

# Federal Health Update

JULY 21, 2017

*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

- **On July 19, 2017, Senator John McCain (R-AZ) announced he had been diagnosed with** primary glioblastoma, an aggressive type of brain cancer. A Navy veteran, Senator McCain is a strident supporter of the military. Senator McCain has served on the Senate Armed Services Committee for 30 years and currently serves as chair of the Senate Armed Services Committee.
- **On July 19, 2017, the Senate confirmed Patrick M. Shanahan to be the 33rd deputy secretary of defense.**

Shanahan most recently served as Boeing senior vice president, Supply Chain & Operations. A Washington state native, he joined Boeing in 1986 and spent over three decades with the company. Shanahan is a Royal Aeronautical Society Fellow, Society of Manufacturing Engineers Fellow and American Institute of Aeronautics and Astronautics Associate Fellow. He served as a regent at the University of Washington for over five years.

Shanahan holds a Bachelor of Science degree in mechanical engineering from the University of Washington and two advanced degrees from the Massachusetts Institute of Technology: a Master of Science degree in mechanical engineering, and an MBA from MIT's Sloan School of Management.

- **Senate Republicans have proposed two options to replace the Affordable Care Act (ACA):**
  - Repeal the ACA and come up with an alternative program within two years. The CBO has [said](#) that under this bill, 32 million Americans will lose insurance and it would drive premiums costs up 100 percent by 2026.
  - Repeal the ACA and replace it with the Better Care Reconciliation Act of 2017, which the CBO has [said](#) will increase the number of Americans uninsured by 22 million by 2026.

Senate Majority Leader Mitch McConnell has said he would force a vote on the legislation early next week.

## MILITARY HEALTH CARE NEWS

- **The Military Health System announced it has improved its [transparency website](#).**

The MHS has put military hospital and clinic quality, safety, and patient satisfaction information online for years, but not always in ways that could be easily found or understood. Recently, the agency re-examined the site and improve its design to make it more user-friendly.

The website improvements include:

- Each military hospital and clinic now has a landing page where patients can see all the data in one place. In the past, patients had to download multiple spreadsheets and search for their facility.
- Users can find a U.S. hospital or clinic by ZIP code search. Users can find any hospital or clinic that reports data, including those overseas, through a name search.
- Users can compare up to three nearby hospitals or clinics on one custom report.
- MHS data managers now have a flexible system that lets them update performance measures. They can also add new measures and remove old ones that are no longer used. In the past, adding a new measure could take months. Now MHS can make most changes in days or weeks.

The new site includes a random sample survey of users to help the MHS get feedback from patients. The site also includes a way for users to send feedback by email. MHS plans to have volunteers perform user testing at several military hospitals and clinics. This will ensure patients have a say in future improvements.

Users can visit the site [directly](#), or go to the main landing page of the [health.mil website](#) and click a link to the MHS Transparency pages. Individual military hospital and clinic websites will also link to the transparency site from their webpages.

- **[On July 19, TRICARE announced it has expanded mental health and substance use disorder \(SUD\) services, adding intensive outpatient programs and expanding options for opioid treatment.](#)**

In addition to other improvements, this expansion improves access to care and increases opportunities for mental health and SUD treatment. It also makes it easier for beneficiaries to access the right level of care for their health and wellness needs.

These new services round out existing [TRICARE covered treatments](#), including:

- Emergency and non-emergency inpatient hospitalization
- Psychiatric residential treatment center care for children
- Inpatient/residential SUD care
- Partial hospitalization
- Outpatient and office-based mental health and SUD treatment

“If someone does well in inpatient psychiatric care and no longer requires 24-hour care, they could step down a level. Their options may be a partial hospital program, an intensive outpatient program at six hours a day, or outpatient treatment with a TRICARE-authorized provider,” said Dr. Patricia Moseley, a senior policy analyst for military child and family behavioral health at the Defense Health Agency. “Now we have a continuum of care to meet our beneficiaries’ needs.”

Other changes are:

**Increased Substance Use Disorder Treatment Options:** Improvements to SUD options include [opioid treatment programs](#) and [office-based opioid treatment](#). Office visits with qualified TRICARE-authorized providers may include coverage of medications for opioid addiction.

**Reduced Limitations on Number of Treatments:** TRICARE reduced limitations for receiving mental health and SUD services. There are no limits for the number of times beneficiaries can get SUD treatment, smoking cessation counseling and outpatient treatment per week. In addition, TRICARE removed the requirement for authorization after the eighth outpatient mental health or SUD visit.

