

# 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

- **In a [letter](#) sent to President Obama, 15 Republican senators called for the withdrawal of the nomination of Chuck Hagel to be defense secretary.**

Saying that Mr. Hagel's confirmation would be "unprecedented" because of near-unanimous opposition from Republicans, the senators urged Mr. Obama to pick another candidate.

Signing the letter were John Cornyn of Texas; Lindsey Graham and Tim Scott of South Carolina; Roger Wicker of Mississippi; David Vitter of Louisiana; Ted Cruz of Texas; Mike Lee of Utah; Patrick J. Toomey of Pennsylvania; Marco Rubio of Florida; Dan Coats of Indiana; Ron Johnson of Wisconsin; James E. Risch of Idaho; John Barrasso of Wyoming; and Tom Coburn and James Inhofe of Oklahoma.

The letter cited a number of objections, including Mr. Hagel's unimpressive showing at his confirmation hearing and his "dangerous" posture toward dealing with Iran.

Republicans have been using the filibuster to prevent final consideration of his nomination by refusing to end debate on it, a procedural step that requires 60 senators to vote in the affirmative. Senators Graham and McCain have said they would drop their objections and allow a vote and Senator Shelby has said he would vote to confirm Hagel.

Because Mr. Hagel has the support of Senate Democrats, who control 55 seats, he is likely to clear a final vote.

- **The *Navy Times* reports that Senators Patty Murray (D-Wash.) and Jon Tester (D-Mont.) have introduced a bill in the Senate that would increase the age limit for veterans' children to get health coverage under the Veterans Affairs' Department's Civilian Health and Medical Program, known as CHAMPVA, bringing it in line with the Affordable Care Act.**

The bill would allow CHAMPVA beneficiaries to keep coverage until age 26. Currently, beneficiaries lose coverage at age 18 unless they are enrolled as full-time students. Then, they become ineligible at age 23.

The bill would create program parity with age requirements of the Affordable Care Act, which now allows adult children to remain on their parents' health insurance until age 26.

The bill is similar to a law passed in January 2011 that increased coverage for adult children of TRICARE beneficiaries, bringing it on par with the Affordable Care Act. Under the Tricare program, adult children pay monthly premiums in addition to the enrollment fee required of the family.

CHAMPVA is a health insurance program for eligible dependents and survivors of veterans considered permanently and totally disabled as a result of military service. It carries an annual deductible of \$50 per person, up to a maximum of \$100 per family, and beneficiaries are required to pay a cost-share.

VA estimated in 2010 that about 18,000 young adults on CHAMPVA would benefit from the legislation. That figure could rise to as high as 24,000 by 2020, according to VA.

- **Senators Carl Levin (D-Mich.) and James Inhofe (R-Okla.), chairman and ranking member of the Senate Committee on Armed Services, announced subcommittee assignments for the 113<sup>th</sup> Congress on Feb. 19, 2013.**

To view the full list, visit: <http://www.armed-services.senate.gov/press/upload/SASC-subcommittee-assignments-02-19-13.pdf>.

## MILITARY HEALTH CARE NEWS

- **The Department of Defense published a message to the Department from Secretary of Defense Leon E. Panetta on the Preparations for Potential Sequestration on March 1 and Furlough Notifications.**

In the statement, Panetta assured personnel that there would be at least 30 days' notice in the event DoD has to implement furloughs.

According to the *Military Update*, most of 800,000 Department of Defense civilian employees will see their workweeks shortened and their pay cut by 20 percent from late April through September, if Congress, as now expected, fails to stop \$46 billion in indiscriminate defense budget cuts set to take effect March 1.

The furloughs would capture about \$5 billion of needed savings but would hit overall readiness along with other plans to cut stateside base operations, reduce military training except for next-to-deploy units, delay maintenance of ships, aircraft, vehicles and facilities, suspend many scheduled ship deployments and make deep cuts in aircraft flying hours.

Civilians working in combat zones will be exempt as will employees needed to maintain safety of life and property at defense facilities. Exemptions are expected for some

civilians working intelligence too.

Also to be exempt will be 50,000 foreign nationals who work on U.S. bases overseas under status of forces agreements with host countries. Exempt by law are all non-appropriated fund employees who work in base exchanges or who run military morale, welfare and reaction activities.

Most commissary employees would not be exempt, however, because their wages are paid with tax dollars. So base grocery store hours and some other family support program could be cut if sequestration occurs.

By mid-March, employees not exempt will get individual notices of likely furlough, to start in 30 days. They will have one week to appeal that decision to the federal Merit Systems Protection Board. So the first Defense civilians won't see their work hours cut until late April.

