

# Federal Health Update

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## EXECUTIVE AND CONGRESSIONAL NEWS

- **During a House Armed Services Personnel Subcommittee hearing on military medical readiness on Feb. 26, Nevada Congressman Joe Heck, suggested opening more military hospitals to emergency civilian trauma cases, the *Military Times* reports.**

Heck, an emergency medical physician, asked Army Lt. Col. Jean-Claude D'Alleyrand, chief of orthopedic traumatology service at Walter Reed-Bethesda, whether an arrangement between the hospital and civilian emergency services like ones that exist at Madigan Army Medical Center, Washington state, and Brooke Army Medical Center, Texas, would benefit military medical professionals. .

"Without question," D'Alleyrand responded. "If you look at any job, any skills — a musician, a professional athlete — you would never consider being an expert in the field by dabbling."

Heck said the military health system must figure out how to preserve the lessons and skills learned in the past 14 years.

The hearing is the fifth since December on defense health care.

## MILITARY HEALTH CARE NEWS

- **The Military Health System (MHS) announced it has established the Virtual Lifetime Electronic Record (VLER) Health Information Exchange (HIE) Initiative.**

VLER provides a private and secure network, which only authorized healthcare professionals will access your health care information. The information exchanged is already part of your TRICARE benefit. If you are active duty, your information is already shared through VLER HIE.

Non-active duty beneficiaries can choose if they want to participate. If you don't want your information accessed by your doctors in VLER HIE, you can opt out. Once you opt out, the MHS will not be able to share your information, even in case of an emergency.

To opt out, you can go to [TRICARE.mil](http://TRICARE.mil), download and complete the VLER Opt-Out (In) Letter template, then mail it to the address provided on the letter. If you choose to opt out now and change your mind later, you may opt back in.

## VETERANS AFFAIRS NEWS

- **The Department of Veterans Affairs (VA) announced it proposed disciplinary action against three Board of Veterans' Appeals (Board) attorneys, and has filed a complaint against two Board Veterans Law Judges.**

Accountability actions against the Board judges have been referred to the Merit Systems Protection Board (MSPB), which has direct jurisdiction over cases concerning administrative law judges.

Deputy Secretary of Veterans Affairs Sloan D. Gibson filed a complaint against two Board Veterans Law Judges with the MSPB and VA proposed actions against three board attorneys for reasons of misconduct based on information received as part of an Office of Inspector General (OIG) investigation that revealed a pattern of inappropriate emails that were racist and sexist in tone. The OIG proactively brought the information to VA early in their investigation and VA acted immediately by assigning the Board employees to non-adjudicative duties pending the disciplinary actions that have now been taken to protect Veterans appellate rights.

VA proposed disciplinary actions in mid-January against two attorneys. One attorney retired, and one resigned from Federal service while the actions were pending. VA proposed a lesser administrative penalty against one attorney.

VA is conducting a review of appeals handled by these individuals while also examining comparative statistical data from internal quality review processes and appeals of Board decisions to the federal courts. At this time, we have no indication that any Veterans' appeal was unjustly influenced by their conduct.

- **To enhance veterans' access to care and eliminate delays in Choice provider payment, the Department of Veterans Affairs (VA) is eliminating administrative burdens placed on VA community providers.**

Previously, payments to Choice providers were not allowed until a copy of the Veteran's medical record was submitted. Now, community providers, under the Choice program, will no longer be required to submit medical records prior to payment being made. To facilitate the change, VA has modified the [Choice Program](#) contract, making it easier for Health Net and TriWest to promptly pay providers.

VA continues to require pertinent medical information be returned to ensure continuity of care; however, it is no longer tied to payment. VA is taking these steps to more closely align with industry standards.

VA's [Plan to Consolidate Community Care Programs](#) outlines additional solutions to improving timely provider payment. VA is moving forward on two paths to further improve timely payment. First, VA is working toward a single community care program that is easy to understand, simple to administer and meets the needs of Veterans, community providers and VA staff. Secondly, VA plans to pursue a claims solution that moves to a more automated process for payment. VA envisions a future state where it is able to auto-adjudicate or process a high percentage of claims, enabling the Department to pay community providers promptly and correctly, while adopting a standardized regional fee schedule to promote consistency in reimbursement.

Veterans seeking to use the Veterans Choice Program or wanting to know more about it, can call 1-866-606-8198 to confirm their eligibility and to schedule an appointment. For more details about the Veterans Choice Program and VA's progress, visit [www.va.gov/opa/choiceact](http://www.va.gov/opa/choiceact).

- **The Department of Veterans Affairs (VA) announced the appointment of Dr. Richard A. Stone to the position of principal deputy under secretary for health.**

Dr. Stone will serve as the second-in-command to Dr. David Shulkin, VA's under secretary for health. Dr. Stone began work this week.

