

Federal Health Update

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EXECUTIVE AND CONGRESSIONAL NEWS

- **The Senate confirmed Ashton B. Carter to be the next Secretary of Defense on Feb. 12.** To read Carter's Department of Defense biography, please visit: <http://www.defense.gov/bios/biographydetail.aspx?biographyid=186>

- **On Feb. 1, 2015, the House and Senate Armed Services Subcommittee on Personnel heard testimony from members of the Military Compensation and Retirement Modernization Commission (MCRMC) on their findings in separate hearings.**

The commissioners urged the committee to overhauling TRICARE. As former Congressman and MCRMC member Stephen Buyer said "Tricare is a broken system...do not get sucked into the status quo." Retired Admiral Edmund Giambastiani testified "I think our commission believes TRICARE is in a death spiral."

The commission is proposing replacing the health insurance with a wider selection of private plans for troops and their families, similar to what is offered to civilian employees. It would result in about a \$5 increase per year for a policy that costs \$535, and would save the military about \$6-7 billion per year

The commission's recommendations have received mixed reviews from Congress.

- **On Feb. 12, 2015, President Obama signed into law: H.R. 203, the "Clay Hunt Suicide**

Prevention for American Veterans Act" or the "Clay Hunt SAV Act.

The law requires the Pentagon and Veterans Affairs Department to submit to independent reviews of their suicide prevention programs and make information on suicide prevention more easily available to veterans.

It also offers financial incentives to psychiatrists and other mental health professionals who agree to work for the VA and assist military members as they transition from active duty to veteran status.

- **U.S. Senators Jerry Moran (R-Kan.) and Richard Blumenthal (D-Conn.), both members of the Senate Veterans' Affairs Committee, introduced the Veterans TRICARE Choice Act of 2015, S. 448, which would give TRICARE-eligible veterans the ability to pause TRICARE benefits and contribute to a Health Savings Account (HSA).**

The bipartisan bill addresses the inequities of current federal law which prevents retired veterans from participating in their employer's HSA program due to their eligibility for TRICARE.

HSAs have proven to be an effective way to pay for medical costs and proactively save for future medical expenses. Employees invest and save tax-free money in HSAs, which are then used to pay for qualified medical expenses.

Providing retired veterans with the option to either participate with their employer's health plan and HSA or continue their TRICARE health plan not only benefits veterans, but also saves taxpayers money when their benefits are voluntarily paused.

The Veterans TRICARE Choice Act of 2015 is supported by the Air Line Pilots Association (ALPA), The Retired Enlisted Association (TREA), The Association of the United States Navy (AUSN), and The National Guard Association of the United States (NGAUS).

The House companion bill is led by U.S. Reps. Chris Stewart (R-Utah) and Tulsi Gabbard (D-Hawaii).

- **The White House released a fact sheet, providing an update on progress in U.S. Ebola response at home and abroad:**

Among the accomplishments in this response:

- U.S. ramped up the civilian response to treat Ebola patients, trace their contacts, promote safe burials, and increase community knowledge, resulting in more than 10,000 U.S. Government-supported civilians now on the ground in West Africa;
- In Liberia, U.S. personnel, both civilian and military, trained more than 1,500 healthcare workers, enabling them to provide safe and direct medical care to Ebola patients;
- The Centers for Disease Control and Prevention (CDC) sent nearly 1,000 civil servants on international deployments to support the Ebola response;
- The U.S. government facilitated the construction of 15 Ebola Treatment Units (ETUs) in the region, of which 10 were built by U.S. service members, along with a medical unit in Monrovia, Liberia, used to treat infected healthcare workers. These facilities have enabled the testing and isolation of hundreds of patients;
- U.S. supported the establishment of core public health management of the epidemic such that in all three countries, there are now functioning public health emergency operations centers, laboratory testing capabilities, enhanced coordination, and rapid response capabilities; and,

- U.S. leadership galvanized a robust international response comprised of over 62 countries contributing more than \$2 billion as well as thousands of personnel and wide-ranging resources.

