

Federal Health Update

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EXECUTIVE AND CONGRESSIONAL NEWS

- **On Feb. 13, 2017, the Senate unanimously confirmed David Shulkin to be the next Veterans Affairs secretary.**
- **The House and Senate will be in recess Feb. 18-25, 2017.**

MILITARY HEALTH CARE NEWS

- **Brooke Army Medical Center surgeons performed their first above-the-elbow arm replant on a 22-year-old trauma patient last year and almost 10 months later the patient is thriving.**

Kelsey Ward's right arm was severed when a guardrail pierced the passenger-side window of her SUV in a car wreck. San Antonio firefighters administered a life-saving tourniquet and were fortunate enough to find her arm in the wreckage. They packed it in ice and brought it to BAMC, one of two Level I Trauma Centers in San Antonio.

Once it was determined that the arm was viable, a surgical team including two vascular surgeons, a hand surgeon, a back-up hand surgeon on-call and a plastic surgeon, quickly mobilized. The surgeons were able to reconnect Ward's ulnar nerve, but her median and radial

nerves had to be grafted. They took skin from one of her legs and a vein from the other to splice together the two nerves and muscle from her back to reshape her arm.

The data shows only 82 above elbow replantations have been performed around the world since the first case was reported in the 1960's.

These types of trauma cases are vital to military readiness. They prepare us for the complex injuries military providers will see as they continue to deploy to combat zones throughout the world.

VETERANS AFFAIRS NEWS

- There was no health-related news about the Department of Veterans Affairs this week.

GENERAL HEALTH CARE NEWS

- **National health expenditure growth is expected to average 5.6 percent annually over 2016-2025, according to a report authored by the Centers for Medicare & Medicaid Services' (CMS) Office of the Actuary (OACT).**

These projections are constructed using a current-law framework and do not assume potential legislative changes over the projection period.

National health spending growth is projected to outpace projected growth in Gross Domestic Product (GDP) by 1.2 percentage points. As a result, the report also projects the health share of GDP to rise from 17.8 percent in 2015 to 19.9 percent by 2025. Growth in national health expenditures over this period is largely influenced by projected faster growth in medical prices compared to recent historically low growth. This faster expected growth in prices is projected to be partially offset by slowing growth in the use and intensity of medical goods and services.

According to the report, for 2016, total health spending is projected to have reached nearly \$3.4 trillion, a 4.8-percent increase from 2015. The report also found that by 2025, federal, state and local governments are projected to finance 47 percent of national health spending, a slight increase from 46 percent in 2015.

Additional findings from the report:

Total national health spending growth: Growth is projected to have been 4.8 percent in 2016, slower than the 5.8 percent growth in 2015, as a result of slower Medicaid and prescription drug spending growth. In 2017, total health spending is projected to grow by 5.4 percent, led by increases in private health insurance spending. National health expenditure growth is projected to be faster and average 5.8 percent for 2018-2025 largely due to expected faster spending growth in both Medicare and Medicaid.

Medicare: Medicare spending growth is projected to have been 5.0 percent in 2016 and is expected to average 7.1 percent over the full projection period 2016-2025. Faster expected growth after 2016 primarily reflects utilization of Medicare covered services increasing to approach rates closer to Medicare's longer historical experience. This results in Medicare spending per beneficiary growth of 4.1 percent over 2016-2025 (compared to 1.6 percent growth for 2010-2015).

Private health insurance: Spending growth is projected to have slowed from 7.2 percent in 2015 to 5.9 percent in 2016, a trend that is related to slower growth in private health insurance

enrollment. Spending growth is projected to increase to 6.5 percent in 2017, due in part to faster premium growth in Marketplace plans related to previous underpricing of premiums and the end of the temporary risk corridors.

Medicaid: Projected spending growth slowed significantly in 2016 to 3.7 percent, down from 9.7 percent in 2015, largely reflecting slower growth in Medicaid enrollment. Spending growth is expected to accelerate and average 5.7 percent for 2017-2025 as projected per-enrollee spending growth rises over that timeframe. Underlying the faster per enrollee growth is the increasingly larger share of the Medicaid population who are aged and disabled and who tend to use more intensive services.