A practicing physician in a career that has spanned three decades, Dr. Stone has served in both the uniformed military service and civilian clinical practice. In the military, he served as commander of military medical units at all levels of command – from detachment to medical command – including multiple recalls to active duty.

Prior to that, he was the director of the Health Care Operations for the Defense Health Agency (DHA) transition team, overseeing the complex and historic transition to DHA from the Military Health System. In this role, he served as the chief medical officer and led a joint services team that provided business case analysis and business process re-engineering to 10 major shared services encompassing more than \$30 billion in annual expenses. He also previously served as deputy surgeon general and deputy commanding general of support to the Army Surgeon General.

In the private sector, Dr. Stone has owned and led an ambulatory medical and surgical practice, and served as senior medical officer for a community healthcare system in his home state of Michigan.

A graduate of Western Michigan University, Dr. Stone earned his medical degree from Wayne State University. He also earned a master's degree from the Army War College.

Dr. Stone has a number of academic awards and honors to his credit including Distinguished Alumnus of Western Michigan University College of Arts and Sciences; and Legion of Merit, Bronze Star, and Combat Action Badge. He also has been a member of the Department of Defense Recovering Warrior Task Force since 2011 and is a fellow in the American Academy of Dermatology.

## GENERAL HEALTH CARE NEWS

- **On March 3, 2016, the Department of Health and Human Services announced that the Centers for Medicare & Medicaid Services (CMS) has approved the state of Michigan's 1115 demonstration to extend Medicaid coverage and services to Flint residents impacted by the lead exposure.**

In recognition of the public health crisis in Flint, it is a top priority for the Administration and for the Department to ensure that all children and pregnant women exposed to lead in their water in

Flint have access to the services they need. Approximately 15,000 additional children and pregnant women will be eligible for Medicaid coverage and 30,000 current Medicaid beneficiaries in the area will be eligible for expanded services under this new waiver agreement.

Michigan will expand Medicaid coverage to children up to age 21 and pregnant women who were served by the Flint water system from April 2014 up to a date specified by the Governor, and who have incomes up to 400 percent of the federal poverty level (FPL). Michigan will also set up a state program allowing pregnant women and children up to age 21 who were served by the Flint water system and individuals with incomes above 400 percent of FPL to purchase unsubsidized coverage. This comprehensive health and developmental coverage includes lead-blood level monitoring and behavioral health services, among other services.

Individuals receiving Medicaid coverage will receive full state plan benefits, primarily delivered using the state's existing managed care system and will not be subject to cost sharing or premiums. The agreement will also enable the state to provide targeted case management services designed to support those exposed to lead through the water system. Targeted case management services will include assistance to help impacted residents gain access to needed medical, social, educational and other services. Eligibility for this coverage starts today and services will be implemented in the coming weeks.

The demonstration will last for five years. HHS is continuing to work with the state on other initiatives to remove lead hazards in homes that are outside the scope of this 1115 demonstration.

Further, the Administration is working across government to support state and local efforts to ensure that families in Flint have access to safe drinking water and the assistance they need to mitigate any harmful impacts of lead contamination in the water supply.

Additional federal support underway in Flint includes efforts to analyze the water supply and control the corrosion of pipes (EPA); distribute bottled water, filters and replacement cartridges (FEMA); connect residents with blood-lead level screenings and follow-up care (HHS); help families on food stamps purchase infant formula that doesn't need to be mixed with water (USDA); inspect and abate lead in homes (HUD); and provide impacted small business owners with low-interest economic injury disaster loans (SBA). Approximately 100 experts and incident management staff from federal agencies, including members of the U.S. Public Health Service Commissioned Corps, and the CDC, have been deployed to Flint to assist with the response and recovery effort.

- **The Centers for Medicare & Medicaid Services (CMS) issued the final annual Notice of Benefit and Payment Parameters for the 2017 coverage year, along with related guidance documents, as part of ongoing efforts to promote healthy and stable markets that works for consumers and for insurers.**

The rule finalizes provisions to: help consumers with surprise out-of-network costs at in-network facilities, provide consumers with notifications when a provider network changes, give insurance companies the option to offer plans with standardized cost-sharing structures, provide a rating on HealthCare.gov of each QHP's relative network breadth (for example, "basic," "standard," and "broad") to support more informed consumer decision-making, and improve the risk adjustment formula.

To help stakeholders plan ahead, CMS also finalized the open enrollment period for future years. For coverage in 2017 and 2018, open enrollment will begin on Nov. 1 of the previous year and run through January 31 of the coverage year. For coverage in 2019 and beyond, open enrollment will begin on November 1 and end on December 15 of the preceding year (for example, Nov. 1, 2018 through December 15, 2018 for 2019 coverage).

The fact sheet with details on these key provisions and others can be found here:

<https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2016-Fact-sheets-items/2016-02-29.html>.

