

# Federal Health Update

JULY 24, 2014

*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 23, 2015, President Obama nominated Barbara Rimer to be the next chairman of the President's Cancer Panel and Owen Witte as a member, President's Cancer Panel.**

Dr. Barbara K. Rimer is the dean and Alumni Distinguished Professor at the Gillings School of Global Public Health at the University of North Carolina (UNC) at Chapel Hill, positions she has held since 2005 and 2003, respectively. She has served as a member of the President's Cancer Panel since 2011 and was its chairman from 2011 to 2012. Rimer was elected to the Institute of Medicine of the National Academies in 2008. She received a B.A. and an M.P.H. from the University of Michigan and a DrPH from the Johns Hopkins School of Hygiene and Public Health.

Dr. Owen N. Witte is currently director of the Eli and Edythe Broad Center of Regenerative Medicine and Stem Cell Research at the University of California, Los Angeles (UCLA), a position he has held since 2007. He has served as a member of the President's Cancer Panel since 2011. He was elected to the National Academy of Sciences in 1997 and the Institute of Medicine of the National Academies in 2003. Witte received a B.S. from Cornell University and an M.D. from the Stanford University School of Medicine.

- **The *Military Times* reports that Sen. Patty Murray, D-Wash., pulled a bill that would have allowed the Veterans Affairs Department to fund fertility treatments.**

Murray had planned to present her legislation to the Senate Veterans Affairs Committee this week but pulled it after Senate Republicans, led by Sen. Thom Tillis, R-N.C., added amendments that, among other things, questioned the funding for the initiative and would have prohibited the VA from working with Planned Parenthood and other organizations that provide fertility and abortion services.

Murray called the amendments a "partisan attack on women's health," and said her bill, which passed the Senate in 2012 but failed in the House over funding concerns, would have ensured that the nation is doing "everything we can to support veterans who have sacrificed so much for our country."

Tillis said the amendments were not intended "to kill in vitro fertilization." Rather, he said he has concerns about veterans who are waiting to receive medical care or are being denied care, including some of his constituents who have diseases related to exposure to contaminated water at Camp Lejeune, N.C.

If it had passed both legislative bodies, the Women Veterans and Families Services Act would have expanded fertility services offered by the Defense Department, through Tricare, to severely injured troops, including those with fertility issues related to traumatic brain injury, and also would have lifted the ban on in vitro fertilization at VA medical centers.

Under the legislation, spouses or surrogates of these troops and veterans also would have been eligible for services.

## MILITARY HEALTH CARE NEWS

- **The Defense Health Agency named Dr. Steve Steffensen as its new chief innovation officer for the Military Health System (MHS), beginning this month.**

In this role, Steffensen, will identify tools, practices and opportunities to partner to better serve TRICARE beneficiaries and meet the nation's operational mission.

In an interview, Steffensen said there are innovation components of the different directorates within the Defense Health Agency, working on things such as advances in electronic health records or changes in education and training. Even telehealth medical appointments, where the doctor and patient only see each other through a computer screen, are possibilities for the MHS down the road. But he added innovations should not be seen as just new technologies. Innovations are just as likely as advancements in policies, processes and services. In fact, instead of creating

Steffensen is a former active duty Navy neurologist and continues to see patients at Walter Reed National Military Medical Center. He also has experience in managing the largest health technology research portfolio in the MHS and has represented MHS at the national level in discussions about improving nationwide interoperability for better care for all beneficiaries.

## VETERANS AFFAIRS NEWS

- **On July 22, 2015, Veterans Affairs Secretary Robert McDonald told the House Veterans Affairs committee that the VA needed \$2.5 million to continue serving veterans' health care needs beyond July.** McDonald told lawmakers they need to approve a move that would

give him the authority to shift money from one VA fund to another in order to keep the system operating. If that doesn't happen, he warned, VA facilities would be forced to start shutting down hospitals in August.

## GENERAL HEALTH CARE NEWS

- **On July 15, 2015, America's Health Insurance Plans (AHIP), announced that Marilyn Tavenner would be its new president, starting next month.** Tavenner served as the chief administrator of the Centers for Medicare and Medicare Services from 2013 until she stepped down in February.
  
