

# Federal Health Update

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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

- **The House and Senate are adjourned until after the election.**

## MILITARY HEALTH CARE NEWS

- **On Sept. 30, 2014, the U.S. Department of Defense published a final rule in the Federal Register, which creates an exception to the usual rule that TRICARE Prime enrollment fees are uniform for all retirees and their dependents. This rule is effective Oct. 30, 2014.**

Survivors of Active Duty Deceased Sponsors and Medically Retired Uniformed Services Members and their Dependents are part of the retiree group under TRICARE rules. In acknowledgment and appreciation of the sacrifices of these two beneficiary categories, the Secretary of Defense has elected to exercise his authority under the United States Code to exempt Active Duty Deceased Sponsors and Medically Retired Uniformed Services Members and their Dependents enrolled in TRICARE Prime from paying future increases to the TRICARE Prime annual enrollment fees.

Beneficiaries in these two TRICARE beneficiary categories who enrolled in TRICARE Prime prior to Oct. 1, 2013, and those since that date, will have their annual enrollment fee frozen at the appropriate fiscal year rate: FY2011 rate \$230 per single or \$460 per family, FY2012 rate \$260 or \$520, FY2013 rate \$269.38 or \$538.56, or the FY2014 rate \$273.84 or \$547.68.

Future beneficiaries added to these categories will have their fee frozen at the rate in effect at

the time they are classified in either category and enroll in TRICARE Prime or, if not enrolling, at the rate in effect at the time of enrollment. The fee remains frozen as long as at least one family member remains enrolled in TRICARE Prime and there is not a break in enrollment. The fee charged for the dependent(s) of a Medically Retired Uniformed Services Member would not change if the dependent(s) was later re-classified a Survivor.

- **On Oct. 1, 2014, Deputy Defense Secretary Bob Work and other senior Department of Defense (DoD) leaders outlined the findings of a review of military health care and the job that lies ahead to ensure access, safety and quality across the system.**

DoD leaders will dig into the findings of the review of the Military Health System that was conducted over the summer, Work said. The review was ordered in May by Defense Secretary Chuck Hagel, who also discussed the review's findings with reporters at the Pentagon.

The military health care system is healthy, but can be improved, the deputy secretary said.

Army, Navy and Air Force surgeons general will examine how to increase the quality of average facilities and identify the best medical practices, Work said, "so we can raise the average of the entire enterprise."

The review of the military health care system was unprecedented in its scope, said Dr. Laura Junor, principal deputy undersecretary of defense for personnel and readiness.

The study examined 37 metrics sets that covered the entire enterprise of the Military Health System. Site visits were made at seven large and small hospitals, including one an overseas facility.

Data was collected on three top-performing civilian health care medical centers to provide a benchmark for what great performance looks like. The report concluded that the MHS is meeting the standards DoD has set.

However, beneficiary survey results found there are "access challenges" to military health care. DoD officials said they will determine what's driving those differences," especially as it pertains to the civilian health care providers in our TRICARE system.

In the areas of health care safety and quality, the review found that while the Military Health System's general performance was comparable to the civilian sector.

Unsatisfactory observations will be investigated and mitigation plans will be developed to increase performance. Junor said that DoD will implement a performance management system and central analytic capability to make sure that there is an understanding how high performers differentiate themselves and how the knowledge can help improve low performers.

To learn more about the review, please visit:

[http://www.defense.gov/home/features/2014/0614\\_healthreview/](http://www.defense.gov/home/features/2014/0614_healthreview/).

## VETERANS AFFAIRS NEWS

- **In a first-of-its-kind partnership, the Department of Veterans Affairs (VA) announced that it will join forces with retailer Walgreens to provide greater access to Centers for Disease Control and Prevention-recommended vaccinations to veterans across the country.**

This partnership grew out of a successful pilot program that began in Florida to provide flu vaccines to Veterans throughout the state. Based on those results, VA is expanding the pilot nationwide.

Through its nearly 8,200 locations nationwide, Walgreens will offer flu and other recommended vaccinations to veterans. Pharmacists can administer vaccinations to veterans and will leverage eHealth Exchange, through its Walgreens Cloud Electronic Health Records platform, to securely share immunization records with VA to help ensure complete patient medical records.

Vaccinations are available daily during all pharmacy hours with no appointment necessary and are subject to availability.