**Lower Copayments and Cost-Shares:** Lower copayments and cost-shares continue from last year. Since October 2016, non-active duty dependent beneficiaries, retirees, family members and survivors began paying generally lower copayments and cost-shares for mental health and SUD care. One example is the cost per each mental health and SUD outpatient office-based visit, now reduced from \$25 to \$12. See the full list of updated [mental health copayments and cost-shares](#) on the TRICARE website.

**New TRICARE-Authorized Provider Options:** For mental health and SUD treatment providers, becoming TRICARE-authorized is now a more streamlined process for providers and facilities. This means more options for TRICARE beneficiaries.

The changes remove unique certification requirements to become consistent with industry standards. In the coming months, new mental health and SUD institutional provider options (such as [intensive outpatient programs](#)) will be available. Your TRICARE regional contractors are developing networks now. Contact your [regional support contractor](#) for services in your area.

For more information on the updated services and expanding treatment options for mental health and SUD, visit [Mental Health Care](#) on the TRICARE website.

- **TRICARE will hold a webinar on July 31, from 1 to 2 p.m. EDT, to discuss the expanding treatment options for mental health and substance use disorders for TRICARE beneficiaries.** John Davison, M.B.A., Ph.D., chief, Condition-Based Specialty Care Section Clinical Support Division, Defense Health Agency, will be presenting. To register, please visit: <https://register.gotowebinar.com/register/7292461776966975489>

## VETERANS AFFAIRS NEWS

- **On July 16, 2017, Secretary of Veterans Affairs David J. Shulkin, M.D., announced actions the department is taking immediately to respond to whistleblower concerns at the**

### **Manchester, New Hampshire, VA Medical Center (VAMC).**

The VA Office of the Medical Inspector and the VA Office of Accountability and Whistleblower Protection are being sent on July 24 to conduct a top-to-bottom review of the Manchester VAMC, including all allegations made in the Boston Globe [article](#).

In addition, effective immediately, the department has removed the director and chief of staff at the facility, pending the outcome of the review.

Alfred Montoya, the director of the VAMC in White River Junction, Vermont, will serve as the new director of the Manchester VAMC and the new chief of staff will be announced shortly.

Dr. Shulkin said, "These are serious allegations, and we want our Veterans and our staff to have confidence in the care we're providing. I have been clear about the importance of transparency, accountability and rapidly fixing any and all problems brought to our attention, and we will do so immediately with these allegations."

## **GENERAL HEALTH CARE NEWS**

- **More than 100 million U.S. adults are now living with diabetes or prediabetes, according to a new [report](#) released by the Centers for Disease Control and Prevention (CDC).**

As of 2015, 30.3 million Americans – 9.4 percent of the U.S. population – have diabetes. Another 84.1 million have pre-diabetes, a condition that if not treated often leads to type 2 diabetes within five years.

The report confirms that the rate of new diabetes diagnoses remains steady. However, the disease continues to represent a growing health problem: Diabetes was the seventh leading cause of death in the U.S. in 2015. The report also includes county-level data for the first time, and shows that some areas of the country bear a heavier diabetes burden than others.

Diabetes is a serious disease that can often be managed through physical activity, diet, and the appropriate use of insulin and other medications to control blood sugar levels. People with diabetes are at increased risk of serious health complications including premature death, vision loss, heart disease, stroke, kidney failure, and amputation of toes, feet, or legs.

The National Diabetes Statistics Report, released approximately every two years, provides information on diabetes prevalence and incidence, prediabetes, risk factors for complications, acute and long-term complications, mortality, and costs in the U.S.

The current report finds that:

- In 2015, an estimated 1.5 million new cases of diabetes were diagnosed among people ages 18 and older.
- Nearly 1 in 4 four adults living with diabetes – 7.2 million Americans – didn't know they had the condition. Only 11.6 percent of adults with pre-diabetes knew they had it.
- Rates of diagnosed diabetes increased with age. Among adults ages 18-44, 4 percent had diabetes. Among those ages 45-64 years, 17 percent had diabetes. And among those ages 65 years and older, 25 percent had diabetes.
- Rates of diagnosed diabetes were higher among American Indians/Alaska Natives (15.1 percent), non-Hispanic blacks (12.7 percent), and Hispanics (12.1 percent), compared to Asians (8.0 percent) and non-Hispanic whites (7.4 percent).

Other differences include:

- Diabetes prevalence varied significantly by education. Among U.S. adults with less than a high school education, 12.6 percent had diabetes. Among those with a high school education, 9.5 percent had diabetes; and among those with more than a high school education, 7.2 percent had diabetes.

