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EXECUTIVE AND CONGRESSIONAL NEWS

  
  This legislation provides $76.6 billion bill to fund military construction and the U.S. Department of Veterans Affairs for fiscal year 2016, the bulk of which will be used to pay for VA health care.

MILITARY HEALTH CARE NEWS

- On April 30, 2015, Secretary of Defense Ash Carter released the following statement on the Military Compensation and Retirement Modernization Commission Report:

  “The Department of Defense commends the Military Compensation and Retirement Modernization Commission for its 18-month independent review of the military retirement and compensation programs administered both inside and outside DoD. Their work confirmed many positive changes that we're making to uphold our commitments to our people, and also pointed out areas where we can do better.

  “Last month I told members of Congress that many of the commission's proposals would significantly affect our service members and their families, and that DoD owes them, President Obama, and the country our utmost diligence and most rigorous analysis. And over the past three months, DoD has conducted a rapid yet comprehensive review of the commission's
recommendations, working closely with both the commission and our interagency partners to adopt or refine the specific proposals where possible.

“As President Obama informed Congress earlier today, we are now prepared to support specific proposals for 10 of the commission's 15 recommendations, and, given the complexities of four others, we will continue to conduct analysis and work with the commission over the next few months. In some instances, the Defense Department is already taking steps to implement these first 10 recommendations, but in areas that will require legislative changes to do so, we will work quickly to submit proposed legislative language to Congress as soon as possible.

“However, while we agree with the commission that reforms to the military health care system are needed, we also believe that the TRICARE proposals in President Obama’s fiscal year 2016 budget serve as a good first step by offering service members, military families, and retirees greater choice and control over their health care decisions. DoD looks forward to working with the commission, our interagency partners, and interested members of Congress over the course of this year as we develop additional reform proposals to be considered for the President's fiscal year 2017 budget.

“The choices we face about military compensation are both vexing and critically important. DoD will continue to work closely with the Congress and the commission to achieve the goals we share: ensuring the long-term strength and vitality of our all-volunteer force, and honoring all our service members -- past, present, and future.”

- The Military Times reports that TRICARE will implement a new policy on compound drugs on May 1, 2015.

Starting May 1, TRICARE pharmacy contractor Express Scripts will screen each ingredient in compound medications to ensure all are approved by the Food and Drug Administration.

Under the new process, many patients who use personalized drug formulas still will have access to their medications. But others — including some who ordered prescriptions directly from compounding pharmacies in recent months — may need to work with their pharmacists to ensure their prescriptions comply with the new requirements or receive prior authorization for coverage.

The number of compound drug prescriptions filled by TRICARE has soared in the past several months, and costs now run 50 times higher than in 2004.

In March, of the 11 million prescriptions filled by TRICARE, 83,000 were for compound medications, at a cost of $335 million. In 2014, about 60,000 compound medications were filled monthly.

From January to March, TRICARE paid $769 million for compound prescriptions. April’s totals are not yet available but could approach nearly $1 billion.

The new screening process lets TRICARE reimburse for these medications and also comply with the law prohibiting Tricare from paying for procedures and medications not approved by the FDA. TRICARE officials expect the change to have an impact on an aggressive direct marketing campaign that’s been waged during the past several months aimed at Tricare beneficiaries.

Some compounding pharmacy marketers have been cold-calling and also directly contacting military families and retirees to persuade them to apply for specialty prescriptions such as pain creams, wound ointments and erectile dysfunction medications.

Compound medications are specialized formulas created by pharmacists to tailor treatments for individual patients. Made from active and inert ingredients, they are often formulated for those who can't tolerate certain medications in their manufactured form — either to tweak a dosage, change the delivery (from a pill to a liquid, for example) or eliminate an allergen.

Many private insurers, as well as Medicare and the Veterans Affairs Department, either do not
cover compound medications or cover only those that are in their unique formulary list of covered drugs, he noted.

VETERANS AFFAIRS NEWS

- The Departments of Veterans Affairs (VA) and Defense have announced the launch of an online continuing education course aimed at helping health care professionals better treat veterans and service members.

  The free course, *Military Culture: Core Competencies for Health Care Professionals*, is being offered to community health care providers nationwide through the Veterans Health Administration’s (VHA) Training Finder Real-time Affiliated Integrated Network (*TRAIN*), which launched earlier this month. VHA *TRAIN* is part of *TRAIN National*, a comprehensive catalog of public health learning products.

  The eight-hour, online course covers a variety of topics through interactive features, video vignettes, case examples and treatment planning scenarios. Each of the four modules within the course was developed using research, surveys and extensive interviews with service members and veterans. For more information about the course, visit [http://www.DeploymentPsych.org/Military-Culture](http://www.DeploymentPsych.org/Military-Culture).

