

Federal Health Update

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EXECUTIVE AND CONGRESSIONAL NEWS

- **On May 17, 2016, the Senate confirmed Mr. Eric K. Fanning to be the next Secretary of the Army.**

President Obama appointed Fanning to be acting Secretary of the Army on Nov. 3, 2015. As Secretary of the Army, he has statutory responsibility for all matters relating to the United States Army: manpower, personnel, reserve affairs, installations, environmental issues, weapons systems and equipment acquisition, communications, and financial management.

He was previously appointed acting under secretary of the Army and chief management officer (CMO) by President Obama on June 30, 2015. He served as the secretary of the Army's senior civilian assistant and principal adviser on matters related to the management and operation of the Army, including development and integration of the Army Program and Budget. As Army CMO, he advised the Army secretary on the effective and efficient organization of the Army's business operations and initiatives for the business transformation of the Army.

Fanning previously served as the special assistant to the secretary and deputy secretary of Defense. He helped manage Secretary of Defense Carter's transition, built his leadership team, and oversaw the day-to-day staff activities of the Office of the Secretary of Defense.

From April, 2013 until February, 2015, he served as the 24th under secretary of the Air Force and CMO. In this role, Fanning oversaw an annual budget of more than \$110 billion by serving as co-chair of the top Air Force corporate decision making body, the Air Force Council, and also led the Air Force Space Board, the Air Force Energy Council, the Force Management and Development Council, and numerous other Air Force decision-making bodies.

From June, 2013 through December, 2013 Mr. Fanning served as acting secretary of the Air Force.

From 2009 to 2013, he served as the deputy under secretary of the Navy/Deputy Chief Management Officer. In this role, he led the department's business transformation and governance processes and coordinated several efforts to identify enterprise-wide efficiencies.

Fanning is a graduate of Dartmouth College.

- **On May 17, 2016, the Senate Armed Services Committee released its markup of the *National Defense Authorization Act for Fiscal Year 2017.***

The bill, approved 23-3, authorizes \$602 billion in funding for the Department of Defense and the national security programs of the Department of Energy.

The health care provisions include:

- Expands the full range of telehealth services available to beneficiaries.
- Authorizes lower co-payments for high-value pharmaceuticals and medical services.
- Eliminates the requirement for pre-authorization for specialty care referrals.
- Requires a plan to improve pediatric care and related services. Incentivizes participation in disease management programs.
- Authorizes enrollment of eligible beneficiaries in federal dental and vision insurance programs managed by the Office of Personnel Management. Authorizes new and improved TRICARE health plans – TRICARE Prime, TRICARE Choice, and TRICARE Supplemental.
- Eliminates existing cost-shares for services provided under the current TRICARE Standard plan and replaces them with fixed co-payments to lower overall costs for beneficiaries.

Enhancing Access to High Quality Healthcare

- Expands and improves access to care by requiring a standardized appointment system in military treatment facilities.
- Creates local high-performing military-civilian integrated health delivery systems in which military treatment facilities would form strong partnerships with civilian health systems and the Department of Veterans Affairs to provide integrated health services for beneficiaries.
- Expands telehealth capabilities in the military health system.
- Creates specialized care centers of excellence at major military medical centers to model specialized care delivery in high-performing health systems like the Cleveland Clinic.
- Requires contracts for turn-key primary care/urgent care clinics at military treatment facilities. Authorizes a pilot program to give commercial health insurance coverage to reserve component members and their families.

Improving Beneficiaries' Health Outcomes

- Increases beneficiary involvement and shared responsibility to improve health outcomes and to lower costs, including focused efforts on smoking cessation and weight reduction.
- Incentivizes participation in disease management programs. Incentivizes use of high-value individual and institutional healthcare providers.

Improving and Maintaining Operational Medical Force Readiness

- Creates specialized care centers of excellence at major military medical centers.
- Expands military-civilian trauma training sites and requires integrated trauma team training.
- Requires establishment of personnel management plans for important wartime medical specialties.
- Requires development of quality of care outcome measures for combat casualty care.
- Requires greater focus on medical research to understand better the causes of morbidity and mortality of service men and women in combat. Requires development of a trauma care registry.
- Requires development of standardized tactical combat casualty care training. Expands eligibility for care in military treatment facilities to veterans and certain civilians.

Demanding Performance Accountability

- Establishes performance accountability for military healthcare leaders throughout the military health system.
- Establishes rigorous criteria for selection of military treatment facility commanders.
- Establishes minimum lengths of tours of duty for military treatment facility commanders.

