

# 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

- **The House and Senate are on recess until April 28, 2014.**
- **On April 17, President Obama announced that 8 million Americans have signed up for health care under the new insurance exchanges, which surpasses initial projections by 1 million people.**

Obama also stated that about 35 percent of those who signed up are under the age of 35. This group is critical to the programs' younger enrollees tend to be a healthier group overall, so their premiums can help offset higher cost of care for older enrollees. Too few young people in the mix, and the insurance pool could become lopsided and premiums could surge.

## MILITARY HEALTH CARE NEWS

- **The Department of Defense released a report that documents the cuts to military forces, modernization, and readiness that will be required if defense budgets are held at sequester-levels in the years beyond fiscal 2015.**

This [report](#) fulfills a commitment made by Secretary Hagel to provide details on the effects of these budget cuts.

As the report says, sequester level budgets would result in continued force-level cuts across the military services.

- The Army would be reduced to 420,000 active duty soldiers along with 315,000 in the Guard and 185,000 in the Reserve.
- The Marine Corps would drop to 175,000 active duty personnel.
- The Air Force would have to eliminate its entire fleet of KC-10 tankers and shrink its inventory of unmanned aerial vehicles (UAVs).
- The Navy would be forced to mothball 6 destroyers and retire an aircraft carrier and its associated air wing, reducing the carrier fleet to ten.

Modernization would also be significantly slowed. Compared to plans under the fiscal 2015 budget, the department would buy eight fewer ships in the years beyond fiscal 2016 — including one fewer Virginia-class submarines and three fewer DDG-51 destroyers — and would delay delivery of the new carrier John F. Kennedy (CVN-79) by two years. The services would acquire 17 fewer Joint Strike Fighters, five fewer KC-46 tankers, and six fewer P-8A aircraft.

There would also be sharp cutbacks in many smaller weapons programs and in funding for military construction. In addition, the department would invest about \$66 billion less in procurement and research funding compared with levels planned in the fiscal 2015 budget.

The report notes that sequester-level budgets would worsen already existing readiness shortfalls across the force and delay needed training to prepare the joint force for full-spectrum operations, as well as impacting other defense-wide activities, such as the Defense Health Program, Special Operations Command (SOCOM), Office of the Secretary of Defense (OSD), and Department of Defense Education Activity (DODEA).

According to the report, the sequester-level cuts would result in a military that is too small to fully meet the requirements of our strategy, thereby significantly increasing national security risks both in the short- and long-term.

- **The Department of Defense (DoD) announced plans to issue 24 awards totaling \$167 million over the next five years to academic institutions to perform multidisciplinary basic research.**

The Multidisciplinary University Research Initiative (MURI) program supports research conducted by teams of investigators that intersect more than one traditional science and engineering discipline in order to accelerate research progress.

The Army Research Office, the Air Force Office of Scientific Research, and the Office of Naval Research solicited proposals in 24 topics important to DoD and the military services. Initially, 361 white papers were received, 88 of which were selected for more detailed proposals. The awards were selected based on a merit review by a panel of experts and are subject to successful negotiation between the institution and DOD. The awards announced today are for a five year period subject to availability of appropriations and satisfactory research progress.

The highly competitive MURI program complements other DoD basic research efforts, which fund traditional, single-investigator university, industry and department laboratory grants. These awards support multidisciplinary teams with larger and longer-term awards in research topics identified for their potential for significant and sustained progress. Like single-investigator awards, MURI awards provide strong support for the education and training of graduate students in cutting edge research. Based on the proposals selected in the fiscal 2014 competition, a total of 64 academic institutions are expected to participate in these 24 research efforts.

For more than 25 years, DoD's MURI program has resulted in significant capabilities for our military forces and opened up entirely new lines of research. Examples include advances in laser frequency combs that have become the gold standard in frequency control for precision in

navigation and targeting; atomic and molecular self-assembly projects that have opened new possibilities for nano-manufacturing; and the field of spintronics emerged from a MURI award on magnetic materials and devices research.

The list of projects selected for fiscal 2014 funding may be found at <http://www.defense.gov/pubs/FY14-MURITeamsRecommended.pdf>.

- **The Department of Defense announced that President Obama has nominated Air Force Col. Lee E. Payne to be promoted to the rank of brigadier general.** Payne is currently serving as deputy assistant surgeon general, health care operations, Office of the Surgeon General, Headquarters U.S. Air Force, Falls Church, Va.
- **The Secretary of the Navy Ray Mabus and Chief of Naval Operations Adm. Jonathan W. Greenert announced that Rear Adm. Bruce A. Doll has been assigned as director, research and development, Defense Health Agency, Falls Church, Va.** Doll is currently serving as deputy chief, Navy medicine research and development, M2, Bureau of Medicine and Surgery, Falls Church, Va.

## VETERANS AFFAIRS NEWS

- **The American Customer Satisfaction Index (ACSI), an independent customer service survey, ranks the Department of Veterans Affairs (VA) customer satisfaction among veteran patients among the best in the nation and equal to or better than ratings for private sector hospitals.**

The 2013 ACSI report assessed satisfaction among veterans who have recently been patients of VA's Veterans Health Administration (VHA) inpatient and outpatient services. ACSI is the nation's only cross-industry measure of customer satisfaction, providing benchmarking between the public and private sectors.

