

Federal Health Update

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EXECUTIVE AND CONGRESSIONAL NEWS

- **President Barack Obama announced his intent to nominate Brad R. Carson to be the next under secretary of defense for personnel and readiness, Department of Defense.**

Carson is the acting under secretary of Defense for personnel and readiness and has served as under secretary of the Army since March 2014. Previously, Carson served as general counsel of the Army from 2012 to 2014. He was a professor of Business Law at the University of Tulsa from 2009 to 2012 and the director of the National Energy Policy Institute at the University of Tulsa from 2010 to 2012.

Carson served on active military duty as a U.S. Navy officer deployed to Iraq, embedded with the U.S. Army's 84th Explosive Ordnance Disposal Battalion from 2008 to 2009. He was the CEO of Cherokee Nation Businesses, L.L.C. from 2006 to 2008 and a fellow at the John F. Kennedy School of Government at Harvard University in 2005. From 2001 to 2005, he represented the 2nd District of Oklahoma in the United States House of Representatives. Carson received a B.A. from Baylor University, an M.A. from Trinity College at Oxford University, and a J.D. from the University of Oklahoma College of Law.

MILITARY HEALTH CARE NEWS

- **The Department of the Army announced force structure decisions and stationing plans for the reduction of the regular Army from 490,000 to 450,000 soldiers.**

The reduction of force structure will occur in fiscal years 2016 and 2017; the reduction of 40,000 end strength will be completed by the end of fiscal year 2018, and will be accompanied by the reduction of 17,000 Department of the Army civilian employees. These cuts will impact nearly every Army installation, both in the continental United States and overseas.

If the fiscal-caps of the 2011 Budget Control Act caps, commonly referred to as sequestration, are not addressed, the Army's end-strength will be further reduced to 420,000 soldiers by the end of fiscal year 2019. This will result in a cumulative loss of 150,000 soldiers from the regular Army – a 26 percent cut over a seven year period. The resulting force would be incapable of simultaneously meeting current deployment requirements and responding to the overseas contingency requirements of the combatant commands.

Details about the reductions can be found:

<http://www.defense.gov/Releases/Release.aspx?ReleaseID=17374>.

- **Defense Secretary Ash Carter announced two personnel moves:**

Eric Fanning will serve as the Secretary's chief of staff. Prior to this, Fanning served as deputy undersecretary of the Navy and acting secretary of the Air Force. He will also act as acting undersecretary of the Army, replacing Brad Carson. Brad Carson has been named acting undersecretary of defense for personnel and readiness and is spearheading the Force of the Future initiative,

Deputy Chief of Staff Eric Rosenbach has been promoted to chief of staff, effective July 6. Rosenbach, a former Army intelligence officer, Harvard faculty member, and private executive, has served in a number of positions throughout the department, culminating in his Senate confirmation as assistant secretary of defense for homeland defense and global security.

- **Aetna and Humana Inc. announced on July 3 that they have entered into a definitive agreement under which Aetna will acquire all outstanding shares of Humana for a combination of cash and stock valued at \$37 billion.**

The combination brings together Humana's growing Medicare Advantage business with Aetna's diversified portfolio and commercial capabilities to create a company serving the most seniors in the Medicare Advantage program and the second-largest managed care company in the United States.

After closing Aetna will make Louisville the headquarters for its Medicare, Medicaid and TRICARE businesses, and will maintain a significant corporate presence in Louisville.

- **Cerner Corp. announced it has been awarded a \$16.3 million, multi-year contract with the Defense Health Agency.**

The health information technology company won the contract to replace the U.S. Military Health System's existing anatomic pathology laboratory information system. The contract covers software, licenses, hardware and equipment. The work will be done in Falls Church, Va., and has an estimated completion date of May 2020.

VETERANS AFFAIRS NEWS

- **The Department of Veterans Affairs (VA) announced four new studies that will use genetic and other data from VA's Million Veteran Program (MVP) to answer key questions on heart disease, kidney disease, and substance use—high-priority conditions affecting veterans.**

[MVP](#), which has enrolled more than 390,000 veterans so far, has already become the nation's largest database linking genetic, clinical, lifestyle and military exposure information. Part of a beta test for data access, the newly funded studies are among the first to use MVP data to delve into pressing questions on Veterans' health. MVP-based studies on PTSD, schizophrenia and bipolar disorder are already underway.

