

# Federal Health Update

JULY 6, 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 House and Senate are in recess this week.**

## MILITARY HEALTH CARE NEWS

- **On July 2, 2012, the GAO announced its decision to deny TriWest's protest of the TRICARE West Region contract award to UnitedHealth Group Inc.**

The contract, which starts April 2013, provides health care services to nearly 3 million active duty and retired military service members and their families in 21 states. The contract is worth approximately \$20.5 billion over a 10-month base period and five one-year option periods for health care delivery, plus a transition-out period.

The U.S. Department of Defense had said in 2009 that it would award the contract to Phoenix-based TriWest Healthcare Alliance, but UnitedHealth protested that decision. Bidding was reopened last year, and the Defense Department originally said in March that UnitedHealth would get the contract.

According to a written [statement](#) by TriWest, the company is reviewing its options and will make a decision on its next steps. The current TRICARE contract continues through March 31, 2013.

- **Throughout the month of July, the Military Health System is focusing on total fitness for service members and their families across the force.**

In alignment with the [National Prevention Strategy](#), whose seven priorities are tobacco-free living, preventing drug abuse and excessive alcohol use, healthy eating, active living, injury and violence-free living, reproductive and sexual health and mental and emotional well-being, the MHS encourages members of the defense community to take advantage of the many programs and resources available to make healthy lifestyle choices.

- **On July 2, 2012, TRICARE Management Activity announced its new annual fee structure for military retirees enrolled in Prime.**

TRICARE Prime enrollment fees will increase for some retired military personnel and their families by 3.6 percent and for most by 17 percent starting Oct. 1. For those who enrolled before Oct. 1, 2011, annual fees will increase for individuals from \$230 to \$269.28, and from \$460 to \$538.56 for families.

Those who enrolled after Oct. 2, 2011, and all new beneficiaries will pay \$269.28 a year for individuals, up from \$260, and \$538.56 for families, up from \$520.

The increases fall in line with legislation passed in 2011 restricting the amount the Pentagon can increase annual fees to the military cost-of-living adjustment. The TRICARE fee increases are equal to the cost-of-living adjustment in military retired pay made Dec. 1, 2011.

Survivors of active duty deceased sponsors or medically-retired uniformed service members and their dependents are exempt from enrollment fee increases. They continue to pay the rate they paid when the survivor or medically-retired member enrolled.

To view the charts with the new fees, please visit: [New Enrollment Fees](#).

- **Northrop Grumman Corporation announced it has been selected to provide preliminary research and development on U.S. military health care applications to improve the way health care is delivered to military personnel.**

The TRICARE Management Activity (TMA) awarded five-year, indefinite delivery, indefinite quantity (ID/IQ) contracts to seven companies including Northrop Grumman. The contract program has a ceiling of \$300 million, collectively. The contract is designed to produce innovative approaches to the Military Health System (MHS) through medical information management, information technology (IM/IT) research studies, proof of concept demonstrations, prototyping of IM/IT products and advanced concept technology demonstrations.

The Northrop Grumman team will work at the Pacific Joint Information Technology Center (JITC) based in Kihei, Hawaii. The Pacific JITC also supports the U.S. Department of Defense's medical requirements and IT modernization needs across the medical continuum of care. Northrop Grumman will assist TMA by supporting JITC's research efforts.

## VETERANS AFFAIRS NEWS

- **California's women veterans say they need more services to meet their specific**

**health needs, according to a report released by the California Department of Veterans Affairs and the California State Library's California Research Bureau.**

The veterans said they want access to gynecological exams at their local VA health centers and emergency housing, as well as counseling for sexual abuse sustained while they were in the military. Many respondents said they needed help adjusting to civilian life, including finding a job. About 10 percent said they needed help with mental health issues including post-traumatic stress disorder. Female veterans are more likely to access federal services than state services.

The women who responded to the survey were more educated, slightly older and discharged with a higher rank than other female veterans, factors which made them more likely to be aware of services available to them. But, the report says, female veterans who aren't connected and need the services most are still unaware of what is available to them.

According to the report, California has the greatest number of female veterans in the country — more than 167,000 — representing 9.5 percent of the women veterans in the country. It is expected that the proportion of women veterans in California will reach 10 percent by 2020.

The report included a survey of more than 900 women veterans. Of those, 74 were on active duty and 843 were veterans.

To read the report, please visit: [http://www.library.ca.gov/crb/12/FINAL\\_REPORT.pdf](http://www.library.ca.gov/crb/12/FINAL_REPORT.pdf).

- **The Department of Veterans Affairs has selected a site for its new medical center in Louisville, Ky., replacing an existing 60-year-old facility.**

The site for the new VA medical center is located in Jefferson County, adjacent to the Brownsboro Road and I-264 interchange. That location is close to the current Robley Rex VA Medical Center and the downtown University of Louisville Hospital.

