

# Federal Health Update

MARCH 14, 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

- **On March 10, 2014, President Obama authorized the section 251A of the Balanced Budget and Emergency Deficit Control Act (the "Act"), as amended, 2 U.S.C. 901a.**

This directs spending budgetary resources for fiscal year 2015 in each non-exempt budget account to be reduced by the amount calculated by the Office of Management and Budget in its report to the Congress of March 10, 2014. The report outlines the reductions in fiscal year 2015 to include:

- 2 percent to nonexempt Medicare spending,
- 7.3 percent to other non-exempt non-defense mandatory programs
- 9.5 percent to non-exempt defense mandatory programs

To read the report, please visit: [OMB Report to the Congress on the Joint Committee Reductions for Fiscal Year 2015 \(March 10, 2014\)](#)

## MILITARY HEALTH CARE NEWS

- **The Department of Defense announced the following assignments on March 13, 2014:**
  - Rear Adm. Elaine C. Wagner, assigned as deputy chief, wounded, ill, and injured, Bureau of Medicine and Surgery, Falls Church, Va. Wagner is currently serving as commander, Navy Medicine East/commander, Naval Medical Center, Portsmouth, Va.

- Rear Adm. (lower half) Rebecca J. McCormick-Boyle, selected for promotion to rear admiral, will be assigned as commandant, Medical Education Training Campus/Director of Medical Education and Training (M7), Bureau of Medicine and Surgery, Fort Sam Houston, Texas. McCormick-Boyle is currently serving as chief of staff, Bureau of Medicine and Surgery, Falls Church, Va.
- Rear Adm. (lower half) Kenneth J. Iverson, assigned as deputy chief, medical operations, M3/5, Bureau of Medicine and Surgery, Falls Church, Va. Iverson is currently serving as director, Medical Education and Training, (M7), Bureau of Medicine and Surgery, Falls Church, Va.
- Rear Adm. (lower half) Terry J. Moulton, assigned as commander, Navy Medicine East/commander, Naval Medical Center/director, Medical Service Corps, Portsmouth, Va. Moulton is currently serving as deputy chief, medical operations, M3/5, Bureau of Medicine and Surgery/director, Medical Service Corps, Falls Church, Va.

- **As reported last week, President Obama has proposed to change the military medical plan in his FY 2015 budget.** The proposed change includes consolidating the various TRICARE options — TRICARE Prime, Extra, Standard, and other TRICARE Plans — into one consolidated plan.

The Defense Health Agency published a summary of the cost-sharing proposals from the President’s FY 2015 budget:

<http://www.health.mil/~media/MHS/General%20Files/TRICARE%20Proposals%20PB15%20Tables.ashx>.

## VETERANS AFFAIRS NEWS

- **Veterans Affairs (VA) Secretary Eric Shinseki testified before the Senate Veterans Affairs committee on March 12, 2014 as part of its examination of the VA budget request for fiscal year 2015.**

Secretary Shinseki told the panel that the VA tried to ask for what it anticipates needing for 2015, but admitted that the request was put together before the Defense Department announced its latest plans to reduce troop size. He also stated that that advance funding for all VA operations would not solve all the department problems in the event of another government shutdown – a proposal supported by many VSOs. The government shutdown last fall nearly caused the interruption of VA disability and pension checks from going out. Shinseki pointed out that other agencies’ input is needed to process claims and disability checks “To process a claim, we have to go to Social Security to validate other disabilities, go to the IRS to validate ... threshold income requirements. We deal with [the Defense Department]. We deal with the Department of Education [for] the GI Bill, the Department of Labor on employability issues.” Currently, these programs are considered discretionary.

## GENERAL HEALTH CARE NEWS

- **The Department of Health and Human Services (HHS) announced enrollment numbers for February.**

Enrollment in the Health Insurance Marketplace continued to rise in February to a five-month total of 4.2 million.

