

Federal Health Update

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EXECUTIVE AND CONGRESSIONAL NEWS

- **House Republicans elected Rep. Kevin McCarthy (R-Calif.) as their new majority leader, to replace the departing Rep. Eric Cantor of Virginia, who lost his primary race for re-election on June 10.**

McCarthy was first elected to Congress in 2006. He will officially assume his post on July 31. Rep. Steve Scalise (R-La.) will succeed McCarthy as House majority whip.

MILITARY HEALTH CARE NEWS

- **The Department of Defense announced the induction of five new members to the Defense Advisory Committee on Women in the Services (DACOWITS).**

The committee, established during the Korean War in 1951 by Secretary of Defense George C. Marshall, is an independent advisory committee that provides the department with advice and recommendations on matters and policies relating to the recruitment and retention, treatment, employment, integration, and well-being of highly qualified professional women in the Armed Forces.

Previously comprised of 11 members, the 2014 charter authorizes a total of 20 committee members.

The incoming members are as follows:

- Charlotte G. Dixon, Lutz, Fla.

- Retired Army Maj. Gen. John A. Macdonald, Alexandria, Va.
- Retired Navy Force Master Chief Laura Martinez, La Vernia, Texas
- Monica Medina, Chevy Chase, Md.
- Brian S. Morrison, Falls Church, Va.

Additionally, Retired Sergeant Major of the Army Kenneth O. Preston from Mount Savage, Md. was approved to join the committee and will swear in at a later date.

DACOWITS members include prominent civilian women and men representing a distribution of demography, academia, industry, public service and other professions. Selection is on the basis of experience in the military or with women's-related workforce issues.

Members are selected for a four-year term, without compensation, to perform a variety of duties including visiting military installations each year, conducting a review and evaluation of current research on military women, and developing an annual report with recommendations on these issues for service leadership and the secretary of defense.

More information about DACOWITS can be found at <http://dacowits.defense.gov/>

- **The *Marine Times* reports that the GAO's analysis of the difficult transition between contractors in the West Region determined that the fault lies with the Department of Defense.**

In an analysis of the changeover of contractors TriWest Healthcare Alliance and UnitedHealth Military & Veterans Services, GAO found that the TRICARE Management Activity (TMA) failed to provide adequate guidance and oversight to UnitedHealth, resulting in customer service problems and delays in care.

"[Government officials] provided insufficient oversight of the West region's contractor transition because they took limited action in response to the concerns they identified and did not resolve their concerns promptly," GAO officials wrote.

Problems such as delays in specialty care referrals and payments to providers began nearly immediately after UnitedHealth assumed management of the 21-state Tricare West Region in April 2013. The concerns were so pervasive that the Pentagon took the unprecedented step of waiving referral authorization requirements for beneficiaries on Tricare Prime in the region — at a cost of more than \$1 million to the government, according to GAO.

According to GAO, TMA presented both contractors with documents to guide the transition, neither longer than seven pages. TMA eventually supplied a more detailed 140-page document but still did not provide enough specifics to UnitedHealth, GAO concluded.

The report said the government also:

- Provided differing transfer guidance to the two companies, resulting in problems with records transfers.
- Perceived it was unable to interfere and keep UnitedHealth accountable until the company actually began to miss performance goals.
- Felt obligated to give UnitedHealth a \$10 million transition payment without regard to the company's performance, missing an opportunity, "either positive or negative," to encourage better performance.

In response to the report, Pentagon officials took issue with two points: the assertion that TMA's guidance contributed to health care delivery problems and that TMA had never overseen the changeover to a new contract manager.

Dr. Jonathan Woodson, assistant secretary of defense for health affairs, said GAO confused the failure to transfer records between the companies with UnitedHealth's inability to develop an adequate network of doctors that caused delays in care.

"It is the sole responsibility of the incoming contractor" to build its network, Woodson wrote.

He also noted that TMA has handled major contract transitions before, including the transfer and subsequent loss of the Tricare North Region contract by Sierra Military Health and the changeover of several contractors when Tricare consolidated from 12 regions to three.

