

Federal Health Update

JULY 31, 2014

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The Update will not be published on Aug. 14 and 28, 2015.

EXECUTIVE AND CONGRESSIONAL NEWS

- **The House passed H.R. 1994, the VA Accountability Act on July 29, 2015.**

This bill authorizes the Department of Veterans Affairs (VA) to remove or demote a VA employee based on performance or misconduct. The VA may also remove such individual from the civil service or demote the individual through a reduction in grade or annual pay rate.

- **The House passed H.R. 3226, Surface Transportation and Veterans Health Care Choice Improvement Act of 2015, on July 29, 2015.**

This legislation directs the Department of Veterans Affairs (VA) to develop a plan to consolidate all non-VA provider programs into a new, single Veterans Choice Program to furnish hospital care and medical services at non-VA facilities for veterans in the patient enrollment system.

MILITARY HEALTH CARE NEWS

- **The Defense Department awarded a \$4.3 billion contract to Leidos, Inc. will improve current interoperability among the DoD, the VA and private sector health-care providers**

and enable each to access and update health records.

The new contract will cover more than 9.5 million Defense Department beneficiaries and the more than 205,000 care providers that support them. It is based on protocols established by the Office of the National Coordinator for Health IT and the DoD/VA interagency program office.

The DoD and the VA are interoperable now and this contract ensures it will continue by including future software upgrades. It also included training to ensure staff are prepared to use effectively.

The next step in fielding the system is to test the software to ensure it is secure and does what is needed. The contractor will begin fielding the system at eight locations in the Pacific Northwest covering each of the services late next year. Ultimately, the system will be fielded at more than 1,000 locations worldwide. The cost over 18 years was placed at \$11 billion, but new figures suggest the ultimate cost will be below \$9 billion.

The new system is global and must operate in remote places like Afghanistan, in addition to DoD's 55 hospitals and more than 600 clinics. It will replace up to 50 legacy systems and there is a transition plan for each one of those systems.

- **The Defense Health Agency released an announcement to remind its health care beneficiaries who carry commercial health insurance to provide their policy information to their TRICARE providers.**

By law, commercial health care insurance companies pay first and TRICARE pays second on medical bills. When commercial health care insurers pay first, it saves DoD and insured patients money, because beneficiaries will have little to no copayment.

DoD surveys show about 14 percent of veterans and spouses who work receive employer-sponsored coverage. In some cases, retirees purchase insurance to cover older dependents who are past the age to use TRICARE. Active-duty personnel who purchase other health insurance only total about 5 percent of DoD's health care beneficiaries.

- **The Defense Department sent a letter to Congress that the Military Health System could run out of money to cover outside treatment for troops and dependents.**

High retail pharmacy prescription costs have carved out a \$2 billion shortfall in the military's worldwide health care system this year, according to a letter sent by DoD Health Affairs to lawmakers on July 16.

The budget crunch underscores the growing cost of providing drugs to an aging group of TRICARE beneficiaries and a debate this summer on Capitol Hill over increasing fees to cover the expenses.

Lawmakers in the House and Senate have been divided on higher pharmacy copays. Now, they appear faced with making an emergency fix to the military's overall health care budget or risking a critical budget shortfall that could affect treatment for troops, families and retirees.

"Without your support, we run the real risk of exhausting funds needed to pay private sector care costs in late July 2015, which could also have negative spillover effects on the direct care system," Jonathan Woodson, assistant secretary of defense for health affairs, wrote in the letter obtained by Stars and Stripes.

The Defense Health Program, which is facing the \$2 billion shortfall and had a \$41 billion budget this year, handles TRICARE health insurance as well as worldwide medical and dental services to active-duty troops, according to budget documents. Private care includes medical and dental treatment at non-defense facilities.

The DoD has raised the alarm for years over the ballooning costs of health care, prescriptions and other service member benefits. Pentagon brass have been urging lawmakers to pass reform measures to curb costs and allow the military to focus on training and warfighting.

Woodson said the department has shifted money with two reprogramming requests to Congress but still needs to move \$900 million to cover the shortfall in health care funding, which could also affect treatment at the military's own facilities.

