

# Federal Health Update

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## EXECUTIVE AND CONGRESSIONAL NEWS

- **The House and Senate will be in recess Aug. 4 – Sept, 5, 2014.**
- **The House approved a \$16.3-billion compromise bill to overhaul the Veterans Affairs Department and speed up veterans' access to health care on July 30, 2014.**

The House-approved deal includes \$10 billion in emergency funds to allow veterans to go to private doctors if they live more than 40 miles from a VA facility or are told they must wait more than 14 days for an appointment.

An additional \$5 billion is allotted to hire doctors, nurses and other medical staff to address problems at overcrowded VA facilities. About \$2 billion is to be used to lease 27 clinics in 18 states across the country and to expand existing veterans' programs.

The Senate is expected to vote on this compromise bill before going on break.

## MILITARY HEALTH CARE NEWS

- **Active-duty women face immense obstacles in accessing sufficient reproductive and sexual health care in the military health system, according to a new report by the Center for American Progress.**

The 49-page "[Out of Range: Obstacles to Reproductive and Sexual Health in the Military](#)," found disparities between female troops' health care and civilian care, including

barriers to obtaining common medications and emergency contraception, abortion access, stigma in seeking care and sexism both on the job and within military health policies.

According to the report, rates of sexually transmitted diseases among military women are seven times higher than civilian rates.

And 10 percent of active-duty women get pregnant each year, with more than half the pregnancies thought to be unintended — a rate 50 percent higher than the unintended pregnancy rate among civilian women.

The report suggests that lack of education, access to care and stigma of seeking reproductive and sexual health care, especially while deployed, likely contribute.

For example, although TRICARE covers contraceptives such as diaphragms, intrauterine devices, sterilization and some birth-control medications, the military health program does not cover other common methods of birth control such as vaginal rings, Depo-Provera and condoms.

And coverage is not equal to that mandated by the Affordable Care Act because women in TRICARE must make co-payments for birth control if they do not get their contraception at a military hospital.

Female troops also can have abortions covered by the Defense Department only if their lives are at risk or the pregnancy results from rape or incest — a policy that results in financial hardship for servicewomen, loss of productivity and often, in the case of a pregnancy that forces a woman to leave her command, loss of unit cohesion.

The researchers found that more than one in three women deployed to Operation Iraqi Freedom had a gynecological problem and 15 percent were unable to obtain needed medical care. In one survey, 41 percent of women said their birth control prescriptions were difficult to fill in a deployed setting and half didn't feel comfortable getting care in such settings.

- **The *Army Times* reports that Senator Jeanne Shaheen (D-N.H.) introduced legislation on July 30 that would require TRICARE to provide birth control free-of-charge to beneficiaries at retail pharmacies and by mail.**

The *Access to Contraception for Women Servicemembers and Dependents Act* would align the TRICARE benefit with the requirements of the Affordable Care Act, which mandates that insurance companies cover FDA-approved contraception without co-payments.

Female troops and TRICARE beneficiaries currently do not make any co-payments if they receive their contraceptive devices or oral contraception at a military hospital or clinic. They also do not pay for generic medications obtained from Tricare's home delivery system.

But they pay a \$5 co-pay for a 30-day generic prescription at retail pharmacies and \$17 for a brand-name. A 90-day brand-name prescription through the mail carries a co-payment of \$13.

Some studies show the rate of unplanned pregnancies in the military is 50 percent higher than among civilian women.

Fifteen senators — all Democrats — have joined as co-sponsors on Shaheen's measure, including Senate Majority Leader Harry Reid of Nevada and Sen. Kirsten Gillibrand (D-N.Y.), co-chair of the Senate Armed Services Committee's personnel panel.

The bill also would require the Defense Department to provide family planning counseling for all active-duty female troops.

## VETERANS AFFAIRS NEWS

- **On July 29, 2014, the Senate confirmed former Procter & Gamble executive Robert McDonald to be VA Secretary.**
- **The Department of Veterans Affairs (VA) released the latest update of facility-level patient access data.**

The Veterans Health Administration (VHA) has reached out to over 217,000 veterans to get them off wait lists and into clinics

- VA has decreased the number of Veterans on the Electronic Waiting List (EWL) 40 percent within a two month period.
- More than 22,000 Veterans have received accelerated appointments and have been removed from the EWL.