The new research, which will specifically include the understudied African American and Hispanic Veteran populations, ties into the broader national Precision Medicine Initiative announced by President Obama earlier this year.

The new studies, involving consortiums of VA researchers and university colleagues, will explore specific questions related to chronic illnesses common among Veterans. They will also help establish new methods for securely linking MVP data with other sources of health information, including non-VA sources such as the Centers for Medicaid and Medicare Services (CMS).

The new studies include the following:

Cardiovascular risk factors—Drs. Farooq Amin and Peter Wilson at the Atlanta VA Medical Center, and Dr. Kelly Cho at the Boston VA Health Care System, will lead an effort probing the genes that influence how obesity and lipid levels affect heart risk. Using MVP data, their team will also look at whether these genetic factors differ among African Americans and Hispanics.

Multi-substance use—Drs. Daniel Federman and Amy Justice at the VA Connecticut Healthcare System, and Dr. Henry Kranzler at the Philadelphia VA Medical Center, will examine the genetic risk factors for chronic use of alcohol, tobacco, and opioids—and the dangerous use of all three together.

Pharmacogenomics of kidney disease—Dr. Adriana Hung at the VA Tennessee Valley Healthcare System will focus on how genes affect the risk and progression of kidney disease. One goal is to examine how patients with diabetes — who often develop kidney problems — respond differently to the drug metformin, the standard first-line treatment for diabetes, based on their genetic profile. The project will also look at the genetics of hypertension, a major risk factor for kidney disease.

Metabolic conditions—Dr. Philip Tsao at the VA Palo Alto Health Care System and Dr. Kyong-Mi Chang at the Philadelphia VA Medical Center, leading a team of researchers from five VA regions and two universities, will explore the role of genetics in obesity, diabetes, and abnormal lipid levels (namely, cholesterol and triglycerides), as drivers of heart disease.

For more information about MVP and VA research in general, visit www.research.va.gov

- **Dr. David J. Shulkin and LaVerne Horton Council took the oath of office where they will serve respectively as under secretary for health and assistant secretary for Information and Technology and chief information officer for the Department of Veterans Affairs (VA).**

As under secretary for health, Shulkin will direct a health care system with an annual discretionary budget of approximately \$60 billion, overseeing the delivery of care to more than 9 million enrolled Veterans. VA, the nation's largest health care system, employs more than

350,000 total employees including over 305,000 health care professionals and support staff at more than 1,200 sites of care, including hospitals, community based outpatient clinics, nursing homes, domiciliaries and 300 Vet Centers.

Shulkin comes to VA immediately from the position of President at Morristown Medical Center, Goryeb Children's Hospital and Atlantic Rehabilitation Institute, part of Atlantic Health System. Prior to joining Morristown Medical Center and Atlantic Health, Dr. Shulkin served as president and CEO of Beth Israel Medical Center in New York, where he led a financial turnaround and rebuild of the \$1.3 billion organization.

Shulkin is a board-certified internist, a fellow of the American College of Physicians, professor of medicine at Mt. Sinai School of Medicine and a senior fellow at the Health Research and Education Trust of the American Hospital Association. He earned his medical degree from the Medical College of Pennsylvania and completed his internship at Yale University School of Medicine.

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As VA's assistant secretary for Information and Technology and CIO, Council is the single leadership authority for IT and is the principal advisor to the Secretary on all matters relating to the management of VA's Office of Information and Technology. She will oversee VA's \$4 billion IT portfolio and more than 8,000 IT employees

Council most recently held the positions of CEO at Council Advisory Services, LLC and chair of the National Board of Trustees for the March of Dimes. In December 2011, she retired from Johnson & Johnson after serving as corporate vice president and chief information officer for Johnson & Johnson's global IT group. In this capacity, she was responsible for managing IT and related systems for the \$61.6 billion Johnson & Johnson worldwide enterprise. She was a member of the Corporate Global Operating Committee and her organization included more than 250 operating companies with more than 4,000 information technology employees and 7,000 contractors.