Medical price inflation: Medical prices are expected to increase more rapidly after historically low growth in 2015 of 0.8 percent to nearly 3 percent by 2025. This faster projected growth in prices is influenced by an acceleration in both economy-wide prices and medical specific prices and is projected to be partially offset by slowing growth in the use and intensity of medical goods and services.

Prescription drug spending: Drug spending growth is projected to have been 5.0 percent in 2016, following growth of 9.0 percent in 2015, mainly due to slowing use of expensive drugs that treat Hepatitis C. Growth is projected to average 6.4 percent per year for 2017-2025, influenced by higher spending on expensive specialty drugs.

Insured Share of the Population: The proportion of the population with health insurance is projected to increase from 90.9 percent in 2015 to 91.5 percent in 2025.

The OACT report will appear at: <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsProjected.html>

- **The Centers for Medicare & Medicaid Services (CMS) issued a proposed rule for 2018, which proposes new reforms that are critical to stabilizing the individual and small group health insurance markets to help protect patients.**

This proposed rule would make changes to special enrollment periods, the annual open enrollment period, guaranteed availability, network adequacy rules, essential community providers, and actuarial value requirements; and announces upcoming changes to the qualified health plan certification timeline.

The rule proposes a variety of policy and operational changes to stabilize the Marketplace, including:

Special Enrollment Period Pre-Enrollment Verification: The rule proposes to expand pre-enrollment verification of eligibility to individuals who newly enroll through special enrollment periods in Marketplaces using the HealthCare.gov platform. This proposed change would help make sure that special enrollment periods are available to all who are eligible for them, but will require individuals to submit supporting documentation, a common practice in the employer health insurance market. This will help place downward pressure on premiums, curb abuses, and encourage year-round enrollment.

Guaranteed Availability: The rule proposes to address potential abuses by allowing an issuer to collect premiums for prior unpaid coverage, before enrolling a patient in the next year's plan with the same issuer. This will incentivize patients to avoid coverage lapses.

Determining the Level of Coverage: The rule proposes to make adjustments to the de minimis range used for determining the level of coverage by providing greater flexibility to issuers to provide patients with more coverage options.

Network Adequacy: The proposed rule takes an important step in reaffirming the traditional role of states to serve their populations. In the review of qualified health plans, CMS proposes to defer to the states' reviews in states with the authority and means to assess issuer network adequacy. States are best positioned to ensure their residents have access to high quality care networks.

Qualified Health Plan (QHP) Certification Calendar: In the rule, CMS announces its intention to release a revised proposed timeline for the QHP certification and rate review process for plan year 2018. The revised timeline would provide issuers with additional time to implement proposed changes that are finalized prior to the 2018 coverage year. These changes will give issuers flexibility to incorporate benefit changes and maximize the number of coverage options available to patients.

Open Enrollment Period: The rule also proposes to shorten the upcoming annual open enrollment period for the individual market. For the 2018 coverage year, we propose an open enrollment period of November 1, 2017, to December 15, 2017. This proposed change will align the Marketplaces with the Employer-Sponsored Insurance Market and Medicare, and help lower prices for Americans by reducing adverse selection.

The proposed rule can be found, here:

<https://www.federalregister.gov/documents/2017/02/17/2017-03027/patient-protection-and-affordable-care-act-market-stabilization>

- **This year's flu shot has been reducing the risk of influenza in the United States by 48 percent this season, according to the Centers for Disease Control and Prevention.**

The predominant virus strain this season is influenza A (H3N2) strain. The vaccine has been effective about 43 percent. The vaccine's estimated effectiveness against the influenza B virus was 73 percent.

The CDC's interim findings are based on data from 3,144 children and adults who are enrolled in the United States Influenza Vaccine Effectiveness Network, collected Nov.28 – Feb.4. During the 2015-16 season, vaccine effectiveness was 47 percent. However, the vaccine was only effective 19 percent during the 2014-15 season.

The flu shot is an inactivated influenza vaccine. Each February, the Advisory Committee on Immunization Practices, a group of medical and public health experts, makes the final decision about which virus strains will go into vaccines, which will be sold beginning in September to protect people during the forthcoming flu season.

The CDC recommends that unvaccinated people who are 6 months old or older still get a shot this year.