The update is available at: <http://www.va.gov/health/access-audit.asp>

- **The Department of Veterans Affairs (VA) proposed a series of disciplinary actions against six employees at the Cheyenne VA Medical Center and Fort Collins Community-Based Outpatient Clinic.**

These actions are a part of VA's effort to rebuild the trust of America's Veterans.

Based on a review by the Inspector General and other Department investigations, VA proposed disciplinary actions against six employees.

As a result of these findings, VA proposed disciplinary actions against the director of the Rocky Mountain Network (VISN 19), and the director and Chief of Staff of the Cheyenne VA Medical Center.

Certain supervisors in these facilities were found to have personally manipulated data, instructed their subordinates to manipulate data, and withheld accurate information from their superiors. VA proposed two of the supervisors be removed from Federal service.

Additional proposed penalties for other supervisors include two proposed suspensions, a demotion, and admonishments.

- **As part of the Department of Veterans Affairs' (VA) Accelerating Access to Care Initiative, the Phoenix VA Health Care System (VAHCS) has reached out to more than 5,000 veterans to coordinate the acceleration of their care.**

Since May 15, over 6,500 veterans have received more than 8,000 referrals to community providers when it was determined the care was unavailable due to a lack of capacity and/or longer-than-desirable wait times. Additionally, the number of veterans who are on the Electronic Wait List (EWL) is 1,000, down from 1,700 six weeks ago. Veterans who could not be reached by telephone were sent certified letters in an attempt to schedule them for an appointment. Phoenix VAHCS is also addressing the underlying issues that have impeded veterans' access to care, mainly space and staffing. Additional temporary clinic space was made available through Mobile Medical Units brought in from Cheyenne, Wyoming; Big Spring, Texas; and

Jackson, Mississippi. To provide a more permanent solution to the space challenge, a major renovation project for the VA's Community Living Center was delayed to facilitate additional treatment rooms and efforts are also underway to identify additional clinical space in the greater Phoenix area through the contracting process.

In response to the staffing issues, 32 additional VA employees are on station to assist in the effort to accelerate care for veterans. Staffing will remain in place as VA continues to expedite care to Phoenix-area Veterans. To address the long term needs, experts from VA are assisting the Phoenix VAHCS in the recruitment and staffing process to expedite hiring of more than 500 people in the upcoming months. Fifty-seven additional VA employees also will be detailed to assist on site or virtually over the next 30-120 days.

## GENERAL HEALTH CARE NEWS

- **The Department of Health and Human Services awarded \$54.6 million in Affordable Care Act funding to support 221 health centers in 47 states and Puerto Rico to establish or expand behavioral health services for over 450,000 people nationwide.**

Health centers will use these new funds for efforts such as hiring new mental health professionals, adding mental health and substance use disorder health services, and employing integrated models of primary care.

The Affordable Care Act expanded mental health and substance use disorder benefits for approximately 60 million Americans. Today's announcement gives those with newly expanded health coverage additional opportunities to access high quality care.

Today, nearly 1,300 health centers operate more than 9,200 service delivery sites that provide care to over 21.7 million patients in every state, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and the Pacific Basin. In 2013, health centers saw over 1.2 million behavioral health patients.

For a list of awardees, please see:

<http://www.hrsa.gov/about/news/2014tables/behavioralhealth>.

- **Skin cancer, the most commonly diagnosed cancer in the United States, is a major public health problem that requires immediate action, according to a new Call to Action announced by the U.S. Surgeon General.**

Even though most skin cancers can be prevented, rates of skin cancer, including melanoma, are increasing in the United States. Nearly 5 million people in the U.S. are treated for skin cancer every year, at an average annual cost of \$8.1 billion. It is also one of the most common types of cancer among U.S. teens and young adults.

