SUMMARY: The Department of Veterans Affairs (VA) is taking direct action to amend its medical regulations, to eliminate co-payments for medical management counseling by removing the co-payment barrier. This direct final rule also amends the medical regulations by making nonsubstantive changes to correct references to statutory provisions.

DATES: This rule is effective on June 16, 2008, without further notice, unless VA receives relevant adverse comments by May 16, 2008.

ADDRESSES: Written comments may be submitted through www.Regulations.gov; by mail or hand-delivery to the Director, Regulations Management (00REG), Department of Veterans Affairs, 810 Vermont Ave., NW., Room 1068, Washington, DC 20420; or by fax to (202) 273–9026. Comments should indicate that they are submitted in response to “RIN 2900–AM59—Elimination of Co-payment for Weight Management Counseling.” Copies of comments received will be available for public inspection in the Office of Regulation Policy and Management, Room 1063B, between the hours of 8 a.m. and 3:30 p.m., Monday through Friday (except holidays). Please call (202) 461–4902 for an appointment (this is not a toll-free number). In addition, during the comment period, comments may be viewed online through the Federal Docket Management System (FDMS) at www.Regulations.gov.

FOR FURTHER INFORMATION CONTACT: Tony Guagliardo, Director, Business Policy, Chief Business Office (16), Veterans Health Administration, 810 Vermont Avenue, NW., Washington, DC 20420, (202) 254–0384 (this is not a toll-free number).

SUPPLEMENTARY INFORMATION: This document amends VA’s “Medical” regulations, which are set forth at 38 CFR part 17 (referred to below as the regulations), to eliminate co-payments for weight management counseling (individual and group sessions).

A large number of veterans using VA medical facilities are overweight (body mass index of 25–29.9) or obese (body mass index of 30 or higher). Among male veterans using VA medical facilities in 2000, 40 percent were classified as overweight and 33 percent were classified as obese. Among female veterans using VA medical facilities in 2000, 40 percent were classified as overweight and 33 percent were classified as obese. Among female veterans using VA medical facilities in
2000, 31 percent were classified as overweight and 37 percent were classified as obese.

Poor diet and physical inactivity are rapidly overtaking smoking as the leading preventable cause of morbidity and mortality in the United States. Further, most of the morbidity and mortality related to poor diet and physical inactivity can be attributed to excess weight. However, even modest weight loss and increased physical activity can result in improved health outcomes, especially for individuals with diabetes or likely to get diabetes, a highly prevalent condition among veterans seeking healthcare at VA facilities. Being overweight or obese are also conditions clearly associated with coronary heart disease (CHD), CHD risks (hypertension, hyperlipidemia), certain cancers, gallbladder disease, obstructive sleep apnea, osteoarthritis, and all-cause mortality. Consequently, the health care costs for obesity-associated conditions throughout the United States are substantial with estimates of the total annual medical expenditures in the United States consisting of as much as $107.2 billion in 2006 dollars.

To combat the effects of being overweight or obese, VA has established “Managing Overweight/Obesity for Veterans Everywhere!” (MOVE!). This is a comprehensive, evidence-based weight management program that consists of both individual and group counseling.

Currently, VA regulations require many veterans to agree to make co-payments as a condition for participation in the MOVE! program. However, field providers report that co-payments are a significant barrier to participation in the counseling program. The co-payment requirement is estimated to generate approximately $1,001,294 annually. However, we believe that not imposing co-payments would be clearly cost effective based on the conclusion that the costs of healthcare for overweight and obese individuals become significantly lower as they lose weight. Accordingly, we are eliminating co-payments for weight management counseling.

The MOVE! program is based primarily upon the National Institutes of Health/ National Heart, Lung, and Blood Institute’s Clinical Guidelines for the Identification, Evaluation, and Treatment of Overweight and Obesity and is consistent with the weight management recommendations of the U.S. Preventive Services Task Force, supported by the Agency for Healthcare Research and Quality in the Department of Health and Human Services. An Executive Council consisting of federal weight management experts and external expert advisors reviewed MOVE! and declared the MOVE! program to be consistent with current medical guidance and recommendations for weight management.