- The Department of Veterans Affairs (VA) announced a new 11-member Special Medical Advisory Group (SMAG) composed of leading medical experts to assist the Department in delivering health care to the 9 million veterans enrolled in the Veterans Health Administration.

  The SMAG is a reconstituted federally-chartered committee that advises the Secretary of Veterans Affairs, through the Under Secretary for Health, on matters related to health care delivery, research, education, training of health care staff and planning on shared care issues facing VA and the Department of Defense.

  The appointment of the new members of the SMAG comes at a time when VA is experiencing increased demand for its health care services. Nationally, VA completed more than 51 million appointments between May 1, 2014, and March 31, 2015. This represents an increase of 2.4 million more completed appointments than during the same time period in 2013-2014. In March 2015, VA completed 97 percent of appointments within 30 days of the Veteran’s preferred date.

  Serving as SMAG Committee Chair is Dr. Jonathan Perlin, who previously served as VA Under Secretary for Health from 2004-2006. Dr. Perlin is currently Chief Medical Officer and President of Clinical Services for the Nashville, Tennessee-based Hospital Corporation of America (HCA). In this capacity, Dr. Perlin provides leadership for clinical services and improving performance for HCA’s 166 hospitals and more than 800 outpatient centers and physician practices. Recognized perennially as one of the most influential physician executives in the United States by Modern Healthcare, Dr. Perlin is a recipient of numerous awards.

  Karen S. Guice, MD, M.P.P., principal deputy assistant secretary of defense for Health Affairs and principal deputy director, TRICARE Management Activity.

  Joy Ilem, Deputy National Legislative Director, DAV, deputy national legislative director for the Disabled American Veterans (DAV), in June 2009.

  Thomas Lee, MD, chief medical officer for Press Ganey, which advises and consults with
healthcare businesses to help identify the best practices for the organization and the patient.


**James Henry Martin, MD**, on staff at Captain James A. Lovell Federal Health Care Center, North Chicago; and Metro South Medical Center, Blue Island, Illinois

**Melvin Shipp, OD, MPH, DrPH**, Dean Emeritus, College of Optometry for The Ohio State University.

**James Weinstein, DO, MD**, chief executive officer and president of Dartmouth Hitchcock.

**Deborah Trautman, PhD, RN**, chief executive officer for the American Association of Colleges of Nursing (AACN), a role she assumed in 2014.

**Bruce Siegel, MD, MPH**, president and CEO, America’s Essential Hospitals since 2010.

More information about each member is available at [http://www.va.gov/opa/pressrel/pressrelease.cfm?id=2696](http://www.va.gov/opa/pressrel/pressrelease.cfm?id=2696).

- **The Department of Veterans Affairs (VA)** announced that it will determine eligibility for the Veterans Choice Program based on the distance between a veteran’s place of residence and the nearest VA medical facility using driving distance rather than straight-line distance.

This change has been published in the Federal Register and is effective immediately.

The change from straight-line to driving distance roughly doubles the number of eligible veterans. Letters are being sent to the newly eligible veterans to let them know they are now eligible for the Veterans Choice Program under this expansion. If a veteran does not remember receiving a Veterans Choice Card or has other questions about the Choice Program, they can call (866) 606-8198.

Effective immediately, VA is also changing the mileage calculation for beneficiary travel. The change will ensure consistency in VA’s mileage calculations across the two programs. The beneficiary travel calculation will now be made using the fastest route instead of the shortest route.

For more details about the department’s progress and related information, see [www.va.gov/opa/choiceact/factsheets_and_details.asp](http://www.va.gov/opa/choiceact/factsheets_and_details.asp).

### GENERAL HEALTH CARE NEWS

- **A new microneedle patch** being developed by the Georgia Institute of Technology and the Centers for Disease Control and Prevention (CDC) could make it easier to vaccinate people against measles and other vaccine-preventable diseases.

The microneedle patch is designed to be administered by minimally trained workers and to simplify storage, distribution, and disposal compared with conventional vaccines.

The microneedle patch under development measures about a square centimeter and is administered with the press of a thumb. The underside of the patch is lined with 100 solid, conical microneedles made of polymer, sugar, and vaccine that are a fraction of a millimeter long. When the patch is applied, the microneedles press into the upper layers of the skin; they
dissolve within a few minutes, releasing the vaccine. The patch can then be discarded.

Getting the measles vaccine to remote areas is expected to be easier because the patch is more stable at varying temperatures than the currently available vaccines and takes up less space than the standard vaccine. Because microneedles dissolve in the skin, there is no disposal of needles, reducing the risk of accidental needlesticks. The measles patch is expected be manufactured at a cost comparable to the currently available needle and syringe vaccine.

Twenty million people are affected by measles each year. Unfortunately, global coverage with the measles vaccine has been stagnant for the last few years at around 85 percent, which is well below the coverage of up to 95 percent needed to interrupt transmission of the disease.