A key message in the report is that although people with lighter skin are at higher risk, anyone can get skin cancer — and it can be disfiguring, even deadly. Over the last three decades, the number of Americans who have had skin cancer is estimated to be higher than the number for all other cancers combined.

Melanoma is the deadliest form of skin cancer. Each year, more than 63,000 new cases are diagnosed in the U.S. and nearly 9,000 people die from this disease. Rates of melanoma increased more than 200 percent from 1973 to 2011. Melanoma is also one of the most common types of cancer among U.S. teens and young adults.

According to research cited in the Call to Action, more than 400,000 cases of skin cancer, about 6,000 of which are melanomas, are estimated to be related to indoor tanning in the U.S. each year. Currently, as many as 44 states plus the District of Columbia have some type of law or

regulation related to indoor tanning, but nearly one out of every three white women aged 16 to 25 years engages in indoor tanning each year.

The Surgeon General's Call to Action helps to educate consumers by providing everyday steps they can take to lead healthy and active lives while being outdoors. These steps include wearing protective gear (such as a hat, sunglasses, and other protective clothing) and seeking shade along with the use of a broad-spectrum sunscreen with a sun protection factor (SPF) of 15 or higher to protect any exposed skin, especially during midday hours.

The report calls on all sectors of Americans society, including the business, health care, education, government and nonprofit sectors, as well as families and individuals, to do more. Examples include communities providing shade in outdoor settings, health care providers counseling patients on the importance of using sun protection, and educational institutions discouraging indoor tanning.

Read the Call to Action to learn how to prevent skin cancer at [www.surgeongeneral.gov](http://www.surgeongeneral.gov).

- **On the heels of the 49<sup>th</sup> anniversary of the signing of Medicare and Medicaid into law, the Centers for Medicare & Medicaid Services (CMS) projected that the average premium for a basic Medicare Part D prescription drug plan in 2015 will increase by about \$1, to an estimated \$32 per month, continuing its historically low growth rate.**

This news comes after the announcements this week of continued unprecedented low levels of growth in Medicare spending and continued savings by seniors and people with disabilities on out of pocket drug costs.

According to the recent Medicare Trustees report, the life of the Trust Fund has been extended to 2030, up from its projection of 2017 in 2009. The report also shows that Part B premiums are expected to stay the same rather than increase for the second year in a row.

Additionally, an HHS [report](#) found that per capita Medicare spending growth has averaged 2 percent over 2009 – 2012, and nearly 0 percent in 2013, one-third of the growth rate over the 2000-2008 period.

For the last four years – for plan years 2011, 2012, 2013, and 2014 – the average premium for a Medicare Part D basic plan has been \$30 or \$31. This is better than critics of the Affordable Care Act predicted in 2009 when they claimed that closing the donut hole would cause premiums to skyrocket. Today's projection for the average premium for 2015 is based on bids submitted by drug and health plans for basic drug coverage for the 2015 benefit year, and calculated by the Centers for Medicare & Medicaid Services Office of the Actuary.

The upcoming Medicare annual open enrollment period – which begins Oct.15 and ends Dec. 7 – allows for people with Medicare to choose their plans for next year by comparing their current coverage and quality ratings to other plan offerings. New benefit choices are effective Jan. 1, 2015.

To view the Part D Base Beneficiary Premium, the Part D National Average Monthly Bid Amount, the Part D Regional Low-Income Premium Subsidy Amounts, the De Minimis Amount, and the Medicare Advantage Regional Benchmarks, go to:

<http://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Ratebooks-and-Supporting-Data.html>, and select "2015."

- **The U.S. Food and Drug Administration (FDA) issued a final guidance on the development, review and approval or clearance of companion diagnostics, which are tests used to identify patients who will benefit from or be harmed by treatment**

**with a certain drug.**

Companion diagnostic tests are intended to aid physicians in selecting appropriate therapies for individual patients. These tests are commonly used to detect certain types of gene-based cancers.

In addition, the FDA is notifying Congress of its intention to publish a proposed risk-based oversight framework for laboratory developed tests (LDTs), which are designed, manufactured and used within a single laboratory. They include some genetic tests and tests that are used by health care professionals to guide medical treatment for their patients. The FDA already oversees direct-to-consumer tests regardless of whether they are LDTs or traditional diagnostics.

