

# Federal Health Update

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*Welcome to Federal Health Update. This newsletter is a compilation of the latest news in the federal health care sector.*

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## EXECUTIVE AND CONGRESSIONAL NEWS

- **During a Jan. 21 Senate Armed Services Committee confirmation hearing, Eric Fanning, the presidential nominee to become the next Army secretary, said he would re-evaluate the decision to cut combat troops.**

In 2015, the Army announced its plan to reduce the number of brigade combat teams from 32 to 30, which means converting two brigade combat teams at Fort Benning, Georgia, and Joint Base Elmendorf-Richardson, Alaska, into smaller units by the end of fiscal 2017, as part of larger force reductions.

During his testimony, Fanning pointed to a decision he made while serving as acting Air Force secretary two years ago as evidence he is not afraid to reverse course.

"One of the first things I did," he said, was to reverse an Air Force decision to move a squadron of fighter jets out of Alaska because of "strategic importance there, because of the range space we had there, because of the proximity not just to adversaries, potential adversaries in the Pacific, but proximity to our partners in terms of training."

Fanning added, "We are a learning organization, that doesn't mean much if you are not willing to make changes based on what we learned."

Fanning also said he would prioritize readiness over all else. "We need to make sure the soldiers we are sending into harm's way, into combat, are ready, fully trained and fully equipped." He also said he'd work to maximize the combat power of the force structure.

If confirmed, Fanning added he planned to focus on the Army as a total force consisting of the active component, the Army National Guard and the US Army Reserve. Planned force reductions

from 490,000 to 450,000 troops “is just the active component,” he added. “We can’t do what we are asked to do, the Army can’t do what it’s asked to do, if we just think in terms of an active component. We have to think more creatively going forward about how we operate as a total force.”

Senator Pat Roberts (R-KS) has placed a hold on the Army secretary nominee. Senator Roberts said the hold is a bargaining chip in the political debate over closing Guantanamo.

## MILITARY HEALTH CARE NEWS

- **TRICARE is hosting a webinar to help educate beneficiaries about their preventive health benefit on January 25, 2016 at noon EST.**

The webinar features James Black, MD, MMM, FACPE, the senior medical director for the clinical support division of the Defense Health Agency in Falls Church, Virginia.

This webinar supports the transition from healthcare to health that society has experienced the past few years. This transition, from treating illnesses as they develop, to avoiding them by making healthier lifestyle choices, has also been adopted by the Military Health System.

To sign up, go to <https://conference.apps.mil/webconf/PreventiveCare>. No prior registration is required; simply click on the link on the specified day and time. For audio, dial 1-888-970-4135, passcode 3399022. Bring your questions, but be sure to avoid sharing personal health information. Questions will be answered at the end of the presentation.

To get more information about TRICARE’s preventive care benefit, visit the [TRICARE](#) website.

- **TRICARE’s over-the-counter (OTC) drug coverage becomes a permanent part of the TRICARE pharmacy benefit on Feb. 1, 2016.**

Formerly a demonstration program, when the OTC benefit becomes permanent, TRICARE will update the program to bring it in line with other TRICARE pharmacy coverage.

Starting Feb. 1, beneficiaries must pay the usual generic copays for covered OTC drugs. OTC drug coverage will still require a prescription from their doctor. Female beneficiaries can still get Levonorgestrel Emergency (also known as Plan B) contraceptive used to prevent pregnancy. There are no age restrictions or costs. And, you don’t need a prescription (the Plan B one-step emergency contraceptive), without a copay or prescription at a network or military pharmacy.

Feb. 1 also brings a change to which drugs are available under the OTC benefit. The allergy medications Cetirizine and Loratadine were previously covered, but now the versions that contain pseudoephedrine are also covered. However, brand name Prilosec OTC is no longer covered. The generic version, Omeprazole, is still covered, as is the prescription version of Prilosec.

Visit the [TRICARE Pharmacy](#) page for more information on the TRICARE pharmacy benefit. If you have questions about whether or not one of your drugs is covered, you can always call the TRICARE pharmacy contractor, Express Scripts, at 1-877-363-1303.

## VETERANS AFFAIRS NEWS

- **Department Secretary Bob McDonald unveiled an ambitious list of goals for his department in 2016 during a Jan. 21 Senate Veterans' Affairs Committee hearing, according to the *Military Times*.**

Secretary McDonald requested the hearing to share more information about the corporate-style MyVA restructuring launched more than a year ago. During his testimony he promised that veterans will see significant changes in their interactions with VA in the year to come.

Secretary McDonald said he wants “a simplified appeals process, enabling the department to resolve 90 percent of cases within one year” by 2021. The move would likely limit veterans’ ability to continually update their disability evidence but would provide quicker resolution to a process that averages more than three years for a decision.

