

Federal Health Update

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EXECUTIVE AND CONGRESSIONAL NEWS

- **On Feb. 9, 2018, the president signed into law: H.R. 1301, the “Continuing Appropriations Amendments Act, 2018.”** This law authorizes the retroactive compensation of employees furloughed as a result of a lapse in appropriations that began on or about Feb. 9, 2018.
- **On Feb 9, 2018, the president signed into law: H.R. 1892, the “Bipartisan Budget Act of 2018.” This legislation authorizes:**
 - The U.S. flag to be flown at half-staff in the event of the death of a first responder in the line of duty.
 - Additional emergency supplemental appropriations related to recent hurricanes, wildfires, and other disasters including tax relief and Medicaid changes.
 - A short-term continuing resolution that provides fiscal year (FY) 2018 appropriations for continuing projects and activities of the Federal Government through March 23, 2018.
 - Increases the discretionary defense and non-defense category caps in FY 2018 and FY 2019; extends the sequestration of mandatory spending by two years.
 - Establishes two Joint Select Committees, a committee to improve the solvency of multiemployer pension plans and a committee to provide recommendations on reforming the budget and appropriations process; suspends the statutory debt limit through March 1, 2019.

- Extends provisions that provide tax relief to families and individuals; provides incentives for job growth; and incentives for energy production and conservation.
- Extends or modifies Medicare, Medicaid and other health programs, including various foster care and child welfare programs, and includes various offsets related to Medicare, Medicaid and other health programs.

MILITARY HEALTH CARE NEWS

- **On Feb. 12, 2019, the president sent Congress a proposed Fiscal Year (FY) 2019 budget request of, \$686 billion for the Department of Defense.** The proposed budget includes a 2.6% military pay raise but no raise for civilian employees.

The entire budget proposal and additional material are available at:

<http://comptroller.defense.gov/budget-materials>.

VETERANS AFFAIRS NEWS

- **The President's fiscal year (FY) 2019 budget proposes a total of \$198.6 billion for the U.S. Department of Veterans Affairs (VA).**

This request, an increase of \$12.1 billion over 2018, prioritizing VA's most urgent needs and incorporates internal offsets, modernization reforms and efficiencies to yield the greatest value to veterans and taxpayers. The budget includes \$88.9 billion in discretionary funding, including medical collections — \$6.8 billion (8.3 percent) above the FY 2018 budget. The budget also includes \$109.7 billion in mandatory funding for benefit programs, \$5.3 billion (5.1 percent) above FY 2018.

Health Care

The FY 2019 budget medical care request of \$76.5 billion, including collections, positions VA to continue expanding health-care services, improving quality and expanding choice to over 9 million enrolled Veterans. This request includes \$1.8 billion for programs for homeless and at-risk veterans, \$382 million for opioid treatment and pain management safety, \$511 million for gender-specific health-care services for women and \$510 million for caregivers' benefits. The requested \$727 million for medical and prosthetic research, \$87 million above the FY 2018 budget, will support an estimated 2,200 projects. VA will continue to focus on critical areas, such as mental health, pain management, prosthetics and the Million Veteran Program.

Suicide prevention is VA's highest clinical priority. The request of \$8.6 billion for mental health services, \$468 million (5.8 percent) above 2018, supports standardized suicide screening and risk assessments and expands options for post-traumatic stress disorder treatment. The budget also funds emergent mental health services to certain former service members with other than honorable administrative discharges, and it supports providing access to mental health treatment and suicide prevention resources for transitioning service members in the year following their discharge, separation or retirement, as directed by executive order.

VA is committed to strengthening and supporting VA's capacity for the direct delivery of health care through the reforms proposed in the administration's Veterans Coordinated Access & Rewarding Experiences (*CARE*) proposal, transmitted to Congress last fall. The FY 2019 budget sustains the administration's commitment to VA's community care program and includes a total program level of \$14.2 billion, 9.1 percent above 2018, after adjusting for a change in timing of obligations.

Veterans' Benefits

VA's FY 2019 budget request includes \$2.9 billion for the Veterans Benefits Administration (VBA) to administer the distribution of \$116.9 billion in obligations for timely benefits and quality services to Veterans and other beneficiaries. Notably, the budget will enable VBA to process 1.3 million veteran disability compensation rating claims, 4.5 million education claims and 2.9 million home loan guarantees for borrowers. The request also supports VA's implementation of the historic Veterans Appeals Improvement and Modernization Act of 2017, overhauling VA's appeals process. The new process empowers veterans by providing them with the ability to tailor the process to meet their individual needs and enables VA to provide more timely resolution of their appeal.

Information Technology

The FY 2019 Budget requests \$4.2 billion for information technology (IT), \$129 million above the FY 2018 Budget, to modernize systems and services and enhance the IT infrastructure. This request includes \$381 million for development projects such as modernization of legacy systems; development of a Digital Health Platform, and a new Financial Management System.

Electronic Health Record Modernization

The FY 2019 budget also requests \$1.2 billion to continue implementation of a single, accurate, lifetime Electronic Health Record (EHR) that will improve VA services and significantly enhance the safety and coordination of care for veterans who receive medical care, not only from VA, but the Department of Defense and community partners.

