

# 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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[ktheroux@federalhealthcarenews.com](mailto:ktheroux@federalhealthcarenews.com)

***Happy Memorial Day!***

## EXECUTIVE AND CONGRESSIONAL NEWS

- **The Senate voted 78-17 to confirm Sylvia Mathews Burwell as secretary of Health and Human Services.** Burwell was director of the White House Office of Management and Budget. She has served in that position since April 2013. Prior to that, she was president of the Walmart Foundation, having assumed that post in January 2012 and was previously the president of the Global Development Program of the Bill and Melinda Gates Foundation.
- **On June 5, 2014, senators announced a bipartisan agreement to address several issues at the Department of Veterans Affairs that they expect will help reduce long wait times for veterans seeking care while also providing hundreds of millions of dollars to hire more doctors and nurses to treat veterans.**

The agreement, brokered by Senate Veterans Affairs Committee Chairman Bernie Sanders (I-Vt.) and Senator John McCain (R-Ariz.), will allow eligible veterans to use non-VA medical care if they are experiencing long wait times or live more than 40 miles from the nearest VA hospital or clinic. Veterans could choose instead to opt into the Medicare program, visit federally-qualified health centers, Indian Health Centers or facilities run by the Defense Department.

To address burgeoning demand for VA care, the bill would authorize the department to enter into leases for 26 major medical facilities in 18 states nationwide and to spend \$500 million to hire new doctors and nurses with expedited hiring authority.

Adopting a popular proposal already passed by the House, the bill would allow the VA secretary to immediately fire or demote senior officials tied to mismanaged or delayed medical care for veterans. In a compromise to address concerns about workers' due process, any fired or demoted worker would have seven days to appeal the decision to the Merit Systems Protection Board, the federal panel that hears such appeals. The panel would have three weeks to render a decision.

The agreement is expected to be debated next week and then be sent to the House, which has passed at least nine bills in recent months tied to improving veterans' education, employment and health care.

## MILITARY HEALTH CARE NEWS

- **The U.S. Department of Labor (DOL) announced a five-year moratorium on the enforcement of affirmative action obligations against TRICARE subcontractors.**

In addition, open compliance proceedings will be closed within 30 business days of the DOL's announcement.

The moratorium covers:

- Healthcare entities that participate in TRICARE only as subcontractors;
- Healthcare entities that participate in TRICARE as subcontractors and as subcontractors under any Medicare program;
- Healthcare entities that participate in TRICARE as subcontractors and as subcontractors under the Federal Employee Health Benefits Program; and
- Healthcare entities that participate in TRICARE as subcontractors and as subcontractors under any other federal health program.

Healthcare entities that are TRICARE subcontractors but hold prime contracts with an agency of the federal government, and TRICARE subcontractors who have separate, non-healthcare-related federal subcontracts will continue to be subject to OFCCP jurisdiction and compliance audits.

The DOL has announced plans to work with the TRICARE subcontractor community to provide greater clarity regarding its affirmative action obligations. This suggests that during the moratorium period the DOL may use other persuasive means to encourage compliance. Still, the DOL's announcement should allow for a collective sigh of relief among the TRICARE subcontractor community.

- **The Defense Health Agency established its Research Regulatory Oversight Office to ensure compliance with DoD's ethical and regulatory requirements for research activities involving humans and animals.**

Military researchers and investigators in the areas of behavioral and social science work with the Research Regulatory Oversight Office to check off every component of compliance - a long and complicated process.

The Research Regulatory Oversight Office, along with the Defense Health Agency Privacy and Civil Liberties Office, has launched a new web tool to standardize the way military researchers and investigators obtain the compliance information and documents needed to ensure the publication of their work. The innovation is part of the Defense Health Agency's efforts to modernize and streamline Military Health System capabilities.

The Privacy, Information Collection, Human Research tool aggregates all compliance

information and data necessary for conducting research into one online platform, and is being hailed as a large step forward in simplifying navigation of the approval pathways for researchers, investigators and DoD.

