Welcome to Federal Health Update. This newsletter is a compilation of the latest news in the federal health care sector.

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Best wishes for a happy and safe Fourth of July!

**EXECUTIVE AND CONGRESSIONAL NEWS**

- The House and Senate will be in recess next week for the Fourth of July.

- *On June 28, 2018, the House passed H.R.6157 - Department of Defense Appropriations Act, 2019. This legislation.* The legislation provides a total of $674.6 billion for the Department of Defense. This includes $606.5 billion in base discretionary funding – an increase of $17.1 billion above the fiscal year 2018 enacted level.

  For bill highlights, please visit: [https://appropriations.house.gov/uploadedfiles/fy_2019_defense_appropriations_bill_-_one_page_summary.pdf](https://appropriations.house.gov/uploadedfiles/fy_2019_defense_appropriations_bill_-_one_page_summary.pdf)


- *On June 28, 2018, the Senate Committee on Appropriations approved its Department of Defense Appropriations Act for fiscal year 2019.*

  The bill includes $675.0 billion, an increase of $20.4 billion over the fiscal year 2018. The
legislation provides $607.1 billion in base funding and $67.9 billion for Overseas Contingency Operations (OCO) funding in title IX of the bill.

The bill funds a 2.5 percent raise for service members, the largest pay raise for our service members in nearly 10 years.

It also provides $34.5 billion for the Defense Health Program. This amount includes an additional $974 million for defense medical research efforts, including $330 million for the competitively awarded peer-reviewed medical research program and $202 million to advance Department of Defense medical research priorities. The bill also recommends $70 million above the President’s request for the Medical Community of Interest [Med-COI], the IT infrastructure backbone of the new electronic health record, in order to support its further deployment.

- On June 25, 2018, the Senate passed H.R.5895, the Energy and Water, Legislative Branch, and Military Construction and Veterans Affairs Appropriations Act, 2019. This minibus appropriations bill packages three fiscal year 2019 Senate appropriations measures, including Energy and Water Development, Military Construction and Veterans Affairs, and the Legislative Branch. The package provides a total of $145.64 billion in base discretionary funding, with the majority of this funding supporting our national defense and veterans.

MILITARY HEALTH CARE NEWS

- The Defense Health Agency announced it received five FedHealth/IT Innovation Awards for innovative federal health care programs.

FedHealth/IT, a resource for senior government and industry executives in the federal health care community, launched the annual awards four years ago to honor companies, government agencies and programs driving innovation in health care. The honorees are chosen by their peers for their willingness to take achievable risk and deliver real results.

This year’s DHA awards went to:
  o TRICARE Online Patient Portal, Solution Delivery Division
  o Enterprise Intelligence & Data Solutions
  o Pharmacy Analytic Support Services
  o Enterprise Blood Management Systems: Transfusion and Donor
  o Mitigation and Remediation Support Team

Additional winners included the United States Air Force Medical Service, the Centers for Medicaid and Medicare Services, the Health Resources and Services Administration, the Food and Drug Administration, the United States Digital Service, the Department of Health and Human Services, and the Department of Veterans Affairs.

- The McDonald Army Health Center (MCAHC) Pediatric Clinic developed a pilot program that tests the concepts of virtual healthcare with beneficiaries that generally would require face-to-face encounters with their child’s provider.

TeleHealth (TH) revolves around the core concept of connecting people with health care
providers to enhance readiness, access to care, patient safety, quality, and the overall patient experience.

The pilot currently consists of two types of enrollment, Pediatric and Pediatric Behavioral Health. The first step in taking advantage of this pilot program is to request a TH appointment through your Primary Care Manager (PCM).

The data collected from this pilot program will eventually help spread the capability of TH throughout the health center giving all beneficiaries the opportunity and convenience of video visits with their provider on smartphones, tablets and home computers. Providers can check signs and symptoms of the patient in the convenience of the patient's homes, which will create a significant time and cost savings as well improve the overall patient experience.

According to Army officials, the program is growing significantly at McDonald and within the Military Health System in Hampton Roads.

Beneficiaries who are interested in the pilot program at McDonald can contact the Pediatric Clinic at (757) 314-7500 x42172 or (757) 314-7500 x42098 to have your healthcare team assist them with the enrollment process.

VETERANS AFFAIRS NEWS

- The U.S. Department of Veterans Affairs’ (VA) announced Dr. Carolyn Clancy, head of the Veterans Health Administration (VHA), was named by Modern Healthcare magazine as one of 2018’s 50 Most Influential Physician Executives and Leaders.

