

# Federal Health Update

MARCH 6, 2014

*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**

- **The House will be in recess until March 16, 2015.**
  
- **Senator Barbara Mikulski announced she will retire at the end of her term in 2017.**  
Senator Mikulski is vice chair of the Appropriations Committee and a member of the Defense Appropriations Subcommittee. Before Republicans took over the senate in 2015, Mikulski was the first woman to chair the Appropriations Committee.  
  
Ms. Mikulski, a former social worker who climbed through Maryland's political system over the course of several decades, served as a mentor to women of both parties, organizing monthly dinners to talk work and family. She was one of only two women in the Senate when she took office in 1987, and used that experience to build a base of female power in the Capitol. No woman has served longer in Congress than Senator Barbara Mikulski, elected to the House in 1976 and the Senate in 1986.
  
- **On March 4, 2015, President Obama signed into law: H.R. 240, which makes appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2015, and for other purposes.**
  
- **On March 5, 2015, U.S. Sen. Patty Murray proposed legislation that would protect**

### women's access to reproductive-health services.

The Washington Democrat's wide-ranging bill would mandate state Medicaid programs to provide full coverage for all forms of birth control, require hospitals and clinics to provide free emergency contraception to patients who have been sexually assaulted and order a study of how states are enacting laws to restrict access to abortions and other family-planning services.

The *21st Century Women's Health Act* focuses largely on expanding access to reproductive health services to women who rely on public insurance or low-cost clinics.

On a conference call, Senator Murray linked reproductive freedom with economic autonomy, noting that family incomes have grown in tandem with the rising number of women in the workforce.

Enabling Americans to choose when and if they will have children "is not only good for our women, it's good for our country," Murray said.

Murray's bill also calls for creating training programs for women's health nurse practitioners and a "women's health ombudsperson" to help enforce rights to services, including federal requirements that insurance plans cover preventive care such as mammograms, breast-feeding counseling and domestic-violence screening with no copays and no coinsurance.

Unintended pregnancies cost state and federal governments an estimated \$21 billion in 2010, according to the Guttmacher Institute, a research and public education group. Taxpayers footed the bill for half the 4 million babies born that year, including 68 percent of unplanned births.

## MILITARY HEALTH CARE NEWS

- **The *Military Times* reports that one of the recommendations from the Military Compensation and Retirement Modernization Commission suggests that TRICARE's Extended Care Health Option, (ECHO), program, should be changed so it provides the same services as Medicaid, capped each year at \$36,000, a move that commission members said would ensure continuity of care and keep families together.**

According to the report, 8,094 TRICARE beneficiaries were enrolled in ECHO in 2013, about 6 percent of all families enrolled in the military services' exceptional family member programs.

Just 423 of those beneficiaries use ECHO for equipment, supplies, education and training services, at a total cost of \$1.7 million.

The remainder — more than 7,000 beneficiaries — use the program to access home health care benefits or autism therapy, at a cost of \$152.6 million in 2013.

The benefit change would increase cost but commission members believe it would make life better for service members with disabled children.

- **March marks brain injury awareness month. Principal Deputy Assistant Secretary of Defense for Health Affairs Karen S. Guice wrote an article highlighting the tools and resources to educate service members, their families, retirees and Defense Department civilians about the prevention and treatment of traumatic brain injury (TBI).**

According to the Centers for Disease Control and Prevention, each year 1.7 million people are diagnosed with a brain injury. The most common form of TBI, even for the military, is mild TBI (also referred to as a concussion) and the vast majority occur at home. The Defense and Veterans Brain Injury Center reports that from 2000-2014 more than 313,000 service members

were diagnosed with TBI, and most of these were mild.

MHS research has produced several breakthroughs that improve the lives of our patients, beneficiaries, and all Americans who sustain TBIs. Our work is even taking us back to college to examine the impact of TBIs on athletes. The NCAA and the Department are currently sponsoring the “Mind Matters Challenge,” a landmark initiative to enhance the safety of student-athletes and service members. The partnership is the most comprehensive study of concussion and head impact exposure ever conducted.

