Federal Health Update

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The *Update* will not be published on Aug. 26, 2016.

EXECUTIVE AND CONGRESSIONAL NEWS

- **The House and Senate are in recess until Sept. 5, 2016.**

MILITARY HEALTH CARE NEWS

- **Health Ned Federal Services and WellPoint Military Care have filed protests the contract awards for the next TRICARE managed care contracts.**

  Health Net Federal Services, which now manages the TRICARE North Region and was awarded the contract to manage the West region, filed a protest over the Defense Department's decision to give the East region contract to Humana Government Business.

  The West region contract has a maximum value of $18 billion over six years, while the six-year East region contract is potentially worth $41 billion.

  WellPoint Military Care, a division of Anthem Blue Cross and Blue Shield, filed a protest regarding the East contract award on Aug. 2.

The Defense Department announced the winners of the next generation of Tricare contracts, called T-2017, on July 21.

UnitedHealth Military & Veterans, which manages the Tricare West contract, was the first to file protests over the awards. It was not selected to manage either of the new consolidated regions and on Aug. 2 submitted its challenges to both the East and West region contract decisions.

All of the companies received briefings regarding the government's decisions the week after the award announcement. Under the government contracting process, the Defense Health Agency now has 30 days to respond to the protests, and the GAO then has until mid-November to accept or deny the protests.

- **Military.com is reporting that the Department of Defense has launched a broad campaign to educate troops about the military's new blended retirement system, which goes into effect on Jan. 1, 2018.**

DOD's course on the new blended retirement system (BRS), can be found on its Joint Knowledge Online website. Additional information is hosted on Military OneSource.

The new retirement program was part of the 2016 National Defense Authorization Act and changes the current retirement plan (50 percent of pay after 20 years of service) to a smaller defined benefit equal to about 40 percent of pay with a 401(k)-like defined contribution Thrift Savings Plan (TSP) with matching contributions up to 5 percent after just two years of service.

Service members who retire after two decades would receive both benefits -- the annuity (calculated by multiplying 2 percent by the number of years' service by the monthly average of the three highest years of basic pay) and the TSP.

More than 8 in 10 troops leave the military before they reach 20 years of service. The new program would offer service members who serve at least 2 years the fully vested value of the TSP. It also offers a mid-career bonus in the form of continuation pay around the 12-year mark to entice troops to stay in the service.

The BRS course for military and civilian leaders is the first in four courses - designed to educate various parts of the military population about different facets of the new plan.

In January 2017, DoD will offer an 'opt-in' course for service members who will have fewer than 12 years of service by Dec. 31, 2017. The 'opt-in' course will offer calculator to provide comparisons between the two retirement options to help troops make an informed decision. Those troops could then decide which program would suit them best.

VETERANS AFFAIRS NEWS

- **The Department of Veterans Affairs (VA) announced that it is piloting a protocol to implement veterinary health benefits for mobility service dogs approved for veterans with a chronic impairment that substantially limits mobility associated with mental health disorders.**

VA has been providing veterinary benefits to veterans diagnosed as having visual, hearing or substantial mobility impairments and whose rehabilitation and restorative care is clinically determined to be optimized through the assistance of a guide dog or service dog. With this pilot, this benefit is being provided to veterans with a chronic impairment that substantially limits mobility associated with a mental health disorder for whom the service dog has been identified as the optimal way for the veteran to manage the mobility impairment and live independently.

Service dogs are distinguished from pets and comfort animals because they are specially trained to perform tasks or work for a specific individual with a disability who cannot perform the task or accomplish the work independently. To be eligible for the veterinary health benefit, the service dog must be trained by an organization accredited by Assistance Dogs International in accordance with VA regulations.

Currently, 652 veterans with approved guide or service dogs receive the veterinary service benefit. This pilot is anticipated to provide the veterinary service benefit to up to 100 additional Veterans with a chronic impairment that substantially limits mobility associated with a mental health disorder.

The VA veterinary service benefit includes comprehensive wellness and sick care (annual visits for preventive care, maintenance care, immunizations, dental cleanings, screenings, etc.), urgent/emergent care, prescription medications, and care for illnesses or disorders when treatment enables the dog to perform its duties in service to the veteran.

Additional information about VA's service dog program can be found at http://www.prosthetics.va.gov/ServiceAndGuideDogs.asp

GENERAL HEALTH CARE NEWS

- **On Aug.12, 2016, at the request of Governor Alejandro García Padilla, U.S. Health and Human Services Secretary Sylvia M. Burwell declared a public health emergency for Puerto Rico, signaling that the current spread of Zika virus poses a significant threat to public health in the Commonwealth relating to pregnant women and children born to pregnant women with Zika.**

The declaration is a tool that provides support to the government of Puerto Rico to address the outbreak on the island and underscores the public health risk of Zika, particularly to pregnant women and women of childbearing age.

