EXECUTIVE AND CONGRESSIONAL NEWS

- **On July 26, 2018, the House passed the conference report of the** John S. McCain National Defense Authorization Act for Fiscal Year 2019. The Senate is expected to vote on the conference report within the week.

  The health care provisions highlighted include:
  - Authorizes $32.5 billion for the Defense Health Program
  - Authorizes programs to carefully manage opioid prescriptions.
  - Improves administration of the Defense Health Agency and military medical treatment facilities.
  - Requires establishment of a new organizational framework of the military healthcare system to support the medical requirements of the combatant commands.
  - Requires establishment of a prescription drug monitoring program for prescription drugs provided under DOD's pharmacy benefits program.
  - Requires a comprehensive review of DOD’s wounded warrior care policy

  To read the full summary, please visit: [https://www.armed-services.senate.gov/imo/media/doc/FY19%20NDAA%20Conference%20Summary.pdf](https://www.armed-services.senate.gov/imo/media/doc/FY19%20NDAA%20Conference%20Summary.pdf)

- **On July 23, 2018, the Senate confirmed Robert L. Wilkie to be the next Secretary of Veterans Affairs.**
Defense Health Agency (DHA) is highlighting its Provider Resilience app, which offers health care providers tools to guard against common but troubling emotional occupational hazards.

As a June 2016 report in the International Journal of Environmental Research and Public Health explains, providers who care for patients who’ve been through trauma eventually may feel as though they’ve experienced the trauma themselves. This secondary traumatic stress can lead to compassion fatigue and burnout. Providers with these conditions describe feeling physically and emotionally exhausted and unable to cope, as though they have nothing left to give, according to a blog post on the Psychological Health Center of Excellence website.

The app features a dashboard that gives users a resilience rating based on such factors as how long it’s been since their last vacation. It also includes brief self-assessments, inspirational and funny messages, and videos from actual patients expressing gratitude for the care they’ve received.

The Provider Resilience app, introduced about five years ago, has been downloaded more than 35,000 times, she said, with an average of 924 new downloads each month.

DHA expects to release an updated version in the fall with an easier-to-use interface, more modern graphics and other features that will make the app inclusive for other health care providers and first responders. The app will be available free for anyone to download from the App Store and Google Play.

The U.S. Department of Veterans Affairs (VA) announced that President Trump has selected former VA White House Senior Advisor Thomas “Jake” Leinenkugel to lead a key commission focused on the department’s mental health care programs.

The Creating Options for Veterans’ Expedited Recovery (COVER) commission will examine VA’s evidence-based therapy model for treating mental health conditions, as well as the department’s complementary and integrated mental health approaches.

A former captain in the U.S. Marine Corps, Leinenkugel joined VA in January 2017 after retiring in 2014 from his family-operated business, Jacob Leinenkugel Brewing Co., where he had served as president for 26 years.

At VA, Leinenkugel has been instrumental in the creation of the department’s “ChooseVA” branding campaign and the implementation of November’s National Veterans and Military Families Month. He has also worked to promote VA’s efforts to reduce Veteran suicides.

The COVER commission is scheduled to hold its first meeting July 24 and 25 in Washington, D.C.

For more information about the COVER commission, email COVERCommission@va.gov.

The U.S. Department of Veterans Affairs announced it has begun implementing a recent presidential executive order (EO), which offered new guidelines for how union officials use work hours when representing federal employees.

Signed by President Trump on May 25, “Executive Order 13837 Ensuring Transparency.”
"Accountability, And Efficiency in Taxpayer Funded Union Time Use" is intended to "ensure that taxpayer-funded union time is used efficiently and authorized in amounts that are reasonable, necessary and in the public interest."

Peter O'Rourke, VA's acting secretary, said the executive order will increase monitoring and reporting guidelines among VA, the Office of Personnel Management and union leaders, while making that information available to the public.

The executive order affects about 1,700 VA employees using taxpayer-funded union time. Approximately 300,000 VA employees are represented by one of five national unions. The order’s restrictions regarding time spent on government work includes member solicitation, lobbying activities, elections of union officials and collection of dues.

The executive order also outlines rules about the following:

- Negotiations about appropriate implementation of the executive order
- Standards for use of union time
- Employee conduct regarding agency time and resources, to include use of office or meeting spaces, phones and computer systems
- Preventing unlawful or unauthorized expenditures
- Agency reporting requirements, and
- Public disclosure and transparency.

According to the executive order, VA employees can devote no more than 25 percent of their time to the union under the new executive order. Union leaders must also request and receive approval of their use of taxpayer-funded union time to allow the VA to monitor the use of this time to ensure that it’s only used for authorized purposes.

**GENERAL HEALTH CARE NEWS**

- **The Centers for Medicare & Medicaid Services (CMS) proposed changes to the Medicare program to ensure that seniors can access the care they need at the site of care that they choose.**

The proposed policies in the CY 2019 Medicare Hospital Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Center (ASC) Payment System proposed rule would help lay the foundation for a patient-driven healthcare system. To increase the sustainability of the Medicare program and improve quality of care for seniors, CMS is moving toward site-neutral payments for clinic visits (which are essentially check-ups with a clinician). Clinic visits are the most common service billed under the OPPS. Currently, CMS often pays more for the same type of clinic visit in the hospital outpatient setting than in the physician office setting.

