

Federal Health Update

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ktheroux@federalhealthcarenews.com

EXECUTIVE AND CONGRESSIONAL NEWS

- **On Jan. 11, 2016, President Obama announced his intent to nominate Todd A. Weiler, Nominee for Assistant Secretary of Defense for Manpower and Reserve Affairs, Department of Defense.**

Weiler is chief executive officer of One Hemisphere Ventures, a consulting firm he founded in 2008. From 2009 to 2010, he also served as vice president of Computer World Services Corporation. Weiler was deputy assistant secretary of the Army for Manpower and Reserve Affairs from 1993 to 1999, including service as the acting principal deputy assistant secretary of Army for Manpower and Reserve Affairs. He was the White House liaison at the Department of Defense in 1993. He was an aviation officer in the U.S. Army from 1987 to 1991 and is a combat veteran of Operation Desert Storm and Operation Desert Shield. Weiler received a B.A. from Texas Christian University.

- **On Jan. 8, 2016, President Obama vetoed H.R. 3762 “Restoring Americans' Healthcare Freedom Reconciliation Act of 2015.”** The bill was designed to defund Planned Parenthood of the \$450 million it receives in annual federal funding, dismantle the Affordable Care Act, and subsequently end the taxes that fund the healthcare law.

MILITARY HEALTH CARE NEWS

- **Brooke Army Medical Center, which includes San Antonio Military Medical Center and its outlying clinics, has earned The Joint Commission's Gold Seal of Approval for accreditation.**

The Joint Commission accredited BAMC under two standards, the hospital standard and the behavioral health standard. The three-year accreditation award recognizes BAMC's dedication to continuous compliance with The Joint Commission's standards for health care quality and safety.

BAMC facilities underwent the rigorous unannounced on-site survey in September 2015. A team of Joint Commission expert surveyors evaluated SAMMC and the outlying clinics for compliance with standards of care specific to the needs of patients, including infection prevention and control, leadership and medication management.

The Joint Commission's hospital standards address important functions relating to the care of patients and the management of hospitals. The standards are developed in consultation with health care experts, providers, measurement experts and patients.

Founded in 1951, The Joint Commission seeks to continuously improve health care for the public, in collaboration with other stakeholders, by evaluating health care organizations and inspiring them to excel in providing safe and effective care of the highest quality and value. The Joint Commission is the nation's oldest and largest standards-setting and accrediting body in health care. Learn more about [The Joint Commission](#).

VETERANS AFFAIRS NEWS

- **The *Military Times* reports that the Department of Veterans Affairs failed to spend \$1.9 billion – or 40 percent – of the \$4.8 billion designated for non-VA care in fiscal 2013.**

The new Veterans Affairs Office of Inspector General report also revealed that from Oct. 1, 2013, through March 31, 2015, medical center administrators overestimated the funds they needed to pay for outside care for veterans by \$543 million, making the funds unavailable for patient care.

The VA IG report said the failure occurred because VA administrators have not provided medical directors with the tools they need to estimate costs and that medical center staff were not required to adjust estimated costs routinely to reflect actual costs.

"We recommended that the Under Secretary for Health improve cost estimation tools, update system software to ensure unused funds can be 'de-obligated,' require facilities to adjust cost estimates ... and monitor VA medical facility obligation estimates," wrote Gary Abe, acting assistant general for audits and evaluations.

Last year, VA Secretary Robert McDonald asked Congress to allow the department to shift money from the Veterans Choice program to other VA programs, saying administrators needed flexibility in spending money on VA and private or community health care.

Congress agreed to allow VA to use about \$3.3 billion in Choice program funds to cover other account shortfalls.

Rep. Jeff Miller, chairman of the House Veterans Affairs Committee said the audit indicates that the department has a management problem, not a money problem. "If VA's job was mismanaging money, it would have a near-perfect record of achievement," Miller said. "Yet despite this and other high-profile budgetary failures, all too often the department's knee-jerk response to challenges is to ask taxpayers for more money."

In a response to the audit, Under Secretary for Health Dr. David Shulkin said he concurred with

the recommendations made by the auditors and attached a plan of action.

GENERAL HEALTH CARE NEWS

- **On Jan. 12, 2016, the Senate Committee on Health Education, Labor and Pensions approved Robert Califf to be the next commissioner of the Food and Drug Administration.**

Robert M. Califf, MD, MACC, currently serves as deputy commissioner for Medical Products and Tobacco for the Food and Drug Administration (FDA). Prior to joining the FDA, Dr. Califf was a professor of medicine and vice chancellor for clinical and translational research at Duke University. He also served as director of the Duke Translational Medicine Institute and founding director of the Duke Clinical Research Institute.

Dr. Califf has been a consultant to drug companies and ran a research institute that received most of its funding from the industry. Public health groups and some Democrats said those ties raised concerns that he was too close to the industry he was being called on to regulate. The vote of the full Senate is expected to be challenging as at least two senators have voiced concerns.

Dr. Califf is a graduate of Duke University School of Medicine. He completed a residency in internal medicine at the University of California, San Francisco and a fellowship in cardiology at Duke.

Former FDA Commissioner Margaret Hamburg left the job early last year. The FDA's chief scientist, Dr. Stephen Ostroff, is serving as acting head of the agency.

- **The Centers for Medicare & Medicaid Services (CMS) announced 121 new participants in Medicare Accountable Care Organization (ACO) initiatives designed to improve the care patients receive in the health care system and lower costs.**

ACOs now represent 49 states and the District of Columbia.

