

Federal Health Update

FEB. 3, 2017

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EXECUTIVE AND CONGRESSIONAL NEWS

- **The Senate Finance Committee approved (14-0) Representative Tom Price to be the next Secretary of Health and Human Services on Feb. 1, 2017.** Democrats boycotted the vote.

MILITARY HEALTH CARE NEWS

- **On Feb. 2, 2017, the Department of Defense (DoD) released a memorandum providing guidance on the implementation of the presidential memorandum, dated Jan. 23, subject: "Hiring Freeze."**

The guidance ensures that the department will honor both the letter and spirit of the president's direction, mindful of its significant national security mission and public safety responsibilities. While remaining consistent with the president's objectives, the department will ensure that applicants for DoD positions are treated fairly and consistently as the policy is implemented.

The secretary of defense has identified certain functions necessary to meet the department's national security or public safety responsibilities, which are enumerated in the guidance. Civilian positions may be exempt from the hiring freeze only if they are determined to be critical to the execution of those functions. The guidance also outlines processes and procedures for approval of additional potential exemptions that meet the criteria.

This is an opportunity for the department to assess its most critical missions and requirements, ensuring that members of the civilian workforce are assigned and capable of executing the highest priority work. The DoD guidance will help to accomplish this objective and ensure that resources are allocated in a manner that will promote effective and efficient use of taxpayer dollars.

The secretary of defense expects that all members of the department will apply their best efforts in implementing the hiring freeze in accordance with the guidance issued today. The department's work will inform a government-wide plan to optimize the size of the federal civilian workforce and will best position the department to implement that plan for the long-term.

For more information please view the department's [GUIDANCE](#).

- **Monthly TRICARE dental premiums for active-duty families as well as National Guard and Reserve members and their families will drop across all categories on May 1 2017.**

Military retirees are not affected by the change. Active-duty members do not use the TRICARE Dental Program.

Monthly premiums for active-duty families will drop from \$11.68 a month to \$11.10 a month for a single dependent user and from \$34.68 to \$28.87 for two or more dependents.

For activated Guard and Reserve members, premiums will drop from \$11.68 to \$11.10 for coverage of the service member only; from \$29.19 to \$27.76 for a single dependent; from \$87.59 to \$72.18 for two or more dependents; and from \$99.27 to \$83.28 for the service member and family, the chart says.

For inactive Guard and Reserve members, premiums will drop from \$29.19 to \$27.76 for the service member only or a single dependent only; from \$87.59 to \$72.18 for two or more dependents; and from \$116.78 to \$99.94 for service member and family, the chart says.

The changes push premiums below 2015 levels across all categories, while moving all the family and family-plus-sponsor rates to about \$9 below 2014 rates.

The TRICARE Dental Program will move from MetLife to United Concordia on May 1, 2017. The program will include several benefit improvements and a renewed focus on education and prevention.

Among the expansions included in the new contract is an increase to the annual maximum benefit from \$1,300 to \$1,500 and a change that makes sealants free instead of carrying a 20 percent co-pay.

Additionally, children in families who have purchased the dental program and who are enrolled in the Defense Enrollment Eligibility Reporting System will automatically be added to their families' plans when they turn 1-year-old. Currently, children are automatically added at age four.

Enrollment in the dental program is not automatic. Instead, troops and families must sign up for coverage by enrolling online or calling the Tricare dental contractor.

VETERANS AFFAIRS NEWS

- **During his Senate confirmation hearing on Jan. 31, the nominee for secretary of Department of Veterans Affairs, David J. Shulkin, vowed to reform —not privatize — veterans' health care.**

"V.A. is a unique national resource that is worth saving," Dr. Shulkin told the Senate Veterans

Affairs Committee. He added, "The Department of Veterans Affairs will not be privatized under my watch."

Dr. Shulkin, has been VA under secretary of health since 2015. Prior to this, Shulkin held positions at several private health care systems, including Beth Israel Medical Center in New York and the University of Pennsylvania Health System.

GENERAL HEALTH CARE NEWS

- **The Centers for Medicare & Medicaid Services (CMS) released proposed changes for the Medicare Advantage and Part D Prescription Drug Programs in 2018 that will, if finalized, provide stable and fair payments to plans.**

The net payment impact of the proposed updates would result in a modest increase of 0.25 percent on average for Medicare Advantage plans, although individual plans' experiences will vary. This moderate growth is consistent with last year's update and reflects a similar pattern in Medicare fee-for-service. Plans that improve the quality of care they deliver to enrollees can see higher updates and can grow and enhance the benefits they offer to enrollees.

The proposed policies in the Advance Notice and Draft Call Letter continue to strengthen and improve the Medicare Advantage program for current and future generations.

For a general fact sheet on the 2018 Advance Notice and Draft Call Letter, please visit: <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2017-Fact-Sheet-items/2017-02-01.html>.

The 2018 Advance Notice and Draft Call Letter may viewed through: <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvvtgSpecRateStats/Announcements-and-Documents.html> and selecting "2018 Advance Notice."

Comments on the proposed Advance Notice and Draft Call Letter are invited from industry, seniors, consumer advocates, and the public and must be submitted by March 3, 2017. The 2018 Final Rate Announcement and Call Letter will be published on Monday, April 3, 2017.

REPORTS/POLICIES

- **The GAO published "*Patient Protection and Affordable Care Act: Concentration, Plan Availability and Premiums, and Enrollee Experiences in Health Insurance Markets Since 2014*," (GAO-17-383T) on Jan 31, 2017.** This report describes private health-insurance market concentration and issuer participation from 2011 through 2014, the year by which key PPACA provisions took effect; health plans and premiums available to individuals in 2014 and 2015; and the experience of enrollees that obtained coverage through the exchanges from 2014 through 2016. <http://www.gao.gov/assets/690/682380.pdf>

HILL HEARINGS

- The House Armed Services Committee will hold on **Feb. 7, 2017**, to explore "The State of the Military."
- The Senate Veterans Affairs Committee will hold a business meeting on **Feb. 7, 2017**, to consider the nomination of David J. Shulkin to be Secretary of Veterans Affairs.

LEGISLATION

- **S.256** (introduced Feb. 1, 2017): A bill to establish the Stop, Observe, Ask, and Respond to Health and Wellness Training pilot program to address human trafficking in the health care system was referred to the Committee on Health, Education, Labor, and Pensions. Sponsor: Senator Heidi Heitkamp [D-ND]
- **H.R.766** (introduced Jan. 31, 2017): To amend title XVIII of the Social Security Act to establish a pilot program to expand telehealth options under the Medicare program for individuals residing in public housing located in health professional shortage areas, and for other purposes was referred to House Ways and Means. Sponsor: Representative Nydia M. Velazquez [D-NY-7]

MEETINGS

- HIMSS 2017 Annual Conference will be held on **Feb. 19-23, 2017**, in Orlando, Fla. <http://www.himssconference.org/>
- The Heroes of Military Medicine Awards will be held on **May 4, 2017**, in Washington, DC. <http://www.hjfc3.org>
- The 7th Annual Traumatic Brain Injury Conference will be held **May 24-25, 2017**, in Washington DC. <http://tbiconference.com/home/>

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.