EXECUTIVE AND CONGRESSIONAL NEWS

- On June 21, 2012, the House Veterans Affairs Subcommittee on Oversight and Investigations (O&I) heard testimony considering four pieces of legislation:
  - The Veterans Fiduciary Reform Act of 2012 (H.R. 5948), which reforms Department of Veterans Affairs (VA) fiduciary program.
  - The Veterans Affairs Employee Accountability Act (H.R. 4481) ensures that VA employees in violation of any civil law do not receive any retention incentive, payment or award for or during the year of such violation.
  - The Veteran’s I.D. Card Act (H.R. 2985), which will require VA to issue veterans ID cards to any veteran who requests one
  - The Veterans Data Breach Timely Notification Act (H.R. 3730), which requires the Secretary of Veterans Affairs to provide notice to individuals whose sensitive personal information is involved in a data breach, and for other purposes.

- On June 21, 2012 Rep. Jeff Miller, chairman of the House Committee on Veterans’ Affairs, issued the following statement on an amendment to H.R. 1627, which reflects an agreement reached in conference by the Republican and Democratic leadership of the Veterans’ Affairs Committees in the House and Senate:
  “This comprehensive legislation represents more than a year’s worth of work by the House and Senate Veterans’ Affairs Committees on behalf of America’s veterans. The Committees
have worked in unison for months to come to agreement on a package that will improve benefits and services to veterans and their families.

“This bill includes nearly 50 provisions, which combines House-passed legislation and Senate Committee-reported bills. Today, we move forward to improve healthcare, housing, education, homelessness, memorial affairs, and compensation for veterans and certain dependents. This legislation also protects veterans from predatory behaviors and requires increased accountability and transparency within VA.

“We have achieved this legislative accomplishment in a fiscally responsible manner and the bill will not cost the taxpayer an extra dime. We have received a great deal of input from Veterans Service Organizations and advocates from across the country to address the most pressing concerns our veterans face today. Their participation has been key to moving this legislation forward.

“I would like to thank my colleagues, Chairman Murray and Ranking Member Burr in the Senate, and Ranking Member Filner in the House, for their continued support and dedication to ensure the benefits earned by veterans are preserved and remain one of our nation’s top priorities.”

MILITARY HEALTH CARE NEWS

- The Military Health System (MHS) announced that its nomination process for the fourth annual “Building Stronger Female Physician Leaders in the MHS” awards program is underway.

  Those eligible for awards include female physicians serving in the Coast Guard and the Public Health Service as well as those serving in the Army, Navy and Air Force.

  Each service may forward five junior nominee packages and three senior nominee packages. One junior winner per service and one overall MHS-wide senior winner will be selected.

  This year’s deadline for services to submit applications to the MHS Chief Human Capital Office is midnight Sept. 28, 2012. This means nomination packages should be sent to the service level by Sept. 7, 2012. Submissions for the awards will not be accepted after the deadline.

  Learn more about the selection criteria and process. Download the nomination form.

- Two new task forces set up by U.S. Africa Command are supporting global health efforts to combat malaria, with a focus in sub-Saharan Africa.

  Ninety percent of the world’s malaria-related deaths are reported in Africa, mostly in the sub-Saharan region, and the disease kills some 600,000 African children each year. Malaria is a disease caused by a parasite which is transmitted via the bite of infected mosquitoes.

  These regional task forces will help partner nations present a unified front against the problem. The first task force, East African Malaria Task Force was established in December 2012, with plans to form a similar task force in West Africa by the year’s end. The East African task force covers Burundi, Kenya, Uganda, South Sudan, Rwanda and Tanzania.

- The Department of Defense (DoD) announced that Rear Adm. (lower half) Bruce A. Doll will be assigned as director, Navy medicine research, M2, Bureau of Medicine
and Surgery, Washington, D.C. Doll is currently serving as medical advisor to supreme allied commander transformation, Norfolk, Va.

