

Federal Health Update

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ktheroux@federalhealthcarenews.com

Happy Fourth of July!

EXECUTIVE AND CONGRESSIONAL NEWS

- **The House and Senate are on recess this week.**

MILITARY HEALTH CARE NEWS

- **The Congressional Budget Office released a report on June 30, 2014, which outlines options to reduce military costs.**

Among the suggestions offered (and the estimated reduction in outlays from 2014-2023) in the report, were:

- Cap Increases in Basic Pay for Military Service Members (\$25 billion)
- Replace Some Military Personnel With Civilian Employees (\$19 billion)
- Increase TRICARE Cost Sharing for Retirees (\$20 billion to \$71 billion)
- Eliminate Concurrent Receipt for Disabled Veterans (\$108 billion)

The report's specific recommendations to increase TRICARE costs for retirees include:

- Modifying TRICARE enrollment fees, deductibles and copayments for working-age Military Retirees

- Making working-age retirees ineligible for TRICARE Prime.
- Introducing minimum out-of-pocket requirements under TRICARE for Life

The report also suggested that DoD could eliminate concurrent receipt of retirement pay and disability compensation for disabled veterans, which would reduce the budget by \$108 billion by 2023.

To read the full report, visit:

http://www.cbo.gov/sites/default/files/cbofiles/attachments/45443-WEA_Presentation.pdf

- **The *Marine Times* reports that the Military Compensation and Retirement Modernization Commission, created last year by Congress to tackle politically volatile questions about troops' future pay and benefits, issued an interim report July 3.**

The 358-page [report](#) noted that while military personnel costs have grown, so has the overall Pentagon budget. And the percentage of money spent directly on pay and benefits has remained steady as a percentage of the total Pentagon budget — about one-third — since the 1990s.

The commission said it's important to compare military personnel costs to other financial indicators. Since 1998, personnel costs are outpacing growth in civilian wages as measured by the Labor Department's Employment Cost Index. However, those same military personnel costs are not rising much more than the total size of the economy as measured by the gross domestic product. Moreover, the report noted that current pay and benefits have kept recruiting and retention strong despite the strain of constant wartime deployments since 2001.

The commission signaled an interest in giving troops more choice in their compensation package. The report noted that the private-sector job market has moved toward "cafeteria-style benefits," allowing workers to choose from a menu of options and also opt into 401(k) retirement plans that workers keep when changing jobs.

For the reserve component troops, the commission's report noted the surge in mobilizations since 2001 and said reserve compensation deserves special attention due to the likelihood that operational requirements for the reserve components will "continue to grow as the active-duty force gets smaller."

The commission also expressed some concerns about the prospects for future midcareer retention.

Today's military is far more educated, largely due to the technical skills and taxpayer-funded educations that service members receive. This "may serve to increase the cost and difficulty of competing for, and retaining, employees with advanced or specialized knowledge and skill sets," the report said.

The report pointed to numerous reasons why personnel cost will not continue to grow at the same rate as the past 13 years. "Much of this growth is attributed to inflation (particularly medical inflation), policy-driven increases in compensation to counteract recruiting and retention challenges, and personnel funding that supported 13 years of war," the report said.

VETERANS AFFAIRS NEWS

- **On June 20, 2014, President Obama announced he intends to nominate former CEO Robert McDonald to head the Veterans Affairs Department.**

President Obama said McDonald's extensive management experience is key to address

problems at VA medical facilities.

McDonald, a West Point graduate and Army veteran as well as former chief executive officer of Procter & Gamble, would take over a department wracked by mismanagement and criticism over long wait times and inadequate medical care at VA facilities.

Because of new rules limiting filibusters, Senate Republicans would be unable to block McDonald's nomination even if they were inclined to.

- **The Department of Veterans Affairs (VA) released its bi-monthly data update showing progress on VA efforts to accelerate access to quality health care for Veterans who have been waiting for appointments.**

Acting Secretary of Veterans Affairs Sloan D. Gibson announced that VA outreach has now extended to nearly 140,000 Veterans across the country to get them off of wait lists and into clinics for medical appointments. VA also released the latest updated, facility-level patient [access data](#).