To read the full statement, please visit:

<http://www.defense.gov/releases/release.aspx?releaseid=15826>.

- **The chief of staff, Army announced that Maj. Gen. Ming T. Wong, commanding general, Southern Regional Medical Command/Brooke Army Medical Center/chief, Dental Corps, Joint Base San Antonio, Texas, will be assigned as commanding general, Northern Regional Medical Command/chief, Dental Corps, Fort Belvoir, Va.**
- **TRICARE Management Activity announced that UnitedHealthcare Military & Veterans, the incoming West Region health care support contractor, will be sending welcome packages in late February and early March to TRICARE West Region beneficiaries.**

The welcome packets include contact information for UnitedHealthcare, where to file claims, and information on continuing automatic payments, new case managers, referrals and authorizations. TRICARE beneficiaries should read their packets carefully to see if they have to take any actions to prepare for the April 1, 2013 transition to United Healthcare.

One important date highlighted in the package is March 11, 2013 when beneficiaries must switch their automatic payment authorizations to United Healthcare to maintain uninterrupted coverage.

Also highlighted are new features and benefit enhancements to improve beneficiaries' access to quality providers and decrease wait times. Enhancements include Convenience Care Clinics, the UnitedHealth Premium Designation Program of providers and expanded telemedicine opportunities.

The packets contain information about how beneficiaries can request that their current providers remain part of the TRICARE network after the transition to UnitedHealthcare takes place. Beneficiaries can ask their providers if they are members of the United Healthcare network, and if not, encourage them to sign up.

West Region beneficiaries can access additional information about the transition by visiting the UnitedHealthcare website at [www.uhcmilitarywest.com](http://www.uhcmilitarywest.com) or reach UnitedHealthcare customer service at 1-877-988- 9378. They may also visit the TRICARE website at [www.tricare.mil/westtransition](http://www.tricare.mil/westtransition).

- **TRICARE Management Activity launched a new online tool for retirees under age 65 and surviving spouses to verify if their Prime network will in fiscal year 2014.**

Under the next generation of contracts, retired TRICARE beneficiaries under age 65 will no longer be eligible TRICARE Prime if they live more than 40 miles from a military treatment facility beginning Oct. 1. The change, to impact 171,000 beneficiaries, is intended to cut TRICARE costs for taxpayers.

The website, <http://www.tricare.mil/psazip>, allows TRICARE beneficiaries to type in their zip code and learn whether their Prime service area will exist after Sept. 30. They also can find contact information for contractors and can sign up for email alerts on additional changes planned to Prime service areas.

## VETERANS AFFAIRS NEWS

- **The Department of Veterans Affairs is launching the VA Center for Innovation (VACI), affirming its commitment to innovation and building on the success of the VA Innovation Initiative (VAi2).**

Launched in 2010, VAi2 established a portfolio of more than 120 innovation projects that help VA identify, test, and evaluate promising solutions that enhance the accessibility and quality of care and services delivered to Veterans. As a permanent part of the department, VACI, which will be the new name for VAi2, will continue to tap talent from government, industry, and the entrepreneurial community. Also, VACI will add several new programs that expand VA's capacity to embrace innovative ideas and address VA's most critical challenges.

VACI has launched a new web site, released its first annual report, and announced thirteen new awards from its industry innovation competition. These awards respond to needs identified by VA senior leadership and are focused on tele-audiology, prosthetic socket redesign, Blue Button, and automating the sterilization process for reusable medical instruments.

For more information about VACI, see our new website: [www.innovation.va.gov](http://www.innovation.va.gov).

To view the list of VACI's 13 new awards from the industry competition, please visit: <http://www.va.gov/opa/pressrel/pressrelease.cfm?id=2429>.

- **The Department of Veterans Affairs is spending \$543 million to outfit all 152 of its hospitals and seven outpatient pharmacies with real-time location systems (RTLS) and millions of radio-frequency identification (RFID) tags, a project that could lend legitimacy to the entire field of RTLS in healthcare, according to a key technology supplier.**

Intelligent InSites will be attaching millions of RTLS and RFID tags to medical equipment, surgical instruments and supplies at VA medical centers, and providing the Veterans Health Administration with related analytics and intelligence services.

According to the company, the work will start with asset management, management of supplies in cardiac catheterization labs, workflow related to processing of sterile equipment and automated temperature monitoring. Later, the VA will be looking to control patient wandering with RTLS, as well as monitoring hand hygiene and managing workflow in emergency departments and operating suites.

In each VA hospital and pharmacy, Intelligent InSites software will provide operational

intelligence at the departmental level and facility-wide monitoring and control over workflow processes and patient care. On a wider scale, regional and national managers will be able to monitor performance, set best practices and compare performance from department to department, hospital to hospital and region to region.