If finalized, this proposal is projected to save patients about $150 million in lower co-payments for clinic visits provided at an off-campus hospital outpatient department. CMS is also proposing to close a potential loophole through which providers are billing patients more for visits in hospital outpatient departments when they create new service lines.

Additionally, CMS is giving patients more options on where to obtain care, in order to improve access and convenience and ensure that CMS policies are not favoring any particular provider type from the start. The proposed rule aims to address other payment differences between sites of service, so that patients can choose the setting that best meets their needs among safe and clinically appropriate options. For 2019, CMS is proposing to:

- Expand the number of procedures payable at ASCs to include additional procedures that can safely be performed in that setting;
- Ensure ASC payment for procedures involving certain high-cost devices parallels the payment amount provided to hospital outpatient departments for these devices; and
- Help ensure that ASCs remain competitive by stabilizing the differential between ASC payment rates and hospital outpatient department payment rates.

CMS is seeking comment through a Request for Information 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.


- **As part of the efforts to reduce the cost of prescription drugs, CMS is issuing a RFI to solicit public comment on how best to leverage the authority provided under the Competitive Acquisition Program (CAP) to get a better deal for beneficiaries on prescriptions.**

We believe a CAP-based model would allow CMS to introduce competition to Medicare Part B, the part of Medicare that pays for medicines that patients receive in a doctor’s office. Currently, CMS pays the average sales price for these therapies plus an extra add-on payment. A CAP-based model would allow CMS to bring on vendors to negotiate payment amounts for Part B drugs, so that Medicare is no longer merely a price taker for these medicines. We are seeking public comment on how the vendors that CMS brings on could help the agency structure value-based payment arrangements with manufacturers, especially for high-cost products, so that seniors and taxpayers will know that medicines are working before they have to pay.

In 2018, CMS implemented a payment policy to help beneficiaries save on co-insurance on drugs that were administered at hospital outpatient departments and that were acquired through the 340B program—a program that allows hospitals to buy certain outpatient drugs at a lower cost. Due to CMS’s policy change, Medicare beneficiaries are now benefiting from the discounts that 340B hospitals enjoy when they receive 340B-acquired drugs. In 2018 alone, beneficiaries are saving an estimated $320 million on out-of-pocket payments for these drugs. For 2019, CMS is expanding this policy by proposing to extend the 340B payment change to non-excepted off-campus departments of hospitals that are paid under the Physician Fee Schedule.

CMS also is proposing to pay separately for certain non-opioid pain management drugs in ASCs; is seeking feedback on evidence to support that other non-opioid alternative treatments for acute or chronic pain warrant separate payment under the OPPS or ASC payment systems; and is proposing to eliminate questions regarding pain communication from the hospital patient experience survey.

### REPORTS/POLICIES

- **The GAO published “VA Disability Benefits: Some Progress, but Further Steps Needed to Improve Appeals Reform Planning,” (GAO-18-661T) on July 24, 2018.** This report examines the progress the VA has made on reforming the appeals process. [https://www.gao.gov/assets/700/693332.pdf](https://www.gao.gov/assets/700/693332.pdf)

### HILL HEARINGS
The Senate Committee on Health, Education, Labor, and Pensions will hold a hearing on July 31, 2018, to examine reducing health care costs, focusing on decreasing administrative spending.

### LEGISLATION

- **H.R.6481** (introduced July 24, 2018): A bill to direct the Secretary of Health and Human Services to require the manufacturers of covered products to develop, maintain and update a plan to mitigate the effects of such products on public health, and for other purposes was referred to the House Committee on Energy and Commerce. Sponsor: Representative Mark DeSaulnier [D-CA-11]

- **H.R.6479** (introduced July 24, 2018): A bill to amend title XXVII of the Public Health Service Act to include short-term limited duration plans in the definition of individual health insurance coverage was referred to the House Committee on Energy and Commerce. Sponsor: Representative Raul Ruiz [D-CA-36]

- **H.R.6496** (introduced July 24, 2018): A bill to amend the Patient Protection and Affordable Care Act to ensure that preexisting condition exclusions with respect to enrollment in health insurance coverage and group health plans continue to be prohibited was referred to the House Committee on Energy and Commerce. Sponsor: Representative David P. Joyce [R-OH-14]

- **H.R.6498** (introduced July 24, 2018): A bill to improve mental health services was referred to the House Committee on Education and the Workforce. Sponsor: Representative David P. Roe [R-TN-1]

- **H.R.6508** (introduced July 25, 2018): A bill to amend the Public Health Service Act to provide for the public disclosure of charges for certain hospital and ambulatory surgical center treatment episodes was referred to the House Committee on Energy and Commerce. Sponsor: Representative Daniel Lipinski [D-IL-3]

- **H.R.6505** (introduced July 25, 2018): A bill to amend title XVIII of the Social Security Act to require the Secretary of Health and Human Services to negotiate prices of prescription drugs furnished under part D of the Medicare program was referred to the Committees on Energy and Commerce, and Ways and Means. Sponsor: Representative Lloyd Doggett [D-TX-35]

- **H.R.6495** (introduced July 24, 2018): A bill to direct the Secretary of Health and Human Services to enter into a 10-year arrangement with the National Academy of Sciences to conduct and update biennially a study on the effects of state-legalized marijuana programs was referred to the Committees on Energy and Commerce, Judiciary, and Education and the Workforce. Sponsor: Representative Tuli Gabbard [D-HI-2]

### 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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