For TBI patients, TRICARE covers rehabilitative services provided by physicians, psychologists, physical therapists, occupational therapists, and speech-language pathologists. The DoD offers a variety of products such as clinical recommendations, tool kits, and mobile applications to assist health care providers in the diagnosis, evaluation, and treatment of patients with mild TBI.

One of the most important steps in TBI treatment is rest, which allows the brain to physically and mentally recover, and removes the risk of suffering another concussion while the brain is healing. Early diagnosis of TBI, as well as evaluation, and treatment can shorten return-to-duty time and lead to the best possible outcome for those entrusted to our care.

Along with our partnerships and cutting-edge research MHS is making great progress in improving and prolonging the quality of life for those living with TBI. Learn more about [TBI and access helpful resources](#).

## VETERANS AFFAIRS NEWS

- **The *Washington Post* reports that Department of Veterans Affairs illegally steered agency funding from its intended purpose to pay for an unrelated program.**

A review by the VA inspector general’s office found that two former heads of the department’s Chief Business Office shifted \$92.5 million in medical-support money toward the development of a new claims-processing system, violating federal appropriations laws.

According to the [report](#), two officials used the agency’s medical-support funds to avoid competing with other IT programs and “in hopes of achieving a faster delivery” of the new claims-processing system, according to the report.

Federal law requires agencies to use appropriations for their congressionally designated purposes. Every government-wide appropriations act since 2010 has tied the funding in question to “necessary expenses in the administration of medical, hospital, nursing home, domiciliary, construction, supply and research activities,” the report said.

One of the VA officials involved in the money-shifting scheme has a history of alleged transgressions with the department. The employee retired in May 2012, about one month after an inspector general’s investigation found that the individual engaged in improper contracting activities, including failing to maintain an arm’s-length relationship with two VA contractors.

The other official retired in November 2014, according to the report this week.

The VA has already spent \$73.8 million of the funds that were inappropriately transferred, and the remaining \$18.7 million was still slated for the claims-processing system as of August, the review found.

The VA agreed with all of the watchdog’s recommendations, which called for the agency to return the misused funds for their intended purpose, obtain money to finish the claims-processing system through appropriate channels and establish a stronger program for ensuring compliance with appropriations laws.

- **The *Military Times* reports that some veterans are having trouble with the VA's new Choice Card program, designed to give veterans in remote areas or facing long wait times a chance to easily turn to private care providers.**

The program allows veterans to seek care with private sector providers if they live more than 40 miles from a facility. VA considers any facility – no matter if it has the capabilities or staff to treat the veteran's ailment – to determine if that veteran qualifies.

The *Military Times* provided an example where the veteran needing psychiatric care was 70 miles from the closest VA psychiatrist but 12 miles from a VA clinic, which didn't offer psychiatric services. The VA denied his claims.

Lawmakers and veterans groups have been dismayed with the implementation of the new Choice Card system so far, complaining that program officials seem more focused on keeping individuals out of the program than getting it running. VA officials note that Congress — not the department — set the eligibility rules and needs to make fixes if gaps are emerging.

A survey this week by the Veterans of Foreign Wars found 80 percent of individuals who thought they qualified for the outside care options were rejected by VA, a figure the group calls unsettlingly high.

"This program is intended to be the solution to last year's nationwide crisis in care and confidence," VFW National Commander John Stroud said in a statement. "[We] will not let it fail."

VA officials have received more than 500,000 inquiries into the program since cards went out last fall, but only about 30,000 have been able to receive private care appointments through the program, and only a small fraction of those veterans live far enough from VA facilities to qualify.

Last week, 41 senators petitioned the department to relax its interpretation of the 40-mile rule, taking service availability into account instead of just geography. Sen. Johnny Isakson, R-Ga., chairman of the Senate Veterans' Affairs Committee, said he and his colleagues will take up legislative fixes to the problem in coming weeks.

VA Secretary Bob McDonald said his department is looking into fixes too, and said he'll come back to Congress with a "reinterpretation" of the 40-mile rule in the near future.

But he also lamented that, despite his promises to reform VA into a more customer-focused organization, "I'm kind of a prisoner of the system."