Driving Efficiencies and Eliminating Waste

- Right-sizes the footprint of the military health system to meet operational medical force requirements and the medical readiness of the Armed Forces.
- Realigns the medical command structure of the Department of Defense and shrinks headquarters staffing creating greater efficiency in the management of the military health system.
- Eliminates graduate medical education training programs not directly supporting operational medical readiness requirements and the medical readiness of the Armed Forces.
- Authorizes conversion of military healthcare provider positions to civilian or contractor positions. Requires a multi-year study by the Comptroller General of the United States to find healthcare waste throughout the military health system. Requires centrally-managed, performance-based professional staffing contracts.

Modernizing TRICARE Medical Support Contracts

- Incorporates value-based healthcare methodology and value-based provider reimbursement into TRICARE contracts.
- Expands access to the full range of telehealth capabilities.
- Allows contractors to use the latest innovations in the private sector health plan market.
- Transfers financial risk for the delivery of healthcare services to contractors and healthcare providers.
- Focuses contracts on building networks of high-value providers. Requires a competitive, continuously open contracting strategy.

To read the full summary, please visit: <http://www.armed-services.senate.gov/download/fy17-ndaa-sasc-bill-summary>

- **On May 19, 2016, the House passed (295-129) H.R.4974, the *Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2017.***

The legislation contains \$81.6 billion in funding – \$1.8 billion above the fiscal year 2016 level – to house, train, and equip military personnel, to provide housing and services to military families, to maintain base infrastructure, and to support veterans’ benefits and programs. Of this funding, \$63.3 billion was provided via an advance in the fiscal year 2016 appropriations bill last year.

Within this total, \$73.5 billion is provided for the Department of Veterans Affairs – a 3 percent increase above fiscal year 2016 levels – including additional funding to address management problems and health care shortages, and to increase the speed, efficiency and effectiveness of its services to veterans.

Military construction totals \$7.9 billion, \$250 million above the President’s request, to fund family housing, construction of hospitals and health facilities, and support for critical overseas investments.

- **On May 18, 2016, the House passed H.R. 4909 (277-147), the *National Defense Authorization Act (NDAA) for Fiscal Year 2017.*** To read a summary of the bill, please visit: https://armedservices.house.gov/sites/republicans.armedservices.house.gov/files/wysiwyg_upload/FY17%20NDAA%20Summary.pdf.

MILITARY HEALTH CARE NEWS

- **TRICARE announced there will be a planned system outage this weekend of the information system that tracks a beneficiary’s eligibility for TRICARE benefits to perform routine maintenance.**

Health care providers, the Nurse Advice Line and retail pharmacies will not be able to confirm if you are eligible for TRICARE benefits during parts of this outage.

The system outage will also affect your ability to make changes to your TRICARE benefits.

This outage will start **Friday evening** and is expected to last through **early Sunday morning**. The system outage is expected to have minimal impact for most patients. (For specific times, please visit:

http://www.tricare.mil/Resources/DisasterInfo/DisasterAlerts/5_15_16_DMDCOutage.aspx)

If a beneficiary need to visit their medical provider, it is recommended that the beneficiary should bring your Military ID Card. Most health care providers will accept a Military ID Card as proof of TRICARE eligibility.

If a beneficiary needs a routine backfill of a prescription at the local retail pharmacy, it is recommended to do it before the scheduled maintenance. For an emergency prescription, the beneficiary may need to pay out-of-pocket and [file a claim](#) for reimbursement.

To limit impact on prescriptions, our pharmacy contractor, Express Scripts, will be first to be brought back online.

During this planned outage, beneficiaries may not be able to access and change eligibility data:

- Verify eligibility

- Update personal information in DEERS
- Enroll or purchase any health or dental plans
- Get new wallet cards
- Request proof of coverage
- Perform other secure functions

VETERANS AFFAIRS NEWS

- **The Department of Veterans Affairs announced Rosemary Freitas Williams has been appointed Assistant Secretary of Veterans Affairs for Public Affairs.**

In this post, Williams will oversee public affairs, media relations, consumer affairs, community outreach and engagement including Veteran homelessness and six national rehabilitative sports events. She also represents VA on the executive committee of the National Alliance for Suicide Prevention, on behalf of Veterans, their families and survivors. She will play a critical role in guiding VA's public engagement to implement Secretary McDonald's vision to transform VA into a Veteran-centric, high-performing and responsive organization.

