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

- The House and Senate conferees met on July 11, 2018, to begin the process to resolve differences between the defense authorization bills passed separately by the Senate and the House.

- On July 10, 2018, the Senate Veterans Affairs Committee favorably reported Robert Wilkie to be the next Secretary of Veterans Affairs to the full Senate. The Senate will vote on the nomination later this summer.

MILITARY HEALTH CARE NEWS

- Secretary of Defense James N. Mattis announced Air Force Col. Susan J. Pietykowski has been nominated to the rank of brigadier general. Pietykowski is currently serving as the deputy command surgeon, Air Combat Command, Joint Base Langley-Eustis, Virginia.

- The Defense Health Agency will host a webinar on July 26, to answer questions about TRICARE health care, pharmacy, and dental programs.

The panelists include representatives from major TRICARE offices and programs, including: TRICARE Policy and Benefits, TRICARE For Life, TRICARE Reserve Select, TRICARE Retired Reserve, TRICARE Overseas Program, TRICARE Pharmacy Program, TRICARE Dental Plans.
One must be registered and in the webinar platform to submit a question electronically. To register, please visit: https://register.gotowebinar.com/registert/6686396682011244545

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**VETERANS AFFAIRS NEWS**

- **The Department of Veterans Affairs (VA) announced it has established the Office of Electronic Health Record Modernization (OEHRM) to manage the preparation, deployment and maintenance of VA’s new electronic health-care record system and the health information technology (IT) tools dependent upon it.**

  OEHRM will be led by Genevieve Morris, who is currently detailed to VA from her position as the principal deputy national coordinator for the Department of Health and Human Services. Morris and OEHRM will work in close alignment with VA’s Under Secretary of Health and Chief Information Officer.

  VA signed a contract with Cerner Corp. on May 17 to replace its decades-old Veterans Integrated System Technology Architecture (VistA) health-care records technology over the next 10 years with the new Cerner system, which is in the pilot phase at the Department of Defense (DoD). The modernized system will allow VA to have patient data shared seamlessly between VA and DoD.

  For more information about OEHRM, to include contract information, employment opportunities and messages from OEHRM leadership, go to [www.ehrm.va.gov](http://www.ehrm.va.gov).

- **The U.S. Department of Veterans Affairs (VA) has formed a partnership with the National Cancer Institute (NCI), which will provide more access to the latest treatment options for VA patients with cancer.**

  The NCI and VA Interagency Group to Accelerate Trials Enrollment, also known as NAVIGATE, is launching at 12 VA sites: Atlanta, Georgia; Bronx, New York; Charleston, South Carolina; Denver, Colorado; Durham, North Carolina; Hines, Illinois; Long Beach, California; Minneapolis, Minnesota; Palo Alto, California; Portland, Oregon; San Antonio, Texas; and West Haven, Connecticut. The site in Boston will also serve as a coordinating center for the effort.

  NAVIGATE will build infrastructure at VA sites to enable more veterans to take part in cutting-edge clinical trials sponsored by NCI. Such trials typically test innovative experimental treatments, such as precision-medicine therapies based on patients’ genetic profiles, or immunotherapies that harness patients’ own immune systems to bring about cures.

  The NAVIGATE network will also establish best practices and share insights to help other VA Medical Centers nationwide enroll more veterans in cancer clinical trials.

  While VA has a robust research program — including clinical trials on cancer and other diseases — at more than 100 sites nationwide, VA facilities often face challenges initiating and completing trials, including ones conducted through the NCI National Clinical Trials Network. Local VA research staff, for example, may lack adequate support to handle certain regulatory and administrative tasks involved in these studies. NAVIGATE will help remove those barriers.

  NAVIGATE will also seek to enroll veterans in trials sponsored by NCI’s Community Oncology Research Program, which focuses on cancer prevention and symptom management.

  VA’s involvement in NAVIGATE is being managed through the Cooperative Studies Program (CSP) part of VA’s Office of Research and Development. CSP has a long history of running impactful clinical trials focused on Veterans’ health needs.

  To learn more about CSP and VA Research, visit [www.research.va.gov](http://www.research.va.gov).
The Centers for Medicare & Medicaid Services (CMS) proposed new rules to the Physician Fee Schedule (PFS) and the Quality Payment Program (QPP), which would modernize Medicare payment policies to promote access to virtual care, saving Medicare beneficiaries time and money while improving their access to high-quality services no matter where they live.

