

# Federal Health Update

SEPT. 23, 2016

*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

- **Senate Majority Leader, Mitch McConnell (R-Ky) proposed introduced a continuing resolution that would fund government agencies until Dec. 9, 2016.**

The measure includes \$1.1 billion to combat the spreading Zika virus, \$500 million in flood relief for states, and funding for U.S. military operations overseas.

Democrat Senators opposed the bill for its lack of funding to help Flint, Mich. and the fact that it wouldn't allow the SEC to force public companies to disclose political spending.

Seven days...

## MILITARY HEALTH CARE NEWS

- **The *Military Times* reports that the Pentagon will provide sex-reassignment surgery to transgender troops on active duty if their doctors recommend it and senior military health officials approve it.**

Gender reassignment surgeries for active-duty personnel will be conducted at either a military hospital or, if qualified care is unavailable at a military facility, at a private hospital paid by TRICARE.

The benefit does not apply to non-active duty TRICARE beneficiaries. However, the military health program will cover therapy and hormone treatments for TRICARE beneficiaries with

gender dysphoria but not surgery, effective Oct. 3.

Under the new policy, transgender troops must have a personal transition plan approved by a military doctor, a standard requirement for major procedures for active-duty troops. Experts estimate that the cost of care could be \$40,000 to \$50,000 over the lifetime of the service member.

Separately, the Department of Veteran Affairs has proposed a plan that would allow VA to cover sex-reassignment surgery on a case-by-case basis.

A Rand Corp. report estimated that between 1,320 and 6,630 active-duty personnel are transgender. The report estimated that between 29 and 129 troops might seek medical treatment, including hormones or surgery, a year, for their condition.

- **The Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury (DCoE) Summit was recently held in Falls Church, Virginia.**

The conference brought together more than 1,700 health care providers and policy makers from the Military Health System (MHS), the Department of Veterans Affairs (VA), academia and commercial research companies to discuss issues regarding psychological health and brain injuries for active-duty service members, veterans and their families.

During the event, Kendra Jorgensen-Wagers and Joseph Maio, both working in brain injury and trauma areas of the U.S. military's Landstuhl Regional Medical Center, discussed new therapies used in group sessions are ways the MHS is continuing its work toward improving the psychological health of its beneficiaries.

The conference also explored the psychological health of caregivers. Amanda Wood, a clinical psychologist with the VA's Puget Sound Health Care System, said a recent survey showed more than three-quarters of all providers experienced emotional exhaustion, and that, in turn, impacted the quality of care they gave patients. Working with DCoE's National Center for Telehealth & Technology, they've developed a Providers Resilience Mobile app that gives caregivers tools to avoid burnout.

## VETERANS AFFAIRS NEWS

- **The Department of Veterans Affairs (VA) awarded 12 contracts between five firms totaling \$6.8 billion to improve the Medical Disability Examination process (Compensation and Pension or Comp and Pen Examinations) for veterans.**

The awards are intended to reduce veterans' wait times for examinations for service-connected benefits, thereby providing faster claims decisions in a more efficient and streamlined way.

**Contracts were awarded to the following firms:**

- VetFed Resources, Inc., Alexandria, Va;
- Logistics Health, Inc., La Crosse, Wis.;
- Medical Support Los Angeles, A Medical Corporation, Pasadena, Calif;
- QTC Medical Services, Inc., Diamond Bar, Calif; and
- Veterans Evaluation Services, Inc., Houston, Texas.

The contracts are being awarded for a period of 12 months with (4) 12-month options, with an aggregate ceiling of \$6.8 billion. The contracts will be managed by VA's Strategic Acquisition Center based in Frederick, Md.

## GENERAL HEALTH CARE NEWS

- **The U.S. Department of Health and Human Services (HHS) has awarded more than \$44.5 million in awards to training programs to increase the number of mental health providers and substance abuse counselors across the country.**

The Health Resources and Services Administration (HRSA) and the Substance Abuse and Mental Health Services Administration (SAMHSA) are funding 144 new and continuing grants through the [Behavioral Health Workforce Education and Training \(BHWET\) program](#), which supports clinical internships and field placements for an array of professional and paraprofessional behavioral health disciplines and occupations.