McDonald has asked for flexibility to shift Choice Card funds to other accounts if needed, noting that planners still have questionable estimates about veterans' interest in and use of the program.

Critics have called that an attempt to undermine the still-new offering, rather than investing time into making sure it works. VA officials have said they have numerous tools to send veterans to outside care if needed, but integrating all of them together will take time.

Veterans denied the Choice Card program can request a "geographic burden" exception if they think the 40-mile rule is being applied unfairly. But fewer than 50 veterans have done so, prompting department officials to ask if patients and administrators are aware of the option.

## GENERAL HEALTH CARE NEWS

- **The U.S. Food and Drug Administration expanded the approved use of Opdivo (nivolumab) to treat patients with advanced (metastatic) squamous non-small cell lung cancer (NSCLC) with progression on or after platinum-based chemotherapy.**

Lung cancer is the leading cause of cancer death in the United States, with an estimated

224,210 new diagnoses and 159,260 deaths in 2014. The most common type of lung cancer, NSCLC affects seven out of eight lung cancer patients, occurring when cancer forms in the cells of the lung.

Opdivo works by inhibiting the cellular pathway known as PD-1 protein on cells that blocks the body's immune system from attacking cancerous cells. Opdivo is intended for patients who have previously been treated with platinum-based chemotherapy.

Opdivo's efficacy to treat squamous NSCLC was established in a randomized trial of 272 participants, of whom 135 received Opdivo and 137 received docetaxel. The trial was designed to measure the amount of time participants lived after starting treatment (overall survival). On average, participants who received Opdivo lived 3.2 months longer than those participants who received docetaxel.

Opdivo for squamous NSCLC was reviewed under the FDA's priority review program, which provides for an expedited review of drugs that treat serious conditions and, if approved, would provide significant improvement in safety or effectiveness in the treatment of a serious condition. Opdivo is being approved more than three months ahead of the prescription drug user fee goal date of June 22, 2015, the date when the agency was scheduled to complete its review of the application.

The FDA previously approved Opdivo to treat patients with unresectable (cannot be removed by surgery) or metastatic melanoma who no longer respond to other drugs.

Opdivo is marketed by Princeton, New Jersey-based Bristol-Myers Squibb.

- **The Centers for Disease Control and Prevention (CDC) report that that deaths involving heroin almost quadrupled between 2000 and 2013 in the U.S.**

The study found the age-adjusted rate of deaths involving heroin increased from 0.7 deaths per 100,000 to 2.7 per 100,000 during this period, with the majority of this rise occurring after 2010.

Drug poisoning (overdosing) is the number one cause of injury-related death in the US. In 2013, a total of 43,982 deaths across the country were attributed to drug poisoning.

According to the National Institute on Drug Abuse (NIDA), in 2011, around 4.2 million Americans aged 12 and above (1.6% of the population) had used heroin at least once in their lives. Experts believe that almost a quarter (23%) of individuals that use heroin go on to develop a dependency on the drug.

Many heroin overdoses are characterized by a suppression of breathing that reduces the amount of oxygen that can reach the brain (hypoxia), potentially leading to dangerous symptoms such as coma and brain damage.

While in recent years the amount of drug-poisoning deaths involving opioid analgesics has leveled, deaths involving heroin have experienced a sharp spike, with death rates reportedly tripling since 2010.

During the period investigated, the researchers found an average increase in heroin-related drug-poisoning deaths of 6 percent per year from 2000 through to 2010. From 2010 through 2013, the average increase was a staggering 37 percent per year.

The new report from the CDC provides demographic insight into heroin use by identifying which populations heroin-related drug-poisoning is most prevalent in. The study found that heroin-related drug-poisoning deaths were far more prevalent among men than women, with 1,732 women reported having died from heroin use in 2013, compared with a total of 6,525 men - nearly four times as many.

The study found heroin-related deaths were most prevalent among non-Hispanic white people

aged 18-44 in 2010-2013. In 2000, the highest rate for heroin-related deaths was among non-Hispanic black people aged 45-64.