Vaccines are subject to availability. Age, state and health related restrictions may apply. Many immunizations may be covered by commercial insurance plans, Medicare Part B or Medicare Part D. As part of this launch and under the agreement, VA funding can provide approximately 75,000 flu shots for enrolled veterans. Patients are encouraged to check with their health plan for specific coverage details. To find the nearest Walgreens, veterans can call 1-800-WALGREENS or visit [www.walgreens.com](http://www.walgreens.com). For more information about VA's immunization program, visit <http://www.ehealth.va.gov/immunization.asp>

- **The Department of Veterans Affairs (VA) announced that the MITRE Corporation, a not-for-profit company that operates multiple federally-funded research and development centers, has been awarded a contract to support the Independent Assessment of VA health care processes, as required by the Veterans Access, Choice and Accountability Act of 2014 ("Choice Act").**

MITRE Corporation will serve as program integrator.

Section 201 of the Choice Act directs VA to enter into one or more independent, third-party contracts for an assessment of the hospital care, medical services and other health care processes in VA medical facilities. The program integrator will be responsible for coordinating the outcomes of the assessments conducted by the third-party entities according to the scope of the contracts. The program integrator is required to report the independent assessment results to Congress within 60 days of the assessment's conclusion.

- **On Sept. 29, 2014, Secretary of Veterans Affairs Robert McDonald announced that the Department of Veterans Affairs (VA), working closely with the U.S. Office of Special Counsel (OSC), has successfully resolved whistleblower retaliation complaints filed by three individuals from Phoenix.**

Based on the validity of their claims of retaliation, each whistleblower has settled their complaint with VA and two have accepted new positions within the Department.

Working with OSC, VA has taken several steps to strengthen whistleblower protection and enhance accountability within the organization. VA leadership has sent a message to all VA employees regarding the importance of whistleblower protection, has emphasized that managers and supervisors bear a special responsibility for enforcing whistleblower protection laws and has met with employees at VA Medical Centers across the country to reemphasize that message.

Additionally, VA is committed to achieving compliance with the OSC 2302 (c) Certification program, and has established the Office of Accountability Review with a direct reporting line to the Secretary. Its charter is to ensure leadership accountability for improprieties related to patient scheduling and access to care, whistleblower retaliation and related matters that impact public trust in VA.

- **Secretary of Veterans Affairs Robert A. McDonald announced the award of approximately \$8 million in grants to provide adaptive sports opportunities for**

### **disabled veterans and disabled service members of the Armed Forces.**

Adaptive sports are those sports that have been created or modified for persons with disabilities.

The new program provides grants to eligible entities to plan, develop, manage and implement programs to provide adaptive sports activities for disabled veterans and disabled members of the Armed Forces. Funding may be used for such things as training, program development, recreation therapists, coaches, sports equipment, supplies, program evaluation and other activities related to program implementation and operation.

The [grants](#) will be distributed to 69 national, regional and community programs serving all 50 states, the District of Columbia, Puerto Rico, the Virgin Islands and American Samoa. Approximately 10,000 Veterans and Servicemembers are expected to benefit.

Information about the awardees and details of the program may be found at [www.va.gov/adaptivesports](http://www.va.gov/adaptivesports).

## **GENERAL HEALTH CARE NEWS**

- **The Department of Health and Human Services' Office of the Assistant Secretary for Preparedness and Response (ASPR) has awarded two contracts to develop test that could help boost influenza pandemic preparedness by increasing diagnostic capabilities in near-patient care settings such as doctors' offices, clinics, and hospitals**
  - The first, a 3.5-year, \$12.9 million contract was awarded to Alere Inc. to advance the development of a simple, low-cost molecular test.
  - The second award, to InDevR Inc., will allow a biochip test to move forward under a two-year, \$7.9 million contract with options to extend the contract up to \$14.7 million over four years.

The tests use different technologies to detect influenza viruses and offer different levels of information about the viruses detected. Both tests would use swabs taken from a patient's nasal passage.

Alere will develop its iNAT Influenza A&B test, which could yield results within 15 minutes and show whether a patient has an infection caused by a seasonal influenza virus type A or B infection.

InDevR will develop its FluChip-8G test to identify seasonal influenza viruses and recognize novel flu viruses within four hours in near-patient settings. Currently, this type of detailed genetic testing is conducted in state, federal or specialty laboratories, and can take days to complete.

Distinguishing viral influenza infections from bacterial infections could aid doctors and patients in choosing the best treatment, and could reduce unnecessary antibiotic use, as antibiotics are ineffective in treating illness caused by viruses. In addition, testing for influenza viruses in doctors' offices, clinics, and hospitals could improve use of precautions among patients and health care workers to reduce spread of influenza from person to person.