- Dr. Jonathan Woodson, assistant secretary of defense for health affairs, addressed senior female officers of the United States Public Health Service (USPHS) at a scientific and training symposium in College Park, Md., June 19.

  Blending advice and personal examples, the Woodson recommended knowing what you value in addition to knowing your strengths and weaknesses.

  He also discussed the difficulty of leadership in the 21st century saying that today’s leaders must be “effective influencers” despite the challenge of distance and scope in the ever-increasing globalization of operations.

  Woodson emphasized the importance of mentors, suggesting having more than one in order to gain from diverse perspectives. He recommended reading biographies to not only learn more about individuals through history, but also gain insight into how these individuals faced challenges.

  The course, “Empowering Women Officers in the U.S Public Health Service in Leadership in the 21st Century,” was designed to inspire and give senior level women the necessary tools to be great leaders and was modeled after the Military Health System’s Building Stronger Female Physician Leaders program. In addition to courses, the MHS program offers an awards component.

- The Department of Defense released the report of the 11th Quadrennial Review of Military Compensation (QRMC), which assesses the effectiveness of military pay and benefits.

  Every four years, DoD is directed by the President to complete a review of compensation principles and concepts for members of the uniformed services.

  The 11th QRMC focused four areas established by the President: special and incentive pays for critical career fields; combat compensation; wounded warriors, caregivers, and survivor compensation; and Reserve and National Guard compensation and benefits.

  Highlights of the QRMC recommendations for each of the study areas follow.

  - **Special and incentive pays.** Special and incentive pays are a cost-effective means of achieving manpower objectives. The QRMC found that a versatile career incentive pay authority could have great utility and recommends establishing such an authority.

  - **Combat compensation.** The QRMC concluded that the relationship between combat compensation and the degree of danger to which a member is exposed has eroded, with members most likely to be exposed to the hazards of combat receiving the smallest benefit. Thus, the QRMC recommends that combat compensation be restructured so that those who are exposed to the greatest danger receive higher compensation, regardless of grade.

  - **Wounded warriors, caregivers, and survivors.** The QRMC researched the financial well-being of service members wounded in combat and survivors of fallen warriors. The QRMC also examined the financial implications for family members who take on the role of caregiver for a wounded service member.

    - **Wounded warriors.** The QRMC’s research showed that income loss increases with severity of injury, but disability payments more than offset the loss, on average. However, the QRMC recommended that the department continue to examine wounded warriors’ earnings and
disability payments to fully understand the long-term financial impact of being injured.

- **Caregivers.** The new DoD and VA benefits provide a source of compensation and help offset earnings losses some caregivers experience. However, the QRMC recommends that the two programs be more closely aligned.

- **Surviving spouses.** Similar research of surviving spouses found that recurring survivor benefits replace a significant portion of income loss. However, the QRMC recommends partially eliminating the reduction in Survivor Benefit Plan payments when a spouse is also entitled to Dependency and Indemnity Compensation, and equalize Survivor Benefit Plan payments when a guard or reserve member dies while performing inactive duty training.

  - **Reserve Compensation, Benefits and Duty Structure.** Today, the reserve components serve two purposes -- to support operational missions on a regular basis and to provide strategic depth. Yet the QRMC found the reserve compensation system was designed to support a strategic reserve by optimizing compensation for training, and therefore, the system is misaligned with current utilization of the guard and reserve in an integrated total force. The QRMC recommended modernizing the reserve compensation system by transitioning the reserve components to a total force pay structure under which a member receives full pay and allowances for each day of duty regardless of the type or purpose of duty. Further, the QRMC recommended transitioning the reserve components to a retirement system that is more closely aligned with the active duty system with guard and reserve members receiving retired pay upon reaching their 30th anniversary of military service, having completed 20 qualifying years.

The QRMC also examined the breadth of benefits available to guard and reserve members and their families, and made recommendations involving health care, educational assistance, and disability.