The companion diagnostics guidance is intended to help companies identify the need for these tests during the earliest stages of drug development and to plan for the development of a drug and a companion test at the same time. The ultimate goal of the final guidance is to stimulate early collaborations that will result in faster access to promising new treatments for patients living with serious and life-threatening diseases. This guidance finalizes and takes into consideration public comment on the draft guidance issued in 2011.

While the FDA has historically exercised enforcement discretion over LDTs (generally not enforced applicable regulatory requirements), these tests may compete with FDA-approved tests without clinical studies to support their use. The LDT notification to Congress provides the anticipated details of the draft guidance through which the agency would propose to establish an LDT oversight framework, including pre-market review for higher-risk LDTs, such as those that have the same intended use as FDA-approved or cleared companion diagnostics currently on the market. The draft guidance would also propose to phase in enforcement of pre-market review for other high risk and moderate risk LDTs over time.

The agency intends to propose continuing to exercise enforcement discretion for low-risk LDTs, LDTs for rare diseases and, under certain circumstances, LDTs for which there is no FDA-approved or cleared test.

The FDA also intends to publish a draft guidance outlining how laboratories can notify the FDA that they are currently manufacturing and using LDTs, how to provide information about their LDTs, and how they can comply with the medical device reporting requirements.

- **On July 28, the Medicare Trustees released its annual projections for the Medicare trust fund.**

According to the report, the trust fund that finances Medicare's hospital insurance coverage will remain solvent until 2030, four years beyond what was projected in last year's report. Due in part to cost controls implemented in the Affordable Care Act, per capita spending is projected to continue to grow slower than the overall economy for the next several years.

A number of factors have contributed to the improved outlook, including lower-than-expected spending in 2013, and lower projected utilization in the types of health care needed by Medicare patients. Medicare spending per beneficiary has grown quite slowly over the past few years and is projected to continue to grow slowly over the next several years. During the past four years, per capita Medicare spending growth has averaged 0.8 percent annually, much more slowly than the average 3.1 percent annual increase in per capita GDP and national health expenditures over the same period.

The benefits of this slower growth accrue to both taxpayers and beneficiaries. For example, although the Part B premium for 2015 will not be determined until later this year, the preliminary estimate in the Report indicates that it will remain unchanged from the 2013 premium for the second consecutive year.

To learn more about the Medicare Trust Fund, please fund:

<http://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2014-Press-releases-items/2014-07-28.html>

## REPORTS/POLICIES

- **The GAO published “Defense Health Care Reform: Actions Needed to Help Realize Potential Cost Savings from Medical Education and Training,” (GAO-14-630) on July 31, 2014.** In this report, the GAO found that DoD’s 2013 plans for the implementation of the Defense Health Agency (DHA) outlined the responsibilities of a new Education and Training Directorate, but has not demonstrated how its proposed reforms will result in cost savings. The National Defense Authorization Act for Fiscal Year 2013 required DoD to develop business case analyses for its shared service proposals as part of its submissions on its plans for the implementation of DHA, including, among other things, the purpose of the shared service and the anticipated cost savings. Although DoD has stated that the Directorate is a shared service that combines common services and that it will result in cost savings, DoD has not fully developed the required business case analysis for the medical education and training reforms. <http://www.gao.gov/assets/670/665158.pdf>
- **The GAO published “Defense Health Care: US Family Health Plan is Duplicative and Should be Eliminated,” (GAO-14-630) on July 31, 2014.** For this report, GAO examined (1) the role of the USFHP within the MHS, and (2) the extent to which the USFHP affects DOD’s health care costs. GAO analyzed information about the USFHP and the MCSCs, reviewed available USFHP cost data, and interviewed officials from DOD, the designated providers, and the MCSCs. <http://www.gao.gov/assets/670/665151.pdf>

## HILL HEARINGS

- The House Veterans Affairs Committee will hold a field hearing “*Challenges in rural America: VA Access and Mental Health Care*,” on **Aug. 6, 2014**, in Roswell New Mexico.