ACOs were created to change the incentives for how medical care is paid for in the U.S., moving away from a system that rewards the quantity of services to one that rewards the

ACOs are groups of doctors and hospitals that join together to develop and execute a plan for a patient's care and share information, putting the patient at the center of the health care delivery system. The ACOs are paid not based on how many tests or procedures are performed but by the success of the treatment administered.

ACOs are delivering better care, and they continue to show promising results on cost savings. In 2014, they had a combined total net program savings of \$411 million for 333 Medicare Shared Savings Program (Shared Savings Program) ACOs and 20 Pioneer ACOs. Based on 2014 quality and financial performance results for Shared Savings Program ACOs who started the program in 2012, 2013, and 2014, those that reported in both 2013 and 2014 improved on 27 of the 33 quality measures, including patients' ratings of clinicians' communication, beneficiaries' rating of their doctors, screening for tobacco use and cessation, screening for high blood pressure, and Electronic Health Record use. Shared Savings Program ACOs also outperformed group practices reporting quality on 18 out of 22 measures.

CMS also announced that providers and hospitals have signed up to join new types of ACOs, which in addition to being paid for positive patient outcomes will also receive penalties for negative ones.

The Next Generation ACO Model is a new CMS Innovation Center initiative, with 21 participating ACOs. The new model offers a new opportunity in accountable care—one that enables providers and beneficiaries greater opportunities to coordinate care and aims to attain the highest quality

standards of care.

The Medicare Shared Savings Program welcomed 100 new ACOs and nearly 150 renewing ACOs on Jan. 1, 2016. Since the start of the ACO program in early 2012, thousands of health care providers have signed on to participate. In 2016, approximately 15,000 more physicians will be participating in ACOs under the program.

Thirty-nine Shared Savings Program ACOs will also participate in the ACO Investment Model (AIM). This model, which has a total of 41 participants, will provide pre-paid shared savings to encourage new ACOs to form in rural and underserved areas and to encourage current Shared Savings Program ACOs to transition to performance-based risk arrangement. The up-front payments distributed through the AIM support ACOs in improving infrastructure and redesigning care processes to provide beneficiaries with lower cost and higher quality health care.

For more information on the Next Generation ACO Model, including the list of provider participants, please visit the [Next Generation ACO Model web page](#).

For the Shared Savings Program, visit [the Medicare Shared Savings Program web page](#).

For more information on the AIM, please visit the [ACO Investment Model web page](#).

REPORTS/POLICIES

- **The GAO published “Drug Safety: FDA Expedites Many Applications, But Data for Post-approval Oversight Need Improvement,” (GAO-16-192) on Jan. 14, 2016.** This report examines the number and types of requests for fast track or breakthrough therapy designation; the number and types of FDA-approved drug applications that used an expedited program; and the extent to which FDA's data on tracked safety issues and post-market studies allowed the agency to meet its reporting and oversight responsibilities. http://www.gao.gov/products/GAO-16-192#summary_recommend
- **The GAO published Veterans Benefits Management System: Ongoing Efforts Can Be Improved; Goals Are Needed to Promote Increased User Satisfaction,” (GAO-16-227T) on Jan. 12, 2016.** This report examines VA's progress toward completing the development and implementation of VBMS and (2) the extent to which users report satisfaction with the system. <http://www.gao.gov/assets/680/674595.pdf>

HILL HEARINGS

- The Senate Armed Services Committee will hold a hearing on **Jan. 12, 2016**, to examine defense health care reform (**hearing postponed; new date TBD**).
- The Senate Committee on Health, Education, Labor, and Pensions will hold a hearing on **Jan. 20, 2015**, to examine improving the Federal response to challenges in mental health care in America.

LEGISLATION

- **H.R.4362** (introduced Jan. 11, 2016): the *State Health Flexibility Act of 2016* 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, House Administration, Rules,

and Appropriations.

Sponsor: Representative Todd Rokita, Todd [IN-4]

- **H.R.4374** (introduced Jan. 12, 2016): the *Mental Health on Campus Improvement Act* was referred to the Committee on Energy and Commerce, and in addition to the Committee on Education and the Workforce.
Sponsor: Representative Janice D. Schakowsky [IL-9]
- **H.R.4378** (introduced Jan. 13, 2016): the *Access to Substance Abuse Treatment Act of 2016* was referred to the House Committee on Energy and Commerce.
Sponsor: Representative Matt Cartwright [PA-17]
- **H.R.4384** (introduced Jan. 13, 2016): Veterans Administration Bonus Elimination Act of 2016 was referred to the Committee on Veterans' Affairs, and in addition to the Committee on Oversight and Government Reform.
Sponsor: Representative Frank. C Guinta [NH-1]
- **H.R.4388** (introduced Jan. 13, 2016): Behavioral Health Care Integration Act of 2016 was referred to the House Committee on Energy and Commerce.
Sponsor: Representative David Loebsack [IA-2]

MEETINGS

- A National Center for Disaster Medicine and Public Health webinar “Public Health Incident Leadership,” will be held on **Jan. 28, 2016 at 1:00 pm ET**. Mickey Scullard, MPH, MEP and Deb Radi MBA, BSW, both of the Minnesota Department of Health Emergency Preparedness and Response Section, will present this webinar on how to apply everyday leadership skills to emergency response. To access the webinar, please visit: <http://ncdmph.adobeconnect.com/r29la7j8m1g/>. Call in: 1-888-537-7715, Participant Code: 39933371
- The Heroes of Military Medicine Awards will be held on **May 5, 2016**, in Washington D.C. <http://www.hjfc3.org/heroes-dinner>

If you need further information on any item in the *Federal Health Update*, please contact Kate Theroux at (703) 447-3257 or by e-mail at katheroux@federalhealthcarenews.com.