Welcome to Federal Health Update. This newsletter is a compilation of the latest news in the federal health care sector.

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ktheroux@federalhealthcarenews.com

The Update will not be published on Aug 24 and 31, 2018.

EXECUTIVE AND CONGRESSIONAL NEWS

▪ On Sept. 29, 2018, the president signed into law S. 3479, the “Department of Veterans Affairs Expiring Authorities Act of 2018,” which extends certain expiring authorities affecting veterans and their families, including: (1) health care; (2) benefits; (3) homelessness; and (4) other authorities. It also makes a number of amendments to various authorities related to health care and other matters.

▪ On Sept. 28, 2018, the president signed into law H.R. 6157, the “Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019.”

▪ The Senate passed S. 2554 the Patient Right to Know Drug Prices Act. This legislation requires health insurance issuers and group health plans do not prohibit pharmacy providers from providing certain information to enrollees.

MILITARY HEALTH CARE NEWS

▪ On Oct. 3, 2018, the Defense Health Agency (DHA) announced M2 Technology of San
Antonio, Texas was awarded an $8,419,560 firm-fixed-price contract (HT0015-18-F-0136) to provide replacement computer server hardware parts for the DHA.

This is a one-time purchase order for hardware supporting Military Health System operations. This contract award differs from previous contract awards because this procurement is for the replacement parts for end-of-life computer server hardware currently in use by the Military Health System. This contract is a small business competitive set-aside and received five quotes. This contract is funded by fiscal 2018 procurement funds. The Contracting Office-Health Information Technology, San Antonio, Texas, is the contracting activity.

- **On Sept 26, 2018, the Departments of Defense and Veterans Affairs jointly signed a commitment to modernize the electronic health records for service members and veterans.** To read the document, please visit: [https://media.defense.gov/2018/Oct/02/2002047627/-1/-1/1/EHRM-JOINT-COMMITMENT-SIGNED-SECDEF-SECVA.PDF](https://media.defense.gov/2018/Oct/02/2002047627/-1/-1/1/EHRM-JOINT-COMMITMENT-SIGNED-SECDEF-SECVA.PDF)

- **On Oct. 1, 2018, the Defense Health Agency (DHA) officially assumed administrative and management responsibilities of a handful of hospitals and clinics as part of the Military Health System reforms mandated by Congress.**

  The transition of the facilities is part of a phased implementation plan developed by DHA and Services medical departments. Congress enacted these changes to create a more integrated, efficient and effective system of readiness and healthcare that best supports patients and the Department of Defense.

  Air Force hospital and clinics transitioning under the DHA’s direct management during the first phase include: the 43rd Medical Squadron at Pope Field, North Carolina; the 81st Medical Group at Keesler Air Force Base, Mississippi; the 628th MDG at Joint Base Charleston, South Carolina; and the 4th MDG at Seymour Johnson AFB, North Carolina. The remaining Air Force hospitals and clinics will transition to the DHA in phases by Sept. 30, 2021.

  DHA will be responsible for budgetary matters, information technology, health care administration and management, administrative policy and procedure and military medical infrastructure at all MTFs. The Services will be retain responsibility for operational mission support and recruiting, organizing, training and equipping Medical Airmen.

  The next phase of integration will be comprised of hospitals and clinics in the Eastern United States and should be complete by October 1, 2019. Subsequent phases include hospitals and clinics in the Western United States followed by overseas medical facilities.

**VETERANS AFFAIRS NEWS**

- **On Oct. 1, 2018, the U.S. Department of Veterans Affairs (VA) established a search commission, who will help identify candidates for the Under Secretary for Health position, which oversees the Veterans Health Administration (VHA).**

  VA has identified individuals who possess the expertise and willingness to serve on this important commission, with experience that is broad, relevant and consistent with the requirements established by law.

  The following individuals were appointed to serve as members of the commission to identify the best qualified candidates to serve as VA’s Under Secretary for Health:

  o  Jim Byrne, VA acting deputy secretary
Anthony Principi, chairman of the search commission as designated by the VA Secretary
Dr. Don Wright, deputy assistant secretary for Health, Director Office of Disease Prevention and Health Promotion, Department of Health and Human Services
Dr. James Adams, senior vice president and chief medical officer, Northwestern University
Thomas McCaffery, principal deputy assistant secretary of Defense Health Affairs, U.S. Department of Defense
Sarah Verardo, executive director, Independence Fund
Garry Augustine, executive director, Disabled American Veterans
Dr. Jonathan Simons, president and CEO, Prostate Cancer Foundation
Dr. Jon Perlin, chairman of the Special Medical Advisory Group.

Candidates for the Under Secretary for Health position must demonstrate the knowledge, vision and dedication to lead VHA in strategic change efforts to realize President Trump’s vision of transforming VA. By law, the appointment is made without regard to political affiliation and solely on the basis of demonstrated ability in the medical profession, health care administration and policy formulation, or in health care fiscal management; and substantial experience in connection with VHA programs or programs of similar content and scope.

With an annual budget of about $74 billion, VHA provides care to more than 9 million veterans enrolled in VA health care programs at 1,243 facilities, including 172 VA Medical Centers and 1,062 outpatient sites of varying complexity. VHA is the nation’s largest provider of graduate medical education and a major contributor to medical and scientific research.

