/Annual/AnnualMain.html>

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**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](mailto:dhakat@aol.com).**