To read the full report, please visit: <http://www.gao.gov/assets/670/664196.pdf>

- **On June 4, 2014, the Department of Defense submitted its report about the TRICARE appeals process, as required in the fiscal 2014 Defense authorization act, to the House and Senate Armed Services Committee leaders.**

In the accompanying letter, acting Defense Undersecretary for Personnel and Readiness Jessica Wright stated: "There's no evidence that the head of the Defense Health Agency "summarily overturned hearing officers' decisions."

Of the 124 cases that made it to the final stage of the appeals process from fiscal 2009 to fiscal 2013, the Defense Health Agency adopted in full the hearing officer's decision to grant payment to the beneficiary who filed the appeal in 106 cases – or 85 percent of the time.

The appeals process for TRICARE claims has three levels:

- Reconsideration by the TRICARE contractor that issued the initial denial of payment
- Reconsideration by the Defense Health Agency Appeals and Hearings Division
- A hearing before an independent hearing officer

Appeals are considered final if the outcome is favorable to the beneficiary, or the beneficiary decides not to continue the appeal.

In fiscal 2013, beneficiaries filed 9,246 initial appeals, down from 14,667 appeals filed in fiscal 2009. The number of appeals dropped significantly after the first level; just 124 cases went to the hearing stage in fiscal 2013. It took the DHA on average nearly one year to decide on appeals filed between fiscal 2009 and fiscal 2013 that went to the hearing stage. The average number of days in fiscal 2013 for a final decision from the agency was 298, down from 342 days in 2012 and 375 days in 2011.

TRICARE appeals range from claims involving medical benefits covered under the program to emerging medical procedures or technologies that are in the developing stage and not yet covered under TRICARE.

To read the full report, please visit:

<http://www.tricare.mil/tma/congressionalinformation/downloads/TRICARE%20Appeals%20Process.pdf>

- **The Defense Health Agency announced that TRICARE is expanding its coverage of laboratory developed tests under a new demonstration program.**

The Defense Health Agency Evaluation of Non-United States Food and Drug Administration Approved Laboratory Developed Tests Demonstration Project will allow TRICARE to review tests not examined by the Food and Drug Administration (FDA), to determine if they are safe and effective for use. This demonstration also includes coverage for prenatal and preconception

cystic fibrosis carrier screening, with certain limitations.

Generally, TRICARE covers only medications and medical devices like laboratory developed tests reviewed and approved by the FDA. The demonstration allows the Defense Department to perform its own evaluation of a laboratory developed test, establish a list of these tests deemed safe and effective, and establish a process to add new tests to that list. TRICARE will maintain and publish a list of approved tests, and will continually update it as new tests are reviewed and approved for coverage. The regional contractor must preapprove use of the test for it to be covered.

Beneficiaries who've paid for laboratory developed tests since Jan. 1, 2013, that are now included in the demonstration are eligible for retroactive reimbursement. Additional details about retroactive payments will be forthcoming.

The demonstration will be an ongoing process, allowing the Military Health System to respond to patient needs, and ensure better consistency in the level of care that is available at military hospitals and through TRICARE health plan options. The [Federal Register](#) notice was published on June 18. TRICARE is currently developing the policy to implement the demonstration.

VETERANS AFFAIRS NEWS

- **The Department of Veteran Affairs (VA) announced it is continuing the process to replace its medical appointment scheduling system through an acquisition process.**

On June 18, VA hosted pre-solicitation "Industry Day" meetings with technology vendors to discuss the Department's upcoming scheduling system acquisition.

VA's scheduling technical requirements are complex and require clear, well-articulated communication to ensure comprehensive understanding by industry and potential vendors. As part of today's events, VA is conducting a live scheduling system architecture Q&A session to ensure potential solutions seamlessly interface with VA's VistA electronic health record.

VA uses this type of event to facilitate communication with vendors and reduce the risk of misinterpretation and miscommunication on technical requirements. The information shared during the Industry Day will provide VA with a better understanding of what needs to be included in the upcoming scheduling system solicitation, with the ultimate goals of receiving solid proposals and reducing time to field new technologies

- **On June 18, 2014, Acting Secretary of Veterans Affairs Sloan D. Gibson directed all Department of Veterans Affairs' (VA) Medical Center and Health Care System Directors to conduct monthly in-person reviews of scheduling practices in every clinic within their jurisdiction.**

Site inspections will include observing daily scheduling processes and interacting with scheduling staff to ensure all policies are being followed to deliver veterans the timely care they have earned.