There was also a regional shift in where drug-poisoning deaths involving heroin were most prevalent. While increases were observed in all regions of the US, the biggest increase was found in the Midwest region, where death rates grew to almost 11 times the number - from 0.4 to 4.3 per 100,000 - between 2000 and 2013. In 2000, the Northeast and West regions had the highest rates.

- **Dr. Harold Varmus, the head of the National Cancer Institute (NCI) at the National Institutes of Health (NIH) for nearly 5 years, announced he will leave his post at the end of March.**

Douglas Lowy, who currently serves as NIH's deputy director, will become acting director. Lowy is a long-time NCI intramural researcher known for his work on vaccines.

Varmus, who won the 1989 Nobel Prize in Physiology or Medicine, served as NIH's director from 1993 to 1999, returned to run NCI in 2010. As NCI director, he pushed studies of tumor genomics to tailor treatments to cancer patients, and launched a "provocative questions" initiative to get researchers to explore mysteries of cancer. With other biomedical research leaders, he also prodded the research community to discuss the problem of the oversupply of young biomedical researchers during flat budget times.

Varmus majored in English literature at Amherst College and earned a master's degree in English at Harvard University. He is a graduate of Columbia University's College of Physicians and Surgeons, worked as a medical student in a hospital in India, and served on the medical house staff at Columbia-Presbyterian Medical Center. He began his scientific training as a Public Health Service officer at NIH, where he studied bacterial gene expression with Dr. Ira Pastan, and then trained as a post-doctoral fellow with Dr. Bishop at the University of California, San Francisco.

Varmus' full letter to NCI staff can be [read here](#).

## REPORTS/POLICIES

- **The Congressional Budget Office released a report on the cost impact of H.R. 216, Department of Veterans Affairs Budget Planning Reform Act of 2015.** In this report, CBO found that this legislation would cost \$3 million over the 2016-2020 period, subject to the availability of appropriated funds.  
<http://www.cbo.gov/sites/default/files/cbofiles/attachments/hr216.pdf>

## HILL HEARINGS

- The Senate Armed Services Subcommittee on Personnel will hold a hearing on **March 10, 2015**, to examine the posture of the Department of the Navy in review of the Defense Authorization Request for fiscal year 2016 and the Future Years Defense Program.
- The Senate Appropriations Subcommittee on Defense will hold a hearing on **March 11, 2015**, to examine proposed budget estimates and justification for fiscal year 2016 for the Army.
- 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.1151** (introduced Feb. 27, 2015): To amend title IX of the Public Health Service Act to revise the operations of the United States Preventive Services Task Force, and for other purposes was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means.  
Sponsor: Representative Marsha Blackburn [TN-7]
- **H.R.1169** (introduced Feb. 27, 2015): To amend the Internal Revenue Code of 1986 to increase the maximum contribution limit for health savings accounts was referred to the House Committee on Ways and Means.  
Sponsor: Representative Jeff Fortenberry [NE-1]
- **H.R.1170** (introduced Feb. 27, 2015): To amend the Department of Veterans Affairs Health Care Programs Enhancement Act of 2001 and title 38, United States Code, to require the provision of chiropractic care and services to veterans at all Department of Veterans Affairs medical centers and to expand access to such care and services was referred to the House Committee on Veterans' Affairs.  
Sponsor: Representative Alan Grayson [FL-9].
- **H.R.1184** (introduced Feb. 27, 2015): To amend title XVIII of the Social Security Act to revise Medicare coverage and payment for advanced surgical dressings in skilled nursing facilities and home health settings, and for other purposes was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means.  
Sponsor: Representative Pete Sessions [TX-32].
- **H.R.1185** (introduced Feb. 27, 2015): To amend the Internal Revenue Code of 1986 to provide the opportunity for responsible health savings to all American families was referred to the House Committee on Ways and Means.  
Sponsor: Representative Steve Stivers [OH-15]
- **H.R.1189** (introduced March 2, 2015): To clarify rules relating to nondiscriminatory employer wellness programs as such programs relate to premium discounts, rebates, or modifications to otherwise applicable cost sharing under group health plans was referred to the Committee on Education and the Workforce, and in addition to the Committees on Energy and Commerce, and Ways and Means.  
Sponsor: Representative John Kline [MN-2]
- **H.R.1192** (introduced March 2, 2015): To amend the Public Health Service Act to foster more effective implementation and coordination of clinical care for people with pre-diabetes, diabetes, and the chronic diseases and conditions that result from diabetes was referred to the House Committee on Energy and Commerce.  
Sponsor: Representative Pete Olson [TX-22]
- **H.R.1196** (introduced March 2, 2015): To amend the Internal Revenue Code of 1986 to modify rules relating to health savings accounts was referred to the Committee on Ways and Means, and in addition to the Committees on the Judiciary, and Energy and Commerce.  
Sponsor: Representative Michael C Burgess [TX-26]
- **H.R.1200** (introduced March 2, 2015): To provide for health care for every American and to control the cost and enhance the quality of the health care system was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, Oversight and Government Reform, Armed Services, and Education and the Workforce.  
Sponsor: Representative Jim McDermott [WA-7]
- **H.R.1209** (introduced March 3, 2015): To amend the Public Health Service Act to provide for the designation of maternity care health professional shortage areas was referred to the House