In the US, specific domestic accomplishments include:

- Established a system for monitoring all arriving travelers from countries with widespread transmission. The regime is comprised of screening and daily symptom checks, including in-person examinations for those at elevated risk, covering more than 99 percent of all arriving travelers subject to this regime;
- Devised and implemented a system of nationwide Ebola Treatment Centers (ETCs)—facilities designed to treat an Ebola patient safely and effectively—resulting in a network that places more than 80 percent of all arriving travelers from the affected countries within 200 miles of one of the 51 Centers;
- Accelerated development of diagnostics, vaccines, and therapeutics to identify, prevent, and treat the disease. Two vaccine candidates have completed Phase 1 trials, while Phase 2/3 vaccine candidate trials are underway in West Africa with therapeutics trials starting shortly. Three rapid point-of-care tests are being evaluated; two of them are in field trials, and another will be ready for field trial in the near future; We are taking steps to ensure commercial-scale manufacturing capabilities for the successful vaccines, diagnostics, and therapeutics for potential future needs; and
- Worked with a bipartisan coalition of lawmakers to secure the resources necessary to confront this disease both at home and abroad, leading a Congressional majority to approve \$5.4 billion in emergency funding in December 2014.

To read the full fact sheet, please visit: <http://www.whitehouse.gov/the-press-office/2015/02/11/fact-sheet-progress-our-ebola-response-home-and-abroad>

MILITARY HEALTH CARE NEWS

- **The Department of Defense named Dr. Keita M. Franklin to be the new director of the DoD Suicide Prevention Office (DSPO).**

This marks elevation of DSPO leadership to a career Senior Executive Service (SES) position, reinforcing the department's commitment to decreasing the incidence of suicide and increasing resiliency across the armed forces.

Franklin arrives with 14 years of experience working with service members and their families. Most recently, Franklin was Behavioral Health Branch Head at Headquarters Marine Corps, charged with leading five behavioral health programs, including suicide prevention.

Prior to working for the Marine Corps, Franklin worked for both the Air Force and the Army, supervising family programs at the installation and regional levels. Franklin's area of interest is posttraumatic stress symptoms and how those symptoms impact family functioning.

Franklin, a licensed clinical social worker, has a PhD in social work from Virginia Commonwealth University. Her post-doctoral research explored the impact of deployment and psychological well-being on family relationships.

VETERANS AFFAIRS NEWS

- **The GAO released a report on Feb. 11, 2015, which adds VA's health care system to a list**

of 32 total federal programs especially vulnerable to “fraud, waste, abuse and mismanagement.”

The report highlights five main areas in which the VA needs work: ambiguous policies and inconsistent processes; inadequate oversight and accountability; information technology challenges; inadequate training for VA staff; and unclear resource needs and allocation priorities. <http://www.gao.gov/assets/670/668419.pdf>

- **Veterans Affairs Secretary Robert McDonald testified before the House Veterans Affairs Committee regarding the President’s proposed VA budget for fiscal year 2016.**

During his testimony, McDonald got into a verbal confrontation with Rep. Mike Coffman (R-Colo.) about [problems](#) with the construction of a VA hospital in Aurora Colorado and, which resulted in the Army Corps of Engineers to take over. The Congressman questioned McDonald’s effectiveness to correct the problems facing VA and Secretary McDonald responded by questioning Rep. Coffman’s contribution.

GENERAL HEALTH CARE NEWS

- **The U.S. Department of Health and Human Services released a report outlining the impact of advanced premium tax credits on premiums in the Health Insurance Marketplaces.**

Almost 6.5 million individuals in the 37 states using the HealthCare.gov platform are estimated to qualify for an average of \$268 per person/month in advanced premium tax credits. Among consumers who are signed up for 2015 coverage to date in the 37 HealthCare.gov states, 8 in 10 could choose a plan with a premium of \$100 or less after tax credits, based on available options.

These figures underscore the impact of the Affordable Care Act in delivering quality, affordable health care coverage to millions of Americans. With only six days left until the Feb. 15 deadline to sign up for coverage through the Marketplaces, HHS encourages consumers to check out their options for a quality, affordable health care plan. The vast majority – 87 percent – of individuals who are signed up through HealthCare.gov qualify for financial assistance.

According to the report, on average, premium tax credits reduced consumers’ monthly premiums by 72 percent. The average monthly premium for 2015 coverage dropped from \$374 before tax credits to \$105 after tax credits, among 6.5 million consumers in the 37 state using the HealthCare.gov platform who selected a plan with tax credits. The report also includes state-by-state figures. This analysis includes plan selections from Nov. 15 through Jan. 30: depending on the characteristics of people who sign up prior to Feb. 15, the statistics in this report could change.

To read the report visit:

http://aspe.hhs.gov/health/reports/2015/MarketPlaceEnrollment/APTC/ib_APTC.pdf.

- **The Centers for Disease Control and Prevention (CDC) has completed an internal investigation of an incident that occurred in December within the agency’s Ebola virus laboratory, which resulted in no illness and was unlikely to have involved an exposure to live Ebola virus.**

CDC’s investigation found that this laboratory incident occurred for two main reasons related to inadequate safeguards: 1) lack of a written study plan that had been approved by a supervisor;

and 2) a study plan workflow that was not designed to sufficiently minimize the possibility that human error could result in potential exposure.