Completed applications must be received by 11:59 p.m. (EST) on the closing date of Oct. 17, 2018, to be considered. Interested applicants can apply online at the federal government’s USAJOBS website at https://www.usajobs.gov/GetJob/ViewDetails/512725400. Applications can also be emailed to VAUSH@va.gov.

- **The U.S. Department of Veterans Affairs’ (VA) released end of fiscal year 2018 (FY2018) hospital Star ratings, which evaluate and benchmark quality of care delivery at VA medical centers (VAMCs) across the nation.**

  The Star rating designation is designed to help VA identify best practices of its top performing hospitals and share them across VA’s health care system to achieve system-wide improvements.

  Compared with data from the same period a year ago, the report shows 66 percent of VA Medical Centers (VAMCs) have improved in overall quality in the third quarter — with the largest gains seen in areas where there were VA-wide improvement initiatives, such as mortality, length of stay and avoidable adverse events. Six VAMCs experienced a decrease in quality, and improvement activities are underway at each of these facilities.

  Additionally, of the medical centers placed under the Strategic Action for Transformation program (STAT), an initiative that monitors high-risk medical centers and mobilizes resources to assist them, eight are no longer considered high risk and 80 percent (12 medical centers) show measurable improvements since being placed under STAT in January 2018.

**GENERAL HEALTH CARE NEWS**

- The Centers for Medicare & Medicaid Services (CMS) announced a multi-year initiative that will empower patients and update Medicare resources to meet beneficiaries’
The eMedicare initiative will modernize the way beneficiaries get information about Medicare and create new ways to help them make the best decisions for themselves and their families. The goal is to provide a seamless online health care experience to meet the growing expectations for this generation of Medicare beneficiaries. CMS has a cohesive, multi-year strategy of consumer data integration and web product development to modernize Medicare.gov and improve access to personal health care data. The road map for this program will enhance opportunities to go digital, offer additional self-serve options, and create a seamless multi-channel customer service experience.

Some of the new eMedicare initiatives that CMS is launching ahead of Medicare Open Enrollment are:

- An improved coverage wizard to help beneficiaries compare options at a deeper level as a way to decide if Original Medicare or Medicare Advantage is right for them;
- A stand alone, mobile optimized out of pocket cost calculator that will provide information on both overall costs and prescription drug costs;
- A simplified log in for the Medicare Plan Finder (https://www.medicare.gov/find-a-plan/questions/home.aspx) tool using their online account (instead of the current process of entering 5 pieces of information to authenticate);
- A webchat option, which will be available within the Medicare Plan Finder for some beneficiaries; and
- New easy to use surveys available across Medicare.gov so beneficiaries can continue to tell us what they want.

CMS launched the initiative with a new video (https://youtu.be/YUiHOnmun8s) that includes insights from Medicare beneficiaries on what they expect from Medicare and remarks from Administrator Verma outlining her vision for modernized program. Approximately 10,000 people join Medicare each day. The Medicare population is expected to increase to more than 80 million beneficiaries in 2030, up from 54 million in 2015. As of 2016, about two-thirds of Medicare beneficiaries indicate they use the Internet daily or almost daily (65%).


REPORTS/POLICIES

- The GAO published “Veterans’ Disability Benefits: Better Measures Needed to Assess Regional Office Performance in Processing Claims,” (GAO-19-15) on Oct 3, 2018. This report examines how VBA manages workload and performance for the disability compensation claims process, how well VBA’s timeliness and accuracy measures capture its regional offices’ performance in processing these claims, and how well selected regional offices communicate with VSOs and congressional caseworkers about these claims. https://www.gao.gov/assets/700/694872.pdf

- The GAO published “Veterans Choice Program: Further Improvements Needed to Help Ensure Timely Payments to Community Providers,” (GAO-18-671) on Sept. 28, 2018. This report examines, among other things, (1) the length of time TPAs have taken to pay community providers’ claims and factors affecting timeliness of payments, and (2) actions taken by VA and the TPAs to reduce the length of time TPAs take to pay community providers for Choice Program claims. https://www.gao.gov/assets/700/694815.pdf
### HILL HEARINGS

- There are not any health-related hearings scheduled.

### LEGISLATION

- **S.3545** (introduced Oct. 3, 2018): A bill to amend title XVIII of the Social Security Act to improve home health payment reforms under the Medicare program was referred to the Committee on Finance. Sponsor: Senator Susan M. Collins [R-ME]
- **S.3541** (introduced Oct. 3, 2018): A bill to amend the Public Health Service Act to establish limitations on cost-sharing for out-of-network services, to prohibit balance billing for such services, and for other purposes was referred to the Committee on Health, Education, Labor, and Pensions. Sponsor: Senator Jeanne Shaheen [D-NH]
- **H.R.7017** (introduced Oct. 2, 2018): A bill to direct the Secretary of Veterans Affairs to carry out a demonstration program to expand the availability of telemedicine services for veterans living in rural areas with certain mental health disorders, and for other purposes. Sponsor: Representative Ann M. Kuster [D-NH-2]

### MEETINGS

- The 2018 AMSUS Annual Continuing Education Meeting will be held on **Nov. 26-30, 2018**, at the Gaylord National Harbor, Md. [http://www.amsusmeetings.org/home-2/](http://www.amsusmeetings.org/home-2/)

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.