According to Modern Healthcare, the 50 Most Influential Physician Executives and Leaders recognition program honors physicians working in all sectors of the health-care industry who are steering their organizations and the health-care delivery system through dynamic, challenging times. Further, the magazine said, the physicians stand out for the scope of their executive responsibilities, personal achievements, innovation and commitment to their communities.

In her role as executive in charge of VHA, Clancy directs VA’s health-care system with an annual budget of approximately $68 billion, overseeing the delivery of care to more than 9 million enrolled veterans. VHA is the largest integrated health-care system in the U.S., providing care at 1,242 sites of care, including 171 VA Medical Centers and 1,062 outpatient sites of care of varying complexity. VHA is the nation's largest provider of graduate medical education and a major contributor to medical and scientific research. More than 73,000 active volunteers, 127,000 health-profession trainees and over 306,000 full-time, health-care professionals and support staff are an integral part of the VHA community.

Under Clancy’s leadership, VA launched tools that enable veterans to get information more readily about everything from quality care to patient wait times. She also led efforts across VA to tackle the opioid crisis, including adopting decision-support technology. This year, Clancy will lead efforts to boost performance at lower-performing health-care facilities.

- The U.S. Department of Veterans Affairs (VA) announced that nine VA programs were recognized for outstanding innovations in federal health technology at an awards ceremony at the National Press Club in Washington, D.C.

With initiatives ranging from a mobile app for scheduling medical appointments to a customer-experience analysis system, VA’s programs were among 26 winners honored earlier this month at the fourth annual FedHealthIT Innovation Awards.

The nine VA programs receiving awards include: Substance Use Disorder Treatment, from the Veterans Health Administration’s (VHA) Center
for Compassionate Care Innovation, will provide increased access to care for up to 1,000 patients diagnosed with alcohol and opiate addiction, who have limited access to care in the VHA system.

The Genetic Diagnostic Testing (GDx) System, from VA’s Office of Connected Care, is a mobile application giving Veterans and VA providers unprecedented access to genetic laboratory test results, allowing viewing and sharing results with health-care providers inside and outside VA. Medical professionals will be able to provide highly individualized care and better treat their patients.

The Clinical Decision Support (CDS) Content and HL7-compliant Knowledge Artifacts (KNARTs) supports VA’s health-care community standardizing clinical content. Through these programs, data is universally shareable via any clinical decision support tool, electronic health record or internet technology (IT) platform — ultimately improving clinicians’ ability to deliver patient care and improving the referral process.

My HealtheVet (MHV) Core Development allows the community of 4.3 million MHV users to improve the use the online scheduling app. This optimized the use of VA IT investment funds, allowed access across desktops, tablets and mobile devices and dramatically increased Veteran use of the application.

Customer Experience (CX) Data Capability, a program created to collect and analyze Veterans’ experiences as they engage with VA. Using newly developed software, Veterans can provide feedback and suggest improvements for VHA facilities. The facilities can access the feedback in real time, enabling immediate service recovery and long-term program and system improvements.

VHA’s Diffusion of Excellence Initiative empowers frontline employees to solve some of VHA’s toughest challenges. Using a “Shark Tank”-style competition — similar to the television show where entrepreneurs compete for support from investors — promising practices have been implemented more than 400 times in VA medical centers, affecting an estimated 96,450 veterans.

The Remote Veterans Apnea Management Platform (REVAMP), in VA’s Office of Connected Care, improves veterans’ access to care, reduces patient wait times and allows veterans with sleep apnea to be diagnosed and treated without having to travel to a sleep center. This VA-developed web platform facilitates remote care and provides a convenient alternative to current in-person management.

Mobile Scheduling Enhancements (MSE), in VA’s Office of Information and Technology’s Enterprise Program Management Office, uses apps to enable veterans, VA clinics and staff to self-schedule primary care, audiology, optometry and mental health appointments within VA’s health-care system.

The System of Logical Representation (SOLOR) uses off-the-shelf software to convert complex language into user-friendly terminologies. This simplification represents a shift in how software developers consume terminology, and enables collaborative improvement in medical knowledge, patient care and patient safety.

GENERAL HEALTH CARE NEWS

- On June 27, 2018, the Centers for Medicare & Medicaid Services (CMS) issued the first-ever approval of a state plan amendment proposal to allow the state of Oklahoma to negotiate supplemental rebate agreements involving value-based purchasing
arrangements with drug manufacturers.

These agreements could produce extra rebates for the state if clinical outcomes are not achieved. The state plan amendment proposal submitted by Oklahoma will be the first state plan amendment permitting a state to pursue CMS-authorized supplemental rebate agreements involving value-based purchasing arrangements with manufacturers.