Improved tests available in more settings can alert doctors and public health authorities to community outbreaks of respiratory illness and signal new viruses causing illness. A new influenza virus to which people do not have immunity could potentially spread quickly and have pandemic potential.

To learn more about ASPR and preparedness, response and recovery from the health impacts of disasters, visit the HHS public health and medical emergency website, [phe.gov](http://phe.gov). Information about influenza is available at [flu.gov](http://flu.gov).

- **Heroin deaths increased sharply in many states, according to a report of death certificate data from 28 states published by the Centers for Disease Control and Prevention.**

Despite these findings, still more than twice as many people died from prescription opioid overdoses as died from heroin in these states in 2012.

Though not directly addressed by this study, two things appear to be driving the increase in heroin overdoses: (1) widespread prescription opioid exposure and increasing rates of opioid addiction; and (2) increased heroin supply. While the majority of prescription opioid users do not become heroin users, previous research found that approximately 3 out of 4 new heroin users report having abused prescription opioids prior to using heroin.

Key Findings:

- This new study examined changes in heroin and prescription opioid death rates in 28 states<sup>1</sup> between 2010 and 2012. The 28 states represented 56 percent of the U.S. population.
- From 2010-2012, the overall heroin death rate across the 28 states doubled.
- The sharp heroin overdose increase extends the trend observed in the 2011 national mortality data.
- Five states had increases in prescription opioid death rates, seven states had decreases, and sixteen states had no change.
- Of the 18 states with reliable heroin overdose death rates examined individually in this study, 15 had statistically significant increases in heroin death rates. No state had a decrease in the heroin death rate.
- The increases in state heroin death rates from 2010-2012 were associated with increases in prescription opioid death rates.

Overdose Toolkit: [http://store.samhsa.gov/shin/content//SMA14-4742/Overdose\\_Toolkit.pdf](http://store.samhsa.gov/shin/content//SMA14-4742/Overdose_Toolkit.pdf)

Treatment Locator: <http://findtreatment.samhsa.gov/>

- **The U.S. Food and Drug Administration announced it has awarded 15 grants totaling more than \$19 million to boost the development of medical device, drug, and biological products patients with rare diseases, with at least a quarter of the funding going to studies focused solely on pediatrics.**

The FDA awards grants for clinical studies on safety and/or effectiveness of products that could either result in, or substantially contribute to, approval of the products.

The program is administered through the FDA's Orphan Products Grants Program. This program was created by the Orphan Drug Act, passed in 1983, to promote the development of products for rare diseases. Since its inception, the program has given more than \$330 million to fund more than 530 new clinical studies on developing treatments for rare diseases and has been used to bring more than 50 products to marketing approval.

A panel of independent experts with experience in the disease-related fields reviewed the grant applications and made recommendations to the FDA.

To view the list of grantees, please visit:

<http://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm416738.htm>

## REPORTS/POLICIES

- **The GAO published “*Compounded Drugs: TRICARE’s Payment Practices Should Be More Consistent with Regulations,*” (GAO-15-64) Oct 2, 2014.** This report reviews TRICARE’s payment for compounded drugs by examining the number and cost of compounded drugs paid for by TRICARE in fiscal year 2013, and reviewing TRICARE’s payment practices for compounded drugs and how they compare to other federal health care programs. <http://www.gao.gov/assets/670/666339.pdf>
- **The GAO published “*Disabled Dual-Eligible Beneficiaries: Integration of Medicare and Medicaid Benefits May Not Lead to Expected Medicare Savings,*” (GAO-14-523) Sept. 29, 2014.** GAO examined spending, utilization, and health status patterns for the portion of this population with the highest spending; the extent to which integrated D-SNPs provided high quality of care for this population while controlling Medicare spending; and D-SNPs’ and traditional MA plans’ performance in serving this population based on quality and resource use measures. <http://www.gao.gov/assets/670/665491.pdf>
- **The GAO published “*Patient Protection and Affordable Care Act: Largest Issuers of Health Coverage Participated in Most Exchanges, and Number of Plans Available Varied,*” (GAO-14-657) on Sept 29, 2014.** In this report, GAO describes (1) the extent to which issuers that previously offered health plans in the individual and small-group markets participated in the exchanges in 2014 and (2) the issuers that participated in 2014 exchanges and the health plans they offered. <http://www.gao.gov/assets/670/665489.pdf>

## HILL HEARINGS

- There are no hearings scheduled.

## LEGISLATION

- There was no legislation published this week.

## MEETINGS

- 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 100th Annual Meeting of Radiological Society of North America (RSNA) 2014 will be held **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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