MOVE! became widely implemented across VA facilities as a standard clinical program over the past several years. The MOVE! program provides much of its care through frequent group sessions, a very effective and efficient format of weight management care. Effective treatment typically results in a 5–10 percent weight loss, which is associated with improvement in weight-related conditions such as hypertension, dyslipidemia, and diabetes. VA expects that elimination of the copayment associated with weight management treatment visits will facilitate continued patient engagement in treatment, resulting in better clinical outcomes. Over the long run, the loss in revenue from elimination of the copayment is expected to be offset by lower health care costs for weight-related conditions. Limited research exists to fully understand the exact impact of a policy change such as this. While VA expects this change to be cost effective in the long run, VA will monitor results to assist in future decision-making concerning this and similar programs. VA will work with its research community to retrospectively evaluate the impact of this policy change.

This document also amends 38 CFR 17.47(e)(2) by making nonsubstantive changes to correct references to statutory provisions. Section 17.47(e)(2) currently states that if a veteran provided inaccurate information on an application and is incorrectly deemed eligible for care under 38 U.S.C. 1710(a)(1) rather than section 1710(a)(2), VA shall retroactively bill the veteran for the applicable copayment. When §17.47(e)(2) was initially promulgated, section 1710(a)(2) pertained to veterans who were not described in section 1710(a)(1) and who were therefore subject to the copayment requirements then set forth in section 1710(f). In 1996, section 1710(a)(1) was considered by section 101(a) of Public Law 104–262. Under the amendments, veterans previously described in section 1710(a)(1) are now described in section 1710(a)(1) and (a)(2). Veterans previously described in section 1710(a)(2) are now described in section 1710(a)(3). The amendment to §17.47(e)(2) corrects the references to these statutory provisions.

Administrative Procedure Act
VA anticipates that this non-controversial rule will not result in adverse or negative comment and, therefore, is issuing it as a direct final rule. Previous actions of this nature, which remove restrictions on VA medical benefits to improve health outcomes, have not been controversial and have not resulted in significant adverse comments or objections. However, in the “Proposed Rules” section of this Federal Register publication we are publishing a separate, substantially identical proposed rule document that will serve as a proposal for the provisions in this direct final rule if significant adverse comments are filed. (See RIN 2900–AM81).

For purposes of the direct final rulemaking, a significant adverse comment is one that explains why the rule would be inappropriate, including challenges to the rule’s underlying premise or approach, or why it would be ineffective or unacceptable without change. If significant adverse comments are received, the VA will publish a notice of receipt of significant adverse comments in the Federal Register indicating that no adverse comments were received and confirming the date on which the final rule will become effective. VA will also publish a notice withdrawing the proposed rule, RIN 2900–AM81.

In the event the direct final rule is withdrawn because of receipt of significant adverse comments, VA can proceed with the rulemaking by addressing the comments received and publishing a final rule. The comment period for the proposed rule runs concurrently with that of the direct final rule. Any comments received under the direct final rule will be treated as comments regarding the proposed rule. Likewise, significant adverse comments submitted to the proposed rule will be considered as comments to the direct final rule. The VA will consider such comments in developing a subsequent final rule.

Regulatory Flexibility Act
The Secretary hereby certifies that this regulatory amendment will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601–612. The adoption of the rule would not directly affect any small entities. Only individuals could be directly affected.
Therefore, pursuant to 5 U.S.C. 605(b), this amendment is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

Executive Order 12866

Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity). The Executive Order classifies a “significant regulatory action,” requiring review by the Office of Management and Budget (OMB) unless OMB waives such review, as any regulatory action that is likely to result in a rule that may: (1) Have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, State, local, or tribal governments or communities; (2) create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) raise novel legal or policy issues arising out of legal mandates, the President’s priorities, or the principles set forth in the Executive Order.