The secretary also shared plans to expand health care options outside the department in coming months, in response to criticism from lawmakers over the slow and erratic implementation of the new VA Choice Card program.

“Our objective is that by the end of 2016, a veteran can go wherever they want (for health care) and it will be paid for,” McDonald said. Doing that will require an overhaul of several outside care reimbursement programs, and consolidating them into a more efficient bureaucracy.

But both of those goals will require congressional cooperation and action.

- **A new VA Inspector General report, released Jan. 5, found that doctors at the VA San Diego Healthcare System did not follow department guidelines for prescribing opioid medications for a patient with traumatic brain injury and post-traumatic stress disorder and ignored his request to discontinue using the painkillers.**

Among the findings, the veteran continued to receive refills of the opioid hydrocodone for 22 months without a face-to-face assessment. The VA also failed to follow up when the vet left a message indicating he wanted to discontinue the hydrocodone, and never followed up to assist him in tapering off the drug or to suggest alternative treatments.

Prescriptions for painkillers also had increased for active-duty soldiers at the Fort Bragg hospital, the newspaper found. In 2012, more than 18,000 soldiers — about a third of the installation's active-duty population — received a total of 46,870 opiate painkiller prescriptions through the hospital.

## GENERAL HEALTH CARE NEWS

- **According to a new Health and Human Services report, more than 8 in 10 people (83 percent) who selected or were automatically enrolled in a 2016 plan through the Marketplace qualify for a tax credit with an average value of \$294 per month, or about 72 percent of the pre-tax credit premium.**

Moreover, HealthCare.gov users are actively shopping and saving money on their 2016 Health Insurance Marketplace plans. Sixty percent of people who actively reenrolled in a Marketplace plan for 2016 through HealthCare.gov switched to a different plan, saving an average of \$43 per month (\$516 per year) after tax credits.

The report looks at the 8.5 million individuals who selected or were automatically enrolled in a plan in the 38 states that use HealthCare.gov through Dec. 26, 2015. The vast majority of reenrollments were completed by Dec. 18, 2015.

Nearly 7 in 10 people who signed up through HealthCare.gov as of December 26 had the option of selecting a health insurance plan with a premium \$75 per month or less after tax credits. Nearly 6 in 10 people had the option of selecting a health insurance plan with a premium \$50 per month or less after tax credits. On average, people who are signed up for coverage through HealthCare.gov as of December 26, 2015 are paying \$113 per month after tax credits.

To read the report, visit: <https://aspe.hhs.gov/pdf-document/health-insurance-marketplaces-2016-average-premiums-after-advance-premium-tax-credits-38-states-using-healthcaregov->

- **To raise awareness and help people with prediabetes know where they stand and how to prevent type 2 diabetes, the American Diabetes Association (ADA), the American Medical Association (AMA), and the Centers for Disease Control and Prevention (CDC) have partnered with the Ad Council to launch the first national public service advertising (PSA) campaign about prediabetes.**

The PSA campaign, featuring first-of-its-kind communications techniques, was developed *pro bono* by Ogilvy & Mather New York for the Ad Council.

Nearly 90 percent of 86 million Americans with prediabetes don't know they have it and aren't aware of the long-term risks to their health, including type 2 diabetes, heart attack, and stroke. Current trends suggest that, if not treated, 15 to 30 percent of people with prediabetes will develop type 2 diabetes within five years. The good news is that prediabetes often can be reversed through weight loss, diet changes and increased physical activity. Diagnosis is key: research shows that once people are aware of their condition, they are much more likely to make the necessary lifestyle changes.

The campaign has a simple but strong message: **No one is excused from prediabetes.**

Humorous PSAs in English and Spanish encourage people to take a short online test at [DoIHavePrediabetes.org](#) to learn their risk. People can also take the risk test in real-time through interactive TV and radio PSAs, and learn more about the risk factors associated with the condition. The campaign website features lifestyle tips and links to [CDC's National Diabetes Prevention Program](#), which connects visitors to a registry of CDC-recognized programs across the country. The campaign also includes an integrated SMS texting initiative which will allow people to take the risk test via text message and receive ongoing support and lifestyle tips. Per the Ad Council's model, all media will run in time and space entirely donated.

The ADA, AMA and CDC are working with their local offices, affiliates, and partners to promote and activate the campaign in their communities, with resources for physicians and other health care providers to aid in the screening, diagnosis and treatment process.

- **The U.S. Food and Drug Administration issued a draft guidance outlining important steps medical device manufacturers should take to continually address cybersecurity risks to keep patients safe and better protect the public health.**

The draft guidance details the agency's recommendations for monitoring, identifying and addressing cybersecurity vulnerabilities in medical devices once they have entered the market. The draft guidance is part of the FDA's ongoing efforts to ensure the safety and effectiveness of medical devices, at all stages in their lifecycle, in the face of potential cyber threats.

