

Federal Health Update

JAN. 17, 2014

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ktheroux@federalhealthcarenews.com

EXECUTIVE AND CONGRESSIONAL NEWS

- **On Jan 15, 2013, President Obama signed into law H.J. Res. 106, a continuing resolution providing fiscal year 2014 appropriations for projects and activities of the federal government through Saturday, Jan. 18, 2014.**
- **On Jan. 15 2014, the House passed the \$1.1 trillion omnibus appropriations bill funding the government through Sept. 30 with a large bipartisan majority.**

Lawmakers voted 359-67 on the omnibus package of all 12 annual spending bills to fund federal operations. The Senate is expected to take up the bill before Saturday, when the CR expires.

Highlights of the bill include:

- **Medically Retired Military Personnel Pension “Fix”** – The legislation amends the Bipartisan Budget Act of 2013 (the “Ryan-Murray Agreement”) to exempt medically retired personnel (known as Chapter 61 retirees) and survivor benefit plan annuitants from the temporarily reduced COLA provision. This will ensure that those who sacrificed the most in military service do not see any reduction in benefits as a result of the military retirement compensation reform that was included in the Ryan-Murray Agreement.
- **Military Personnel and Pay** – The legislation includes \$128.8 billion to provide for 1,361,400 active-duty troops and 833,700 reserves. This funding level is \$1.3 billion above the fiscal year 2013 enacted level. The bill fully funds the one percent pay raise for the military, as requested by the President.
- **Defense Health and Military Family Programs** – The bill contains \$32.7 billion – the same as the fiscal year 2013 enacted level – for the Defense Health Program to provide care for

the nation's troops, military families, and retirees. Several important health programs receive increases above the President's request, including increases of \$256 million for cancer research, \$125 million for traumatic brain injury and psychological health research, and \$20 million for suicide prevention outreach programs.

For a summary of the bill, please visit:

<http://appropriations.house.gov/news/documentsingle.aspx?DocumentID=366721>

- **Rep. Howard "Buck" McKeon (R-Calif.) announced that he's retiring after 21 years, stepping down as House Armed Services Committee chairman.**

McKeon has served for 11 terms and has led the panel for three years, is term-limited as chairman. McKeon said that was a factor in his decision to step down. He endorsed Rep. Mac Thornberry of Texas, the panel's vice chairman, to succeed him if the GOP maintains control of the House in November's elections.

The 75-year-old McKeon said he didn't want to be a second-guessing presence next year.

McKeon has represented a California district north of Los Angeles that counts a number of defense contractors and the famed Skunk Works, the Lockheed Martin operation dedicated to creating new technology.

- **U.S. Rep. James P. Moran (D-Va.) announced that he will retire after 24 years of serving Northern Virginia 8th district, which includes Arlington County, Alexandria, Falls Church and a portion of Fairfax County.** Moran is the ranking member on the House Appropriations Interior Subcommittee and senior member of the Defense Appropriations Subcommittee.

MILITARY HEALTH CARE NEWS

- *In last week's newsletter, the Update incorrectly referred to the head of the Defense Health Agency, Lt. Gen. Robb as being in the Army. He is in the Air Force. We apologize for the error.*
- **Secretary of Defense Chuck Hagel announced Matthew P. Dubois has been appointed to the Senior Executive Service.** He has been assigned as deputy assistant secretary of defense for reserve affairs (materiel and facilities), Office of the Assistant Secretary of Defense for Reserve Affairs. Dubois previously served as director of materiel, Office of the Assistant Secretary of Defense for Reserve Affairs, Arlington, Va.
- **The Department of Defense announced TRICARE military health plan service centers will end administrative walk-in services in the United States on April 1.**

While the 189 facilities will stop taking walk-ins, beneficiaries can accomplish any administrative task online or by phone, saving \$250 million over the next five years, according to officials. TRICARE service centers overseas are not affected.

Officials said 50 percent of the visits to the centers are for in- and out-processing and requests to change primary care providers and the rest involve billing-related questions. The Defense Department spends roughly \$50 million a year on these services and this type of customer service can be handled more efficiently by phone or online.

TRICARE gets about 38,000 hits per day on its website. Officials have run tests to ensure the website and call center can handle the expected increase in volume.

Beneficiaries can get more information and sign up for updates at <http://www.tricare.mil/tsc>.

- **The Defense Health Agency published a statement to clarify issues surrounding its recent solicitation, “AHLTA/CHCS Sustainment Re-Compete.”**

The contract solicitation, which provide support to the DoD’s current electronic health record systems (AHLTA and the Composite Health Care System, or CHCS) is targeted simply to sustain the DoD’s current EHR systems and in no way influences the schedule and delivery of its replacement. The sustainment contract has a single base period of five months and four individual option years that can be exercised as needed to align with the schedule of the replacement EHR.

The new contract leverages recently deployed technology, allowing remote access to servers and virtually all routine server actions performed by technicians on-site (updates, backups, etc.). Once the local systems administration tasks are performed remotely, the Military Health System will be able to reduce its contractor requirements physically located at the MTFs to support AHLTA and CHCS. In addition, moving to a centralized hub allows remote access to resolve issues that arise in the off-hours, reducing the need for site personnel to return to the hospital and/or the need for higher-level IT support to resolve IT issues with CHCS and AHLTA.