- **On July 22, 2015, the Medicare Trustees projected that the trust fund that finances Medicare's hospital insurance coverage will remain solvent until 2030, unchanged from last year, but with an improved long-term outlook from last year's report.**

Under this year's projection, the trust fund will remain solvent 13 years longer than the Trustees projected in 2009, before the passage of the Affordable Care Act.

Per-enrollee Medicare spending growth has been low, averaging 1.3 percent over the last five years. In 2014, Medicare expenditures were slightly lower for Part A and Part D, and higher for Part B than previously estimated. Over the next decade, and partially due to the cost-containment provisions in the Affordable Care Act, per-enrollee Medicare spending growth (4.2 percent) is expected to continue to be lower than the overall growth in overall health expenditures (5.1 percent).

In 2014, Medicare provided health insurance coverage to 53.8 million people. Total Medicare expenditures were \$613 billion, and income was \$599 billion. The average Medicare benefit per enrollee was \$12,432, about 2 percent higher than last year. Medicare outlays in 2014 were slightly lower for Part A and Part D, and higher for Part B than previously estimated.

While Part B premiums will be finalized later this year, approximately 70 percent of beneficiaries are expected not to see a premium increase in 2016 because it is projected that there will be no cost-of-living increases in Social Security benefits. The remaining 30 percent of beneficiaries would pay a higher premium based on this projection. These include only individuals who enroll in Part B for the first time in 2016; enrollees who do not receive a Social Security benefit; beneficiaries that are directly billed for their Part B premium; and current enrollees who pay an income related higher premium. Decisions about premium changes will be made in October and depend on a variety of factors.

The Medicare Trustees are Health and Human Services Secretary Sylvia M. Burwell, Treasury Secretary and Managing Trustee Jacob Lew, Labor Secretary Thomas Perez, and Acting Social Security Commissioner Carolyn Colvin. Two other members are public representatives who are appointed by the President are Charles Blahous III and Robert Reischauer. CMS Acting Administrator Slavitt is designated as secretary of the board.

The report is available at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/index.html?redirect=/ReportsTrustFunds>.

- **The Centers for Medicare & Medicaid Services (CMS) announced the hospices that have been selected to participate in the Medicare Care Choices Model.**

The model provides Medicare beneficiaries who qualify for coverage under the Medicare hospice benefit and dually eligible beneficiaries who qualify for the Medicaid hospice benefit the option to elect to receive supportive care services typically provided by hospice while continuing to receive curative services.

Due to robust interest, CMS expanded the model from an originally anticipated 30 Medicare-certified hospices to over 140 Medicare-certified hospices and extended the duration of the model from 3 to 5 years. This is expected to enable as many as 150,000 eligible Medicare beneficiaries with advanced cancers, chronic obstructive pulmonary disease, congestive heart failure, and human immunodeficiency virus/acquired immunodeficiency syndrome who receive services from participating hospices to experience this new option and flexibility.

Under the model, participating hospices will provide services that are currently available under the Medicare hospice benefit for routine home care and respite levels of care, but cannot be separately billed under Medicare Parts A, B, and D. Services will be available around the clock, 365 calendar days per year, and CMS will pay a per beneficiary per month fee ranging from \$200 to \$400 to participating hospices when delivering these services under the model. Services will begin starting January 1, 2016 for the first phase of participating hospices and in January 2018 for the remaining participating hospices.

HHS's plan to make this vision a reality is to pay providers for what works, unlock health care data, and find new ways to coordinate and integrate care to improve quality. With passage of the Affordable Care Act, we took one of the most important steps toward a more accessible and affordable health care system in almost 50 years. With the new tools provided under the law, we have an opportunity to seize this historic moment to transform our health care system into one that works for the American people.

For more information on the model, visit <http://innovation.cms.gov/initiatives/Medicare-Care-Choices/>.

To read a fact sheet about the model, including a list of participants visit:

<http://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2015-Fact-sheets-items/2015-07-20.html>.

- **When U.S. adults are hospitalized with pneumonia, viruses are more often to blame than bacteria. However, despite current diagnostic tests, neither viruses nor bacteria are detected in the majority of these patients according to a study by the Centers for Disease Control and Prevention (CDC) released in the [New England Journal of Medicine](#).**

The two-and-a-half year study conducted by researchers at CDC, three hospitals in Chicago, and two hospitals in Nashville estimated the burden of community-acquired pneumonia hospitalizations among U.S. adults.