More than \$7.9 million will support 34 new grantees and an additional \$36.6 million will fund 110 current grantees.

For a complete list of fiscal year 2016 BHWET recipients, visit <http://bhw.hrsa.gov/grants/mentalbehavioral/fy16bhwetawards.html>.

- **The U.S. Department of Health and Human Services' Office of the Assistant Secretary for Preparedness and Response (ASPR) announced two strategic partnerships with The Medicines Company and Hoffmann-LaRoche Inc. (Roche) to develop innovative products to combat the growing threat of multi-drug resistant bacterial infections.**

ASPR's Biomedical Advanced Research and Development Authority (BARDA) will manage a portfolio of products with each company. Through the agreements, BARDA will have joint oversight and share the cost of developing a portfolio with each company, helping determine which products to develop and collaborating on decisions about which products enter or leave each partnership's portfolio.

Under the agreement with The Medicines Company, BARDA will provide more than \$32 million over four years and potentially more than \$132 million over five years. Under the agreement with Roche, BARDA will provide more than \$35 million over two years and potentially more than \$151.6 million over five years. Each company also will provide a significant portion of the funding and resources needed to bring their own products to the market.

The portfolio with The Medicines Company will continue developing multiple antibiotics including one known as Carbavance, a drug being developed to treat hospital-acquired bacterial pneumonia and ventilator-acquired bacterial pneumonia.

Under a 2014 ASPR contract, Rempex, a wholly owned subsidiary of The Medicines Company, began evaluating Carbavance as a possible treatment for serious gram-negative infections such as complicated urinary tract infections and infections caused by carbapenem resistant *Enterobacteriaceae* ([CRE](#)).

The portfolio with Roche will include continued development of diagnostic tests to detect specific viral and bacterial infections. Armed with such information, doctors and patients can make better decisions about how to treat the illness and avoid unnecessary or inappropriate use of antibiotics.

The portfolio also will include an investigational antibiotic being developed to treat a variety of infections caused by drug resistant bacteria in combination with another antibiotic, and Roche will continue to review promising products in discovery and nonclinical study phases of development that could be added to this portfolio.

Gram-negative bacteria cause infections including pneumonia, bloodstream infections, wound or

surgical site infections, and meningitis in health care settings. Gram-negative bacteria are resistant to multiple drugs and are increasingly resistant to most available antibiotics.

CRE are a family of gram-negative bacteria that have become resistant to most available antibiotics, making it difficult to treat people infected with CRE. These infections can be deadly; the U.S. Centers for Disease Control and Prevention (CDC) reports that up to 50 percent of CRE bloodstream infections are fatal.

Having products in each portfolio at different stages of maturity helps mitigate the business risk associated with drug development and increases the likelihood that at least one product in each portfolio will succeed.

Rather than a standard contract, HHS entered into the agreements using [other transaction authority](#) that was granted to HHS under the Pandemic and All Hazards Preparedness Act of 2006. Although not a contract, grant or cooperative agreement, other transaction authority provides a funding and collaboration vehicle to promote innovation in technology for advanced research and development.

The partnerships are the third and fourth ASPR has formed under other transaction authority. All of the partnerships focus on developing new products to address the rising threat of antibiotic resistant infections.

For more information on national public health and medical preparedness, visit [www.phe.gov](http://www.phe.gov) and to learn more about partnering with BARDA in public health preparedness visit [www.medicalcountermeasures.gov](http://www.medicalcountermeasures.gov).

- **Every second of every day in the United States an older adult falls, making falls the number one cause of injuries and deaths from injury among older Americans.**

In 2014 alone, older Americans experienced 29 million falls causing seven million injuries and costing an estimated \$31 billion in annual Medicare costs, according to a new report published by the Centers for Disease Control and Prevention.

With more than 10,000 older Americans turning 65 each day, the number of fall-related injuries and deaths is expected to surge, resulting in cost increases unless preventive measures are taken.