Prior to coming to VA, Williams served as deputy assistant secretary of Defense for Military Community and Family Policy since July 2013. In that position, she was responsible for policy, advocacy and oversight of all community support to service members, their families and survivors, child care and youth programs, family violence prevention and intervention, casualty and mortuary affairs, MWR programs, commissaries and exchanges, military spouse career advancement, and state liaison office.

Williams previously worked in government as director for communications and public liaison at the Office of Personnel Management, and as the senior advisor for strategic communications to VA Secretary Eric Shinseki. During her time at VA, Williams also served as the Department of Veterans Affairs representative to the White House Council on Military Families.

Williams was awarded fellowships in Ethical Decision Making at the Poynter Institute for Media Studies in St. Petersburg, Fla., and in National Security at the Air War College, part of the U.S. Air Force's Air University in Montgomery, Ala.

- **The Department of Veterans Affairs (VA) announced the establishment of five VA Mental Health Telehealth Clinical Resource Centers to provide enhanced mental health access and services to veterans in remote locations.**

VA's Mental Health Telemedicine Clinical Resource Centers will provide veterans, particularly those living in rural areas, with rapid access to mental health services where local barriers exist. This expanded effort will help close the gap in access to mental health care, in particular, in those traditionally underserved communities.

The Mental Health Telehealth Clinical Resource Centers will be located in Charleston, South Carolina; Salt Lake City, Utah; Pittsburgh, Pennsylvania; and a consortium of facilities in Boise, Idaho; Seattle, Washington; and Portland, Oregon. The fifth facility, already operational in West Haven, Conn., is a specialty hub focused on the most severe and complex mental health issues, such as chronic depression and bipolar disorder. The others are expected to be available in the summer, with the priority given to VA medical facilities in urgent need of additional mental health providers.

VA is recognized as a world leader in the development of telehealth services that are now mission critical to the future direction of VA care to Veterans. VA uses health informatics, disease management, care and case management and telehealth technologies to facilitate access to care and improve the health of Veterans. VA currently services more than 677,000 veterans through telehealth; that amounts to approximately 12 percent of the 5.6 Million Veterans who receive healthcare from the VA.

GENERAL HEALTH CARE NEWS

- **The Department of Health and Human Services is making \$85 million available through the CDC to help U.S. states and territories fight Zika locally.**

Under the latest announcement, \$25 million in FY 2016 preparedness and response funding will go to 53 states, cities, and territories at risk for outbreaks of Zika virus infection. Recipients will receive funds based on the geographic locations of the two mosquitoes known to transmit Zika virus, *Aedes aegypti* and *Aedes albopictus*; history of mosquito borne disease outbreaks; and size of population. Jurisdictions will use the funds to strengthen incident management and emergency operations coordination; information management and sharing; and community recovery and resilience.

State, local and territorial health officials can use the funds to rapidly identify and investigate a possible outbreak of Zika virus disease in their communities; coordinate a comprehensive response across all levels of government and non-governmental partners (including the healthcare sector); and identify and connect to community services families affected by Zika virus disease.

Applications for the funds are due to CDC by June 13, 2016. Funds will be disbursed during the summer and remain available through July 2017.

Zika virus disease is caused by Zika virus that is spread to people primarily through the bite of infected *Aedes aegypti* and *Aedes albopictus* mosquitoes, though *Aedes aegypti* are more likely to spread Zika. Sexual transmission also has been documented.

There is currently no vaccine or treatment for Zika. The most common symptoms of Zika are fever, rash, joint pain, and conjunctivitis (red eyes). In previous outbreaks, the illness has typically been mild with symptoms lasting for several days to a week after being bitten by an infected mosquito. Zika virus infection in pregnant women is a cause of microcephaly and other severe fetal brain defects.

- **The U.S. Food and Drug Administration approved Tecentriq (atezolizumab) to treat the most common type of bladder cancer, called urothelial carcinoma.**

This is the first product in its class (PD-1/PD-L1 inhibitors) approved to treat this type of cancer.

Tecentriq targets the PD-1/PD-L1 pathway (proteins found on the body's immune cells and some cancer cells). By blocking these interactions, Tecentriq may help the body's immune system fight cancer cells. Tecentriq is the first FDA-approved PD-L1 inhibitor and the latest in the broader class of PD-1/PD-L1 targeted biologics approved by the FDA in the last two years.

