

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

- **On June 3, 2016, President Obama signed into law:**
 - H.R. 2814, which designates the Department of Veterans Affairs community-based outpatient clinic in Sevierville, Tennessee, the Dannie A. Carr Veterans Outpatient Clinic; and
 - S. 184, the “Native American Children's Safety Act,” which amends the Indian Child Protection and Family Violence Prevention Act to require background checks before foster care placements are made by tribal social services agencies.

MILITARY HEALTH CARE NEWS

- **TRICARE will host a webinar on, June 15, 2016 at Noon EST to learn about the new Urgent Care Pilot Program.**

The Urgent Care Pilot Program was created to increase access to care for Prime beneficiaries and will cover two urgent care visits per fiscal year October 1 - September 30. This program allows certain Prime beneficiaries to get urgent care appointments without a referral or prior authorization.

The featured speaker for this event is Ms. Shane Pham. Ms. Pham is a member of the Defense Health Agency Policy and Operations Directorate. She has worked in multiple Military Health

System positions to include a quality service manager, a referral management nurse, a medical coder, a TRICARE Europe representative and an Air Force medic.

- To register for the webinar, please visit:
<https://attendee.gotowebinar.com/register/4580071034526576129>.
- Attendees on a network computer can join us via DCS:
<https://conference.apps.mil/webconf/UrgentCarePilot>.
- For audio, dial 1-866-724-3083, access code 1085851. The speaker will take questions at the end of the presentation. Please avoid sharing personal health information when asking a question.

For more information on the Urgent Care Pilot, visit the [Special Programs](#) page on the TRICARE website.

- **TRICARE recently announced coverage of Transcranial Magnetic Stimulation (TMS) as a treatment for major depressive disorder.**

TMS is used when other depression treatments have not been effective.

Research shows that only half of the patients treated for depressive disorder with medication and talk therapy achieve any success. Consequently, there is a need to try an alternative treatment like TMS. During a treatment, an electromagnetic coil is placed against the patient's scalp. The coil delivers a magnetic pulse through the skull, inducing a low level electric current. The patient receives multiple pulses over several seconds, with each treatment session lasting about 40 minutes.

TMS is non-invasive and treatments are typically done in an outpatient setting without anesthesia. The electromagnetic pulse stimulates nerve cells in the region of the brain that controls mood and depression. Because treatment is typically repetitive, you may hear the treatment called repetitive TMS or rTMS.

This new benefit is effective May 24, 2016 and is not a part of a pilot or demonstration program but a part of the basic TRICARE benefit. For more information, visit the [TRICARE](#) website.

VETERANS AFFAIRS NEWS

- **The *Military Times* reports that the VA's Commission on Care will recommend to change the VA's medical program to mirror the military's TRICARE program, where veterans could choose to use either the VA for their care or see a network provider.**

The blue ribbon panel's goal is to create a more efficient system. Under the draft of the commission's final report, all veterans enrolled in VA care would choose a primary care provider at the VA or from a civilian network.

The plan would eliminate the 30-day and 40-mile restrictions of the Veterans Choice program and create networks of physicians to care for veterans.

The Commission on Care was created by Congress in 2014 under the legislation that established the Veterans Choice program. It is tasked with reviewing the VA health system and making recommendations on its future.

The panel's final report is due by the end of June and commissioners met in Washington to revise a rough draft of the final. The draft report establishes the VHA Care System, which would be responsible for overseeing VHA facilities as well as preferred provider networks managed by contractors. An appointed board of directors would provide oversight to the entire Veterans

Health Administration.

The draft calls for phasing in the new system, starting in areas where it is most needed. It also calls for giving VA the authority to close underperforming VA hospitals and clinics.

The draft report suggests giving some veterans who received other than honorable discharges access to VA health services. Under the draft, troops who have “substantial honorable service” before they got bad paper discharges would be considered for VA health care eligibility. It also considers allowing VA to establish pilot programs that would provide veterans and spouses the option to purchase health care at VA.

Commissioners estimate the costs of these reform proposals would range from \$100 billion to \$1 trillion over 20 years.

- **The Department of Veterans Affairs (VA) announced that it has removed three senior officials at the Phoenix VA Health Care System.**

The move follows an announcement in March in which VA proposed the removal of Lance Robinson, the facility’s associate director; Brad Curry, chief of health administration service; and Dr. Darren Deering, chief of staff. In addition to other causes, the three were removed for negligent performance of duties and failure to provide effective oversight for not ensuring Veterans were either properly scheduled for appointments or placed on an appropriate wait list.

All three employees can appeal the removal decision, should they wish to exercise that right. As General Schedule employees, Mr. Robinson and Mr. Curry have 30 days from the effective date of their removal to file an appeal with the Merit Systems Protection Board. As a Title 38 employee, Dr. Deering has the right to appeal his removal through VA’s administrative grievance process. He will have 15 days from the date of delivery of the decision to formally grieve the decision to the Secretary of VA.

The employees will not be paid during the appeals process should they exercise that right.