As in January, the percent of young adults who selected a Marketplace plan was 3 percentage points higher than it was from October through December (27 percent versus 24 percent). Based on enrollment patterns in other health care programs, it is expected that more people will sign up as we get closer to the March 31<sup>st</sup> deadline.

Key findings from today's report include:

- More than 4.2 million (4,242,300) people selected Marketplace plans from Oct. 1, 2013, through March 1, 2014, including 1.6 million in the State Based Marketplaces and 2.6 million in the Federally-facilitated Marketplace. About 943,000 people enrolled in the Health Insurance Marketplace plans in the February reporting period, which concluded March 1, 2014.
- Of the more than 4.2 million:
  - 55 percent are female and 45 percent are male;
  - 31 percent are age 34 and under;
  - 25 percent are between the ages of 18 and 34;
  - 63 percent selected a Silver plan (up one percentage point over the prior reporting period), while 18 percent selected a Bronze plan (down one point); and
  - 83 percent selected a plan and are eligible to receive Financial Assistance (up one point).

The report details state-by-state information where available and features cumulative data for the five-month reporting period because some people apply, shop, and select a plan across monthly reporting periods. Enrollment is measured as those who selected a plan.

To read the report visit:

[http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Mar2014/ib\\_2014mar\\_enrollment.pdf](http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Mar2014/ib_2014mar_enrollment.pdf)

For state-level tables highlighting enrollment-related information for the Marketplace visit:

[http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Mar2014/ib\\_2014Mar\\_enrollAddendum.pdf](http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Mar2014/ib_2014Mar_enrollAddendum.pdf)

- **The Department of Health and Human Services (HHS) established a network of five clinical research organizations that will design and conduct clinical studies needed to develop medical countermeasures – drugs, vaccines, and diagnostic tests that help protect health against bioterrorism, pandemic influenza, and other public health emergencies.**

The new clinical studies network will provide a full range of services required to plan, perform, monitor, and interpret clinical studies. The services include performing clinical studies that are required by the [U.S. Food and Drug Administration](#) for the approval of a product for human use, comparing the properties of multiple products, or evaluating the potency of products stored in U.S. government stockpiles.

If needed, the network will also be able to supplement National Institute of Health capabilities by conducting clinical studies during public health emergencies such as a pandemic. This capability will enhance the nation's science preparedness by ensuring that clinical studies that address critical research questions for emergency response and recovery can be performed in a timely manner.

The clinical studies network will support BARDA-funded medical countermeasure developers and conduct clinical studies on behalf of BARDA. The activities of BARDA's clinical studies network will be coordinated with those of HHS interagency and industry partners, including the National Institute of Allergy and Infectious Diseases (NIAID).

The contracts were awarded to EMMES Corporation of Rockville, Md.; PPD Development LLC of Wilmington, N.C.; Technical Resources International Inc. of Bethesda, Md.; Clinical Research Management, Inc. of Hinckley, Ohio, and Rho Federal Systems Division Inc. of Chapel Hill, N.C.

Each contract includes a minimum guarantee of \$400,000 over the initial two years for access to the clinical research organization's services. Each contract can be extended for up to a total of five years and a maximum of a \$100 million. Clinical studies will be performed through the network based on proposals provided by the network members in response to specific BARDA requests.

The new clinical studies network expands the core service assistance programs through BARDA to aid medical countermeasure development. In addition to the clinical studies network, BARDA oversees a nonclinical development network, Centers of Innovation in Advanced Development and Manufacturing ([CIADMs](#)), and a [fill finish manufacturing network](#).

- **The U.S. Food and Drug Administration (FDA) announced it is allowing the marketing of the first device as a preventative treatment for migraine headaches.**

This is also the first transcutaneous electrical nerve stimulation (TENS) device specifically authorized for use prior to the onset of pain.

Migraine headaches are characterized by intense pulsing or throbbing pain in one area of the head, accompanied by nausea or vomiting and sensitivity to light and sound. A migraine can last from four to 72 hours when left untreated. According to the National Institutes of Health, these debilitating headaches affect approximately 10 percent of people worldwide and are three times more common in women than men.