In addition to monthly reviews of over 900 Veterans Health Administration facilities nationwide, Veterans Integrated Service Network Directors will also conduct similar visits to at least one medical center within their area of responsibility every 30 days, completing visits to all medical centers in their network every 90 days.

This action follows the VA's release of results from its nationwide Access Audit, along with facility-level patient access data.

- **On June 17, 2014, Acting Secretary of Veterans Affairs Sloan Gibson initiated the process of selecting the next head of the Veterans Health Administration (VHA).**

Gibson announced a commission comprised of nine healthcare experts and industry leaders, which will meet in Washington to assess a series of candidates to serve as the next Under Secretary for Health for the Veterans Health Administration.

The commission includes:

- Nancy Adams, RN, Major General Retired, American Academy of Nursing Fellow
- Garry Augustine, Washington Headquarters Executive Director, Disabled American Veterans
- Delos Cosgrove, M.D., President and CEO, Cleveland Clinic
- Lt. General Patricia Horoho, Army Surgeon General and Commander, U.S Army Medical Command
- Kenneth W. Kizer, M.D., M.P.H., Distinguished Professor and Director, Institute for Population Health Improvement, University of California Davis Health System
- Jennifer Lee, M.D., Virginia Deputy Secretary of Health and Human Services
- John E. Prescott, M.D., Chief Academic Officer, Association of American Medical Colleges
- Jose D. Riojas, Chief of Staff, U.S. Department of Veterans Affairs
- Bob Wallace, Executive Director, Veterans of Foreign Wars

GENERAL HEALTH CARE NEWS

- **The Department of Health and Human Services (HHS) released a new report on the federal Marketplace plans in 2013-2014.**

The report found that people who selected silver plans, the most popular plan type in the federal Marketplace, with tax credits paid an average premium of \$69 per month. In the federal Marketplace, 69 percent of enrollees who selected Marketplace plans with tax credits had premiums of \$100 a month or less, and 46 percent of \$50 a month or less after tax credits.

The report also looked at competition and choice nationwide among health insurance plans in 2013-2014, and finds that most individuals shopping in the Marketplace had a wide range of health plans from which to choose. On average, consumers could choose from five health insurers and 47 Marketplace plans. An increase of one issuer in a rating area is associated with 4 percent decline in the second-lowest cost silver plan premium, on average.

According to the report, on average, monthly premiums for people who selected plans with tax credits fell 76 percent after tax credits, dropping the cost of the average monthly premium from \$346 before tax credits to \$82 after tax credits across all plan types. People who selected silver plans, the most popular plan type in the federal Marketplace, with tax credits paid an average premium of \$69 per month.

In 2014, there were a total of 266 issuers in the Marketplace by state, offering over 19,000 Marketplace plans across all ratings areas, excluding catastrophic plans. Overall, 82 percent of people eligible to purchase a qualified health plan could choose from three or more health

insurance issuers and 96 percent could choose from two or more health insurers in the Marketplace. In 2014, new issuers represent almost 26 percent of all issuers in the Marketplace, and the new Consumer Operated and Oriented Plans (CO-OPs) tended to have lower premiums than other plans. Early reports from the states suggest that additional issuers will be entering the Marketplace in 2015.

To read the report visit:

<http://aspe.hhs.gov/health/reports/2014/Premiums/2014MktPlacePremBrf.pdf>

- **The Centers for Disease Control and Prevention (CDC) reported a decline in induction of labor for single births for gestational age group.**

After increasing steadily for nearly two decades, a new CDC report notes induced labor went from 23.7 percent in 2011 to 23.3 percent in 2012. The data also show induction rates at 38 weeks gestation declined for 36 states and the District of Columbia from 2006-2012, with declines ranging from 5 percent to 48 percent; rates for 31 states and D.C. declined at least 10 percent.

Although delivery is medically necessary in some instances, delivery for a non-medical reason is not recommended before 39 weeks' gestation. Risks of labor induction can include increased risk of cesarean section and, in some cases, increased risk for neonatal infections and neonatal respiratory complications. Along with more emphasis on accurately determining gestational age, CDC has increased its efforts to help parents understand how waiting to induce labor could benefit a newborn's health.

