

Federal Health Update

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EXECUTIVE AND CONGRESSIONAL NEWS

- **The White House announced six million Americans have signed up for private health plans under the Patient Protection and Affordable Care Act.**

Nearly four million people have visited healthcare.gov, the federal enrollment website, since March 24, and hundreds of thousands of people have phoned government call centers in advance of the deadline, officials said. States running their own enrollment systems under the Patient Protection and Affordable Care Act have reported a similar surge.

The Affordable Care Act is aimed at offering health insurance to most of the nation's 48 million uninsured residents. The 6-million mark meets an estimate published by the Congressional Budget Office in February. That figure was revised down from an initial estimate of 7 million before the troubled start of enrollment in October.

- **Sen. Lindsey Graham, (R-S.C.) a member of the Senate Armed Services Committee (SASC), has proposed to the SASC committee members to come up with \$2 billion to avoid cuts military benefits (commissaries, TRICARE, etc.) during a hearing of the panel's Military Personnel Subcommittee on March 26.**

The Defense Department's proposed budget for fiscal 2015, which begins Oct. 1, would reduce military pay raises to 1 percent and eventually cut housing allowances by an average of 6 percent. The changes are part of a larger effort by Pentagon officials to curb rising personnel costs by scaling back military compensation, consolidating health care plans and reducing

commissary subsidies.

Graham proposed using the funding next year as a "safety-valve" to give a congressionally-mandated commission more time to study the issue. The panel, known as the Military Compensation and Retirement Modernization Commission, is expected to make its recommendations next February.

Defense officials defended the proposals, saying Graham's proposal would force the department to make bigger cuts over the next five years, known in Pentagon parlance as the Future Years Defense Plan.

The Pentagon's proposed military compensation reforms — reducing pay raises, freezing general officer pay, curbing basic allowances for housing, reducing commissary subsidies, consolidating TRICARE plans and adopting travel restrictions — are estimated to save almost \$23 billion over five years, though almost half of that has already been budgeted for under previous health care initiatives.

MILITARY HEALTH CARE NEWS

- **Secretary of Defense Chuck Hagel announced President Obama has nominated Navy Capt. David A. Lane, nominated for appointment to the rank of rear admiral (lower half).** Lane is currently serving as commanding officer, Naval Hospital Camp Lejeune, N.C.

- ***Military Times* reports the Defense Health Agency has plans to cover the costs of some laboratory tests that TRICARE, by law, cannot.**

The Joint Lab Working Group is meeting this week in Falls Church, Va., to review more than 100 laboratory-developed tests, or LDTs, to decide which should qualify for coverage under a TRICARE demonstration project that already includes a handful of genetic tests.

TRICARE is restricted from paying for tests or medicines not approved by the Food and Drug Administration. LDTs fall into that category, but only because the FDA has concluded the tests don't warrant tight regulation, since they are simple and pose little risk to patients.

TRICARE stopped covering many LDTs in January 2013 after the American Medical Association expanded its medical codes to better define each laboratory test, making it easier for the Defense Department to determine what it was paying for. Recognizing that some of the tests have medical utility, DoD has established this demonstration project to make sure a small number of frequently ordered tests are available to all TRICARE beneficiaries.

- **On March 26, 2014, the Civilian Corps of the U.S. Army Medical Command celebrates 18 years of dedicated service.**

The Civilian Corps provides the medical, dental and behavioral health care to Army Soldiers, beneficiaries and their families.

With nearly 45,000 team members, Civilians make up approximately 60 percent of the total Army Medicine workforce providing the day-to-day care for Army soldiers, beneficiaries and their families at Army hospitals and clinics worldwide.

VETERANS AFFAIRS NEWS

- **The Department of Veterans Affairs (VA) is eliminating the annual requirement for most veterans enrolled in VA's health care system to report income information beginning in March 2014.**

Instead, VA will automatically match income information obtained from the Internal Revenue Service and Social Security Administration.

Some veterans applying for enrollment for the first time are still required to submit income information. There is no change in VA's long-standing policy to provide no-cost care to indigent veterans, veterans with catastrophic medical conditions, veterans with a disability rating of 50 percent or higher, or for conditions that are officially rated as "service-connected."

VA encourages veterans to continue to use the health benefits renewal form to report changes in their personal information, such as address, phone numbers, dependents, next of kin, income and health insurance.

For more information, visit www.va.gov/healthbenefits/cost or call VA toll-free at 1-877-222-VETS (8387).