REPORTS/POLICIES

- **The GAO published “VA Health Care: Actions Needed to Ensure Medical Facility Controlled Substance Inspection Programs Meet Agency Requirements,” (GAO-17-242) on Feb. 15, 2017.** This report examines VHA's implementation and oversight of controlled substance inspection programs at selected facilities. <http://www.gao.gov/assets/690/682804.pdf>

HILL HEARINGS

- The Senate Veterans Affairs Committee will hold a hearing will hold a hearing on **Feb. 28, 2017**, to examine the legislative presentation of the Disabled American Veterans.

- The Senate Veterans Affairs Committee will hold a hearing will hold a hearing on **March 1, 2017**, to examine the legislative presentation of the American Legion.
- The Senate Veterans Affairs Committee will hold a hearing will hold a hearing on **March 1, 2017**, to examine the legislative presentation of the Veterans of Foreign Wars of the United States.
- The Senate Veterans Affairs Committee will hold a hearing will hold a hearing on **March 9 and 22, 2017**, to examine the legislative presentation of multiple veterans service organizations.

LEGISLATION

- **S.403** (introduced Feb. 15, 2017): A bill to amend the Internal Revenue Code of 1986 to improve access to health care through expanded health savings accounts, and for other purposes was referred to the Committee on Finance. Sponsor: Senator Orrin G. Hatch [R-UT]
- **S.356** (introduced Feb. 13, 2017): A bill to amend title XXI of the Social Security Act to improve access to, and the delivery of, children's health services through school-based health centers, and for other purposes was referred to the Committee on Finance. Sponsor: Senator Debbie Stabenow [D-MI]
- **H.R.1027** (introduced Feb. 13, 2017): To amend title XXI of the Social Security Act to improve access to, and the delivery of, children's health services through school-based health centers, and for other purposes was referred to the House Committee on Energy and Commerce. Sponsor: Representative John P. Sarbanes [D-MD-3]
- **S.382** (introduced Feb. 15, 2017): A bill to require the Secretary of Health and Human Services to develop a voluntary registry to collect data on cancer incidence among firefighters was referred to the Committee on Health, Education, Labor, and Pensions. Sponsor: Senator Robert Menendez [D-NJ]
- **S.353** (introduced Feb. 13, 2017): A bill to amend title XVIII of the Social Security Act to extend the rural add-on payment in the Medicare home health benefit, and for other purposes was referred to the Committee on Finance. Sponsor: Senator Susan M. Collins [R-ME]
- **H.R.1064** (introduced Feb. 15, 2017): To authorize an individual who is transitioning from receiving treatment furnished by the Secretary of Defense to treatment furnished by the Secretary of Veterans Affairs to continue receiving treatment from such individual's mental health care provider of the Department of Defense, and for other purposes. Sponsor: Representative Beto O'Rourke [D-TX-16]
- **H.R.1069** (introduced Feb. 15, 2017): To amend part B of title IV of the Social Security Act to ensure that mental health screenings and assessments are provided to children and youth upon entry into foster care was referred to the House Committee on Ways and Means. Sponsor: Representative Brenda L. Lawrence [D-MI-14]
- **H.R.1072** (introduced Feb. 15, 2017): To repeal provisions of the Patient Protection and Affordable Care Act and provide private health insurance reform, and for other purposes was referred to House Judiciary. Sponsor: Representative Mark Sanford [R-SC-1]
- **H.R.1100** (introduced Feb. 15, 2017): To amend title 38, United States Code, to eliminate copayments by the Department of Veterans Affairs for medicines relating to preventive health services, and for other purposes was referred to the House Committee on Veterans' Affairs. Sponsor: Representative Lee M. Zeldin [R-NY-1]
- **H.R.1052** (introduced Feb. 15, 2017): To direct the Secretary of Veterans Affairs to develop best practices for caring for high-risk military occupation veterans as part of the evaluation of mental health care and suicide prevention programs administered by the Secretary was referred to the

House Committee on Veterans' Affairs. Sponsor: Representative Grace Meng [D-NY-6]

- **H.R.1005** (introduced Feb. 15, 2017): To amend title 38, United States Code, to improve the provision of adult day health care services for veterans was referred to the House Committee on Veterans' Affairs. Sponsor: Representative Lee M. Zeldin [R-NY-1]

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/>

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