CDC had already taken many steps to improve safety and will take additional steps as a result of this review.

In December, CDC reported that a small amount of material from an experiment that was part of an Ebola virus study was securely transported from a select-agent-approved BSL-4 lab to a select-agent-approved BSL-2 lab and may have contained live virus. The material mistakenly transferred during procedures for this study was on a sealed plate but should not have been moved from the BSL-4 laboratory into the BSL-2 laboratory.

The report also describes two previous recommendations that had not yet been fully implemented in this lab that could potentially have reduced the likelihood of this incident: 1) installation of a camera system for secondary verification of critical safety control points; and 2) proper use of a required Material Transfer Certificate (MTC) form for materials taken out of CDC's high containment laboratories to lower biosafety level laboratories, including internal transfers.

Please see [CDC's laboratory safety site \(http://www.cdc.gov/about/lab-safety/index.html\)](http://www.cdc.gov/about/lab-safety/index.html) for the full report

- **The U.S. Department of Health and Human Services (HHS) announced a new multi-payer payment and care delivery model to support better care coordination for cancer care as part of the Department's ongoing efforts to improve the quality of care patients receive and spend health care dollars more wisely, contributing to healthier communities.**

The initiative will include 24-hour access to practitioners for beneficiaries undergoing treatment and an emphasis on coordinated, person-centered care, aimed at rewarding value of care, rather than volume.

Cancer is one of the most common and devastating diseases in the United States: more than 1.6 million people are diagnosed with cancer each year in this country. According to the National Institutes of Health, cancer cost the United States an estimated \$263.8 billion in medical costs and lost productivity in 2010. A majority of those diagnosed are over 65 years old and Medicare beneficiaries.

The Oncology Care Model encourages participating practices to improve care and lower costs through episode-based, performance-based payments that financially incentivize high-quality, coordinated care. Participating practices will also receive monthly care management payments for each Medicare fee-for-service beneficiary during an episode to support oncology practice transformation, including the provision of comprehensive, coordinated patient care.

To achieve better care, smarter spending and healthier people, HHS is focused on three key areas: linking payment to quality of care; improving and innovating in care delivery; and sharing information more broadly to providers, consumers, and others to support better decisions while maintaining privacy.

The Oncology Care Model will provide support for participating physician practices to address the complex care needs of the beneficiary population receiving chemotherapy treatment and will reward practices that focus on furnishing services that specifically improve the patient experience and health outcomes.

For more information on the Oncology Care Model, please visit:

<http://innovation.cms.gov/initiatives/Oncology-Care/>.

REPORTS/POLICIES

- **The GAO published “Mental Health: HHS Leadership Needed to Coordinate Federal Efforts Related to Serious Mental Illness,” (GAO-15-375T) on Feb. 11, 2015.** This report identifies the federal programs that support individuals with serious mental illness; the extent to which federal agencies coordinate these programs; and the extent to which federal agencies evaluate such programs. <http://www.gao.gov/assets/670/668429.pdf>
- **The GAO published “GAO’s 2015 High-Risk Series: An Update,” (GAO-15-373T) on Feb. 11, 2015.** In this report, the GAO added two additional areas, bringing the total to 32: Managing Risks and Improving Veterans Affairs (VA) Health Care, and Improving the Management of Information Technology (IT) Acquisitions and Operations. <http://www.gao.gov/assets/670/668419.pdf>

HILL HEARINGS

- The House and Senate Veterans Affairs Committees will hold a joint hearing on **Feb. 24, 2015**, to receive the legislative presentation of the Disabled American Veterans.
- The House and Senate Veterans Affairs Committees will hold a joint hearing on **Feb. 25, 2015**, to receive the legislative presentation of The American Legion.
- The House Veterans Affairs Committee will hold a hearing on **Feb. 28, 2015**, to examine the quality and cost of VA health care.
- The House and Senate Veterans Affairs Committees will hold a joint hearing on **March 4, 2015**, to receive Legislative Presentation of the Veterans of Foreign Wars.
- The House and Senate Veterans Affairs Committees will hold a joint hearing on **March 5, 2015**, to receive legislative presentations from multiple military and veterans service organizations.
- The House Veterans Affairs Committee will hold a hearing on **March 18, 2015**, to receive legislative presentations from multiple military and veterans service organizations.