The QRMC found that the reserve duty structure is complicated, confusing and cumbersome. Thus the QRMC recommends reducing the number of authorities under which a reserve component member can be called or ordered to duty from 30 to 6.

Full recommendations, in greater detail, can be viewed on the Web at [http://militarypay.defense.gov/REPORTS/QRMC](http://militarypay.defense.gov/REPORTS/QRMC)

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**VETERANS AFFAIRS NEWS**

- **The Department of Veterans Affairs announced it has set a goal to conduct more than 200,000 clinic-based, telemental health consultations for all mental health specialties in fiscal year 2012.**

  This follows VA’s announcement last month that it would no longer charge veterans a copayment when they receive care in their homes from VA health professionals using video conferencing.

  The clinic-based telehealth program involves the more than 800 VA community-based outpatient clinics (CBOCs) where many veterans receive primary care. If the CBOCs do not have a mental health care provider available, secure video teleconferencing technology is used to connect the Veteran to a provider within VA’s nationwide system of
Since the start of the Telemental Health Program, VA has completed over 550,000 patient encounters. In Fiscal Year 2011 alone, more than 140,000 encounters were conducted with 55,000 veterans via CBOCs, where providers at 150 hospitals delivered care to veterans at more than 500 clinics.

The Telehealth Expansion Initiative launched in May 2011 called for an additional 21 regional leads, 144 facility coordinators and 1,150 clinical technicians to VA’s workforce. When fully implemented, the expansion will provide a potential capacity of 1.2 million consultations annually.

Video to the home is currently projected to grow to 2,000 patients by the end of fiscal year 2012, with 1,500 using innovative new Internet Protocol (IP) video connected to Veterans’ personal computers.

For more information, on VA’s telemental health, visit the Office of Telehealth Services at [http://www.telehealth.va.gov/](http://www.telehealth.va.gov/).

- The Department of Veterans Affairs announced that nearly 230,000 claims have already been processed for the three newest Agent-Orange related conditions through June 2012.

These claims include the more than 150,000 claims required to be adjudicated under the order of the U.S. District Court for the Northern District of California in *Nehmer v. U.S. Department of Veterans Affairs*. The near completion of these complex *Nehmer* claims enables VA to redirect 1,200 employees who were dedicated to reviewing the Agent Orange cases toward addressing the current backlog of disability claims.

The Agent Orange claims stemmed from VA’s 2010 amendment of its regulations to add ischemic heart disease, hairy cell and other chronic B-cell leukemias, and Parkinson’s disease to the list of diseases presumed to be related to exposure to the herbicide used in Southeast Asia.

Given the complexity of the historical casework, the Veterans Benefits Administration (VBA) allocated its most experienced decision makers, about 37 percent of its rating staff, to processing Agent Orange claims. VBA’s 13 resource centers were exclusively dedicated to re-adjudicating these claims.

In addition to redirecting its rating staff, VA has developed a comprehensive transformation plan to achieve in 2015 Secretary Shinseki’s goal of completing claims within 125 days at 98 percent accuracy. VA is now beginning the nationwide rollout of its new operating model and electronic processing system, known as the Veterans Benefits Management System (VBMS). All regional offices will be operating under the new model and using the new processing system by the end of 2013.

VA has established a website, [www.fastrack.va.gov](http://www.fastrack.va.gov), to assist veterans in filing claims for the three new conditions related to the effects of Agent Orange exposure.

- Patients with Parkinson’s disease who undergo deep brain stimulation (DBS) can expect stable improvement in muscle symptoms for at least three years, according to a Department of Veterans Affairs study appearing in the most recent issue of the journal *Neurology*.

In DBS, surgeons implant electrodes in the brain and run thin wires under the skin to a pacemaker-like device placed at one of two locations in the brain. Electrical pulses from the battery-operated device jam the brain signals that cause muscle-related symptoms. Thousands of Americans have seen successful results from the procedure since it was
first introduced in the late 1990s. But questions have remained about which stimulation site in the brain yields better outcomes, and over how many years the gains persist.