Value-based purchasing can link the payment of a drug to its effectiveness and the outcomes it achieves. CMS approved the state plan amendment Oklahoma proposed, permitting the state to enter into tailored agreements with manufacturers on a voluntary basis. The state and each manufacturer can now jointly agree on benchmarks based on health outcomes and the specific populations for which these outcomes-based benchmarks will be measured and evaluated.

Almost every state Medicaid plan includes the authority of the state to negotiate supplemental rebate agreements (SRAs) with drug manufacturers that provide rebates at least as large as those set forth in the Medicaid national drug rebate agreement. Since Medicaid is a federal and state partnership, CMS reviews all state plan amendments, including SRAs. Consistent with regulations at 42 CFR 447.505(c)(7), SRAs are exempt from the Medicaid “best price” rule that requires drug manufacturers to extend the lowest price for a drug they negotiate with any other buyer to all states in the Medicaid program.


- Three in four Americans do not exercise enough to meet nationally recommended guidelines, according to a new Centers for Disease Control and Prevention (CDC) report.

The report examines five years of data from the National Health Interview Survey, a nationally representative survey of Americans’ lifestyle and dieting habits. From 2010 to 2015, researchers asked more than 150,000 Americans (ages 18-64) whether they engaged in aerobic and/or muscle building exercise and if so, how often. Just 23 percent of Americans exercise enough to meet the nationally recommended guidelines for both types of exercise.

The national guidelines recommend adults get either 150 minutes of light-to-moderate-intensity physical activity, or 70 minutes of vigorous-intensity physical activity, per week. It is also recommended that adults performing exercises to improve muscle strength at least 2-3 times a week. Thirty-four percent said they exercised enough to meet only one of the guidelines, while 45 percent met neither.

The study finds there were disparities between states:

- Colorado was the most active state, with 32.5 percent of residents exercising enough to meet the national guidelines.
- Mississippi was the least active state, only 13.5 percent of residents exercising enough to meet national guidelines.
- In 14 states and Washington D.C., people were significantly more likely to hit the guidelines, according to the CDC. Residents of states in the West and New England were most likely to work out enough. The study notes that people in these states are less likely to be obese.
- Thirteen states (Alabama, Arkansas, Florida, Georgia, Indiana, Kentuck, Mississippi, New York, Oklahoma, South Carolina, South Dakota, Tennessee, and West Virginia) had rates of adequate exercise far below the national average of 23 percent. These states tend to have higher rates of obesity.
- The study also found that men were more likely to meet the national recommendations for exercise than women were. Nationally. 27.2 percent of men reported enough exercise, compared to 18.7 percent of women. In addition, people who are employed are
more likely to report they exercise than people who do not work.

**REPORTS/POLICIES**

- The GAO published “Drug Discount Program: Federal Oversight of Compliance at 340B Contract Pharmacies Needs Improvement,” (GAO-18-480) on June 21, 2018. This report describes financial arrangements selected covered entities have with contract pharmacies; describes the extent that selected covered entities provide discounts on 340B drugs dispensed by contract pharmacies to low-income, uninsured patients; and examines HRSA's efforts to ensure compliance with 340B Program requirements at contract pharmacies. https://www.gao.gov/assets/700/692697.pdf


**HILL HEARINGS**

- There are no hearings scheduled next week.

**LEGISLATION**

- **H.R.6240** (introduced June 22, 2018): A bill to amend the Public Health Service Act to provide for certain user fees under the 340B drug discount program was referred to the House Committee on Energy and Commerce. Sponsor: Representative Chris. Collins [R-NY-27]

- **H.R.6203** (introduced June 22, 2018): A bill to amend the Public Health Service Act to expand research and education with respect to endometrial cancer, and for other purposes was referred to the House Committee on Energy and Commerce. Sponsor: Representative David. Scott [D-GA-13]

- **H.R.6201** (introduced June 22, 2018): To require the Secretary of Health and Human Services to establish a National Advisory Committee on Individuals with Disabilities in All-Hazards Emergencies was Referred to the House Committee on Energy and Commerce. Sponsor: Representative James R. Langevin [D-RI-2]

**MEETINGS**

- The AUSA 2018 Annual Meeting & Exposition will be held **Oct. 8-10, 2018**, in Washington DC. http://ausameetings.org/2018annualmeeting/

- The 2018 AMSUS Annual Continuing Education Meeting will be held on **Nov. 26-30, 2018**, at the Gaylord National Harbor, Md. http://www.amsusmeetings.org/home-2/
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.