Through the public health emergency declaration, the government of Puerto Rico can:

Apply for funding to hire and train unemployed workers to assist in vector control and outreach and education efforts through the U.S. Department of Labor's National Dislocated Worker Grant program; and

Request the temporary reassignment of local public health department or agency personnel who are funded through Public Health Service Act programs in Puerto Rico to assist in the Zika response.

Zika virus is known to cause microcephaly and other severe fetal brain defects. It has also been associated with other adverse pregnancy outcomes, including miscarriage, stillbirth, and serious neurological problems.

According to the Puerto Rico Department of Health, as of August 12 there have been 10,690 laboratory-confirmed cases of Zika in Puerto Rico, including 1,035 pregnant women. The actual number of people infected with Zika likely is higher because most people with Zika infections have no symptoms and might not seek testing.

Men and women living in Puerto Rico and other areas where Zika is spreading should take precautions to prevent mosquito bites to avoid being infected with Zika virus and to prevent further spread of the virus. Zika can be passed through sex from a person who has Zika to his or her sex partners. Correct and consistent use of condoms and other barrier methods can prevent sexual spread of the virus. For more information, visit: http://www.cdc.gov/zika/transmission/sexual-transmission.html.

To prevent mosquito bites:

- Wear Environmental Protection Agency-registered insect repellent on exposed skin, at

all times

  - Wear long pants and long-sleeved shirts
  - If possible, stay in air-conditioned or screened rooms

Secretary Burwell declared the public health emergency under section 319 of the Public Health Service Act.

To learn more about preventing Zika, visit www.cdc.gov/zika.

- **The Department of Health and Human Services has awarded $16 million to improve access to quality health care in rural communities.**

  The funds will be used to expand use of telehealth technology for veterans and other patients, assist providers with quality improvement activities, and support policy-oriented research to better understand the challenges faced by rural communities.

  Administered by the Federal Office of Rural Health Policy (FORHP) within HRSA, the awards will support 60 rural communities in 32 states, along with seven Rural Health Research Centers.

  For a list of FY 2016 rural grant awards, please visit: http://www.hrsa.gov/about/news/2016tables/ruralhealth/.

- **HHS also awarded $10 million in grants to 8 states in the Delta region to reduce chronic diseases that disproportionately affect the region.**

  The funds will support collaborative efforts among health care providers to use an evidence-based model to address diabetes, cardiovascular disease, obesity, stroke and behavioral health.

  The Delta States Rural Development Network Grant Program requires that local health providers work together across counties and parishes to share resources and expertise, with a focus on strengthening the knowledge of Delta region communities about health risks and disease management. Funded projects are tailored from programs showing evidence of effectiveness in addressing gaps and needs in a community setting and improvements in the health status of individuals. The grants are funded by the Federal Office of Rural Health Policy (FORHP) at the Health Resources and Services Administration (HRSA).

  Since 2002, HRSA has partnered with the Delta Regional Authority (DRA) to implement the program. The DRA leverages federal funding to improve lives and spur economic development in the Delta region.

  To view the full list of grants, please visit: http://www.hhs.gov/about/news/2016/08/11/grants-targets-community-based-efforts-combat-chronic-diseases-delta-region.html.

- **The Centers for Medicare & Medicaid Services (CMS) updated its Nursing Home Compare Five-Star Quality Ratings to incorporate new measures, giving families more information at their fingertips to help them make important decisions about care.**

  These new measures look at successful discharges, emergency visits and re-hospitalizations, complementing other nursing home measures previously announced in April.

  CMS is committed to making sure that residents, their family members, and caregivers have the most meaningful information possible when they consider facilities. Nursing Home Compare is the agency's public information website that provides information on how well Medicare and Medicaid certified nursing homes provide care to their residents.

Nursing homes receive four different star ratings on the Nursing Home Compare website (each ranging from 1 to 5 stars): one for each of the components – health inspections, staffing, and quality measures – and one for an overall rating, which is calculated by combining each of the three component star ratings. With the new quality measures added to the calculations, the quality measures star rating for each nursing home, as well as the overall rating, will likely change.

As part of a broader effort at data transparency and consumer choice, CMS hosts a number of sites to help those seeking health care compare various facilities based on star ratings. They include: Hospital Compare, Physician Compare, Medicare Plan Finder, Dialysis Compare, and Home Health Compare. These star rating programs are part of the Administration's Open Data Initiative which aims to make government data freely available and useful while ensuring privacy, confidentiality, and security.