The military’s current EHR supports the military’s medical community allowing clinicians to accurately document, store and maintain health care data provided to 9.6 million health care beneficiaries. DoD continues moving forward with efforts to acquire a state of the market EHR system that that will be interoperable with the Department of Veteran’s Affairs and other commercial systems. We remain committed to ensuring Service Members receive the health care and benefits they deserve. We look forward to receiving proposals from our vendor community to partner with and help us maintain our current EHR while work for our new EHR is underway. For more information, or clarification of the AHLTA/CHCS Sustainment Re-Compete, review the solicitation or contact our [Contract Operations Division](#).

A draft RFP for the new EHR acquisition will be released during the final week of January 2014. Get more information on the recent Industry Day conducted by clicking here [Defense Health Management System Modernization](#).

VETERANS AFFAIRS NEWS

- **The Department of Veterans Affairs is proposing use of a standard form for all veterans when they file for disability compensation or appeal a decision. Currently, there is no standard form used to apply for benefits at the VA said it slows down the process.**

The VA currently has a backlog of more than 400,000 cases waiting an average of 125 days for a decision. The change, it said, would speed up that process while placing only a "minimal burden on claimants."

The plan is being blasted by veterans groups, including the Veterans of Foreign Wars and the American Legion.

In the past, the first communication from the veteran started the claim and supporting paperwork could follow. Under the new proposal, processing won't begin until the standard form is completely filled out and the paperwork submitted. This could be especially difficult for the most vulnerable veterans, including the homeless or those with traumatic brain injury, veterans' advocates said.

The VA has not made a final decision on the change. If the VA moves ahead with the plan, it would take effect 30 days after its publication in the Federal Register.

GENERAL HEALTH CARE NEWS

- **The Office of the National Coordinator for Health Information Technology (ONC) at HHS released the Safety Assurance Factors for EHR Resilience (SAFER) Guides.**

These guides are a suite of tools that include checklists and recommended practices designed to help health care providers and the organizations that support them assess and optimize the safety and safe use of EHRs.

The release of the SAFER Guides marks an important milestone in the implementation of the HHS *Health IT Patient Safety Action and Surveillance Plan*, which was issued in July 2013. The SAFER Guides complement existing health IT safety tools and research developed by the Agency for Healthcare Research and Quality (AHRQ) and ONC.

Rigorously developed by leading health IT safety and informatics researchers and based on the latest available evidence, expert opinion, stakeholder engagement, and field work, each SAFER Guide addresses a critical area associated with the safe use of EHRs through a series of self-assessment checklists, practice worksheets, and recommended practices. Areas addressed include:

- High Priority Practices
- Organizational Responsibilities
- Patient Identification
- Computerized Physician Order Entry (CPOE) with Decision Support
- Test Results Review and Follow-up
- Clinician Communication
- Contingency Planning
- System Interfaces
- System Configuration

Each SAFER Guide has extensive references and is available as a downloadable PDF and as an interactive web-based tool.

The SAFER Guides are available at <http://www.HealthIT.gov/saferguide>.

- **Nearly 2.2 million people have selected plans from the state and federal marketplaces by Dec. 28, 2013 (the end of third reporting period for open enrollment).**

A new HHS report provides the first demographic information about enrollees. December alone accounted for nearly 1.8 million enrollees in state and federal marketplaces. Enrollment in the federal Marketplace in December was seven-fold greater than the combined total for October and November – and eight-fold greater for young adults ages 18 to 34.

These signups in the state and federal marketplaces represent a nearly five-fold increase from October-November, including nearly 1.8 million (1,788,739) people who selected a plan in December (compared with the previous two-month cumulative total of 364,682 through Nov. 30, 2013).

Of the almost 2.2 million enrolled:

- 54 percent are female and 46 percent are male;

- 30 percent are age 34 and under;
- 24 percent are between the ages of 18 and 34, and;
- 60 percent selected a Silver plan, while 20 percent selected a Bronze plan; and
- 79 percent selected a plan with Financial Assistance.

The report also details state-by-state information where available. In some cases, only partial datasets were available for state marketplaces.

The report features cumulative data for the three-month period because some people apply, shop, and select a plan across monthly reporting periods. Enrollment is measured as those who selected a plan.

To read the report visit:

http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Jan2014/ib_2014jan_enrollment.pdf

- **The rate of new lung cancer cases decreased among men and women in the United States from 2005 to 2009, according to a new Center for Disease Control and Prevention (CDC) report.**

The study also found that lung cancer incidence rates went down 2.6 percent per year among men, from 87 to 78 cases per 100,000 men and 1.1 percent per year among women, from 57 to 54 cases per 100,000 women.

The fastest drop was among adults aged 35-44 years, decreasing 6.5 percent per year among men and 5.8 percent per year among women. Lung cancer incidence rates decreased more rapidly among men than among women in all age groups. Among adults aged 35-44 years, men had slightly lower rates of lung cancer incidence than women.