- **On June 16, 2014, Centers for Medicare & Medicaid Services (CMS) launched a national initiative "From Coverage to Care" (C2C), which is designed to help answer questions that people may have about their new health coverage, to help them make the most of their new benefits, including taking full advantage of primary care and preventive services.**

The program also seeks to give health care providers the tools they need to promote patient engagement.

C2C will be an ongoing project. As more and more people obtain coverage, there will be a continuous need to ensure that people have answers to questions they might have about their new coverage and are appropriately connected to the health care system to help them live long, healthy lives.

The launch also marks the release of the new [Roadmap to Better Care and a Healthier You](#), which includes eight steps to help consumers and health care providers be informed about the diverse benefits available through their coverage and how to use it appropriately to access to primary care and preventive services. Among other things, the "Roadmap" contains information on health care coverage terms, the differences between primary care and emergency care, and the cost differences of decisions to seek care in- and out-of-network, where applicable to the consumer's health plan.

More information about C2C and other helpful resources, including a 10-part video series, to help those with new health care coverage make the most of their coverage, and raise awareness about the importance of getting routine primary care and regular preventive care are

available at: <http://marketplace.cms.gov/c2c>.

People with related questions about the C2C initiative should write to Coveragetocare@cms.hhs.gov.

- **According to ABC News, the Centers for Disease Control and Prevention (CDC) reported that at least 75 workers at the Atlanta CDC headquarters of the U.S. Centers for Disease Control may have been exposed to anthrax, a deadly infectious disease.**

The workers are being monitored and offered antibiotics and vaccination, CDC officials said. So far none have shown signs of illness, but symptoms can take two months to appear.

Left untreated, the inhaled form of anthrax can be deadly in 85 percent of cases. Even with treatment the fatality rate is as high as 45 percent.

The risk of infection among the 75 workers is thought to be very low and the general public is not at risk.

Initial reports from the CDC stated that staff members were exposed to the anthrax-causing bacterium *Bacillus anthracis* after the Bioterrorism Rapid Response and Advanced Technology Laboratory failed to fully inactivate samples of the live bacteria. The samples were moved to another laboratory where workers were not wearing full protective gear since they believed the samples posed no risk.

Between June 6 and June 13, the infectious samples were used for experiments in two different CDC labs that were unequipped to handle the dangerous bacterium, CDC said. At one point, the spores may have even been aerosolized and dispersed into the air, according to the agency.

The breach was not discovered until the samples of the bacterium were gathered to be destroyed and the live bacteria were discovered, CDC said.

The CDC is still investigating the exposure and has decontaminated lab and hallway areas that were exposed, according to a statement.

REPORTS/POLICIES

- **The GAO published “VA Health Care: Further Action Needed to Address Weaknesses in Management and Oversight of Non-VA Medical Care,” (GAO-14-696T) on June 18, 2014.** The report addresses the extent to which VA collects reliable information on wait times and cost-effectiveness of the Non-VA Medical Care Program; VA facilities comply with Millennium Act claims processing requirements and VA oversees claims processing activities; and VA educates veterans about eligibility for Millennium Act emergency care and communicates with non-VA providers. <http://www.gao.gov/assets/670/664171.pdf>
- **The GAO published “Defense Health Care: TRICARE Dental Services Contracts' Requirements and Structure,” (GAO-14-497) on June 13, 2014.** This report examined how DHA developed the requirements for its current dental services contracts and the reasons for DHA's use of separate contracts for different beneficiary groups. <http://www.gao.gov/assets/670/664090.pdf>

HILL HEARINGS

- The House Veterans Affairs Committee will hold a hearing on **June 23, 2014**, to examine the capacity of the VA to care for veteran patients.
- The House Veterans Affairs Committee will hold a hearing on **June 25, 2014**, to examine VBA and VHA interactions and the ordering and conducting medical examinations.