Initial results from the study appeared in 2009 in the *Journal of the American Medical Association*. Based on the six-month outcomes of 255 patients, the researchers concluded that DBS is riskier than carefully managed drug therapy—because of the possibility of surgery complications—but may hold significant benefits for those with Parkinson’s who no longer respond well to medication alone.

A follow-up report in the *New England Journal of Medicine* in 2010, using data from 24 months of follow-up, showed that similar results could be obtained from either of the two brain sites targeted in DBS.

The new report is based on 36 months of follow-up on 159 patients from the original group. It extends the previous findings: DBS produced marked improvements in motor (movement-related) function. The gains lasted over three years and did not differ by brain site.

Patients, on average, gained four to five hours a day free of troubling motor symptoms such as shaking, slowed movement, or stiffness. The effects were greatest at six months and leveled off slightly by three years.

The research took place at several VA and university medical centers and was supported by VA’s Cooperative Studies Program and the National Institute of Neurological Disorders and Stroke, part of the National Institutes of Health. The maker of the devices used in DBS, Medtronic Neurological, helped fund the research but did not play a role in designing the study or analyzing the results.

VA cares for some 40,000 veterans with the condition.

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**GENERAL HEALTH CARE NEWS**

- The Department of Health and Human Services (HHS) has awarded new grants to expand community health centers.

  The grants awarded to 219 health centers will help expand access to care for more than 1.25 million additional patients and create approximately 5,640 jobs by establishing new health center service delivery sites.

  Community health centers work to improve the health of the nation by ensuring access to quality primary health care services. The awards announced today total $128.6 million and will go to community health centers in 41 states, the District of Columbia, Puerto Rico and the Northern Mariana Islands.

  As community-based and patient-directed organizations, health centers are well positioned to be responsive to the specific health care needs of their community. They also are an integral source of local employment and economic growth in many underserved and low-income communities. In 2011, health centers employed more than 138,000 staff including: 9,900 physicians, 6,900 nurse practitioners, physicians’ assistants, and certified nurse midwives, 11,800 nurses, 10,300 dental staff, 4,400 behavioral health staff; and more than 12,500 case managers, health education, outreach and transportation staff.

  Eligible applicants included public or nonprofit private entities, including tribal, faith-based and community-based organizations who meet health center funding requirements.

- **A new report released today by the Department of Health and Human Services (HHS) shows that 3.1 million young adults have gained health insurance because of the health care law.**

  The Affordable Care Act requires insurers to allow young adults to remain on their parents’ family plans until their 26th birthday, even if they move away from home or graduate from school. This policy took effect on September 23, 2010.

  Without the health care law – the Affordable Care Act – these 3.1 million young adults would not have health insurance. As a result of the law, the proportion of insured adults ages 19 through 25 has increased to nearly 75 percent.

  Before the Affordable Care Act, young adults were the age group least likely to have health insurance. Not only were young adults more likely to be uninsured, they were also more than twice as likely as older adults to lose private insurance coverage once they had it. Some young adults lost coverage when they became too old to qualify as a dependent on their parents’ plans, and others lost coverage as they graduated from school or changed jobs.

  Starting in 2014, there will be even more health coverage options available to young adults when Affordable Insurance Exchanges, premium tax credits, and the Medicaid expansion go into effect.

  To see the new HHS report, please visit: http://aspe.hhs.gov/aspe/gaininginsurance/rb.shtml

- **The U.S. Department of Health and Human Services established three new centers to develop and manufacture medical countermeasures, such as vaccines and medicines used to protect health in emergencies.**

  Created as public-private partnerships, the *Centers for Innovation in Advanced Development and Manufacturing* will provide the first major domestic infrastructure in the United States capable of producing medical countermeasures to protect Americans from the health impacts of bioterrorism, as well as pandemic influenza and other epidemics.