The Privacy, Information Collection , Human Research tool functions as a drop-down tree to lead researchers through a series of questions, which vary at each step depending on the response. Once all of the questions are answered researchers are redirected to a page with an organized list of the information, documents and all other applicable materials needed to ensure DoD regulatory requirements are met. On average this process can be completed in less than 10 minutes. These are vital checks to ensure standards are being satisfied for their particular activities related to privacy, information collection and human research.

This new tool is available and can be accessed on the [Military Health System website](#).

## VETERANS AFFAIRS NEWS

- **On May 30, 2014, President Obama announced the Veterans Affairs Secretary Eric Shinseki resigned.** VA Deputy Secretary Sloan Gibson will serve as acting secretary. Gibson is a former bank executive who came to the organization after leading the USO. He is a former Army officer who graduated from West Point.
- **At his first meeting with the leadership of Veterans Service Organizations (VSO) as acting Secretary of Veterans Affairs, Sloan Gibson announced that the Department of Veterans Affairs (VA) has reached out to all Phoenix Veterans identified in the recent VA Office of Inspector General (OIG) interim report.**

During a breakfast discussion with the American Legion, AMVETS, Disabled American Veterans, Paralyzed Veterans of America, Veterans of Foreign Wars, and Vietnam Veterans of America, Acting Secretary Gibson outlined immediate steps taken to respond to the interim report, including announcing travel this on June 5 to the Phoenix VA Health Care System.

Last week, OIG released an interim report on patient scheduling and access identifying approximately 1,700 veterans in Phoenix, Ariz., awaiting health care and were not currently in the scheduling system. After accounting for duplicates and those Veterans who declined to provide contact information, VA called all 1,586 individual Veterans identified by the OIG as of 6:00 pm on Friday, May 30. For those veterans that VA could not reach after several attempts or who had not provided phone details, VA sent letters via US Mail. VA identified that roughly 725 Veterans of the 1,700 identified by the OIG wanted care within 30 days.

VA will schedule all veterans requesting care at the Phoenix VA Health Care System. If the Phoenix VA Health Care System is not able to promptly provide care using VA providers, VA will identify providers in the community through the VA's non-VA care program.

- **President Barack Obama's nominee to be the next VA undersecretary for health care, Jeffrey Murawsky withdrew his name because he feared a prolonged fight over his confirmation.**

Murawsky, chief for the VA's Chicago-based regional office, was nominated last month to be the department's new undersecretary for health care, replacing Robert Petzel, who resigned under pressure. Petzel had been scheduled to retire later this year but was asked to leave early because of delays in patient care and preventable deaths at veterans' hospitals.

Murawsky now oversees seven VA hospitals and 30 clinics in Illinois, Indiana, Wisconsin and

Michigan, including one in suburban Chicago where there are allegations that its staff used secret lists to conceal long patient wait times for appointments. Murawsky was a doctor at the Hines, Illinois, hospital and technically remains on staff.

The VA is required by law to convene a commission to seek and review candidates for the position, which oversees the Veterans Health Administration, the largest single health provider in the nation with 9 million patients, 150 hospitals and 820 walk-in clinics.

Robert Jesse, Petzel's chief deputy, has served as acting undersecretary since Petzel resigned May 16.

## GENERAL HEALTH CARE NEWS

- **The Department of Health and Human Services (HHS) announced the availability of up to \$300 million under the Affordable Care Act to help the nation's community health centers expand service hours, hire more medical providers, and add oral health, behavioral health, pharmacy, and vision services.**

Today, nearly 1,300 health centers operate more than 9,000 service delivery sites that provide care to over 21 million patients in every state, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and the Pacific Basin. The health center program is administered by HHS' Health Resources and Services Administration (HRSA).

Health center grantees requesting expanded services funds must demonstrate how these funds will be used to expand primary care medical capacity and services to underserved populations in their communities.

For more information on this funding opportunity announcement, please visit <http://www.hrsa.gov/grants/apply/assistance/es/esinstructions.pdf>.

- **The Centers for Medicare & Medicaid Services (CMS) released its first annual update to the Medicare hospital charge data, or information comparing the average amount a hospital bills for services that may be provided in connection with a similar inpatient stay or outpatient visit.**

The data include information comparing the average charges for services that may be provided in connection with the 100 most common Medicare inpatient stays at over 3,000 hospitals in all 50 states and Washington, D.C. Hospitals determine what they will charge for items and services provided to patients and these "charges" are the amount the hospital generally bills for those items or services.