LEGISLATION

- **H.R.4875** (introduced June 17, 2014): the *Equalizing Transparency for Veterans Act* was referred to the House Committee on Veterans' Affairs
Sponsor: Representative Charles W. Boustany, Jr. [LA-3]
- **H.R.4888** (introduced June 18, 2014): To provide for the identification and dissemination of best practices for medical professionals and other health care providers relative to neonatal abstinence syndrome, and for other purposes was referred to the House Committee on Energy and Commerce.
Sponsor: Representative Katherine M. Clark [MA-5]
- **H.AMDT.869 to H.R.4870** (introduced June 18, 2014): An amendment to reduce funds for Operation and Maintenance, Defense-Wide by \$5,000,000 and increase funds for the Defense Health Program by the same amount was agreed to by voice vote.
Sponsor: Representative Barbara Lee [CA-13]
- **H.AMDT.871 to H.R.4870** (introduced June 18, 2014): An amendment to reduce funds for Operation and Maintenance, Defense-Wide by \$500,000 and increase funds for the Defense Health Program by the same amount was agreed to by voice vote.
Sponsor: Representative Sheila Jackson Lee [TX-18]
- **H.AMDT.873 to H.R.4870** (introduced June 18, 2014): An amendment to reduce funds for Operation and Maintenance, Defense-Wide by \$10,000,000 and increase funds for the Defense Health Program by the same amount was agreed to by voice vote.
Sponsor: Representative Hakeem S. Jeffries [NY-8]
- **H.AMDT.875 to H.R.4870** (introduced June 18, 2014): An amendment to reduce funds for Operation and Maintenance, Defense-Wide by \$3,500,000 and increase funds for the Defense Health Program by the same amount was agreed to by voice vote.
Sponsor: Representative James P. McGovern [MA-2]
- **H.AMDT.876 to H.R.4870** (introduced June 18, 2014): An amendment to reduce funds for Operation and Maintenance, Defense-Wide by \$2,000,000 and increase funds for the Defense Health Program by the same amount was agreed to by voice vote.
Sponsor: Representative Dan Benishek [MI-1]
- **H.AMDT.883 to H.R.4870** (introduced June 18, 2014): An amendment to reduce funds for Operation and Maintenance, Defense-Wide by \$10,000,000 and to increase funds for the Defense Health Program by the same amount was agreed to by voice vote.
Sponsor: Representative Alan Grayson [FL-9]
- **H.AMDT.884 to H.R.4870** (introduced June 18, 2014): An amendment to reduce funds for Environmental Restoration, Air Force by \$37,000,000 and increase funds for the Defense Health Program by \$10,000,000 was agreed to by voice vote.
Sponsor: Representative Tim Murphy [PA-18]
- **H.AMDT.886 to H.R.4870** (introduced June 18, 2014): An amendment to reduce funds for Aircraft Procurement, Navy by \$20,000,000 and increase funds in the Defense Health

Program by the same amount failed by voice vote.
Sponsor: Representative Daniel Kildee T [MI-5]

- **H.AMDT.887 to H.R.4870** (introduced June 18, 2014): An amendment to reduce funds for Procurement, Defense-Wide by \$5,000,000 and to increase funds for the Defense Health Program by the same amount was agreed to by voice vote.
Sponsor: Representative Sheila Jackson Lee [TX-18]
- **H.AMDT.891 to H.R.4870** (introduced June 18, 2014): An amendment to reduce the funds for Research, Development, Test and Evaluation, Defense-Wide by \$10 million and to increase funds for Defense Health Program, Operation and Maintenance by a similar amount was agreed to by voice vote.
Sponsor: Representative Alan Grayson [FL-9]
- **H.AMDT.892 to H.R.4870** (introduced June 18, 2014): An amendment to redirect \$1 million in the Defense Health Program, Research, Development, Test and Evaluation account was agreed to by voice vote.
Sponsor: Representative Rush Holt [NJ-12]
- **H.AMDT.893 to H.R.4870** (introduced June 18, 2014): An amendment to redirect \$30 million in the Defense Health Program, Research, Development, Test and Evaluation account was agreed to by voice vote.
Sponsor: Representative James R. Langevin [RI-2]

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://ncdmp.h.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 100th Annual Meeting of Radiological Society of North America (RSNA) 2014: **Dec. 5-9, 2014**, in Chicago, Ill. 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>

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.