Council earned a Master's of Business Administration in Operations Management from Illinois State University with a Bachelor of Science in Business from Western Illinois University. In 2010, Ms. Council was presented with a Doctorate of Business Administration, Honoris Causa from Drexel University.

GENERAL HEALTH CARE NEWS

- **The U.S. Department of Health and Human Services will award more than \$840 million to improve and sustain emergency preparedness of state and local public health and health care systems.**

The cooperative agreement funds are distributed through two federal preparedness programs: the Hospital Preparedness Program (HPP) and the Public Health Emergency Preparedness (PHEP) programs. Nationwide, HHS awarded a total of \$228.5 million for HPP and \$611 million for PHEP in fiscal year 2015.

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.

Health departments use HPP funding to develop and expand health care preparedness capabilities through regional health care coalitions that incentivize diverse and often competitive health care organizations with differing priorities and objectives to work together. Health care coalitions collaborate to ensure that each member has the necessary medical equipment and supplies, real-time information, communication systems, and trained health care personnel to respond to an emergency. These regional efforts help each patient receive the right care at the right place at the right time.

Approximately 24,000 organizations across the country form nearly 500 health care coalitions. Coalition members include hospitals, emergency medical service providers, emergency management associations, long-term care facilities, behavioral health organizations, public health agencies, and other public and private sector partners. As the only source of federal funding that supports regional health care system preparedness, HPP promotes a sustained national focus on health care system preparedness and response. This focus improves patient outcomes, minimizes the need for supplemental state and federal resources during emergencies, and enables rapid recovery.

PHEP funding is used to advance additional public health preparedness and response capabilities among state and local health departments. Preparedness activities funded by the PHEP cooperative agreement are targeted specifically for the development of emergency-ready public health departments that are flexible and adaptable.

To learn more about HPP and PHEP, visit www.phe.gov/hpp and <http://www.cdc.gov/phpr/coopagreement.htm>.

To learn about the HPP and PHEP 2015 grants to individual states, please [click here](#).

- **Three of four American adults — including 7 in 10 cigarette smokers — favor raising the minimum age of sale for all tobacco products to 21, according to an article by CDC published in the *American Journal of Preventive Medicine*.**

While an overwhelming majority of adults favored the policy overall, favorability is slightly higher among adults who never smoked and older adults. In contrast, 11 percent of adults strongly opposed making 21 the legal age of sale, while 14 percent somewhat opposed such measures.

In most states, the minimum age of sale for tobacco is 18; in Alabama, Alaska, New Jersey and Utah the minimum age of sale is 19. One state—Hawaii—currently prohibits sales of tobacco products to youth under the age of 21. Additionally, several cities and counties across the U.S. have adopted laws raising the minimum age to 21, starting with Needham, Massachusetts, in 2005. New York City; Hawaii County, Hawaii; Evanston, Illinois; Englewood, New Jersey; Columbia, Missouri; and several other communities in Massachusetts later followed suit.

Data for the study came from *Styles*, a nationally representative online survey of U.S. adults aged 18 and older. The findings are consistent with those from a national survey conducted in 2013 and polls of voters in Colorado and Utah that found 57 percent and 67 percent, respectively, favor such policies. Favorability for the policies was found to increase with increasing age.

Age-of-sale restrictions have been shown to contribute to reductions in tobacco use and dependency among youth. In March 2015, an Institute of Medicine (IOM) [report](#) found that increasing the legal age of sale for tobacco will likely prevent or delay tobacco use initiation by adolescents and young adults. The IOM found that if all states were to raise the minimum age of sale for all tobacco products to 21, there would be a 12 percent decrease in cigarette smoking prevalence across the nation by 2100. This would translate into nearly 250,000 fewer premature

deaths from cigarette smoking among people born between 2000 and 2019.

- **The Centers for Medicare & Medicaid Services (CMS) announced a proposal to launch a new model designed to support greater quality of care among Medicare beneficiaries.**

The model is included in the CY 2016 Home Health Prospective Payment System proposed rule, which updates payments and requirements for home health agencies under the Medicare program.