  In creating the centers, HHS is using a new public-private partnership model, bringing together the innovative ideas of small biotech firms, the training expertise of academic institutions, and the development and manufacturing experience of large pharmaceutical companies.

  Each center will be run by a consortium led by an organization experienced in developing or manufacturing medical countermeasures. HHS will invest approximately $400 million in the initial phases of the centers, using contracts with the center leads.

  Overseen by the Biomedical Advanced Research and Development Authority within the HHS Office of the Assistant Secretary for Preparedness and Response, each contract can be renewed for up to 25 years, representing a long-term commitment to this partnership with industry and to national security.

  Under the contracts, each consortium will retrofit existing facilities or build new ones to incorporate flexible, innovative manufacturing platforms that can be used to manufacture more than one product. The facilities will use modern cell- and recombinant-based vaccine technologies that have the potential to produce vaccines for not only pandemic influenza but also other threats more quickly and in a more affordable way.
Together, the centers will be capable of domestically producing a quarter of the nation’s pandemic influenza vaccine within four months of the onset of a pandemic. In 2009, only one company had manufacturing facilities solely in the United States to produce H1N1 pandemic vaccine.

The private partners will provide approximately 35 percent of the total cost of the initial building phase. HHS will support the cost of operation and maintenance of the centers in subsequent years.

As the facilities become operational in 2014 and 2015, the center leads will begin assisting small biotech companies with technology, regulatory affairs, quality systems and manufacturing expertise to reach the goal of a licensed and readily available product for public and private use.

- Emergent Manufacturing Operations Baltimore LLC will lead one center, working with a network of partners; Michigan State University, Kettering University of Flint, Mich., and the University of Maryland, Baltimore. This contract is for approximately $163 million over the first eight years.

- Novartis will head a second center, leveraging existing public-private investments by HHS in state-of-the-art facilities in Holly Springs, N.C., and working with North Carolina State University and Duke University. The Novartis contract is valued at approximately $60 million over the first four years.

- The Texas A&M University System will lead a third Center collaborating with GlaxoSmithKline Vaccines of Marietta, Pa.; Lonza of Houston, Texas, and Kalon Biotherapeutics of College Station, Texas. This contract is valued at approximately $176 million over the first five years.

For more information about the Centers for Innovation in Advanced Development and Manufacturing, visit www.medicalcountermeasures.gov.

- The Department of Health and Human Services (HHS) announced the recipients of 81 new Health Care Innovation Awards.

The awards support innovative projects nationwide designed to deliver high-quality medical care, enhance the health care workforce, and save money. Combined with the awards announced last month, HHS has awarded 107 projects are expected to save the health care system an estimated $1.9 billion over the next three years.

The awards are notable for their geographic diversity; projects will be located in urban and rural areas, all 50 states, the District of Columbia and Puerto Rico. Projects include:

For more information on the awards announced, please visit: innovations.cms.gov/initiatives/innovation-awards/project-profiles.html.

- Steve Larsen, director of the Center for Consumer Information and Insurance Oversight (CCIIO), Centers for Medicare & Medicaid Services (CMS), and deputy administrator at the U.S. Department of Health and Human Services (HHS), resigned on June 15.

Larsen had been an instrumental part of the senior leadership team implementing the Patient Protection and Affordable Care Act, (PPACA.) His position was charged with helping implement many provisions of the PPACA, specifically, the implementation of the provisions related to private health insurance.
Mike Hash, director of the Office of Health Reform will serve as interim director of CCIIO.

- **Three new members to the National Institutes of Health Advisory Committee on Research on Women’s Health (ACRWH) have been confirmed by the director of the National Institutes of Health.**

  The ACRWH provides guidance to the director of the NIH Office of Research on Women's Health (ORWH). ORWH resides in the NIH Office of the Director and works with the 27 NIH institutes and centers to ensure that women's health and sex differences research is part of the NIH scientific framework. ORWH also works to ensure that women and minorities are included in clinical research.