In 2013, the overall ACSI satisfaction index for VA was 84 for inpatient care and 82 for outpatient care, which compares favorably with the U.S. hospital industry (scores of 80 and 83, respectively). Since 2004, the ACSI survey has consistently shown that veterans give VA hospitals and clinics a higher customer satisfaction score, on average, than patients give private sector hospitals. These overall scores are based on specific feedback on customer expectations, perceived value and quality, responsiveness to customer complaints, and customer loyalty. One signature finding for 2013 is the continuing high degree of loyalty to VA among Veterans, with a score of 93 percent favorable. This score has remained high (above 90 percent) for the past ten years.

Additionally, veterans strongly endorsed VA health care, with 91 percent offering positive assessments of inpatient care and 92 percent for outpatient care. When asked if they would use a VA medical center the next time they need inpatient care or outpatient care, veterans overwhelmingly indicated they would (96 and 95 percent, respectively).

Veterans also responded positively to questions related to customer service for both VA inpatient care (92 percent favorable) and outpatient care (91 percent). Medical providers and appointment personnel were considered highly courteous with scores of 92 and 91, respectively. Additionally, VA medical providers ranked high in professionalism (90 percent positive).

- **Four Department of Veterans Affairs (VA) researchers were among the 102 recipients of the 2013 Presidential Early Career Award for Scientists and Engineers (PECASE) honored at a ceremony held April 14th. The PECASE is the highest honor conferred by the U.S. government on federal researchers in the early stages of their careers.**

Joining fellow award recipients from 11 other federal agencies and institutes as well as the intelligence community were VA investigators Dr. Karunesh Ganguly, San Francisco VA Medical Center; Dr. Brian P. Head, VA San Diego Healthcare System; Dr. Katherine M. Iverson, VA Boston Healthcare System; and Dr. Hardeep Singh, Michael E. DeBakey (Houston) VA Medical Center.

- Ganguly was recognized for his work on human learning vs. machine learning. His efforts to develop brain-machine interfaces — a technology that promises to enable those with permanent disabilities to control prosthetics—will improve the function and quality of life of Veterans and others following spinal cord injury, stroke, or amputation.
- Iverson was honored for her studies regarding intimate partner violence (IPV) among women Veterans. Her work regarding the clinical importance of IPV screening has provided a foundation for better IPV detection and treatment and has informed emerging VA policy.
- Head was nominated for research that may soon lead to gene therapies that treat a variety of nervous system disorders. His work holds great promise for helping those with neurodegenerative disorders such as Alzheimer’s disease, patients recovering from stroke, and Veterans with traumatic brain injury.
- Singh was nominated for studies using VA electronic medical data to improve patient safety and healthcare quality. In addition to developing novel methods for reducing diagnostic errors by alerting health professionals to abnormal test results, he has worked toward improved detection and understanding of patient safety issues in the VA outpatient setting.

Established in 1996, the awards are given each year for “innovative research at the frontiers of science and technology” and a commitment to community service.

VA, which has the largest integrated health care system in the country, also has one of the largest medical research programs. This fiscal year, nearly 3,500 researchers will work on more than 2,200 projects with about \$586 million in direct funding from VA. Additional research is conducted under VA auspices by VA-affiliated investigators with funding from non-VA sources, such as the National Institutes of Health, Department of Defense, and various private and nonprofit organizations.

## GENERAL HEALTH CARE NEWS

- **Evidence-based interventions at the local and national levels provide promising strategies for reducing racial and ethnic health disparities related to HIV infection rates, immunization coverage, motor vehicle injuries and deaths, and smoking, according to a new report by the Center for Disease Control and Prevention’s (CDC) Office of Minority Health and Health Equity.**

The [report](#) describes CDC-led programs addressing some of the health disparities previously highlighted in the CDC Health Disparities and Inequalities Reports, [CHDIR](#), 2011 and 2013. The CHDIR reports highlight differences in mortality and disease risk for multiple conditions related to behaviors, access to health care, and social determinants of health – the conditions in which people are born, grow, live, age, and work.

Examples of the programs and health disparities addressed:

- The Vaccines for Children (VFC) Program, managed by CDC, provides vaccines at no cost to eligible children who might otherwise not be vaccinated because of inability to pay. After the introduction of the VFC Program, racial/ethnic disparities in childhood immunization coverage do not exist for measles-mumps-rubella and poliovirus vaccines.
- Many Men, Many Voices (3MV) is an evidence-based HIV/STD prevention intervention developed by and for black men who have sex with men (MSM) that can lead to decreased rates of HIV infection and increased access to preventive services and treatment among MSM of color. It uses small group education and interaction to increase knowledge and change attitudes and behaviors related to HIV/STD risk among black MSM. In a randomized clinical trial, 3MV reduced participants' high-risk sexual activity and increased rates of HIV testing. The program has been implemented in 37 states, the District of Columbia, and Puerto Rico and has been adapted to serve other MSM of color.
- Four American Indian/Alaska Native tribal communities implemented tribal motor vehicle injury prevention programs, using evidence-based road safety interventions to reduce motor vehicle-related injuries and deaths. Each tribal community showed increased use of seat belts and child safety seats, increased enforcement of alcohol-impaired driving laws, or decreased motor vehicle crashes involving injuries or deaths. The effective use of communication tools –billboards, radio and television media campaigns, and school and community education programs– contributed to the success of this public health program.