During the study, the EPIC team enrolled 2,488 eligible adults, of which 2,320 (93 percent) had radiographically confirmed pneumonia. The median age of study participants was 57 years.

The researchers detected viruses in 27 percent of patients and bacteria in 14 percent of patients. Human rhinovirus (HRV) was the most commonly detected virus among pneumonia patients.

Influenza (flu) was the second most common viral pathogen detected, and there were twice as many pneumonia hospitalizations due to influenza than any other viral pathogen (except HRV) in adults 80 years or older, underscoring the need for improvements in flu vaccine uptake and effectiveness.

Together, human metapneumovirus, respiratory syncytial virus, parainfluenza virus, coronavirus,

and adenovirus were detected in 13 percent of patients.

Of bacterial pathogens, *Streptococcus pneumoniae* was the most commonly detected bacterium, causing an estimated five times more pneumonia hospitalizations in adults 65 years and older than in younger adults. *Mycoplasma pneumoniae*, *Legionella pneumophila*, and *Chlamydomphila pneumoniae* combined were detected in 4 percent of patients. Overall, *Staphylococcus aureus* was detected in 2 percent of patients and was found less frequently than *S. pneumoniae* or viruses.

*S. pneumoniae*, *S. aureus*, and Enterobacteriaceae were significantly more common among severely ill patients, accounting for 16 percent of detections among intensive care unit (ICU) patients compared with 6 percent among non-ICU patients.

The CDC EPIC study is one of the largest population-based pneumonia studies ever conducted in the United States. It has helped improve understanding of the burden pneumonia places on U.S. adults and children. For more information on the EPIC study, visit [CDC's EPIC website](#).

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## REPORTS/POLICIES

- **The GAO published "*Medicare Program: Additional Actions Needed to Improve Eligibility Verification of Providers and Suppliers*," (GAO-15-762T) on July 22, 2015.** The GAO examined the implementation of four enrollment screening procedures that the Centers for Medicare & Medicaid Services (CMS) uses to prevent and detect ineligible or potentially fraudulent providers and suppliers from enrolling into its Provider Enrollment, Chain and Ownership System (PECOS). <http://www.gao.gov/assets/680/671567.pdf>
- **The Institute of Medicine (IOM) published "*Enabling Discovery, Development, and Translation of Treatments for Cognitive Dysfunction in Depression: Workshop Summary*," on July 22, 2015.** In this report, IOM explores how best to enable the discovery, development, and translation of treatments for cognitive dysfunction in depression, including a focus on the regulatory path forward. <http://iom.nationalacademies.org/Reports/2015/Enabling-Discovery-Development-Translation-of-Treatments-for-Cognitive-Dysfunction-in-Depression.aspx>

## HILL HEARINGS

- There are no hearings scheduled next week.

## LEGISLATION

- **H.R.3119** (introduced July 21, 2015): the *Palliative Care and Hospice Education and Training Act* was referred to the House Committee on Energy and Commerce.  
Sponsor: Representative Eliot L. Engel [NY-16]
- **H.R.3122** (introduced July 21, 2015): the *VALOR Act of 2015* was referred to the House Committee on Veterans' Affairs.  
Sponsor: Representative Robert Hurt [VA-5]
- **H.R.3163** (introduced July 22, 2015): To ensure timely access to affordable birth control for women was referred to the House Committee on Energy and Commerce.  
Sponsor: Representative Tammy Duckworth [IL-8]
- **S.1810** (introduced July 21, 2015): A bill to apply the provisions of the Patient Protection and Affordable Care Act to Congressional members and members of the executive branch was referred to the Committee on Homeland Security and Governmental Affairs.  
Sponsor: Senator David Vitter [LA]
- **S.1830** (introduced July 22, 2015): A bill to amend title XVIII of the Social Security Act to provide for the coverage of marriage and family therapist services and mental health counselor services under part B of the Medicare program, and for other purposes was referred to the Committee on Finance.  
Sponsor: Senator John Barrasso [WY]

## 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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