Cybersecurity threats to medical devices are a growing concern. The exploitation of cybersecurity vulnerabilities presents a potential risk to the safety and effectiveness of medical devices. While manufacturers can incorporate controls in the design of a product to help prevent these risks, it is essential that manufacturers also consider improvements during maintenance of devices, as the evolving nature of cyber threats means risks may arise throughout a device's entire lifecycle.

The draft guidance outlines post-market recommendations for medical device manufacturers, including the need to proactively plan for and to assess cybersecurity vulnerabilities—consistent with the FDA's [Quality System Regulation](#). It also addresses the importance of information sharing via participation in an Information Sharing Analysis Organization (ISAO), a collaborative

group in which public and private-sector members share cybersecurity information. The draft guidance recommends that manufacturers should implement a structured and systematic comprehensive cybersecurity risk management program and respond in a timely fashion to identified vulnerabilities.

For the majority of cases, actions taken by manufacturers to address cybersecurity vulnerabilities and exploits are considered “cybersecurity routine updates or patches,” for which the FDA does not require advance notification, additional premarket review or reporting under its regulations.

The FDA encourages public comments on the draft guidance, which will be open for 90 days.

The FDA has been actively working to improve cybersecurity information sharing and to collaboratively develop and implement risk-based standards since 2013, when the White House issued [Executive Order 13636](#) and [Presidential Policy Directive 21](#) to mobilize the public and private sectors to collectively strengthen critical cybersecurity infrastructure.

- **On Jan. 21, 2016, the Centers for Medicare and Medicaid Services (CMS) finalized a rule detailing reforms to the rebate and reimbursement systems for Medicaid prescription drugs, which will save federal and state governments an estimated \$2.7 billion over five years.**

The Affordable Care Act substantially reformed Medicaid payments for prescription drugs, increasing rebates and setting limits on federal reimbursements. The “Covered Outpatient Drugs” final rule ensures those reforms will be effectively implemented by providing further detail on how those reimbursements and rebates are calculated, part of CMS’ broader efforts to [help ensure affordability and accessibility](#) of prescription drugs, while supporting pharmaceutical innovation.

The rule establishes the long term framework for implementation of the Medicaid drug rebate and reimbursement programs. The new definitions detailed in the rule will ensure that Medicaid rebates accurately account for market prices, maximizing taxpayer savings. The rule will also close loopholes, incentivize pharmacies to utilize generic drugs by ensuring proper reimbursements for their cost, and give territories additional tools to manage Medicaid drug costs.

For more information on the final rule, visit the Covered Outpatient Drugs (CMS 2345-F) (PDF) at *Federal Register*: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2016-01274.pdf> and on 02/01/2016 and available online at <http://federalregister.gov/a/2016-01274>.

## REPORTS/POLICIES

- **The GAO published “Medicare and Medicaid: Additional Oversight Needed of CMS’s Demonstration to Coordinate the Care of Dual-Eligible Beneficiaries,” (GAO-16-31) on Jan. 19, 2016.** This report examines how integrated care organizations, which are health plans or other entities, are implementing care coordination; and what, if any, challenges organizations have encountered in implementing care coordination and the extent to which CMS oversees these care coordination activities. <http://www.gao.gov/assets/680/674340.pdf>
- **The Institute of Medicine published “The Role of Public-Private Partnerships in Health Systems Strengthening: Workshop Summary,” on Jan. 21, 2016.** This report examine a range of incentives, innovations, and opportunities for relevant sectors and stakeholders in

strengthening health systems through partnerships; to explore lessons learned from previous and ongoing efforts with the goal of illuminating how to improve performance and outcomes going forward; and to discuss measuring the value and outcomes of investments and documenting success in partnerships focused on health systems strengthening.

<http://iom.nationalacademies.org/reports/2016/role-of-ppp-in-health-systems-strengthening.aspx#sthash.WNomjYwu.dpuf>

## HILL HEARINGS

- The Senate Armed Services Committee will hold a hearing on **Jan. 26, 2016**, to examine defense health care reform.
- The House Veterans Affairs Committee will hold a hearing on **Jan. 27, 2016**, to mark-up pending legislation.
- The Senate Committee on Health, Education, Labor, and Pensions will hold a hearing on **Jan. 28, 2015**, to examine generic drug user fee amendments, focusing on accelerating patient access to generic drugs.
- The House Veterans Affairs Subcommittee on Health will hold a hearing on **Feb. 11, 2016**, to examine improving VA community care billing and reimbursement.

## LEGISLATION

- There was no legislation proposed this week.

## 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>

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