Committee on Energy and Commerce.

Sponsor: Representative Michael C. Burgess [TX-26]

- **H.R.1234** (introduced March 4, 2015): To restore to States the freedom and flexibility to regulate health insurance markets, and for other purposes 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 Tom Price [GA-6]
- **H.R.1270** (introduced March 4, 2015): To amend the Internal Revenue Code of 1986 to repeal the amendments made by the Patient Protection and Affordable Care Act which disqualify expenses for over-the-counter drugs under health savings accounts and health flexible spending arrangements was referred to the House Committee on Ways and Means.  
Sponsor: Representative Lynn Jenkins [KS-2].
- **H.R.1275** (introduced March 4, 2015): To direct the Secretary of Health and Human Services to develop a national strategic action plan to assist health professionals in preparing for and responding to the public health effects of climate change, and for other purposes was referred to the House Committee on Energy and Commerce.  
Sponsor: Representative Lois Capps [CA-24].
- **H.R.1294** (introduced March 4, 2015): To require the Secretary of Veterans Affairs to ensure that the South Texas Veterans Affairs Health Care Center in Harlingen, Texas, includes a full-service Department of Veterans Affairs inpatient health care facility was referred to the House Committee on Veterans' Affairs.  
Sponsor: Representative Ruben Hinojosa [TX-15]
- **S.620** (introduced March 2, 2015): A bill to clarify rules relating to nondiscriminatory employer wellness programs as such programs relate to premium discounts, rebates, or modifications to otherwise applicable cost sharing under group health plans was referred to the Committee on Health, Education, Labor, and Pensions.  
Sponsor: Senator Lamar Alexander [TN]
- **S.628** (introduced March 3, 2015): A bill to amend the Public Health Service Act to provide for the designation of maternity care health professional shortage areas was referred to the Committee on Health, Education, Labor, and Pensions.  
Sponsor: Senator Mark Steven Kirk [IL]
- **S.636** (introduced March 3, 2015): A bill to reduce prescription drug misuse and abuse was referred to the Committee on Health, Education, Labor, and Pensions.  
Sponsor: Senator Tom Udall [NM]
- **S.646** (introduced March 3, 2015): A bill to amend title 10, United States Code, to provide an individual with a mental health screening before the individual enlists in the Armed Forces or is commissioned as an officer in the Armed Forces, and for other purposes was referred to the Committee on Armed Services.  
Sponsor: Senator Rob Portman [OH]
- **S.656** (introduced March 4, 2015): A bill to amend the Child Abuse Prevention and Treatment Act to enable State child protective services systems to improve the identification and assessment of child victims of sex trafficking, and for other purposes was referred to the Committee on Health, Education, Labor, and Pensions.  
Sponsor: Senator Rob Portman [OH]
- **S.674** (introduced March 4, 2015): A bill to expand programs with respect to women's health was referred to the Committee on Health, Education, Labor, and Pensions.  
Sponsor: Senator Patty Murray [WA]



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