For more information, please visit: https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2016-Fact-sheets-items/2016-08-10.html.

- **On Aug. 11, 2016, the U.S. Food and Drug Administration issued a revised draft guidance to improve dietary supplement companies' new dietary ingredient (NDI) premarket safety notifications to the agency.**

These notifications help the agency identify safety concerns before products reach consumers.

Under the Dietary Supplement Health and Education Act (DSHEA), the manufacturer or distributor must notify the FDA at least 75 days before beginning to market a dietary supplement that contains a new dietary ingredient (one that was not marketed in the United States before Oct. 15, 1994), unless the NDI is used in the food supply without chemical alteration. Dietary supplements are considered adulterated if they contain an NDI not used in the food supply and the required notification has not been submitted to the FDA 75 days before marketing.

The FDA estimates that there are more than 55,600 dietary supplements on the market, and that 5,560 new dietary supplement products come on the market each year. However, the agency has received fewer than 1,000 NDI notifications since DSHEA was passed in 1994. An initial draft guidance, "Dietary Supplements: New Dietary Ingredient Notifications and Related Issues," was released in 2011. After considering the feedback received on that draft, the FDA revised the draft guidance to clarify several important points that were misunderstood or not fully explained, to describe the public health significance of the recommendations, and to request additional comment before publishing a final guidance.

Over the past three years, the FDA has taken numerous actions on dietary supplements, including action on several products containing new dietary ingredients that pose safety concerns, which should have been the subject of an NDI notification but were not, such as Acacia rigidula.

The FDA encourages public comments on the revised draft guidance during the 60-day comment period.

- **The Congressional Budget Office (CBO) published *The 2016 Long-Term Budget Outlook*, describing the agency's projections of federal spending, revenues, deficits, and debt over the next 30 years.**

CBO projects that spending for Social Security would increase noticeably as a share of the economy—from 4.9 percent of gross domestic product (GDP) in 2016 to 6.3 percent in 2046—if current laws generally remained unchanged. Spending for the major health care programs is projected to grow even faster: Net outlays for those programs would increase from 5.5 percent of

GDP now to 8.9 percent in 2046. (The major health care programs include Medicare, Medicaid, and the Children's Health Insurance Program, as well as spending on subsidies for health insurance purchased through the marketplaces established by the Affordable Care Act and related spending.) About three-quarters of the increase in spending for the major health care programs would be for Medicare.

Continued growth in those programs would boost the already large share of the federal budget going to people who are 65 or older. By 2046, spending for Social Security and the major health care programs (mostly Medicare) for people 65 or older is projected to account for about half of all federal noninterest spending.

CBO's projections incorporate the assumptions that the laws governing those programs will not change and that Social Security and Medicare will pay benefits as scheduled under current law regardless of the status of the programs' trust funds. That approach is consistent with a statutory requirement that CBO's 10-year baseline projections incorporate the assumption that funding for entitlement programs is adequate to make all payments required by law.

The Aging Population and Rising Health Care Costs Are Projected to Boost Spending for Those Programs
Two factors—the aging of the population and excess cost growth in health care—account for the projected rise (with respect to GDP) in federal spending on Social Security and the major health care programs. Excess cost growth is the extent to which health care costs per beneficiary, as adjusted for demographic changes, grow faster than potential GDP per capita.

Under current law, gross spending on Social Security and the major health care programs is projected to be 16.3 percent of GDP in 2046. (Gross spending on Medicare excludes the effects of certain Medicare receipts, mostly premiums paid by enrollees.) Without aging or excess cost growth, that amount would be 10.7 percent—compared with today's value of 11.0 percent. Aging accounts for 3.3 percentage points, or roughly 60 percent of the difference. Excess cost growth accounts for the rest, 2.3 percentage points.

REPORTS/POLICIES

- There were no relevant reports published this period.

HILL HEARINGS

- The House Veteran Affairs Committee will hold a hearing on **Sept. 7, 2016**, to examine The Commission on Care and the Future of the VA Healthcare System.

LEGISLATION

- There was no legislation introduced this week.

MEETINGS

- The Disaster Health Education Symposium: Innovations for Tomorrow will be held on **Sept. 8, 2016**, at the Uniformed Services University in Bethesda, Md. https://ncdmph.usuhs.edu.
- The AUSA 2016 Annual Meeting & Exposition will be held **Oct. 3-5, 2016**, in Washington DC. http://ausameetings.org/2016annualmeeting/
- 2016 AMSUS Annual Continuing Education Meeting will be held on **Nov. 29- Dec. 2, 2016**,

at the Gaylord National Harbor, Md. http://www.amsusmeetings.org/

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