- More men (36.6 percent) had pre-diabetes than women (29.3 percent). Rates were similar among women and men across racial/ethnic groups or educational levels.
- The southern and Appalachian areas of the United States had the highest rates of diagnosed diabetes and of new diabetes cases.

- **The U.S. Food and Drug Administration cleared the first magnetic resonance imaging (MRI) device specifically for neonatal brain and head imaging in neonatal intensive care units (NICU).**

An MRI is a medical imaging procedure that records images of the internal structures of the body. MRI scanners use strong magnetic fields and radio waves (radiofrequency energy) to generate the images. The signal comes mainly from the protons in fat and water molecules in the body. When interpreted by a trained physician, images from an MRI provide information that may be useful in determining a diagnosis.

The Embrace Neonatal MRI System is designed specifically for imaging of the neonatal head. The Embrace Neonatal MRI System may be used on neonates with a head circumference up to 38 centimeters and weight between 1 and 4.5 kilograms. The system has a temperature-controlled incubator placed directly into the MRI system, minimizing movement of the baby. If urgent access to the baby is necessary during the imaging process, the baby can typically be removed from the system in less than 30 seconds.

The Embrace Neonatal MRI System can be placed inside a NICU environment because the system does not require a safety zone or a radiofrequency shielded room. Since the system is fully enclosed, medical device implants in close proximity to the system are not required to be “MR Conditional” or “MR Safe.”

To avoid putting vulnerable patients at risk, the efficacy of the Embrace Neonatal MRI System was demonstrated primarily based on non-clinical testing including images of phantoms simulating an infant brain that were determined to be of sufficient quality for diagnostic use by an independent board-certified radiologist. The safety of the Embrace Neonatal MRI System was demonstrated through performance testing, including a review of electrical and mechanical safety measures.

The FDA granted clearance of Embrace Neonatal MRI System to Aspect Imaging Ltd.

## REPORTS/POLICIES

- **The GAO published “Telehealth: Use in Medicare and Medicaid,” (GAO-17-760T) on July 20, 2017.** This report discusses the extent to which telehealth is used by Medicare and Medicaid to provide health care services; factors selected associations representing providers, patients, and payers reported as affecting the use of telehealth in Medicare; and how emerging payment and delivery models could affect the potential use of telehealth in Medicare. <http://www.gao.gov/assets/690/685987.pdf>
- **The GAO published “Medicare Advantage Program Integrity: CMS's Efforts to Ensure Proper Payments and Identify and Recover Improper Payments,” (GAO-17-761T) on July 19, 2017.** This report highlights factors that have hindered CMS's efforts to identify and recover improper payments through payment audits; and CMS's progress in validating encounter data for use in risk adjusting payments to MAOs. <http://www.gao.gov/assets/690/685934.pdf>

## HILL HEARINGS

- The Senate Committee on Aging will hold a hearing on **July 25, 2017**, to examine progress toward a cure for Type I Diabetes, focusing on research and the artificial pancreas.

## LEGISLATION

- **H.R.3315** (introduced July 19, 2017): To amend section 9010 of the Patient Protection and Affordable Care Act to exclude limited scope vision insurance coverage from health insurance coverage subject to the health insurance provider annual fee was referred to the Committee on Ways and Means, the Committee on Energy and Commerce. Sponsor: Representative James B. Renacci [R-OH-16]
- **H.R.3278** (introduced July 19, 2017): To amend the Public Health Service Act to provide for cooperative governing of individual health insurance coverage was referred to the House Committee on Energy and Commerce. Sponsor: Representative Andy Biggs [R-AZ-5]
- **H.R.3253** (introduced July 17, 2017): To provide for the health coverage of Members of Congress to be affected if the rate of individuals without health insurance increases was referred to the Committees on House Administration, Oversight and Government Reform, Energy and Commerce, and Ways and Means. Sponsor: Representative David Loebsack [D-IA-2]
- **H.R.3276** (introduced July 19, 2017): To repeal the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 was referred to the Committees on Energy and Commerce, Ways and Means, Education and the Workforce, Natural Resources, the Judiciary, House Administration, Rules, and Appropriations. Sponsor: Representative Andy Biggs [R-AZ-5]

## MEETINGS

- The AUSA 2017 Annual Meeting & Exposition will be held **Oct. 9-11, 2017**, in Washington DC. <http://ausameetings.org/2017annualmeeting/>
- The 2017 AMSUS Annual Continuing Education Meeting will be held on **Nov. 27- Dec. 1, 2017**, at the Gaylord National Harbor, Md. <http://www.amsus.org/annual-meeting/>

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