- **The Centers for Disease Control and Prevention (CDC) urges healthcare workers to use a combination of infection control recommendations to better protect patients from these infections.**

Many of the most urgent and serious antibiotic-resistant bacteria threaten patients while they are being treated in healthcare facilities for other conditions, and may lead to sepsis or death. In acute care hospitals, 1 in 7 catheter- and surgery-related HAIs can be caused by any of the six antibiotic-resistant bacteria listed below. That number increases to 1 in 4 infections in long-term acute care hospitals, which treat patients who are generally very sick and stay, on average, more than 25 days.

The six antibiotic-resistant threats examined are:

- Carbapenem-resistant Enterobacteriaceae (CRE)
- Methicillin-resistant *Staphylococcus aureus* (MRSA)
- ESBL-producing Enterobacteriaceae (extended-spectrum  $\beta$ -lactamases)
- Vancomycin-resistant Enterococcus (VRE)
- Multidrug-resistant *Pseudomonas aeruginosa*
- Multidrug-resistant Acinetobacter

U.S. hospitals doing better at preventing most HAIs. The national data in this Vital Signs report, along with data from CDC's latest [annual progress report](#) on HAI prevention, show that acute care hospitals have achieved:

- A 50 percent decrease in central line-associated bloodstream infections (CLABSIs) between 2008 and 2014.
- 1 in 6 remaining CLABSIs are caused by [urgent or serious](#) antibiotic-resistant bacteria.
- A 17 percent decrease in surgical site infections (SSIs) between 2008 and 2014 related to 10 procedures tracked in previous HAI progress reports.
- 1 in 7 remaining SSIs are caused by urgent or serious antibiotic-resistant bacteria.
- No change in the overall catheter-associated urinary tract infections (CAUTIs) between 2009 and 2014. During this time, however, there was progress in non-ICU settings, progress in all settings between 2013 and 2014, and most notably, even more progress in all settings towards the end of 2014.
- 1 in 10 CAUTIs are caused by urgent or serious antibiotic-resistant bacteria.

Along with the updated annual progress report, CDC released the [Antibiotic Resistance Patient Safety Atlas](#), a new web app with interactive data on HAIs caused by antibiotic-resistant bacteria. The tool provides national, regional, and state map views of superbug/drug combinations showing percent resistance over time. The Atlas uses data reported to CDC's [National Healthcare Safety Network](#) from 2011 to 2014 from more than 4,000 healthcare facilities.

## REPORTS/POLICIES

- **The GAO published “Federal Health Care Center: VA and DoD Need to Address Ongoing Difficulties and Better Prepare for Future Integrations,” (GAO-16-280) published Feb. 29, 2016.** This report assesses the extent to which the FHCC governance structure and leadership processes facilitated collaboration, difficulties, if any, that the FHCC faced in integrating the workforce, and difficulties, if any, that the FHCC faced in integrating operations.  
<http://www.gao.gov/assets/680/675506.pdf>

## HILL HEARINGS

- The House Veterans Affairs Committee will hold a hearing on **March 16, 2016**, to draft legislation to improve the authority of the Secretary of Veterans Affairs to hire and retain physicians and other employees of the VA.
- The Senate and House Veterans Affairs Committees will hold a hearing on **March 16, 2016**, to receive the legislative presentation from the FRA, TREA, NASDVA, MOAA, AFSA, AX-POW, NCOA, JWV, and IAVA.
- The House Veterans Affairs Subcommittee on Health will hold a hearing on **March 22, 2016**, to examine choice consolidation: leveraging provider networks to increase veteran access.

## LEGISLATION

- **H.R.4662** (introduced March 2, 2016): School-Based Asthma Management Program Act was referred to the House Committee on Energy and Commerce.  
Sponsor: Representative David P. Roe [TN-1]
- **S.2615** (introduced March 1, 2016): Increasing Competition in Pharmaceuticals Act was referred to the Committee on Health, Education, Labor, and Pensions.  
Sponsor: Senator Susan M. Collins [ME]
- **S.2621** (introduced March 2, 2016): A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to genetically engineered food transparency and uniformity was referred to the Committee on Health, Education, Labor, and Pensions.  
Sponsor: Senator Jeff Merkley [OR]

## MEETINGS

- The Heroes of Military Medicine Awards will be held on **May 5, 2016**, in Washington D.C.  
<http://www.hjfc3.org/heroes-dinner>
- The 6th Annual Traumatic Brain Injury Conference will be held **May 11-12, 2016**, in Washington DC. <http://tbiconference.com/home/>
- The AUSA 2016 Annual Meeting & Exposition will be held **Oct. 3-5, 2015**, in Washington DC.  
<http://ausameetings.org/2016annualmeeting/>
- 2016 AMSUS Annual Continuing Education Meeting will be held on **Nov. 29- Dec. 2, 2016**, at the Gaylord National Harbor, Md. <http://www.amsusmeetings.org/>

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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 [katheroux@federalhealthcarenews.com](mailto:katheroux@federalhealthcarenews.com).