## GENERAL HEALTH CARE NEWS

- **Health and Human Services (HHS) Secretary Kathleen Sebelius announced the first recipients of State Innovation Model awards.**

Nearly \$300 million in awards will provide flexibility and support to states to help them deliver high-quality health care, lower costs and improve their health system performance. Model Testing awards will support Arkansas, Maine, Massachusetts, Minnesota, Oregon and Vermont in implementing their plans for health care delivery system transformation.

The six selected states will use funds to test multi-payer payment and service delivery models, including approaches already under way at CMS, such as Accountable Care Organizations, on a broader scale within their state. Through the State Innovation Model Testing awards, CMS will learn whether these new models produce greater results when implemented broadly and combined with additional state-wide reforms.

An additional 19 states will receive awards to further develop proposals for comprehensive health care transformation.

For more information on the awards announced, please go to:  
<http://innovation.cms.gov/initiatives/State-Innovations/>.

- **The Department of Health and Human Services released a new report, titled Medicaid Moving Forward, which underscores the innovative efforts states and HHS have undertaken to improve care and lower costs in their Medicaid programs.**

The report highlights recent initiatives underway to support state efforts to achieve the goals of improving care and lowering costs in Medicaid and the Children's Health Insurance Program (CHIP). It outlines specific examples of how states are using these tools to advance their own state initiatives. This report identifies current opportunities states can take advantage of now.

- **The Department of Health and Human Services (HHS) announced a final rule that will make purchasing health coverage easier for consumers.**

The policies outlined will give consumers a consistent way to compare and enroll in health coverage in the individual and small group markets, while giving states and insurers more flexibility and freedom to implement the Affordable Care Act.

The rule outlines health insurance issuer standards for a core package of benefits, called essential health benefits that health insurance issuers must cover both inside and outside the Health Insurance Marketplace. Through its standards for essential health benefits, the final rule also expands coverage of mental health and substance use disorder services, including behavioral health treatment, for millions of Americans.

In the past, nearly 20 percent of individuals purchasing insurance didn't have access to

mental health services, and nearly one third had no coverage for substance use disorder services. The rule seeks to fix that gap in coverage by expanding coverage of these benefits in three distinct ways:

- By including mental health and substance use disorder benefits as Essential Health Benefits
- By applying federal parity protections to mental health and substance use disorder benefits in the individual and small group markets
- By providing more Americans with access to quality health care that includes coverage for mental health and substance use disorder services

To give states the flexibility to define essential health benefits in a way that would best meet the needs of their residents, this rule finalizes a benchmark-based approach. This approach allows states to select a benchmark plan from options offered in the market, which are equal in scope to a typical employer plan. Twenty-six states selected a benchmark plan for their state, and the largest small business plan in each state will be the benchmark for the rest.

The rule additionally outlines actuarial value levels in the individual and small group markets, which helps to distinguish health plans offering different levels of coverage. Beginning in 2014, plans that cover essential health benefits must cover a certain percentage of costs, known as actuarial value or “metal levels.” These levels are 60 percent for a bronze plan, 70 percent for a silver plan, 80 percent for a gold plan, and 90 percent for a platinum plan. Metal levels will allow consumers to compare insurance plans with similar levels of coverage and cost-sharing based on premiums, provider networks, and other factors. In addition, the health care law limits the annual amount of cost sharing that individuals will pay across all health plans – preventing insured Americans from facing catastrophic costs associated with an illness or injury.

Together, these provisions will help consumers compare and select health plans in the individual and small group markets based on what is important to them and their families. People can make these choices knowing these health plans will cover a core set of critical benefits and can more easily compare the level of coverage based on a uniform standard. Further, these provisions help expand choices and competition on the marketplaces.

For more information, visit: <http://cciio.cms.gov/resources/factsheets/ehb-2-20-2013.html>.

- **Educational resources to help Hispanics take control of their heart health is available from Million Hearts, a national public-private partnership that works to prevent 1 million heart attacks and strokes by 2017.**

A recent survey by the Centers for Disease Control and Prevention found that high blood pressure among Hispanic groups is a particular concern. More than a quarter (26.1 percent) of Hispanics reported having high blood pressure, and nearly a third (30.4 percent) with high blood pressure weren't taking medication that could reduce their risk for heart attack and stroke. Just 40.7 percent of Hispanics said their blood pressure was under control.

The new educational resources provide action steps and tips:

For additional information, visit <http://espanol.millionhearts.hhs.gov>.