LEGISLATION

- **H.R.815** (introduced Feb. 9, 2015): To amend title XXVII of the Public Health Service Act to preserve consumer and employer access to licensed independent insurance producers was referred to the House Committee on Energy and Commerce.
Sponsor: Representative Billy Long [MO-7]
- **H.R.826** (introduced Feb. 10, 2015): To provide for a study by the Institute of Medicine on gaps in mental health services and how these gaps can increase the risk of violent acts was referred to the House Committee on Energy and Commerce.
Sponsor: Representative David B. McKinley [WV-1]
- **H.R.837** (introduced Feb. 10, 2015): To implement a demonstration project under titles XVIII and XIX of the Social Security Act to examine the costs and benefits of providing payments for comprehensive coordinated health care services provided by purpose-built, continuing care retirement communities to Medicare beneficiaries was referred to the Committee on Energy and

Commerce, and in addition to the Committee on Ways and Means.

Sponsor: Representative Michael G. Fitzpatrick. [PA-8]

- **H.R.865** (introduced Feb. 11, 2015): To amend the Public Health Service Act to limit the liability of health care professionals who volunteer to provide health care services in response to a disaster was referred to the Committee on Energy and Commerce, and in addition to the Committee on the Judiciary.
Sponsor: Representative Marsha Blackburn [TN-7]
- **H.R.868** (introduced Feb. 11, 2015): To provide for coordination between the TRICARE program and eligibility for making contributions to a health savings account, and for other purposes was referred to the Committee on Ways and Means, and in addition to the Committee on Armed Services.
Sponsor: Rep Stewart, Chris [UT-2]
- **H.R.879** (introduced Feb. 11, 2015): To repeal the "Cadillac Tax" on middle class Americans' health plans was referred to the House Committee on Ways and Means.
Sponsor: Representative Frank C. Guinta. [NH-1]
- **S.428** (introduced Feb. 10, 2015): A bill to amend titles XIX and XXI of the Social Security Act to provide for 12-month continuous enrollment under Medicaid and the Children's Health Insurance Program, and for other purposes was referred to the Committee on Finance.
Sponsor: Senator Sherrod Brown [OH]
- **S.432** (introduced Feb. 10, 2015): A bill to amend the Internal Revenue Code of 1986 to exempt certain small businesses from the employer health insurance mandate and to modify the definition of full-time employee for purposes of such mandate was referred to the Committee on Finance.
Sponsor: Sen Michael B. Enzi [WY]
- **S.448** (introduced Feb. 11, 2015): A bill to provide for coordination between the TRICARE program and eligibility for making contributions to a health savings account was referred to the Committee on Finance.
Sponsor: Senator Jerry Moran [KS]
- **S.453** (introduced Feb. 11, 2015): A bill to amend the Public Health Service Act to provide grants to States to streamline State requirements and procedures for veterans with military emergency medical training to become civilian emergency medical technicians was referred to the Committee on Health, Education, Labor, and Pensions.
Sponsor: Senator Bill Cassidy [LA].
- **S.459** (introduced Feb. 11, 2015): A bill to require the Secretary of Health and Human Services to approve waivers under the Medicaid Program under title XIX of the Social Security Act that are related to State provider taxes that exempt certain retirement communities was referred to the Committee on Finance.
Sponsor: Senator John Boozman [AR] /2015 Referred to Senate committee. Status: Read twice and referred to the Committee on Finance.
- **S.466** (introduced Feb. 11, 2015): A bill to amend title XI of the Social Security Act to improve the quality, health outcomes, and value of maternity care under the Medicaid and CHIP programs by developing maternity care quality measures and supporting maternity care quality collaboratives was referred to the Committee on Finance.
Sponsor: Senator Debbie Stabenow [MI]

MEETINGS

- The ACHE Congress on Healthcare Leadership will be held on **March 16-19, 2015**, in Chicago, Ill. <http://www.ache.org/congress/>

- The 12th Annual World Health Care Congress will be held on **March 22-25, 2015**, in Washington DC. <http://www.worldcongress.com/events/HR15000/>
 - The HIMSS Annual Conference and Exhibition will be held on **April 12-16, 2015**, in Chicago, Ill. <http://www.himssconference.org/>
 - The 5th Annual Traumatic Brain Injury Conference will be held **April 15-16, 2015**, in Washington DC. <http://tbiconference.com/home/>
 - The Heroes of Military Medicine Awards will be held on **May 7, 2015**, in Washington, DC. <http://www.hjfc3.org/heroes-dinner>
 - 2015 AMSUS Annual Continuing Education Meeting - The Society Of The Federal Health Professionals will be held on **Dec. 1-4, 2015**, in San Antonio, Texas. <http://amsusmeetings.org/annual-meeting/>
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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.