Cefaly, manufactured by STX-Med in Herstal, Liege, Belgium, is a small, portable, battery-powered, prescription device that resembles a plastic headband worn across the forehead and atop the ears. The user positions the device in the center of the forehead, just above the eyes, using a self-adhesive electrode. The device applies an electric current to the skin and underlying body tissues to stimulate branches of the trigeminal nerve, which has been associated with migraine headaches. The user may feel a tingling or massaging sensation where the electrode is applied. Cefaly is indicated for patients 18 years of age and older and should only be used once per day for 20 minutes.

The patient satisfaction study showed that a little more than 53 percent of patients were satisfied with Cefaly treatment and willing to buy the device for continued use. The most commonly reported complaints were dislike of the feeling and not wanting to continue using the device, sleepiness during the treatment session, and headache after the treatment session. No serious adverse events occurred during either study.

## REPORTS/POLICIES

- **The Institute of Medicine (IOM) published “Chronic Multi-symptom Illness in Gulf War Veterans: Case Definitions Reexamined,” on March 12, 2014.** In this report, the IOM comprehensively reviewed, evaluated, and summarized the available scientific and medical literature regarding symptoms for CMI among the Gulf War veterans. Additionally, the IOM evaluated the terminology currently used in referring to CMI and provides a recommendation for

appropriate usage. <http://www.iom.edu/Reports/2014/Chronic-Multisymptom-Illness-in-Gulf-War-Veterans-Case-Definitions-Reexamined.aspx>

- **The GAO published “Medicare: Nurse Anesthetists Billed for Few Chronic Pain Procedures; Implementation of CMS Payment Policy Inconsistent,” (GAO-14-153) on March 10, 2014.** This report examines, among other things; trends in Medicare provider billing for selected chronic pain procedures; in which states MACs allowed payment for selected procedures billed by CRNAs as of early 2013; and how MACs implemented the payment policy. <http://www.gao.gov/assets/670/660740.pdf>
- **The GAO published “Defense Health Care: Acquisition Process for TRICARE's Third Generation of Managed Care Support Contracts,” (GAO-14-195) on March 7, 2014.** This report examines: TRICARE Management Activity's (TMA's) acquisition process to award TRICARE's third generation MCSCs; the extent to which issues were raised in the bid protests involving these MCSCs, including identifying any common themes; and lessons learned from the acquisition process to award these MCSCs and how these lessons may be used in future acquisitions. The next generation of TRICARE MCSCs is scheduled for 2018. <http://www.gao.gov/assets/670/661469.pdf>
- **The Institute of Medicine (IOM) published “Preventing Psychological Disorders in Service Members and Their Families: An Assessment of Programs,” on Feb. 20, 2014.** This IOM report assesses the evidence base for DOD's existing prevention programs and makes recommendations about program development and implementation. <http://www.iom.edu/Reports/2014/Preventing-Psychological-Disorders-in-Service-Members-and-Their-Families.aspx>

## HILL HEARINGS

- The House Veterans Affairs Subcommittee on Oversight and Investigations will hold a legislative hearing on **March 25, 2014**, to examine H.R. 3593 (VA Construction Assistance Act of 2013) and other draft legislation.
- The House Veterans Affairs Subcommittee on Subcommittee on Disability Assistance and Memorial Affairs will hold a legislative hearing on **March 26, 2014**, to examine H.R. 2018, H.R. 2088, H.R. 2119, H.R. 2529, H.R. 3671, H.R. 3876, H.R. 4095, H.R. 4102, H.R. 4141, and H.R.4191.
- The Senate Armed Services Committee will hold a hearing on **March 26, 2014**, to examine the current readiness of United States forces in review of the Defense Authorization Request for fiscal year 2015 and the Future Years Defense Program
- The House Veterans Affairs Subcommittee on Subcommittee on Health will hold a legislative hearing on **March 27, 2014**, to examine H.R. 183; H.R. 2527; H.R. 2661; H.R. 2974; H.R. 3508; H.R. 3180; H.R. 3387; H.R. 3831; H.R. 4198; and, Draft legislation to authorize major medical facility projects for the Department of Veterans Affairs for fiscal year 2014 and 2015.
- The Senate Armed Services Committee will hold a hearing on **March 27, 2014**, to examine the posture of the Department of the Navy in review of the Defense Authorization Request for fiscal year 2015 and the Future Years Defense Program