The Physician Fee Schedule establishes payment for physicians and medical professionals treating Medicare patients. The proposed changes to the Physician Fee Schedule would simplify, streamline and offer flexibility in documentation requirements for Evaluation and Management office visits; reduce unnecessary physician supervision of radiologist assistants for diagnostic tests; and remove burdensome and overly complex functional status reporting requirements for outpatient therapy.

Another proposal would support access to care using telecommunications technology by paying clinicians for virtual check-ins – brief, non-face-to-face appointments via communications technology; paying clinicians for evaluation of patient-submitted photos; and expanding Medicare-covered telehealth services to include prolonged preventive services.

A third proposal is related to the Quality Payment Program (QPP), aims to reduce clinician burden, focus on outcomes, and promote interoperability of electronic health records (EHRs), including by:

- Removing MIPS process-based quality measures that clinicians have said are low-value or low-priority, in order to focus on meaningful measures that have a greater impact on health outcomes; and
- Overhauling the MIPS “Promoting Interoperability” performance category to support greater EHR interoperability and patient access to their health information, as well as to align this performance category for clinicians with the proposed new Promoting Interoperability Program for hospitals.

Finally, CMS is seeking comment through a Request for Information (RFI) asking whether providers and suppliers can and should be required to inform patients about charge and payment information for healthcare services and out-of-pocket costs, what data elements would be most useful to promote price shopping, and what other changes are needed to empower healthcare consumers.

Public comments on the proposed rules are due by Sept.10, 2018.


The FDA announced the formation of a new Drug Shortages Task Force on July 12, 2018.
The task force, led by Keagan Lenihan, the FDA’s associate commissioner for strategic initiatives, will examine the reasons why some drug shortages remain a persistent challenge and identify holistic solutions to addressing the underlying causes for these shortages.

The task force will expand upon the work of a group that was created by the Food and Drug Administration Safety and Innovation Act of 2012 (FDASIA). FDASIA gave the FDA new authorities to address drug shortages. This includes broadening the requirements that manufacturers notify us of a permanent discontinuation or temporary interruption in manufacturing, which might lead to a shortage of prescription drugs for serious illnesses.

The task force will include senior leaders from the FDA, the Centers for Medicare and Medicaid Services (CMS) and the Department of Veterans Affairs. Collectively, they provide or pay for prescription medicine for millions of Americans.

The task force will establish several dedicated workgroups to look at the FDA’s current authorities, the reimbursement policies from CMS and other payers and incentives to encourage expansion of manufacturing capacity and enhanced quality.

The task force will also be exploring manufacturing issues. The FDA is already taking steps to support new technologies that can improve manufacturing and help reduce the chance that supply disruptions will occur.

To read the full statement by FDA Commissioner Scott Gottlieb, M.D., please visit https://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm613346.htm

**REPORTS/POLICIES**


**HILL HEARINGS**

- The Senate Committee on Health, Education, Labor, and Pensions will hold a hearing on July 17, 2018, to examine reducing health care costs, focusing on eliminating excess health care spending and improving quality and value for patients.

**LEGISLATION**

- **H.R.6311** (introduced July 6, 2018): A bill to amend the Internal Revenue Code of 1986 and the Patient Protection and Affordable Care Act to modify the definition of qualified health plan for purposes of the health insurance premium tax credit. The bill also will allow individuals purchasing health insurance in the individual market to purchase a lower premium copper plan was referred to the Committees on Energy and Commerce, and Committee on Ways and Means. Sponsor: Representative Peter J. Roskam [R-IL-6]

- **H.R.6309** (introduced July 6, 2018): A bill to amend the Internal Revenue Code of 1986 to allow individuals entitled to Medicare Part A by reason of being over age 65 to contribute to health savings accounts was Referred to the House Committee on Ways and Means. Sponsor:
Representative Eric Paulsen [R-MN-3]

- **H.R.6314** (introduced July 6, 2018): The Health Savings Act of 2018 was referred to the House Committee on Ways and Means. Sponsor: Representative Michael C. Burgess [R-TX-26]

- **H.R.6315** (introduced July 6, 2018): The Jeanette Acosta Invest in Women’s Health Act of 2018 was Referred to the House Committee on Energy and Commerce. Sponsor: Representative Jimmy Gomez [D-CA-34]

- **H.R.6317** (introduced July 10, 2018): A bill to amend the Internal Revenue Code of 1986 to provide that direct primary care service arrangements do not disqualify deductible health savings account contributions, and for other purposes was referred to the House Committee on Ways and Means. Sponsor: Representative Eric Paulsen [R-MN-3]

### MEETINGS


- 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/](http://www.amsusmeetings.org/home-2/)

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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.