GENERAL HEALTH CARE NEWS

- **Getting a flu vaccine reduces a child's risk of flu-related intensive care hospitalization by 74 percent, according to a CDC study published today in the [*Journal of Infectious Diseases*](#).**

The study is the first to estimate vaccine effectiveness (VE) against flu admissions to pediatric intensive care units (PICU). It illustrates the important protection flu vaccine can provide to children against more serious flu outcomes. CDC recommends annual flu vaccination for everyone 6 months and older and especially for children at high risk of serious flu-related complications.

Children younger than 5 years and children of any age with certain chronic medical conditions like asthma, diabetes or developmental delays, are at high risk of serious flu complications.

Researchers analyzed the medical records of 216 children age 6 months through 17 years admitted to 21 PICUs in the United States during the 2010-2011 and 2011-2012 flu seasons. They found that flu vaccination reduced a child's risk of ending up in the pediatric intensive care unit for flu by an estimated 74 percent. These findings show that while vaccination may not always prevent flu illness, it protects against more serious outcomes.

Though flu vaccination was associated with a significant reduction in risk of PICU admission, flu vaccine coverage was relatively low among the children in this study: only 18 percent of flu cases admitted to the ICU had been fully vaccinated.

More than half (55 percent) of cases had at least one underlying chronic medical condition that placed them at higher risk of serious flu-related complications.

CDC usually measures flu VE against "medically attended flu illness" – that is, how well it protects against having to go to the doctor for flu symptoms. During the 2010-2011 and 2011-2012 seasons, the midpoint VE estimates against medically attended illness were 60 percent and 47 percent respectively.

Flu causes hospitalizations in children each season, but how many children are affected varies, depending on the severity of the season. CDC estimates that 20,000 children younger than 5 years are hospitalized on average each year. For children younger than 18 years, published studies suggest an annual range of flu-related hospitalization rates of between one child and seven children per 10,000 children. Between 4 percent and 24 percent of hospitalized children

require PICU admission.

- **More smokers would quit if state Medicaid programs covered more cessation treatments and removed barriers to coverage, according to a CDC study.**

All 50 states and the District of Columbia cover cessation treatments for at least some Medicaid enrollees. Efforts to expand state Medicaid coverage for all smoking cessation treatments and the removal of coverage barriers have shown mixed progress over the past five years.

Americans enrolled in Medicaid are more likely to smoke than the general population, and smoking-related disease is a major contributor to increasing Medicaid costs. Insurance coverage of proven cessation treatments leads to more smokers using the treatments and successfully quitting smoking. A recent study from the [American Journal of Preventive Medicine](#) found that more comprehensive state Medicaid coverage was associated with increased quit rates among smokers enrolled in Medicaid.

Seven states cover all approved medications and in-person counseling cessation treatments for all Medicaid recipients. All states have some barriers to getting these treatments. The most common barriers are limits on how long treatment is covered and how much is covered per year; prior authorization requirements; and copayments.

The study compares 2008 with 2014 data and found that 41 states made changes to the treatments they covered for at least some plans or populations. Nineteen states added treatments to coverage without removing any treatments from coverage and eight states removed treatments from coverage without adding any treatments to coverage. Fourteen states both added and removed coverage.

During this same period, 38 states made changes to barriers to accessing treatments for at least some plans or populations. Nine states removed barriers without adding new barriers, 12 states added new barriers without removing existing ones, and 17 states both removed and added barriers.

Some of the strongest evidence comes from Massachusetts, which expanded its Medicaid cessation coverage in 2006. Massachusetts heavily promoted its new Medicaid cessation coverage to Medicaid enrollees and health care providers, and saw a drop in the smoking rate among Medicaid enrollees from 38 percent to 28 percent. There was also an almost 50 percent drop in hospital admissions for heart attacks among those who used the benefit.

Fifty years after the first Surgeon General's Report linking cigarette smoking to lung cancer, smoking remains the leading cause of preventable death and disease in the United States, killing nearly half a million Americans every year. More than 16 million Americans live with a smoking-related disease. Smoking-related diseases cost Americans \$132 billion a year in direct health care expenses, much of which comes in taxpayer-supported payments. The most recent Surgeon General's Report, released in January 2014, recommends providing barrier-free access to proven cessation treatments, and expanding cessation services for all smokers in primary and specialty care settings.