Lung cancer is the leading cause of cancer death and the second most commonly diagnosed cancer among both men and women in the United States. Most lung cancers are attributable to cigarette smoking and secondhand smoke. Because smoking behaviors among women are now similar to those among men, women are now experiencing the same risk of lung cancer as men.

This month marks the 50th anniversary of the first Surgeon General's Report linking cigarette smoking to lung cancer. Smoking remains the leading cause of preventable death and disease in the United States. Millions of Americans are living with a smoking-related disease, and each day more than 2,100 youth and young adults become daily smokers.

- **The U.S. Food and Drug Administration approved Mekinist (trametinib) in combination with Tafenlar (dabrafenib) to treat patients with advanced melanoma that is unresectable (cannot be removed by surgery) or metastatic (late-stage).**

In May 2013, the FDA approved both drugs as single agents to treat patients with unresectable or metastatic melanoma. Melanoma is the most aggressive type of skin cancer and is the leading cause of death from skin disease. The National Cancer Institute estimated that 76,690 Americans would be diagnosed with melanoma and 9,480 would die from the disease in 2013.

Mekinist and Tafenlar are used to block signaling in different sites of the same molecular pathway that promotes cancer cell growth. They are specifically indicated as a combination therapy for patients with melanoma whose tumors express gene mutations called BRAF V600E and V600K. The BRAF protein is involved in the regulation of normal cell growth, but it is mutated in approximately half of melanomas arising from the skin.

The FDA approved the combination of Mekinist and Tafinlar under the agency's accelerated approval program, which allows the FDA to approve a drug to treat a serious disease based on clinical data showing that the drug has an effect on a surrogate endpoint that is reasonably likely to predict a clinical benefit to patients. This program provides earlier patient access to promising new drugs while the company conducts confirmatory clinical trials. The FDA also reviewed this combination of drugs under the agency's priority review because they demonstrated the potential to be a significant improvement in safety or effectiveness in the treatment of a serious condition.

Mekinist and Tafinlar are marketed by GlaxoSmithKline, based in Research Triangle Park, N.C.

REPORTS/POLICIES

- **The GAO published “Medicare: Continuous Insurance before Enrollment Associated with Better Health and Lower Program Spending,” (GAO-14-53) on Jan. 16, 2013.** The study found that beneficiaries with continuous health insurance coverage for approximately 6 years before enrolling in Medicare were more likely than those without prior continuous insurance to report being in good health or better during the first 6 years in Medicare.
<http://www.gao.gov/assets/660/659753.pdf>
- **The GAO published “VA Surgical Implants: Purchase Requirements Were Not Always Followed at Selected Medical Centers and Oversight Needs Improvement,” (GAO-14-146) on Jan. 13, 2013.** This report examines factors that influence clinicians' decisions to use particular implants when multiple, similar items are available; selected VAMCs' compliance with pertinent VHA requirements for documenting open-market purchases; and VA's and VHA's oversight of VAMC compliance with implant purchasing requirements.
<http://www.gao.gov/assets/670/660105.pdf>
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HILL HEARINGS

- The House and Senate Veterans Affairs Committees will hold a joint hearing on **Feb. 25, 2014**, to receive the legislative presentation of the Disabled Americans Veterans Association.
- The House and Senate Veterans Affairs Committees will hold a joint hearing on **March 5, 2014**, to receive the legislative presentation of the Veterans of Foreign Wars Association.

LEGISLATION

- **H.R.3849** (introduced Jan. 10, 2014): the *Health Insurance Accountability Act of 2014* was referred to House committee. Status: 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 Bill Cassidy [LA-6]
- **H.R.3858** (introduced Jan. 13, 2014): the *Veteran-Centered Access to Coordinated Health Care Act of 2014* referred to the House Committee on Veterans' Affairs
Sponsor: Representative Adam Kinzinger [IL-16]
- **H.R.3871** (introduced Jan. 14, 2014): To amend the Internal Revenue Code of 1986 to allow increased contributions to health savings accounts, to allow Medicare and VA healthcare participants to contribute to health savings accounts, and for other purposes was referred to the

House Committee on Ways and Means.
Sponsor: Representative Charles W. Boustany, Jr. [LA-3]

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MEETINGS

- The AAMA 2014 Conference will be held on **Feb. 25-28, 2014**, in Las Vegas Nev. <http://aameda.org/p/cm/ld/fid=98>
- The HIMSS Annual Conference and Exhibition will be held on **Feb. 27-29, 2014**, in Orlando, Fla. <http://www.himssconference.org/>
- The ACHE Congress on Healthcare Leadership will be held on **March 24-27, 2014**, in Chicago, Ill. <http://www.ache.org/congress/>
- The 11th Annual World Health Care Congress will be held on **April 7-9, 2014**, in National Harbor, Md. <http://www.worldcongress.com/events/HR14000/>
- The Heroes of Military Medicine Awards will be held on **May 1, 2014**, in Washington, DC. <http://www.hjfc3.org>

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 katetheroux@federalhealthcarenews.com.