## LEGISLATION

- **H.R.5214** (introduced July 28, 2014): To require the Secretary of Health and Human Services to provide for recommendations for the development and use of clinical data registries for the improvement of patient care was ordered to be reported.  
Sponsor: Representative Pete Olson [TX-22]
- **H.R.5223** (introduced July 28, 2014): the *RDOCS Act of 2014* was referred to the House Committee on Energy and Commerce.  
Sponsor: Representative Jim McDermott [WA-7]
- **H.R.5224** (introduced July 28, 2014): the *RDOCS-VA Act of 2014* was referred to the House Committee on Veterans' Affairs  
Sponsor: Representative Jim McDermott [WA-7]
- **H.R.5294** (introduced July 30, 2014): To improve the health of minority individuals was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, Agriculture, Education and the Workforce, the Budget, Veterans' Affairs, Armed Services, the Judiciary, and Natural Resources.

Sponsor: Representative Lucille Roybal-Allard [CA-40]

- **S.2687** (introduced July 30, 2014): A bill to amend title 10, United States Code, to ensure that women members of the Armed Forces and their families have access to the contraception they need in order to promote the health and readiness of all members of the Armed Forces, and for other purposes was referred to the Committee on Armed Services.  
Sponsor: Senator Jeanne Shaheen [NH]
- **S.2701** (introduced July 30, 2014): A bill to require the Secretary of Health and Human Services to address certain inconsistencies between the self-attested information provided by an applicant in enrolling in a health plan on an Exchange and being determined eligible for premium tax credits and cost-sharing reductions or in being determined to be eligible for enrollment in a State Medicaid plan or a State child health plan under the State Children's Health Insurance Program and the data received through the Federal Data Services Hub or from other data sources was referred to the Committee on Finance..  
Sponsor: Senator David Vitter [LA]
- **S.2707** (introduced July 30, 2014): A bill to provide for coordination between the TRICARE program and eligibility for making contributions to a health savings account was referred to the Committee on Finance.  
Sponsor: Senator Jerry Moran [KS]

## MEETINGS

- The Department of Defense (DoD) will host its annual Military Health System Research Symposium (MHSRS) **Aug. 18-21, 2014**, in Fort Lauderdale, Fla. <http://mhsrs.amedd.army.mil>.
  - The National Center for Disaster Medicine and Public Health will host the 2014 Learning in Disaster Health Workshop on **Sept. 9-10, 2014**, in the Washington DC area. <http://ncdmph.usuhs.edu/>
  - The AUSA 2014 Annual Meeting & Exposition will be held **Oct. 13-15, 2014**, in Washington DC. <http://www.ausa.org/meetings/2014/Pages/AnnualMeeting.aspx>
  - The 30th Annual Meeting of the International Society for Traumatic Stress Studies (ISTSS) will be held **Nov.6-8, 2014**, in Miami, Fla. <http://www.istss.org/MeetingsEvents.htm>
  - The AMIA 2014 Annual Symposium will be held on **Nov. 15-19, 2014**, in Washington DC. <http://www.amia.org/amia2014>
  - AMSUS Annual Continuing Education Meeting will be held **Dec. 2-5, 2014**, in Washington, DC <http://amsusmeetings.org>
  - The 100<sup>th</sup> Annual Meeting of Radiological Society of North America (RSNA) 2014: **Dec. 5-9, 2014**, in Chicago, Ill. [http://www.rsna.org/Annual\\_Meeting.aspx](http://www.rsna.org/Annual_Meeting.aspx)
  - The 2014 Special Operations Medical Association (SOMA) Science Assembly will be held on **Dec. 8-11, 2014**, in Tampa, Fla. <http://www.specialoperationsmedicine.org/Pages/scientificassembly.aspx>
  - The AAMA 2015: The National Summit of Medical Administrators will be held on **Jan. 19-21, 2015**, in Clearwater, Fla. <http://aameda.org/p/cm/ld/fid=159>
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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](mailto:katetheroux@federalhealthcarenews.com).