The latest patient access data is available at www.va.gov/health/access-audit.asp

- **Acting Secretary of Veterans Affairs Sloan Gibson met with the leadership of 26 Military and Veterans Service Organizations (MSOs and VSOs) to reaffirm his commitment to work together to address the unacceptable, systemic problems in accessing VA health care.**

During the July 2 meeting, he updated the organizations' representatives on VA's work with the Office of Special Counsel to restore veterans' trust in the system and on VA's progress in reaching out to get Veterans into clinics and off of waiting lists. He told MSO and VSO leaders that he looks forward to working with them to better serve Veterans nationwide, in communities where they live. He also shared that he has directed all VA Medical Center leadership to hold monthly meetings with VSOs and community partners.

Acting Secretary Gibson thanked MSOs and VSOs for being VA's valuable partners in serving Veterans and continuing to improve the department and solicited their ideas on how VA can improve veterans' access to care and services.

- **Acting Secretary of Veterans Affairs Sloan Gibson met with Carolyn Lerner, Special Counsel of the United States Office of Special Counsel, following the Office's letter to the President regarding VA whistleblowers.**

Following through on recent recommendations for the Department of Veterans Affairs, the Acting Secretary committed to VA working to achieve compliance with the OSC 2302 (c) Certification Program, and also reaffirmed his focus on ensuring protection from retaliation for employees who identify or report problems. Acting Secretary Gibson updated the Special Counsel on the ongoing review of all aspects of the Office of Medical Inspector's (OMI) operation, which he ordered upon release of the letter. He reemphasized his commitment to earn the trust of veterans who VA is privileged to serve.

He also informed the Special Counsel that the Director of OMI has retired from federal service effective June 30, 2014.

Special Counsel Lerner and Acting Secretary Gibson identified in a meeting, held on July 1,

ways to streamline the organizations' work together to ensure whistleblower protection during the course of an OSC investigation.

Ms. Leigh Bradley accompanied the Acting Secretary to the meeting. She will be temporarily joining VA beginning Monday, July 7 on a detail from the Department of Defense (DoD) to serve as Special Counsel to the Acting VA Secretary. Ms. Bradley is a former VA General Counsel, former Principal Deputy General Counsel of the Navy, and current Director of the Department of Defense Standards of Conduct Office where she is responsible for DoD's ethics program and policies. She is a Veteran of the U.S. Air Force.

GENERAL HEALTH CARE NEWS

- **The U.S. Department of Health and Human Services has awarded more than \$840 million to continue improving emergency preparedness of state and local public health and health care systems. These systems are vital to protecting health and saving lives during a disaster.**

The grant funds are distributed through two federal preparedness programs – the Hospital Preparedness Program (HPP) and the Public Health Emergency Preparedness (PHEP) programs. These programs represent critical sources of funding and support for the nation's health care and public health systems. The programs provide resources needed to ensure that local communities can respond effectively to infectious disease outbreaks, natural disasters, or chemical, biological, or radiological nuclear events.

The fiscal year 2014 funding awards include a total of \$228.5 million for HPP and \$611.75 million for PHEP.

HPP funding supports building sustainable community health care coalitions that collaborate on emergency planning and, during disasters share resources and partner to meet the health and medical needs of their community.

PHEP funding is used to advance public health preparedness and response capabilities at the state and local level.

HPP and PHEP funding helps recipients build and sustain public health and health care

The HPP and PHEP were authorized in the Pandemic and All-Hazards Preparedness Reauthorization Act (PAHPRA) of 2013. To learn more about HPP and PHEP including grant awards to individual states, territories or localities, visit <http://www.cdc.gov/phpr/coopagreement.htm>.

To learn about the HPP and PHEP 2014 grants to individual states, please [click here](#).

- **The Centers for Disease Control and Prevention (CDC) has completed additional work to further define the risk of anthrax for employees potentially exposed because best safety practices were not followed in one of its laboratories in early June.**

Based on the results of some of this follow-up work, most of the impacted employees have been determined to have no increased risk of exposure as a result of this incident, and therefore are being advised that they no longer need to take antibiotics and vaccine to prevent inhalation anthrax.

Some Atlanta-based staff were being monitored and provided or prescribed antibiotics because they may have been unintentionally exposed to live anthrax bacteria after established safety practices were not followed during a laboratory procedure ([CDC Anthrax Release](#).) This broad action was taken out of an abundance of caution, and the agency began immediate work to

better determine employees' potential risk by administering a detailed epidemiologic questionnaire to those believed to be affected to learn more about their whereabouts and their specific work during the time of potential exposure - June 6 to June 13.