The new medical center will have 110 inpatient beds and clinics specializing in primary care, surgery, and mental health. The new facility will also have a geriatric and extended care program, a home-based primary care program, and a substance abuse residential rehabilitation treatment program.

The facility is expected to cost about \$883 million and open in late 2017 or early 2018.

## GENERAL HEALTH CARE NEWS

- **The Department of Health and Human Services (HHS) has awarded more than \$971 million to continue improving preparedness and health outcomes for a wide range of public health threats within every state, eight U.S. territories, and four of the nation's largest metropolitan areas.**

The funding awards included a total of approximately \$352 million awarded for the [Hospital Preparedness Program](#) (HPP) cooperative agreement and more than \$619 million awarded for the [Public Health Emergency Preparedness](#) (PHEP) cooperative agreement.

HPP funding supports preparedness for health care systems, health care coalitions and health care organizations. HHS' Centers for Disease Control and Prevention (CDC) administers PHEP funding to support the preparedness of state, local and territorial public health systems.

HPP and PHEP funding helps recipients build and sustain public health and health care

preparedness capabilities for protecting human health and national health security.

For the first time, the HPP and PHEP funds are being awarded jointly, encouraging cooperation between the nation's health care and public health systems. This change follows a year-long effort by ASPR and CDC to align the two federal preparedness programs. These programs represent critical sources of funding and support for public health and health care preparedness systems. Improved coordination among federal emergency preparedness programs is a high priority of HHS and other federal entities.

With aligned HPP and PHEP cooperative agreement programs, states and communities can more easily, efficiently and effectively conduct joint planning, exercising and program operations. These activities are vital in preparing communities to respond and recover from emergencies and help communities manage health care and public health on a daily basis.

To learn more about HPP and PHEP including grant awards to individual states, territories or localities, visit <http://www.cdc.gov/about/organization/ophpr.htm>.

- **The prescription drug methadone accounted for two percent of painkiller prescriptions in the United States in 2009, but was involved in more than 30 percent of prescription painkiller overdose deaths, according to a [CDC Vital Signs report](#).**

Researchers analyzed national data from 1999-2010, and 2009 data from 13 states (those covered by a surveillance system for drug-related deaths).

Methadone carries more risks than other painkillers because it tends to build up in the body and can disrupt a person's breathing or heart rhythm. According to the report, 4 of every 10 overdose deaths from a single prescription painkiller involved methadone, twice as many as any other prescription painkiller.

Methadone has been used safely and effectively for decades to treat drug addiction, but in recent years it has been increasingly used as a pain reliever. As methadone prescriptions for pain have increased, so have methadone-related nonmedical use and fatal overdoses. CDC researchers found that six times as many people died of methadone overdoses in 2009 compared to methadone-related deaths in 1999.

Despite recent federal efforts to warn health care providers that methadone prescribing is complex and that methadone should not be the first choice as a pain reliever, the number of methadone prescriptions has not declined significantly. The majority of these prescriptions are written by practitioners who typically do not have special training in pain management.

Health care providers can take additional measures to help prevent prescription painkiller overdoses. A key step includes following guidelines for prescribing methadone and other prescription painkillers correctly, which include:

- Screening and monitoring for substance abuse and other mental health problems,
- Prescribing only the quantity needed based on the expected length of pain,
- Using patient-provider agreements combined with urine drug tests for people taking methadone long term,
- Using prescription drug monitoring programs to identify patients who are misusing or abusing methadone or other prescription painkillers,
- Educating patients on how to safely use, store, and dispose of prescription

painkillers and how to prevent and recognize overdoses.

For more information about prescription drug overdoses in the United States, please visit [www.cdc.gov/HomeandRecreationalSafety/Poisoning](http://www.cdc.gov/HomeandRecreationalSafety/Poisoning).

- **National Institutes of Health announced the appointment of David M. Murray, Ph.D., as associate director for disease prevention and director of the Office of Disease Prevention (ODP). Dr. Murray is expected to join the NIH on Sept. 23, 2012.**

The Office of Disease Prevention (ODP) is the lead office at the National Institutes of Health responsible for assessing, facilitating, and stimulating research on disease prevention and health promotion, and disseminating the results of this research to improve public health. Prevention is preferable to treatment, and research on disease prevention is an important part of the NIH's mission. The knowledge gained from this research leads to stronger clinical practice, health policy and community health programs.

Prior to this, Murray was, chair and professor of the Division of Epidemiology, College of Public Health at The Ohio State University. He has spent his career evaluating intervention programs designed to improve the public health.

Murray earned a B.A. in psychology from Denison University and a Ph.D. in psychology from the University of Tennessee. He is a fellow in the American Association for the Advancement of Science and a member of the American Public Health Association, the American Statistical Association, the Society for Epidemiologic Research, and the Society for Prevention Research.