## REPORTS/POLICIES

- **The Institute of Medicine (IOM) published “Oral Health Literacy - Workshop Summary,” on Feb. 21, 2013.** This report explores findings from oral health literacy research and how such findings are being translated into oral health practice as well as the intersection between oral health literacy and health literacy.  
<http://www.iom.edu/Reports/2013/Oral-Health-Literacy.aspx>
- **The Institute of Medicine (IOM) published “Evaluation of PEPFAR,” on Feb. 21, 2013.** In this report, IOM evaluates the President’s Emergency Plan for AIDS Relief (PEPFAR), through which the U.S. provides an unprecedented level of health and development assistance and health diplomacy around the world.  
<http://www.iom.edu/Reports/2013/Evaluation-of-PEPFAR.aspx>

## HILL HEARINGS

- The House Appropriations Subcommittee on Defense will hold a hearing on **Feb. 26, 2013**, to examine the fiscal challenges of the Department of Defense.
- The House and Senate Veterans Affairs Committees will hold a joint hearing on **Feb. 26, 2013**, to receive Legislative Presentation of the Disabled American Veterans (DAV)
- The House and Senate Veterans Affairs Committees will hold a joint hearing on **Feb. 28, 2013**, to receive to receive Legislative Presentation of Multiple Veterans Service Organizations (VSOs).
- The House and Senate Veterans Affairs Committees will hold a joint hearing on **March 5, 2013**, to receive to receive Legislative Presentation of the Veterans of Foreign Wars (VFW).
- The House and Senate Veterans Affairs Committees will hold a joint hearing on **March 6, 2013**, to receive Legislative Presentation of Multiple Veteran Service Organizations (VSOs).

## LEGISLATION

- **H.R.741** (introduced Feb. 15, 2013): To require the Secretary of Defense to develop and implement a plan to provide chiropractic health care services and benefits for certain new beneficiaries as part of the TRICARE program was Referred to the House Committee on Armed Services.  
Sponsor: Representative Mike D. Rogers [AL-3]
- **H.R.743** (introduced Feb. 15, 2013): To restore the application of the Federal antitrust laws to the business of health insurance to protect competition and consumers was referred to the House Committee on the Judiciary.  
Sponsor: Representative Pater A. DeFazio [OR-4]
- **H.R.762** (introduced Feb. 15, 2013): To repeal title I of the Patient Protection and Affordable Care Act and to amend the Public Health Service Act to provide for cooperative governing of individual health insurance coverage offered in interstate commerce was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, and Education and the Workforce.  
Sponsor: Representative Marsha Blackburn [TN-7]
- **H.R.763** (introduced Feb. 15, 2013): To repeal the annual fee on health insurance providers enacted by the Patient Protection and Affordable Care Act was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and

Means.

Sponsor: Representative Charles W. Boustany, Jr. [LA-3]

- **H.R.779** (introduced Feb. 15, 2013): To repeal the Patient Protection and Affordable Care Act and the health care-related provisions in the Health Care and Education Reconciliation Act of 2010 and to amend title 5, United States Code, to establish a national health program administered by the Office of Personnel Management to offer Federal employee health benefits plans to individuals who are not Federal employees, and for other purposes was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, Oversight and Government Reform, Education and the Workforce, Natural Resources, the Judiciary, Rules, Appropriations, and House Administration

Sponsor: Representative Darrell E. Issa [CA-49]

## MEETINGS

- Digital Health Communication Extravaganza will be held on **Feb. 20-22, 2013**, in Orlando, Fla. <http://dhcx.hhp.ufl.edu/>.
- Annual HIMSS Conference & Exhibition will be held **March 3-7, 2013**, in New Orleans, La. <http://www.himssconference.org/>
- The International Conference on Emerging Infectious Diseases 2013 (ICEID) will be held on **Feb. 15-18, 2013**, in Vienna, Austria. [www.imed.isid.org/downloads/IMED2013\\_FirstAnn.pdf](http://www.imed.isid.org/downloads/IMED2013_FirstAnn.pdf)
- The National Center for Disaster Medicine and Public Health (NCDMPH) rescheduled [Learning in Disaster Health: A Continuing Education Workshop](#) from April 2-3, 2013 to **Sept. 17-18, 2013**.
- 10th Annual World Healthcare Congress will be held **April 8-10, 2013**, in Washington DC <http://www.worldcongress.com/events/HR13000/>
- AAMA Presents: "3-in-1" Conference - Bringing Together Cardiovascular, Neuroscience & Oncology Leaders will be held on **April 10-12 2013**, in Las Vegas, Nev. <http://www.aameda.org/Conference/ACCA/ACCAMain.html>

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