VETERANS AFFAIRS NEWS

- **There was no news from Veterans Affairs this week.**

GENERAL HEALTH CARE NEWS

- **The Department of Health and Human Services' (HHS) Office of the National Coordinator for Health Information Technology (ONC) announced twenty awardees for three health information technology (health IT) grant programs totaling about \$38 million.**

The three cooperative agreement programs are:

Advance Interoperable Health Information Technology Services to Support Health Information Exchange – This two-year cooperative agreement program has awarded \$29.6 million to support the efforts of 12 states or state designated entities to expand the adoption of health information exchange technology, tools, and services; facilitate and enable the send, receive, find, and use capabilities of health information across organizational, vendor, and geographic boundaries; and increase the integration of health information in interoperable health IT to support care processes and decision making.

The organizations selected to participate in this program include:

- Arkansas Office of Health Information Technology
- California Emergency Medical Services Authority
- Colorado Department of Health Care Policy and Financing
- Delaware Health Information Network
- Illinois Health Information Exchange Authority
- Nebraska Department of Administrative Services
- New Hampshire Health Information Organization Corporation
- New Jersey Innovation Institute
- Oregon Health Authority
- Rhode Island Quality Institute
- South Carolina Health Information Partners, Inc.
- Utah Health Information Network

The Community Health Peer Learning Program - This two-year cooperative agreement grant award was made to [AcademyHealth](#) to work with 15 communities around population health strategies. Communities working with AcademyHealth under this program will be required to identify data solutions, accelerate local progress, disseminate best practices and learning guides, and help inform national strategy around population health challenges. The grant for this

program totals \$2.2 million.

The Workforce Training Program – This two-year cooperative agreement program has awarded seven grantees \$6.7 million to update training materials from the original Workforce Curriculum Development program funded under HITECH. In addition to updating training materials, the goal of this program is to train incumbent health care workers to use new health information technologies in a variety of settings, including: team-based care environments, long-term care facilities, patient-centered medical homes, accountable care organizations, hospitals, and clinics. This workforce program will focus on the four key topic areas of: population health, care coordination, new care delivery and payments models, and value based and patient centered care. The organizations selected to participate in this program include:

- University of Alabama at Birmingham
- Bellevue College, Bellevue, Washington
- Columbia University, New York City, New York
- Johns Hopkins University, Baltimore, Maryland
- Normandale Community College, Bloomington, Minnesota
- Oregon Health & Science University, Portland, Oregon
- The University of Texas Health Science (Houston)

More information on all of ONC's programs and initiatives can be found at www.HealthIT.gov.

▪ **In the United States, one out of every five adults has a disability, according to a new study published by the Centers for Disease Control and Prevention.**

The most common functional disability type was a mobility limitation – defined as serious difficulty walking or climbing stairs -- reported by one in eight adults, followed by disability in thinking and/or memory, independent living, vision, and self-care.

The researchers found that the highest percentages of people with disabilities are generally in Southern states, for example Alabama (31.5 percent), Mississippi (31.4 percent), and Tennessee (31.4 percent). The report did not determine why differences occur by state; however, states in the South tend to have some of the higher rates of chronic diseases, such as heart disease and diabetes, which may also be associated with disability.

The report also revealed that non-Hispanic black (29 percent) and Hispanic (25.9 percent) adults were more likely to have a disability than were white non-Hispanic (20.6 percent) adults. Those with lower education levels, lower incomes, and those who are unemployed were also more likely to report a disability.

Although disability information has been collected in national surveys for many years, this was the first time that functional disability type was included in the Behavioral Risk Factor Surveillance System (BRFSS). The BRFSS is an annual, state-based telephone survey conducted by states in collaboration with CDC that gathers information on demographics, health status, health behaviors and disabilities.

More information about CDC's work to support inclusive public health and health care settings is available at <http://www.cdc.gov/disabilities>.

- **The GAO published “Prescription Drugs: More DEA Information about Registrants’ Controlled Substances Roles Could Improve Their Understanding and Help Ensure Access,” (GAO-15-471) on July 27, 2015.** This report examines to what extent registrants interact with DEA about their CSA responsibilities, and registrants’ perspectives on those interactions; how state agencies and national associations interact with DEA, and their perspectives on those interactions; and stakeholders’ perspectives on how DEA enforcement actions have affected prescription drug abuse and diversion and access to those drugs for legitimate needs. <http://www.gao.gov/assets/680/671032.pdf>

HILL HEARINGS

- There are no hearings scheduled next week.