For more information about health disparities visit the [CDC's Office of Minority Health and Health Equity site](#).

- **Rates of five major diabetes-related complications have declined substantially in the last 20 years among U.S. adults with diabetes, according to a study by the Centers for Disease Control and Prevention.**

Rates of lower-limb amputation, end-stage kidney failure, heart attack, stroke and deaths due to high blood sugar (hyperglycemia) all declined. Cardiovascular complications and deaths from high blood sugar decreased by more than 60 percent each, while the rates of both strokes and lower extremity amputations – including upper and lower legs, ankles, feet, and toes – declined by about half. Rates for end stage kidney failure fell by about 30 percent.

Because the number of adults reporting diabetes during this time frame more than tripled – from 6.5 million to 20.7 million – these major diabetes complications continue to put a heavy burden on the U.S. health care system. Nearly 26 million Americans have diabetes and an additional 79 million have prediabetes and are at risk of developing the disease. Diabetes and its complications account for \$176 billion in total medical costs each year.

CDC researchers used data from the National Health Interview Survey, National Hospital Discharge Survey, U.S. Renal Data System, and Vital Statistics, to examine trends in the occurrence of diabetes-related complications in the United States between 1990 and 2010.

Although all complications declined, the greatest declines in diabetes-related complications occurred for heart attack and stroke, particularly among people aged 75 years and older. The study authors attribute the declines in diabetes-related complications to increased availability of health care services, risk factor control, and increases in awareness of the potential complications of diabetes.

For more information about diabetes and CDC's diabetes prevention efforts, visit [www.cdc.gov/diabetes](http://www.cdc.gov/diabetes).

- **The Centers for Medicare and Medicaid Services (CMS) announced for the first time that quality measures from inpatient psychiatric facilities will be publicly reported on *Hospital Compare*, a consumer-oriented website that provides information on the quality of care hospitals are providing to their patients.**

Beginning April 17, 2014, *Hospital Compare* will feature data from 1,753 inpatient psychiatric facilities on patient care for the period of Oct. 1, 2012 through March 31, 2013. Public reporting will allow consumers to directly compare facilities based on data collected for the following measures:

- Hours of Physical Restraint Use
- Hours of Seclusion Use
- Post-Discharge Continuing Care Plan Created
- Post-Discharge Continuing Care Plan Transmitted to Next Level of Care Provider Upon Discharge

The two measures below are a part of the Inpatient Psychiatric Facility Quality Reporting program. However, technical issues caused by unforeseen circumstances impacted the data collection and submission of these two measures and therefore will be suppressed. CMS expects to publicly display data for these measures the same time next year (April 2015).

- Patients Discharged on Multiple Antipsychotic Medications
- Patients Discharged on Multiple Antipsychotic Medications with Appropriate Justification

Data reported on *Hospital Compare* are collected as part of CMS' Inpatient Psychiatric Facility Quality Reporting (IPFQR) Program, as required by the Social Security Act, amended by the Affordable Care Act.

In addition to the IPFQR Program, Hospital Compare also reports quality measure data from CMS' Hospital Inpatient and Outpatient Quality Reporting Programs and Hospital Value-Based Purchasing Program. For more information, visit:

<http://medicare.gov/hospitalcompare/search.html> by clicking "Find Hospitals."

## REPORTS/POLICIES

- **The Congressional Budget released "*Estimated Effects on Direct Spending and Revenues for Health Care Programs of Proposals in the President's 2015 Budget*," on April 14, 2014.** The report finds that PPACA's expansion of insurance coverage will cost \$104 billion less than projected over the next decade. According to the CBO, the health care law's coverage provisions in 2014 are expected to cost \$5 billion less than the \$41 billion the Congressional Budget Office and Joint Committee on Taxation projected [earlier in the year](#). The CBO now expects the federal government to spend about \$164 billion less in the next decade on subsidies in PPACA health insurance marketplaces. [http://www.cbo.gov/sites/default/files/cbofiles/attachments/45250-Health\\_Programs\\_Proposals.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/45250-Health_Programs_Proposals.pdf)

## HILL HEARINGS

- The House Armed Services Subcommittee on Military Personnel will markup the provisions, which fall under the subcommittee's jurisdiction of the National Defense Authorization Act for fiscal year 2015 on **April 30, 2014**.
- The House Armed Services Committee will markup the National Defense Authorization Act

for fiscal year 2015 on **May 7, 2014**.

- 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

- There was no legislation proposed this week.

## MEETINGS/WEBINARS

- 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>

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