GENERAL HEALTH CARE NEWS

- **The Centers for Medicare & Medicaid Services (CMS) released a final rule improving how Medicare pays Accountable Care Organizations (ACOs) in the Medicare Shared Savings Program for delivering better patient care.**

Medicare is moving away from paying for each service a physician provides towards a system that rewards physicians for coordinating with each other. ACOs are a major part of that transition, rewarding providers that deliver high-quality, efficient, and coordinated care for patients.

Medicare bases ACOs’ payments on a variety of factors, including whether the organization can deliver high-quality care at a reasonable cost. The final rule should help more ACOs successfully participate in the Medicare Shared Savings Program by improving the shared savings payment methodology and providing a new participation option for certain Accountable Care Organizations to move to the more advanced tracks of the program.

Already, the [Medicare Shared Savings Program](#) includes over 430 ACOs in 49 states and the District of Columbia serving over 7.7 million Medicare beneficiaries. This final rule changes how Medicare pays ACOs by basing one of the payment factors on whether the organization is able to deliver high-quality care at a lower cost compared to other providers in their region. This change recognizes that health cost trends vary in communities across the country and will give

participating ACOs more opportunities to be successful. In addition, the rule provides a smoother and quicker transition to the more advanced tracks for certain ACOs by allowing an extra year under their first agreement before the organization takes on financial risk.

The early results of the Medicare Shared Savings Program and the Pioneer Accountable Care Organization Model show that in 2014, ACOs had a combined total net program savings of \$411 million while also achieving quality improvements and enhancements in patient and caregiver satisfaction. We look forward to learning about the 2015 results later this summer.

A fact sheet with more information about the final rule is available at:

<https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2016-Fact-sheets-items/2016-06-06.html>.

For more information on the Medicare Shared Savings Program, please visit:

<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/index.html>.

- **The World Health Organization (WHO) has issued new guidelines suggesting women to consider delaying pregnancy if they live in one of the nearly 50 countries affected by the Zika virus.**

In addition, WHO recommended that couples of reproductive age in the affected countries should be “correctly informed and oriented to consider delaying pregnancy.” New guidelines from the WHO cover 46 countries with declared outbreaks of the virus, which includes most of South and Central America. It would also apply to the U.S. territory of Puerto Rico.

Five countries have already issued similar warnings to women, after reporting dozens – and in some cases, hundreds – of cases of the birth defect microcephaly, in which babies are born with abnormally small heads.

The guidelines will present an immense challenge to many of the less-developed countries, where contraception is harder to come by. In its guidance the WHO said countries dealing with Zika need to ensure women have access to contraception, including condoms.

REPORTS/POLICIES

- **The GAO published “*VA Health Care: Improvements Needed for Management and Oversight of Sole-Source Affiliate Contract Development*,” (GAO-16-721T) on June 7, 2016.** This report, among other issues, examines VHA's time frames for developing and awarding high-value, long-term SSACs; VHA's use of short-term SSACs and how it oversees their development and use; and how much experience the VA workforce that develops SSACs has and what, if any, specialized training VA provides.
<http://www.gao.gov/assets/680/676964.pdf>
- **The GAO published “*VA's Health Care Budget: In Response to a Projected Funding Gap in Fiscal Year 2015, VA Has Made Efforts to Better Manage Future Budgets*,” (GAO-16-584) on June 3, 2016.** This report, examine VA's fiscal year 2015 projected funding gap and any changes VA has made to prevent potential funding gaps in future years. This report examines the activities or programs that accounted for VA's fiscal year 2015 projected funding gap in its

medical services appropriation account; and changes VA has made to prevent potential funding gaps in future years. <http://www.gao.gov/assets/680/677668.pdf>

HILL HEARINGS

- The Senate Appropriations Subcommittee on Military Construction and Veterans Affairs, and Related Agencies will hold a hearing on **July 13, 2016**, to examine a 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.5399** (introduced June 7, 2016): Ethical Patient Care for Veterans Act of 2016 was referred to the House Committee on Veterans' Affairs.
Sponsor: Representative David P. Roe [TN-1]
- **H.R.5405** (introduced June 8, 2016): To establish the Stop, Observe, Ask, and Respond to Health and Wellness Training pilot program to address human trafficking in the health care system was referred to the House Committee on Energy and Commerce.
Sponsor: Representative Steve Cohen [TN-9]
- **H.R.5406** (introduced June 8, 2016): To amend the Indian Health Care Improvement Act to improve access to tribal health care by providing for systemic Indian Health Service workforce and funding allocation reforms, and for other purposes was referred to the Committee on Natural Resources, and in addition to the Committees on Energy and Commerce, and Ways and Means.
Sponsor: Representative Kristi L. Noem [SD].
- **H.R.5410** (introduced June 8, 2016): To amend the Patient Protection and Affordable Care Act to better align the grace period required for non-payment of premiums before discontinuing coverage under qualified health plans with such grace periods provided for under State law was referred to the House Committee on Ways and Means.
Sponsor: Representative Bill Flores [TX-17]

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/>

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