To reduce older adult falls, CDC created the Stopping Elderly Accidents, Deaths, and Injuries (STEADI) initiative to help healthcare providers make fall prevention routine. STEADI is based on clinical guidelines and provides information and resources for patients, caregivers, and all members of the healthcare team. STEADI includes:

- Information on how to screen for falls
- Online training for providers
- Videos on how to conduct functional assessments
- Informational brochures for providers, patients and caregivers

Older adults also can take simple steps to prevent a fall:

- Talk to your healthcare provider about falls and fall prevention. Tell your provider if you've had a recent fall. Although one out of four older Americans falls each year, less than half tell their doctor.
- Talk to your provider or pharmacist about medications that may make you more likely to fall.
- Have your eyes checked by an eye doctor once a year. Update eyeglasses as needed.

- Participate in evidence-based programs (like [Tai Chi](#)) that can improve your balance and strengthen your legs. Contact your local Council on Aging for information about what is available in your community.
- Make your home safer by getting rid of fall hazards.

For more information on the NCOA, see <https://www.ncoa.org/>.

- **The Centers for Medicare & Medicaid Services (CMS) announced that 2017 Medicare Advantage premiums will remain stable and more enrollees will have access to higher quality plans while, for the seventh straight year, enrollment is projected to increase to a new all-time high.**

In addition, CMS released updated information that shows that millions of seniors and people with disabilities with Medicare continue to enjoy prescription drug discounts and affordable benefits as a result of the Affordable Care Act. Today's announcement comes as CMS releases the premiums and costs for Medicare health and drug plans for the 2017 calendar year.

CMS estimates that the average Medicare Advantage monthly premium will decrease by \$1.19 (about 4 percent) in 2017, from \$32.59 on average in 2016 to \$31.40. This would be 13 percent lower than the average Medicare Advantage premium prior to passage of the Affordable Care Act. The majority of Medicare Advantage enrollees (67 percent) will experience no premium increase.

Access to the Medicare Advantage program will remain strong, with 99 percent of Medicare beneficiaries having access to a Medicare health plan. In addition, in 2017, more Medicare Advantage plans will offer more supplemental benefits for enrollees, such as dental, vision, and hearing benefits.

Enrollment is projected to increase to 18.5 million enrollees next year, a 60 percent increase from 2010. In 2017, 32 percent of all Medicare enrollees will be in a Medicare Advantage plan compared to only 24 percent in 2010.

Average premiums in the Medicare Part D prescription drug program will also remain stable and beneficiaries have saved billions on prescription drugs. In July 2016, CMS announced that the average basic premium for a Medicare prescription drug plan in 2017 is projected to be an estimated \$34 per month. Today's projections show that access to a prescription drug plan will remain strong in 2017, with 100 percent access to a plan in the individual market and improved access to employer plans.

Medicare Open Enrollment for 2017 Medicare health and drug plans begins on Oct. 15, 2016 and ends on Dec. 7, 2016.

For more information on the premiums and costs of 2017 Medicare health and drug plans, please visit: <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/index.html>.

## REPORTS/POLICIES

- **The GAO published “Defense Health Care Reform: DOD Needs Further Analysis of the Size, Readiness, and Efficiency of the Medical Force,” (GAO-16-820T) on Sept. 21, 2016.** This report assesses, among other things, the extent to which the study on the Military Health

Care System followed an approach that is consistent with relevant generally accepted research standards and utilized key practices for estimating cost savings. GAO compared the Study with generally accepted research standards that were developed by reviewing research literature and DOD guidance and with key practices derived from cost-estimating guidance.

<http://www.gao.gov/assets/680/679923.pdf>

- **The GAO published “Veterans Affairs Contracting: Improvements in Policies and Processes Could Yield Cost Savings and Efficiency,” (GAO-16-867) on Sept. 20, 2016.** This report recommends that VA clarify its policy framework, and increase the use of discounted pricing when purchasing medical supplies. <http://www.gao.gov/assets/680/679906.pdf>

## HILL HEARINGS

- There are no hearings related to health care scheduled next week.

## LEGISLATION

- No health-related legislation was proposed this week.

## MEETINGS

- 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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