The economic, interagency, budgetary, legal, and policy implications of this direct final rule have been examined and it has been determined to be a significant regulatory action under the Executive Order because it is likely to result in a rule that may raise novel legal or policy issues arising out of legal mandates, the President’s priorities, or principles set forth in the Executive Order.

Paperwork Reduction Act


Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in expenditure by State, local, or tribal governments, in the aggregate, or by the private sector, of $100 million or more (adjusted annually for inflation) in any given year. This rule would have no such effect on State, local, or tribal governments, or on the private sector.

Catalog of Federal Domestic Assistance Numbers

The Catalog of Federal Domestic Assistance numbers and titles for the programs affected by this document are 64.009, Veterans Medical Care Benefits; and 64.012, Veterans Prescription Service.

List of Subjects in 38 CFR Part 17

Administrative practice and procedure, Alcohol abuse, Alcoholism, Claims, Day care, Dental health, Drug abuse, Foreign relations, Government contracts, Grant programs—health, Grant programs—veterans, Health care, Health facilities, Health professions, Health records, Homeless, Medical and Dental schools, Medical devices, Medical research, Mental health programs, Nursing homes, Philippines, Reporting and recordkeeping requirements, Scholarships and fellowships, Travel and transportation expenses, Veterans.


James B. Peake, Secretary of Veterans Affairs.

Editorial Note: This document was received at the Office of the Federal Register on April 11, 2008.

For the reasons set out in the preamble, VA amends 38 CFR part 17 as follows:

PART 17—MEDICAL

1. The authority citation for part 17 continues to read as follows:

Authority: 38 U.S.C. 501, 1721, unless otherwise noted.

2. Amend §17.108 by redesignating paragraphs (e)(12) and (e)(13) as paragraphs (e)(13) and (e)(14), respectively; and by adding a new paragraph (e)(12) to read as follows:

§17.108 Co-payments for inpatient hospital care and outpatient medical care.

* * * * * *(e) * * *

(12) Weight management counseling (individual and group);

* * * * * *


[FR Doc. E8–8097 Filed 4–15–08; 8:45 am]

BILLING CODE 8320–01–P

POSTAL SERVICE

39 CFR Part 111

Pricing and Requirement Changes for Competitive Products

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: The Postal Service is revising Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM®) to reflect changes to the prices and standards for the following competitive products, now referred to as Shipping Services:

• Express Mail®
• Priority Mail®
• Parcel Select®
• Parcel Return Service®

DATES: Effective Date: May 12, 2008.


SUPPLEMENTARY INFORMATION: The Postal Accountability and Enhancement Act of 2006 (PAEA) gives the Postal Service increased flexibility in pricing, product enhancements, and product introductions. On March 4, 2008, the Governors of the Postal Service established new prices and product features for Shipping Services. This Federal Register notice describes these price and product changes and the mailing standards changes needed to implement them.

Express Mail

We are moving from Express Mail prices based only on weight to zone-based prices based on weight and distance, consistent with standard industry practices. On average, Express Mail prices will increase 3 percent, with larger increases for heavier pieces and pieces destined for Zones 5 through 8 (mail transported more than 600 miles).

Express Mail commercial base prices are 3 percent lower than retail prices and will be available to customers who: use Express Mail Corporate Accounts (EMCA), including Federal Agency Accounts or Click-N-Ship™; or are registered end-users of PC Postage (e.g. Stamps.com®, endicia™, and Pitney Bowes) using shipping labels.

To encourage growth, commercial volume rebates will be provided to customers whose account volume exceeds a minimum threshold, and who either use an Express Mail Corporate Account (EMCA), including Federal Agency Accounts or are registered end-users of PC Postage (e.g. Stamps.com, endicia, and Pitney Bowes) using shipping labels. The rebate will be credited to each qualifying mail owner’s...