CMS [recently released](#) new and updated information on chronic conditions among Medicare fee-for-service beneficiaries, including:

- Geographic data summarized to national, state, county, and hospital referral regions levels for the years 2008-2012;
- Data for examining disparities among specific Medicare populations, such as beneficiaries with disabilities, dual-eligible beneficiaries, and race/ethnic groups;
- Data on prevalence, utilization of select Medicare services, and Medicare spending;
- Interactive dashboards that provide customizable information about Medicare beneficiaries with chronic conditions at state, county, and hospital referral regions

levels for 2012; and

- Charts and maps.

These public data resources support the HHS Initiative on Multiple Chronic Conditions by providing researchers and policymakers a better understanding of the burden of chronic conditions among beneficiaries and the implications for our health care system.

- **CMS has also launched the [Geographic Variation Dashboards](#).**

These dashboards will present Medicare fee-for-service per-capita spending at the state and county levels in interactive formats. CMS calculated the spending figures in these dashboards using standardized dollars that remove the effects of the geographic adjustments that Medicare makes for many of its payment rates.

The dashboards include total standardized per capita spending, as well as standardized per capita spending by type of service. Users can select the indicator and year they want to display. Users can also compare data for a given state or county to the national average. All of the information presented in the dashboards is also available for download from the Geographic Variation Public Use File.

- **The Food and Drug Administration (FDA) will launched a new open data initiative, openFDA, to facilitate easier access to large, important public health datasets collected by the agency.**

OpenFDA will make FDA's publicly available data accessible in a structured, computer readable format that will make it possible for technology specialists, such as mobile application creators, web developers, data visualization artists and researchers to quickly search, query, or pull massive amounts of information on an as needed basis.

The initiative is the result of extensive research to identify FDA's publicly available datasets that are often in demand, but traditionally difficult to use. Based on this research, openFDA is beginning with a pilot program involving millions of reports of drug adverse events and medication errors submitted to the FDA from 2004 to 2013. The pilot will later be expanded to include the FDA's databases on product recalls and product labeling.

- **The Centers for Disease Control and Prevention has awarded \$19.5 million to 26 academic institutions in 25 states to study how people and their communities can avoid or counter the risks for chronic illnesses, such as heart disease, obesity and cancer.**

The funds will support the development and evaluation of practical public health prevention interventions. The awards are for the first year of a five-year funding period.

Prevention Research Centers (PRCs) are committed to conducting prevention research and are leaders in translating research results into public health policies and practices that drive major sustainable community changes that can prevent and control chronic diseases and improve overall health.

For more information on the Prevention Research Centers and a map and [complete listing of their locations](#), please visit CDC's Web site at <http://www.cdc.gov/prc>.

## REPORTS/POLICIES

- **The GAO published “Medicare Physical Therapy: Self-Referring Providers Generally Referred More Beneficiaries but Fewer Services per Beneficiary,” (GAO-14-270) on June 2, 2014.** This report examines trends in the number of and expenditures for self-referred and non-self-referred Medicare PT services and how provision of these services differs among providers on the basis of whether they self-refer.  
<http://www.gao.gov/assets/670/662860.pdf>

## HILL HEARINGS

- The House Veterans Affairs Committee will hold an oversight hearing on **June 9, 2014**, to examine data manipulation and access to VA healthcare: Testimony from GAO, IG and VA.
- The House Appropriations Committee will hold a hearing on **June 10, 2014**, to mark-up the Defense appropriations bill for fiscal year 2015.
- On **June 19, 2014**, the Senate Armed Services Committee will hold a hearing to examine the following nominations:
  - Laura Junor, of Virginia, to be a Principal Deputy Under Secretary for Personnel and Readiness,
  - Gordon O. Tanner, of Alabama, to be General Counsel of the Department of the Air Force,
  - Debra S. Wada, of Hawaii, to be Assistant Secretary of the Army for Manpower and Reserve Affairs