In addition to the epidemiologic survey, CDC conducted environmental sampling of surfaces in the affected areas and also performed additional studies to learn if the bacterial samples might have been inactivated when they were taken out of the BSL 3 laboratory.

All of this work is being used to gain better information to advise employees about their need to take antibiotics to prevent anthrax. None of the samples taken from laboratory surfaces in the potentially affected laboratories have been positive for anthrax. Additional investigations on the procedure used to treat anthrax before it was transferred to lower-security laboratories have been reassuring, suggesting that while it is not impossible that viable anthrax was transferred out of the high-containment laboratory, it is extremely unlikely that this happened.

- **Health care providers wrote 259 million prescriptions for opioid painkillers in 2012 – many more in some states than in others – according to a [Vital Signs](#) report released by the Centers for Disease Control and Prevention that highlights the danger of overdose.**

The report also has an example of a state that reversed its overdose trend.

Health care providers in the highest prescribing state, Alabama, wrote almost three times as many of these prescriptions per person as those in the lowest prescribing state, Hawaii. Most of the highest prescribing states were in the South. Previous research has shown that regional variation in use of prescriptions cannot be explained by the underlying health status of the population.

The report also contains a study highlighting the success of Florida in reversing prescription drug overdose trends. Results showed that after statewide legislative and enforcement actions in 2010 and 2011, the death rate from prescription drug overdose decreased 23 percent between 2010 and 2012. Florida officials had taken these actions in response to a 28 percent increase in the drug overdose death rate over the preceding years (2006-2010).

Declines in death rates in Florida for specific prescription painkillers (oxycodone, methadone, and hydrocodone) and sedatives paralleled declines in prescribing rates for those drugs. This report was based on Florida Medical Examiners Commission data from 2006 to 2012 and IMS Health National Prescription Audit data from 2008 to 2012.

For this report, CDC analyzed 2012 prescribing data collected from retail pharmacies in the United States by a commercial vendor. CDC calculated prescribing rates by state for various types of opioid painkillers.

Key findings include:

- Southern states – Alabama, Tennessee, and West Virginia in particular – had the most painkiller prescriptions per person.
 - The Northeast, especially Maine and New Hampshire, had the most prescriptions per person for long-acting/extended-release painkillers and for high-dose painkillers.
 - State variation was the greatest for oxymorphone (a specific type of painkiller), among all prescription painkillers. Nearly 22 times as many prescriptions were written for oxymorphone in Tennessee as were written in Minnesota.
 - Previous research has shown that state variation does not necessarily translate to better health outcomes or patient satisfaction. In fact, high rates of use might produce worse outcomes.
- Steps that states can take to address the overprescribing of painkillers include:

- Considering ways to increase use of prescription drug monitoring programs, which are state-run databases that track prescriptions for painkillers and can help find problems in overprescribing. Impact of these programs is greater when they make data available in real time, are universal (used by all prescribers for all prescriptions for all controlled substances), and are actively managed (for example, send alerts to prescribers when problems are identified).
- Considering policy options, including laws and regulation, relating to pain clinics to reduce prescribing practices that are risky to patients.
- Evaluating their own data and programs and considering ways to assess their Medicaid, workers' compensation programs, and other state-run health plans to detect and address inappropriate prescribing of painkillers.
- Identifying opportunities to increase access to substance abuse treatment and considering expanding first responder access to naloxone, a drug used when people overdose.

CDC's Injury Center works to protect the safety of everyone, every day. For more information about prescription drug overdoses, please visit www.cdc.gov/homeandrecreationalafety/overdose.

REPORTS/POLICIES

- **The GAO published “Prescription Drugs: Comparison of DOD, Medicaid, and Medicare Part D Retail Reimbursement Prices,” (GAO-14-578) was published on June 30, 2014.** In this report, GAO compared prices paid for prescription drugs across federal programs. This report compares retail reimbursement prices paid by DOD, Medicaid, and Medicare Part D for a sample of prescription drugs and describes factors affecting these prices. <http://www.gao.gov/assets/670/664521.pdf>

HILL HEARINGS

- There are no hearings scheduled this week.

LEGISLATION

- There was no legislation proposed this week.

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 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.