- **The U.S. Food and Drug Administration approved Otezla (apremilast) to treat adults with active psoriatic arthritis (PsA).**

PsA is a form of arthritis that affects some people with psoriasis. Most people develop psoriasis first and are later diagnosed with PsA. Joint pain, stiffness and swelling are the main signs and symptoms of PsA. Currently approved treatments for PsA include corticosteroids, tumor necrosis factor (TNF) blockers, and an interleukin-12/interleukin-23 inhibitor.

The safety and effectiveness of Otezla, an inhibitor of phosphodiesterase-4 (PDE-4), were evaluated in three clinical trials involving 1,493 patients with active PsA. Patients treated with Otezla showed improvement in signs and symptoms of PsA, including tender and swollen joints and physical function, compared to placebo.

The FDA is requiring a pregnancy exposure registry as a post-marketing requirement to assess the risks to pregnant women related to Otezla exposure.

Otezla is manufactured for Celgene Corporation, Summit, N.J.

- **The Department of Health and Human Services (HHS) reports that 7.9 million seniors and people with disabilities have saved \$9.9 billion on prescription drugs over the past four years as a result of the Affordable Care Act.**

In 2013 alone, 4.3 million seniors and people with disabilities saved \$3.9 billion. These figures are higher than in 2012, when 3.5 million beneficiaries saved \$2.5 billion.

Use of preventive services has also expanded among people with Medicare. In 2013, an estimated 37.2 million people with Medicare took advantage of at least one preventive service with no cost sharing, including an estimated 26.5 million people with traditional Medicare, and more than 4 million who took advantage of the Annual Wellness Visit. This exceeds the comparable figure from 2012, when an estimated 34.1 million people with Medicare, including 26.1 million with traditional Medicare, received one or more preventive benefits with no out of pocket costs.

The Affordable Care Act made Medicare prescription drug coverage more affordable by gradually closing the gap in coverage where beneficiaries had to pay the full cost of their prescriptions out of pocket, before catastrophic coverage for prescriptions took effect. This gap is known as the donut hole.

The ACA provided a \$250 rebate in 2010 to anyone with a Medicare prescription drug plan who reached the prescription drug donut hole. In 2011, beneficiaries in the donut hole began receiving discounts on covered brand-name drugs and savings on generic drugs.

People with Medicare Part D who fall into the donut hole this year will receive discounts and savings of about 53 percent on the cost of brand name drugs and about 28 percent on the cost of generic drugs. These savings and Medicare coverage will gradually increase until 2020, when the donut hole will be closed.

For state-by-state information on discounts in the donut hole, please visit: <http://downloads.cms.gov/files/Donut-Hole-by-State-2013.pdf>

For Medicare, the ACA eliminated coinsurance and the Part B deductible for recommended preventive services, including many cancer screenings and other important benefits. For state-by-state information on utilization of preventive services at no cost sharing to beneficiaries in Medicare, please visit: <http://downloads.cms.gov/files/Beneficiaries-Utilizing-Free-Preventive-Services-by-State-YTD2013.pdf>

- **An estimated 1 in 68 children have an autism spectrum disorder, a 30 percent spike in rates over two years, according to findings released today by the Centers for Disease Control and Prevention.**

The latest findings are based on surveillance data collected between 2008 and 2010 as part of the Autism and Developmental Disabilities Monitoring Network, which looked at 8-year-olds identified to have autism in 11 communities across the US. The CDC previously estimated 1 in

88 children had the disorder.

The reason for the spike, however, is unclear. Colleen Boyle, director of the CDC's National Center on Birth Defects and Developmental Disabilities said it may include better community awareness and better abilities by physicians to identify the range of symptoms.

Older parenting and environmental factors may also contribute to the rise in autism.

According to the new data, New Jersey had one of the highest rates of children with the disorder. One in 45 children are diagnosed with autism in the state. CDC officials said the higher rates in some states may be due to better identification, diagnosis, and community resources.

The latest data still found that boys are nearly 5 times more likely to have the disorder than girls.

Children who are on the spectrum vary in intellectual abilities. The data also found that nearly half of the children identified with autism had an above-average intelligence, compared to a third in 2002. Those findings suggested to the researchers that the spike in diagnoses may be due to the broad identification of the disorder.

Autism can be reliably detected in children by as early as age 2, but most children are not diagnosed with the disorder until after age 4.