Other Key Services for Veterans

- \$1.8 billion for major and minor construction projects, including a new spinal cord injury unit in Dallas, Texas; construction of a community-based outpatient clinic and renovation of domiciliary in Canandaigua, New York, and cemetery expansions at the St. Louis medical facility (Jefferson Barracks); Rittman, Ohio; Mims, Florida; and Holly, Michigan.
- \$315.8 million to administer VA's system of 139 national cemeteries, including funding for the activation of nine new cemeteries, which will open in 2019 and 2020.
- \$172.1 million for the Office of Inspector General to enhance oversight.

Enhanced Oversight of VA's programs

The budget focuses resources more efficiently and prioritizes foundational services in VA's system while more smartly and better utilizing the private sector. The budget holds leaders and employees accountable for poor performance and misconduct.

Over the past eight months, VA has removed more than 1,300 staff and placed almost 500 staff on suspension. In addition, the budget expands the STOP Fraud, Waste and Abuse initiative, using best practices from the private and public sectors to reduce fraud and waste.

- **The VA Inspector General issued a report, examining VA Secretary David Shulkin and his wife's travel expenses for a trip to Europe in June 2017.**

Among the findings the VAIG found:

- VA's Chief of Staff made false representations to a VA ethics official and altered an official record, resulting in VA improperly paying for Dr. Bari's air travel.
- Secretary Shulkin improperly accepted Wimbledon tickets.
- Secretary Shulkin directed the misuse of a subordinate's official time.
- Inadequate documentation to assess the accuracy and appropriateness of the costs of the trip.

- The VA gave misleading statements to the media.

To read the full report, please visit: <https://www.va.gov/oig/pubs/VAOIG-17-05909-106.pdf>.

GENERAL HEALTH CARE NEWS

- **The President's Budget request for the Department of Health and Human Services proposes \$95.4 billion in discretionary budget authority and \$1,120 billion in mandatory funding.**

Among the proposals are:

\$10 billion to combat the opioid epidemic and serious mental illness.

\$2.2 billion to continue operations around advancing preparedness and response capabilities.

\$512 million for the Biomedical Advanced Research and Development Authority and \$510 million for BioShield to support the development and procurement of new medical products (medical countermeasures) that will strengthen our national preparedness and biodefense against chemical and biological threats.

\$68 million to combat cyber threats ensure the Department is able to protect sensitive and critical information in an ever-changing threat landscape.

\$486 million for the FDA to speed the development and approval of new drugs and medical devices, as well as to increase the quality and safety of next generation manufacturing practices.

\$409 million for CDC's global health activities, which serves to strengthen CDC's international preparedness and response capabilities.

\$58 million to the Indian Health Service to assist facilities, including those in the Great Plains Area, with meeting the Centers for Medicare & Medicaid Services (CMS) quality health standards.

To read the full budget proposal, please visit: <https://www.hhs.gov/sites/default/files/fy-2019-budget-in-brief.pdf>

- **According to the Centers for Disease Control and Prevention, this year's influenza vaccination has only been 36 percent effective.**

If a young child gets a flu shot, he or she is 59% less likely to get the virus and have to go to the doctor. To date, 63 children under 18 have died of the flu this season and three-quarters of them were not vaccinated.

The CDC finds 69 percent of people who have had the flu have had the H3N2 strain, an influenza A virus, which are often linked to more severe illness. This year's vaccine showed just 25% effectiveness against this strain at midseason, according to the CDC.

Forty-six of the 50 states, the District of Columbia, New York City and Puerto Rico have been experiencing high levels of influenza-like illness during the week ending February 3, the CDC reported. Only 31 states/jurisdictions experienced high illness in a single week during the two previous seasons known to be severe: the 2012-13 and 2014-15 seasons.

REPORTS/POLICIES

- **The National Academies of Science, Engineering and Medicine published *Examining the Impact of Real-World Evidence on Medical Product Development I. Incentives: Proceedings of a Workshop—in Brief,* on Feb. 12, 2018.** This report focuses on how to align incentives to support collection and use of real-world evidence in medical product review, payment, and delivery, including incentives needed to address barriers impeding the uptake of real-world evidence, such as transparency.
<http://nationalacademies.org/hmd/reports/2018/impact-of-real-world-evidence-workshop-1-incentives-proceedings-in-brief.aspx>

HILL HEARINGS

- There are no relevant meetings scheduled next week.

LEGISLATION

- **H.R.4998** (introduced Feb. 13, 2018): the Health Insurance for Former Foster Youth Act was referred to the House Committee on Energy and Commerce. Sponsor: Representative Karen. Bass, [D-CA-37]
- **S.2422** (introduced Feb. 13, 2018): A bill to require a study on the health impacts of air traffic noise and pollution was referred to the Committee on Commerce, Science, and Transportation. Sponsor: Senator Elizabeth. Warren [D-MA]
- **H.R.5013** (introduced Feb. 14, 2018): To amend the Public Health Service Act to clarify liability protections regarding emergency use of automated external defibrillators was referred to the House Committee on Energy and Commerce. Sponsor: Representative Pete. Olson [R-TX-22]

MEETINGS

- HIMSS 2018 Annual Conference will be held on **March 5-9, 2018**, in Las Vegas Nev. <http://www.himssconference.org/>
- 2018 Heroes of Military Medicine Awards Dinner will be held on **May 3, 2018**, in Washington, DC. <http://www.hjfc3.org/heroes-dinner/>
- The 8th Annual Traumatic Brain Injury Conference will be held on **May 16-17, 2018**, in Washington DC. <http://tbiconference.com/home/>

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