As proposed, the Home Health Value-Based Purchasing model would test whether incentives for better care can improve outcomes in the delivery of home health services. The model is part of the Department of Health and Human Service's commitment to build a health care delivery system that's better, smarter, and healthier – one that delivers better care, spends health care dollars more wisely, and results in healthier people and communities.

Authorized under the Affordable Care Act, the model leverages the successes of and lessons learned from other value-based purchasing programs and demonstrations – including the Hospital Value-Based Purchasing Program and the Home Health Pay-for-Performance and Nursing Home Value-Based Purchasing Demonstrations. The model would apply a payment reduction or increase to current Medicare-certified home health agency payments, depending on quality performance, for all agencies delivering services within nine randomly-selected states. Payment adjustments would be applied on an annual basis, beginning at five percent and increasing to eight percent in later years of the initiative.

The proposed model is designed so there is no selection bias, participants are representative of home health agencies nationally, and there is sufficient participation to generate meaningful results among all Medicare-certified home health agencies nationally.

CMS will solicit comments until Sept. 4, 2015. Instructions on ways to submit comments are found in the proposed rule. For more information, please visit: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2015-16790.pdf>

REPORTS/POLICIES

- **The Institute of Medicine (IOM) published “Financial Incentives to Encourage Development of Therapies That Address Unmet Medical Needs for Nervous System Disorders: Workshop Summary,” on July 6, 2015.** In this report the IOM explored policy changes that might increase private sector investment in research and development (R&D) innovation that fills unmet medical needs for CNS disorders.
<http://iom.nationalacademies.org/Reports.aspx#sthash.BLwkkN6Z.dpuf>

HILL HEARINGS

- The House Veterans Affairs on Subcommittee on Health will hold a legislative hearing on **July 14, 2015**, to examine H.R. 272; H.R. 353; H.R. 359; H.R. 421; H.R. 423; H.R. 1356; H.R. 1688; H.R. 1862; H.R. 2464; H.R. 2914; H.R. 2915; draft legislation to clarify the role of podiatrists in VA; and, draft legislation to authorize VA major medical facility construction projects for FY 2015 and to make certain improvements in the administration of VA medical facility construction projects.

- The Senate Armed Services Committee will hold a hearing on **July 14, 2015**, to examine the nominations of General Paul J. Selva, USAF, to be Vice Chairman of the Joint Chiefs of Staff, and General Darren W. McDew, USAF, to be commander of the U.S. Transportation Command.

LEGISLATION

- **S.1719** (introduced July 8, 2015): A bill to provide for the establishment and maintenance of a National Family Caregiving Strategy, and for other purposes was referred to the Committee on Health, Education, Labor, and Pensions.
Sponsor: Sen Collins, Susan M. [ME]
- **S.1721** (introduced July 8, 2015): A bill to require the Secretary of Defense and the Secretary of Veterans Affairs to establish a joint uniform formulary with respect to systemic pain and psychotropic drugs that are critical for the transition of an individual from receiving health care services furnished by the Secretary of Defense to health care services furnished by the Secretary of Veterans Affairs, and for other purposes was referred to the Committee on Veterans' Affairs.
Sponsor: Senator Richard Blumenthal [CT]

MEETINGS

- The 2015 Military Health System Research Symposium will be held **Aug. 17-20, 2015**. The location has yet to be determined. <https://mhsrs.amedd.army.mil/SitePages/about-public.aspx>
- The 2015 AHRQ Research Conference, "Producing Evidence and Engaging Partners to Improve Health Care", will be held **Oct. 4-6, 2015**, in Crystal City, Va.
<http://www.ahrq.gov/news/events/conference/index.html>
- The AUSA 2015 Annual Meeting & Exposition will be held **Oct. 12-14, 2015**, in Washington DC.
<http://ausameetings.org/2015annualmeeting/>
- 2015 AMSUS Annual Continuing Education Meeting - The Society of Federal Health Professionals will be held on **Dec. 1-4, 2015**, in San Antonio, Texas.
<http://amsusmeetings.org/annual-meeting/>

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