Ongoing research has looked into detecting the disorder much earlier. One preliminary study, published in the March 26 *New England Journal of Medicine* suggests that autism can be detected as early as the second trimester of pregnancy. The researchers looked at postmortem brain tissue of 22 children ages 2 to 15, half of whom were diagnosed with autism before they died. They found that certain brain cells in those diagnosed with autism that were supposed to develop prior to birth failed to mature within the womb.

The CDC launched a new initiative aimed at educating families, educators, and professionals to watch for developmental milestones and identify signs of autism. The "[Birth to 5: Watch Me Thrive](#)" initiative advocates that all children are regularly screened for the disorder.

REPORTS/POLICIES

- **The GAO published "Medicare: Certain Physician Feedback Reporting Practices of Private Entities Could Improve CMS's Efforts," (GAO-14-279) on March 26, 2014.** The report examined how and when private entities report performance data to physicians, and what information they report; and how the timing and approach CMS uses to report performance data compare to that of private entities. <http://www.gao.gov/assets/670/661981.pdf>
- **The GAO published "Electronic Health Records: HHS Strategy to Address Information Exchange Challenges Lacks Specific Prioritized Actions and Milestones," (GAO-14-242) on March 24, 2014.** In this report, GAO examined the key challenges to the electronic exchange of health information, if any, that have been reported by providers and stakeholders, and HHS's ongoing efforts to address them; and the extent to which HHS has planned future actions to address those key challenges. <http://www.gao.gov/assets/670/661846.pdf>
- **The Institute of Medicine (IOM) published "Applying a Health Lens to Decision Making in Non-Health Sectors - Workshop Summary," on March 27, 2014.** Health is influenced by a variety of factors, many of which fall outside the health care delivery sector. These determinants of health include the characteristics of where people live, work, learn, and play. Decision and policy making in areas such as transportation, housing, and education at different levels of government, as well as in the private sector, can have far-reaching impacts on health. The

report examines the opportunities for and barriers to improving the conditions for health in the course of achieving other sectors' objectives, such as economic development and efficient public transit. <http://www.iom.edu/Reports/2014/Applying-a-Health-Lens-to-Decision-Making-in-Non-Health-Sectors.aspx>

HILL HEARINGS

- The House Veterans Affairs Subcommittee on Oversight and Investigations will hold a hearing on **April 2, 2014**, to examine improvements needed surrounding procedures with human tissue and veterans' safety.
- The House Appropriations Subcommittee on Defense will hold a hearing on **April 2, 2014**, to examine the Defense Health Program budget.
- The House Appropriations Subcommittee on Defense will hold a hearing on **April 3, 2014**, to examine the National Guard and United States Army Reserve budget.
- 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.
- The House Armed Services Committee will hold a hearing on **April 4, 2014**, to examine the 2014 Quadrennial Defense Review
- The Senate Armed Services Subcommittee on Personnel will hold a budget hearing on **May 21, 2014**, to markup those provisions, which fall under the subcommittee's jurisdiction of the proposed National Defense Authorization Act for fiscal year 2015.
- The Senate Armed Services Committee will hold a budget hearing on **May 22-23, 2014**, to markup the proposed National Defense Authorization Act for fiscal year 2015.

LEGISLATION

- **H.R.4288** (introduced March 24, 2014): the *Opioid Overdose Reduction Act of 2014* was referred to the House Committee on the Judiciary.
Sponsor: Representative Richard E. Neal [MA-1].
- **H.R.4299** (introduced March 26, 2014): To amend the Controlled Substances Act with respect to drug scheduling recommendations by the Secretary of Health and Human Services, and with respect to registration of manufacturers and distributors seeking to conduct clinical testing was referred to the Committee on Energy and Commerce, and in addition to the Committee on the Judiciary.
Sponsor: Representative Joseph R. Pitts, [PA-16]
- **H.R.4305** (introduced March 26, 2014): To amend title 10, United States Code, to provide an individual with a mental health assessment before the individual enlists in the Armed Forces or is commissioned as an officer in the Armed Forces was referred to the House Committee on Armed Services.
Sponsor: Representative Glenn Thompson [PA-5].
- **S.2154** (introduced March 25, 2014): A bill to amend the Public Health Service Act to reauthorize the Emergency Medical Services for Children Program was referred to the

Committee on Health, Education, Labor, and Pensions.
Sponsor: Senator Robert P. Casey, Jr. [PA]

MEETINGS/WEBINARS

- 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>
- AMSUS Annual Continuing Education Meeting will be held **Dec. 2-5, 2014**, in Washington, DC <http://amsusmeetings.org>

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.