- **Despite a decline in the number of insured children and a drop in the use of costly health care services, a new study found that spending on health care for children has grown faster than spending for adults over the past four years.**

The [\*Children's Health Care Spending Report: 2007-2010\*](#) is the first of its kind to track changes in spending, prices and use of health care services by children covered by employer-sponsored health insurance. From 2007 through 2010, per capita spending for children covered by an employer-sponsored plan increased 18.6 percent to \$2,123 a year. Also during the four years, the average cost of an outpatient visit increased more than a third, as did the average cost of an emergency room visit.

The findings come from a report by the Health Care Cost Institute, a nonprofit group with access to claims data from three of the nation's largest insurers – Aetna, Humana and United Healthcare. The combined claims data covers about 20 percent of all people under age 65 with employer coverage. According to the study, the majority of U.S. children, estimated at more than 41 million in 2010, are covered through employer-sponsored insurance.

Price increases surpassed changes in the amount of health care children consumed and outstripped general inflation from 2007-2010, according to the report. Outpatient visit prices rose the fastest, increasing 34 percent over four years, nearly six times the rate of inflation, which grew five percent.

The study found that children's use of mental health and substance abuse services jumped nearly 24 percent. Prescriptions for antidepressants and similar psychiatric drugs rose more than 10 percent. The researchers found that teens (age 14 to 18) had at least one prescription, on average in 2010.

The study also found:

- Overall prescription drug use by children dropped slightly between 2007 and 2010, but use of cardiovascular drugs and hormones both increased more than 20 percent.
- Babies and toddlers (under age 4) had the highest per capita spending — \$3,896 in 2010. Teenagers age 14 to 18 had the largest spending increase — 22.3 percent between 2007 and 2010.
- Per capita spending on children was lowest in the west and highest in the northeast in 2010. There was a \$311 annual difference between the two regions.

The new report confirms findings from HCCI's [Health Care Cost and Utilization Report: 2010](#) released earlier this year that showed rising prices are the chief drivers of health care spending.

## . GUARD/RESERVE

- Note: This data has not been updated since June 12.
- 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](http://www.defenselink.mil)

## REPORTS/POLICIES

- **The GAO published “Military Base Realignments and Closures: Updated Costs and Savings Estimates from BRAC 2005,” (GAO-12-709R) on June 29, 2012.** This report updates the costs and savings associated with BRAC 2005 through the end of the implementation period. <http://www.gao.gov/assets/600/592076.pdf>
- **The Congressional Budget Office released its cost analysis of S. 3254, National Defense Authorization Act for Fiscal Year 2013, on June 29, 2012.**  
[http://www.cbo.gov/sites/default/files/cbofiles/attachments/s3254\\_0.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/s3254_0.pdf)

## HILL HEARINGS

- The House Veterans Affairs Committee will hold a hearing on **July 25, 2012**, to examine DoD and VA collaboration to assist service members returning to civilian life.

## LEGISLATION

- **H.R.6071** (introduced June 29, 2012): To make supplemental appropriations for medical and prosthetic research of the Department of Veterans Affairs for fiscal year 2012 was referred to the House Committee on Appropriations.  
Sponsor: Representative John Barrow [GA-12]

- **S.3353** (introduced June 28, 2012): A bill to amend title 38, United States Code, to require states to recognize the military experience of veterans when issuing licenses and credentials to veterans was referred to the Committee on Veterans' Affairs.  
Sponsor: Senator Richard Burr [NC]

## MEETINGS

- 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)
- 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/>
- HJF Military Medicine Symposium: Clinical Manifestations of TBI and PTSD will be held on **Sept. 20, 2012**, in Rockville Md. <http://www.cvent.com/d/jcqqh7>
- CFHA's 14th Annual Conference: will be held on **Oct. 4-6, 2012**, in Austin, Texas <http://www.cfha.net/?page=2012Austin>
- The American Public Health Association (APHA) 140<sup>th</sup> Annual Meeting and Exposition will be held on **Oct. 27-31, 2012**, in San Francisco, Calif. <http://www.apha.org/meetings/AnnualMeeting/>
- The International Society for Traumatic Stress Studies (ISTSS) 28<sup>th</sup> Annual Meeting will be held on **Nov. 1-3, 2012**, in Los Angeles, Calif. <http://www.istss.org/Home1.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>
- 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 Radiological Society of North America (RSNA) 2012: Patients First will be held on **Nov. 25-30, 2012**, in Chicago, Ill. [http://www.rsna.org/Annual\\_Meeting.aspx](http://www.rsna.org/Annual_Meeting.aspx)
- The 2012 Special Operations Medical Association (SOMA) Conference will be held on **Dec. 15-18, 2012**, in Tampa, Fla. <http://www.specialoperationsmedicine.org/>
- The International Meeting of Simulation in Healthcare (IMSH) 2013 will be held on **Jan. 26-30, 2013**, in Orlando, Fla. <http://ssih.org/events/imsh-2013-central>
- The 2013 Military Health System Conference will be held **Feb. 11-14, 2013**, in National Harbor, Md.

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