## LEGISLATION

- **H.R.4777** (introduced May 30, 2014): To amend the Internal Revenue Code of 1986 to modify rules relating to health savings accounts was referred to the Committee on Ways and Means, and in addition to the Committees on the Judiciary, and Energy and Commerce. Sponsor: Representative Michael C. Burgess [TX-26]
- **H.R.4783** (introduced May 30, 2014): To protect individuals by strengthening the Nation's mental health infrastructure, improving the understanding of violence, strengthening firearm prohibitions and protections for at-risk individuals, and improving and expanding the reporting of mental health records to the National Instant Criminal Background Check System was referred to the Committee on the Judiciary, and in addition to the Committee on Energy and Commerce. Sponsor: Representative Mike Thompson [CA-5]
- **H.R.4796** (introduced June 2, 2014): the *Keeping Well by Using Your Patient Protection and Affordable Care Act Plan* was referred to the House Committee on Energy and Commerce. Sponsor: Representative Sheila Jackson Lee [TX-18]
- **H.R.4798** (introduced June 2, 2014): To authorize the Secretary of Health and Human Services to award grants for Alzheimer's disease research was referred to the House Committee on Energy and Commerce. Sponsor: Representative Steve Israel [NY-3]
- **S.2410** (introduced June 2, 2014): An original bill to authorize appropriations for fiscal year 2015 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes was placed on the Senate Legislative Calendar.

Sponsor: Senator Carl Levin [MI]

- **S.2423** (introduced June 3, 2014): A bill to improve wait times for appointments for hospital care, medical services, and other health care from the Department of Veterans Affairs, to improve accountability of employees responsible for long wait times for such appointments, and for other purposes was referred to the Committee on Veterans' Affairs.  
Sponsor: Senator Jeanne Shaheen [NH]
- **S.2424** (introduced June 3, 2014): A bill to provide veterans with the choice of medical providers and to increase transparency and accountability of operations of the Veterans Health Administration of the Department of Veterans Affairs, and for other purposes.  
Sponsor: Senator John McCain [AZ]
- **S.2425** (introduced June 4, 2014): A bill to require the Secretary of Veterans Affairs to carry out a pilot program to reduce the shortage of psychiatrists in the Veterans Health Administration of the Department of Veterans Affairs by repaying loans for certain psychiatrists, to carry out a pilot program to provide housing allowances to health care providers of the Veterans Health Administration who accept assignment at rural and highly rural clinics, and for other purposes was referred to the Committee on Veterans' Affairs.  
Sponsor: Senator Mark Begich [AK]
- **S.2430** (introduced June 4, 2014): A bill to establish the Office of the Special Inspector General for Monitoring the Affordable Care Act, and for other purposes was referred to the Committee on Health, Education, Labor, and Pensions.  
Sponsor: Senator Pat Roberts [KS]

## MEETINGS/WEBINARS

- The National Center for Disaster Medicine and Public Health will host the 2014 Learning in Disaster Health Workshop on **Sept. 9-10, 2014**, in the Washington DC area.  
<http://ncdmph.usuhs.edu/>
  - 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>
  - The 30th Annual Meeting of the International Society for Traumatic Stress Studies (ISTSS) will be held **Nov.6-8, 2014**, in Miami, Fla. <http://www.istss.org/MeetingsEvents.htm>
  - The AMIA 2014 Annual Symposium will be held on **Nov. 15-19, 2014**, in Washington DC. <http://www.amia.org/amia2014>
  - AMSUS Annual Continuing Education Meeting will be held **Dec. 2-5, 2014**, in Washington, DC <http://amsusmeetings.org>
  - The 100<sup>th</sup> Annual Meeting of Radiological Society of North America (RSNA) 2014: **Dec. 5-9, 2014**, in Chicago, Ill. [http://www.rsna.org/Annual\\_Meeting.aspx](http://www.rsna.org/Annual_Meeting.aspx)
  - The 2014 Special Operations Medical Association (SOMA) Science Assembly will be held on **Dec. 8-11, 2014**, in Tampa, Fla. <http://www.specialoperationsmedicine.org/Pages/scientificassembly.aspx>
  - The AAMA 2015: The National Summit of Medical Administrators will be held on **Jan. 19-21, 2015**, in Clearwater, Fla. <http://aameda.org/p/cm/ld/fid=159>
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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).