Because measles is vaccine-preventable and the measles virus survives only in human hosts, the world’s health officials are aiming for measles elimination. Having a simple patch administered by minimally trained vaccinators could help increase vaccination coverage and achieve the goal of measles elimination.

The GVAP aims to:
  o Strengthen routine immunization to meet vaccination coverage targets;
  o Accelerate control of vaccine-preventable diseases with polio eradication as the first milestone;
  o Eliminate measles and rubella;
  o Introduce new and improved vaccines; and
  o Spur research and development for the next generation of vaccines and technologies.

Microneedle technology could move the GVAP forward by leading to improved protection against other diseases, including polio, influenza, rotavirus, rubella, tuberculosis and others. For more information about microneedle technology please visit [http://youtu.be/wVEF1ckaYEY](http://youtu.be/wVEF1ckaYEY).

### REPORTS/POLICIES

- **The GAO published “Veterans Affairs Health Care: Addition to GAO's High Risk List and Actions Needed for Removal,” (GAO-15-580T) on April 29, 2015.**

  In this report, GAO categorized its concerns about VA's ability to ensure the timeliness, cost-effectiveness, quality, and safety of veterans' health care, into five broad areas:

  o Ambiguous policies and inconsistent processes. GAO found ambiguous VA policies lead to inconsistency in the way its facilities carry out processes at the local level, which may pose risks for veterans’ access to VA health care, or for the quality and safety of VA health care.

  o Inadequate oversight and accountability. GAO found weaknesses in VA's ability to hold its health care facilities accountable and ensure that identified problems are resolved in a timely and appropriate manner.

  o Information technology challenges. Of particular concern is the outdated, inefficient nature of certain systems, along with a lack of system interoperability.

  o Inadequate training for VA staff. GAO has identified gaps in VA training that could put the quality and safety of veterans' health at risk or training requirements that
were particularly burdensome to complete.

- Unclear resource needs and allocation priorities. GAO has found gaps in the availability of data required by VA to efficiently identify resource needs and to ensure that resources are effectively allocated across the VA health care system.


HILL HEARINGS

- The House Veterans Affairs Committee will hold a hearing on May 13, 2015, to examine the Veterans’ Choice program.
- The House Veterans Affairs Subcommittee on Health will hold a hearing on May 15, 2015, to markup pending legislation.
- The House and Senate Veterans Affairs Committees will hold a joint hearing on May 20, 2015, to receive the legislative presentation of multiple veterans service organizations.

LEGISLATION

- **H.R.2035** (introduced April 28, 2015): To amend titles XI and XVIII of the Social Security Act and title XXVII of the Public Health Service Act to improve coverage for colorectal screening tests under Medicare and private health insurance coverage, 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 Richard E. Neal [MA-1]
- **H.R.2061** (introduced April 28, 2015): To amend section 5000A of the Internal Revenue Code of 1986 to provide an additional religious exemption from the individual health coverage mandate, and for other purposes was referred to the House Committee on Ways and Means.
  Sponsor: Representative Rodney Davis [IL-13]
- **H.R.2066** (introduced April 28, 2015): To promote and expand the application of telehealth under Medicare and other Federal health care programs, and for other purposes was referred to the House Committee on Ways and Means.
  Sponsor: Representative Gregg Harper [MS-3]
- **H.R.2101** (introduced April 29, 2015): To amend the Federal Food, Drug, and Cosmetic Act to provide for expedited review of drugs and biological products to provide safer or more effective treatment for males or females, to amend the Public Health Service Act to enhance the consideration of sex differences in basic and clinical research, and for other purposes was referred to the House Committee on Energy and Commerce.
  Sponsor: Representative Jim Cooper [TN-5]
- **H.R.2114** (introduced April 29, 2015): To direct the Secretary of State, the Secretary of Health and Human Services, and the Secretary of Veterans Affairs to provide assistance for individuals affected by exposure to Agent Orange, and for other purposes was referred to the Committee on Veterans’ Affairs, and in addition to the Committees on Energy and Commerce, and Foreign Affairs.
Sponsor: Representative Barbara Lee [CA-13]

- **S.1099** (introduced April 27, 2015): A bill to amend the Patient Protection and Affordable Care Act to provide States with flexibility in determining the size of employers in the small group market was referred to the Committee on Health, Education, Labor, and Pensions. Sponsor: Senator Tim Scott [SC]

- **S.1101** (introduced April 27, 2015): A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for the regulation of patient records and certain decision support software was referred to the Committee on Health, Education, Labor, and Pensions. Sponsor: Senator Michael F. Bennet [CO]

### MEETINGS

- The Heroes of Military Medicine Awards will be held on **May 7, 2015**, in Washington, DC. [http://www.hjfcp3.org/heroes-dinner](http://www.hjfcp3.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/](http://amsusmeetings.org/annual-meeting/)

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.