LEGISLATION

- **H.R.3225** (introduced July 27, 2015): Save Rural Hospitals Act was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, and the Budget Sponsor: Representative Sam Graves [MO-6]
- **H.R.3229** (introduced July 27, 2015): To amend title XVIII of the Social Security Act to provide for the non-application of Medicare competitive acquisition rates to complex rehabilitative wheelchairs and accessories was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means. Sponsor: Representative Lee M. Zeldin [NY-1]
- **H.R.3241** (introduced July 28, 2015): State-Based Universal Health Care Act of 2015 was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means Sponsor: Representative Jim McDermott [WA-7] (introduced 7/28/2015)
- **H.R.3244** (introduced July 28, 2015): To amend title XVIII of the Social Security Act to establish a pilot program to improve care for the most costly Medicare fee-for-service beneficiaries through the use of comprehensive and effective care management while reducing costs to the Federal Government for these beneficiaries, and for other purposes was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce. Sponsor: Representative Cathy McMorris Rodgers [WA-5]
- **H.R.3251** (introduced July 28, 2015): To amend title XVIII of the Social Security Act to exclude coverage of advance care planning services under the Medicare program was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce. Sponsor: Representative Steve King [IA-4]
- **H.R.3261** (introduced July 28, 2015): To amend part D of title XVIII of the Social Security Act to deliver a meaningful benefit and lower prescription drug prices under the Medicare Program was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means. Sponsor: Representative Janice D. Schakowsky [IL-9]
- **H.R.3262** (introduced July 28, 2015): To provide for the conveyance of land of the Illiana Health Care System of the Department of Veterans Affairs in Danville, Illinois was referred to the House Committee on Veterans’ Affairs. Sponsor: Representative John Shimkus [IL-15]

- **H.R.3285** (introduced July 29, 2015): To provide for a study by the Institute of Medicine on health disparities, to direct the Secretary of Health and Human Services to develop guidelines on reducing health disparities, and for other purposes was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means.
Sponsor: Representative Bill Pascrell, Jr. [NJ-9]
- **H.R.3309** (introduced July 29, 2015): To amend titles XVIII and XIX of the Social Security Act to improve the electronic health records meaningful use programs under the Medicare and Medicaid programs, and for other purposes was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means.
Sponsor: Representative Renee L. Ellmers [NC-2]
- **H.R.3323** (introduced July 29, 2015): To amend title XXVII of the Public Health Service Act to improve health care coverage under vision and dental plans, and for other purposes was referred to the House Committee on Energy and Commerce.
Sponsor: Representative Earl L. Carter [GA-1]
- **H.R.3429** (introduced July 29, 2015): To amend title IV of the Public Health Service Act to prohibit sale or transactions relating to human fetal tissue was referred to the House Committee on Energy and Commerce.
Sponsor: Representative Kevin Yoder [KS-3]
- **S.1865** (introduced July 27, 2015): A bill to amend the Public Health Service Act with respect to eating disorders, and for other purposes was referred to the Committee on Health, Education, Labor, and Pensions.
Sponsor: Senator Amy Klobuchar [MN]
- **S.1880** (introduced July 28, 2015): A bill to amend the Internal Revenue Code of 1986 to prevent veterans from being disqualified from contributing to health savings accounts by reason of receiving medical care for service-connected disabilities under programs administered by the Department of Veterans Affairs was referred to the Committee on Finance.
Sponsor: Senator Pat Roberts [KS]
- **S.1883** (introduced July 29, 2015): A bill to maximize discovery, and accelerate development and availability, of promising childhood cancer treatments, and for other purposes was referred to the Committee on Health, Education, Labor, and Pensions.
Sponsor: Senator Jack Reed [RI]
- **S.1893** (introduced July 29, 2015): A bill to reauthorize and improve programs related to mental health and substance use disorders was referred to the Committee on Health, Education, Labor, and Pensions.
Sponsor: Senator Lamar Alexander [TN]

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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