- The Senate Armed Services Committee will hold a hearing on **April 3, 2014**, to examine the posture of the Department of the Army in review of the Defense Authorization Request for fiscal year 2015 and the Future Years Defense Program.
- The Senate Armed Services Committee will hold a hearing on **April 10, 2014**, to examine the posture of the Department of the Air Force in review of the Defense Authorization Request for fiscal year 2015 and the Future Years Defense Program.

## LEGISLATION

- **H.R.4201** (introduced March 11, 2014): To amend title XVIII of the Social Security Act to require Medicare Advantage organizations to disclose certain information on the changes made to the MA plan offered by such organization pursuant to changes required by the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, and for other purposes was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce.  
Sponsor: Representative Jeff Denham [CA-10]
- **H.R.4216** (introduced March 12, 2014): To amend title V of the Social Security Act to provide grants to States to establish State maternal mortality review committees on pregnancy-related deaths occurring within such States; to develop definitions of severe maternal morbidity and data collection protocols; and to eliminate disparities in maternal health outcomes was referred to the House Committee on Energy and Commerce.  
Sponsor: Representative John Conyers, Jr. [MI-13].
- **H.R.4221** (introduced March 12, 2014): To amend the Public Health Service Act to provide for the expansion, intensification, and coordination of the programs and activities of the National Institutes of Health with respect to Tourette syndrome was referred to the House Committee on Energy and Commerce.  
Sponsor: Representative Albio Sires [NJ-8]
- **H.RES.510** (introduced March 11, 2014): Expressing the sense of the House of Representatives that the National Institutes of Health should develop a pilot program to improve medical trial participation, retention, efficiency, effectiveness, and diversity was referred to the House Committee on Energy and Commerce.  
Sponsor: Representative Jack Kingston [GA-1]
- **S.2106** (introduced March 11, 2014): A bill to amend the Internal Revenue Code of 1986 to provide that the individual health insurance mandate not apply until the employer health insurance mandate is enforced without exceptions was referred to the Committee on Finance.  
Sponsor: Senator Deb Fischer [NE]
- **S.2115** (introduced March 12, 2014): the American Cures Act was referred to the Committee on Health, Education, Labor, and Pensions.  
Sponsor: Senator Richard Durbin [IL]

## MEETINGS/WEBINARS

- The ACHE Congress on Healthcare Leadership will be held on **March 24-27, 2014**, in Chicago, Ill. <http://www.ache.org/congress/>
- The 11th Annual World Health Care Congress will be held on **April 7-9, 2014**, in National Harbor, Md. <http://www.worldcongress.com/events/HR14000/>
- The Healthcare Marketing and Physician Strategies Summit will be held on **April 30 - May**

**2, 2014**, in Orlando, Fla.

<http://www.healthcarestrategy.com/conferences/2014/hmss2014.asp>

- The Heroes of Military Medicine Awards will be held on **May 1, 2014**, in Washington, DC. <http://www.hjfc3.org>
- The 2014 DoD/VA Healthcare Conference will be held May 19 - 21, 2014, in San Antonio, Texas. <http://www.dodhealthcare.com/>
- The AUSA 2014 Annual Meeting & Exposition will be held Oct. 13-15, 2014, in Washington DC. <http://www.ausa.org/meetings/2014/Pages/AnnualMeeting.aspx>

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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 [katetheroux@federalhealthcarenews.com](mailto:katetheroux@federalhealthcarenews.com).**