Tecentriq is approved for the treatment of patients with locally advanced or metastatic urothelial carcinoma whose disease has worsened during or following platinum-containing chemotherapy, or within 12 months of receiving platinum-containing chemotherapy, either before (neoadjuvant) or after (adjuvant) surgical treatment. Urothelial carcinoma is the most common type of bladder cancer and occurs in the urinary tract system, involving the bladder and related organs. The

National Cancer Institute (NCI) estimates 76,960 new cases of bladder cancer and 16,390 deaths from the disease in 2016.

The FDA granted the Tecentriq application breakthrough therapy designation, priority review status and accelerated approval for this indication. These are distinct programs intended to facilitate and expedite the development and review of certain new drugs in light of their potential to benefit patients with serious or life-threatening conditions.

Tecentriq is marketed by Genentech based in San Francisco, California.

REPORTS/POLICIES

- **There were no relevant reports released this week.**

HILL HEARINGS

- The Senate Appropriations Subcommittee on Military Construction and Veterans Affairs, and Related Agencies will hold a hearing on **June 8, 2016**, to examine review of the Department of Veterans Affairs' electronic health record (VistA), progress toward interoperability with the Department of Defense's electronic health record, and plans for the future.

LEGISLATION

- **H.R.5232** (introduced May 13, 2016): Stop Subsidizing Childhood Obesity Act the referred to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce
Sponsor: Representative Rosa L. DeLauro [CT-3]
- **H.R.5234** (introduced May 13, 2016): Stop Mental Health Stigma in Our Communities Act was referred to the House Committee on Energy and Commerce
Sponsor: Representative Judy Chu [CA-27]
- **H.R.5241** (introduced May 13, 2016): Protecting Seniors from Health Care Fraud Act of 2016 was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means
Sponsor: Representative Raul Ruiz [CA-36]
- **H.R.5243** (introduced May 16, 2016): Zika Response Appropriations Act, 2016 passed by Voice Vote.
Sponsor: Representative Harold Rogers [KY-5]
- **H.R.5249** (introduced May 16, 2016): Safe Treatments and Opportunities to Prevent Pain Act was referred to the House Committee on Energy and Commerce
Sponsor: Representative Lois Capps [CA-24]
- **H.R.5263** (introduced May 17, 2016): Women and Lung Cancer Research and Preventive Services Act of 2016 was referred to the House Committee on Energy and Commerce
Sponsor: Representative Richard M. Nolan [MN-8] (introduced 5/17/2016) Cosponsors (3)
Committees: House Energy and Commerce
Latest Major Action: 5/17/2016 Referred to House committee. Status: Referred to the House Committee on Energy and Commerce.
- **H.R.5267** (introduced May 17, 2016): Fighting Medicare Fraud Act of 2016 was referred to the

Committee on Energy and Commerce, and in addition to the Committee on Ways and Means
Sponsor: Representative Lois Frankel [FL-22]

- **S.2932** (introduced May 16, 2016): Protecting Patient Access to Emergency Medications Act of 2016 was referred to the Committee on Health, Education, Labor, and Pensions.
Sponsor: Senator Bill Cassidy [LA]
- **S.2933** (introduced May 16, 2016): Veterans ACCESS Act was referred to the Committee on Veterans' Affairs.
Sponsor: Senator Tammy Baldwin [WI]
- **S.2941** (introduced May 17, 2016): A bill to require a study on women and lung cancer, and for other purposes was referred to the Committee on Health, Education, Labor, and Pensions.
Sponsor: Senator Kelly Ayotte [NH]
- **S.2948** (introduced May 18, 2016): A bill to plan, develop, and make recommendations to increase access to sexual assault examinations for survivors by holding hospitals accountable and supporting the providers that serve them was referred to the Committee on Health, Education, Labor, and Pensions.
Sponsor: Senator Patty Murray [WA]

MEETINGS

- The Disaster Health Education Symposium: Innovations for Tomorrow will be held on **Sept. 8, 2016**, at the Uniformed Services University in Bethesda, Md. <https://ncdmph.usuhs.edu>.
- The AUSA 2016 Annual Meeting & Exposition will be held **Oct. 3-5, 2015**, in Washington DC. <http://ausameetings.org/2016annualmeeting/>
- 2016 AMSUS Annual Continuing Education Meeting will be held on **Nov. 29- Dec. 2, 2016**, at the Gaylord National Harbor, Md. <http://www.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.