  The new council members:

  - **Afas I. Meleis, Ph.D.,** is the Margaret Bond Simon Dean of Nursing at the University of Pennsylvania School of Nursing, Philadelphia, professor of nursing and sociology. She also directs the school's World Health Organization Collaborating Center for Nursing and Midwifery Leadership.
  
  - **Heidi D. Nelson, M.D., M.P.H.,** is research professor of medical informatics and clinical epidemiology and of medicine at Oregon Health & Science University, Portland, and serves as medical director for cancer prevention and screening at the Providence Cancer Center at Providence Health & Services, Ore.
  
  - **Gerson Weiss, M.D.,** is professor and chair of the Department of Obstetrics and Gynecology at New Jersey Medical School, Newark. Grants from NIH, the United Cerebral Palsy Foundation, and the Andrew W. Mellon Foundation have continuously funded Dr. Weiss' research since 1975.

  The new members, who will each serve four-year terms, will

Continuing members of the ACRWH include Dr. Richard W. Besdine, Dr. John O. L. Delancey, Dr. Francisco Garcia, Dr. Margery Gass, Dr. Ronda Henry-Tillman, Dr. Paula Johnson, Dr. Karen Kim, Dr. Susan Kornstein, Valerie Latona, Dr. Jon E. Levine, Dr. Claire Pomeroy, Dr. Jeanne Craig Sinkford, Dr. Farida Sohrabji, Dr. Gary Striker, and Dr. Paul Terranova.

- **The U.S. Health and Human Services Department has named Bryan Sivak as its new chief technology officer.**

  Bryan Sivak, who has been the state of Maryland’s first chief innovation officer, succeeds Todd Park, who became the White House CTO.

  Sivak joined the administration of Maryland Gov. Martin O’Malley in April 2011, where he has worked to help create the state health insurance exchange, as well as a project to use social media to engage residents and an initiative to promote research transfer from several Maryland universities for commercial use.

  Prior to that, he was CTO for the District of Columbia government under former Mayor Adrian Fenty.

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**GUARD/RESERVE**

- As of June 12, 2012, the total number of Guard and Reserve currently on active duty has decreased by 1,727 to 65,066. The totals for each service are Army National Guard and
Army Reserve, 46,474; Navy Reserve, 4,270; Air National Guard and Air Force Reserve, 9,226; Marine Corps Reserve, 4,257, and the Coast Guard Reserve, 839.

www.defenselink.mil

REPORTS/POLICIES

- The GAO published “Health Center Program: 2011 Grant Award Process Highlighted Need and Special Populations and Merits Evaluation,” (GAO-12-504) on June 21, 2012. This report examines the actions HRSA has recently taken to target its grants for new delivery sites to health centers in communities with demonstrated need and the outcome of HRSA’s award process in recent years; and the extent to which HRSA-funded health centers collaborate and compete with other health care providers in their service area. http://www.gao.gov/assets/600/591194.pdf

HILL HEARINGS

- The Senate Veterans’ Affairs Committee will hold a hearing on June 27, 2012, to examine health and benefits legislation.

LEGISLATION

- S.3313 (introduced June 19, 2012) the Women Veterans and Other Health Care Improvements Act of 2012 was referred to the Committee on Veterans’ Affairs. Sponsor: Senator Patty Murray [WA]

MEETINGS

- The Military Health System Research Symposium (MHSRS) will be held on Aug. 13-16, 2012, in Ft. Lauderdale, Fla. https://www.atacc.org/ 
- The National Conference on Pain for Frontline Practitioners: PAINWeek will be held on Sept. 5-8, 2012, in Las Vegas. http://www.painweek.org/
- CFHA's 14th Annual Conference: will be held on Oct. 4-6, 2012, in Austin, Texas http://www.cfha.net/?page=2012Austin
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

The 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


The 2013 Military Health System Conference will be held **Feb. 11-14, 2013**, in National Harbor, Md.

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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.