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.

- On Oct. 6, 2014, President Obama signed into law H.R. 4994, the “Improving Medicare Post-Acute Care Transformation Act” or the “IMPACT Act of 2014.” This legislation creates a standardized Medicare assessment tool for comparing patient data across the various types of post-acute care settings for purposes of quality, payment, and discharge planning, and makes other changes to Medicare current law relating to post-acute care.

**MILITARY HEALTH CARE NEWS**

- The Department of Defense (DoD) is proposing regulation changes that would reduce predatory lending practices, significantly expand the protections provided to service members, close loopholes in current rules, and help to ensure military families receive the important consumer protections they deserve.

  The new proposed actions are designed to apply the protections of the Military Lending Act to all forms of payday loans, vehicle title loans, refund anticipation loans, deposit advance loans, installment loans, unsecured open-end lines of credit, and credit cards.

  Congress passed the Military Lending Act (MLA) in 2006 to provide specific protections for active
duty service members and their dependents in consumer credit transactions. The MLA caps the
interest rate on covered loans to active duty service members at 36 percent; requires disclosures
to alert service members to their rights; and, it prohibits creditors from requiring a service
member to submit to arbitration in the event of a dispute, among many other protections.
Congress took these steps to protect service members and their families from predatory lending
which negatively impacts military readiness and can make transitioning from the military service
significantly more challenging.

The MLA also gave DoD the authority to define the scope of credit covered by the law’s
protections. In 2007, DoD defined credit narrowly to cover three products: (1) closed-end payday
loans for no more than $2,000 and with a term of 91 days or fewer; (2) closed-end auto title loans
with a term of 181 days or fewer; and (3) closed-end tax refund anticipation loans. Some lenders
responded by changing their products to fall outside the regulations narrow scope, thus allowing
many predatory lending practices to continue and defeating diminishing the full impact of the
legislation to protect our Military families. Today, some lenders continue to market loans at triple-
digit interest rates targeting service members, including storefronts clustered outside military
installations and on websites geared toward service members.

The MLA, as would be implemented by the DoD’s proposed amendment to the regulation would
extend the MLA protections to active duty service members and their families when they access
the types of credit subject to the protections of the Truth in Lending Act (TILA), other than a loan
secured by real estate or a purchase-money loan (including a loan to purchase a vehicle).
These protections include:

- A 36 percent interest-rate limit that covers all interest and fees associated with the loan,
  and is referred to as the Military Annual Percentage Rate (MAPR). However, in the case
  of a credit card account, a creditor would be permitted to exclude bona fide fees that are
  reasonable and customary from the charges counted toward the MAPR.

- The creditor would be responsible for providing the military borrower with additional
disclosures, including a statement that he or she should seek other options than high-
cost credit, to include financial counseling and assistance from the Military Aid Societies.

- Prohibiting creditors from requiring service members to submit to arbitration, waive their
  rights under the Service members’ Civil Relief Act, or imposing onerous legal notice
  requirements as a result of taking one of these loans.

For more information, please visit:

- The Department of Defense is no longer sending paper letters to notify beneficiaries
  about changes to their coverage and eligibility status.

Beneficiaries will now receive emails or postcards directing them to online resources where they
can view their information.

When you have correspondence from TRICARE, you’ll get it one of two ways. If you have a
valid email address in the Defense Enrollment Eligibility Reporting System (DEERS), you’ll get
an email telling you to go milConnect to read your letter. If you don’t have an email address in
DEERS, you’ll get a post card directing you to milConnect.

The emails and postcards won’t contain private information, only a short generic message to
inform you of a change to your coverage or eligibility. Most letters regarding your TRICARE
benefit will now be online at milConnect only.

Beneficiaries who opt to receive email notifications can retrieve their health care information by
logging on to milConnect, going to www.tricare.mil to review general benefits information, or
contacting your regional contractor for help. This will get the information to you quicker, and
since milConnect is available anywhere with internet access, you’ll be notified of changes even if you’re away from home.

It’s important to go to http://milconnect.dmdc.osd.mil to sign up or update your email contact information. Without a DS Logon, CAC, or DFAS pin you won’t be able to view this information. Once you sign-up, you will receive up-to-date benefit information such as primary care manager changes, new and replacement enrollment cards, eligibility and enrollment changes due to age or changes in member status, voluntary or involuntary disenrollment actions, and more.

- The Hill reports that the Department of Defense is delaying the planned cuts for providers who work with autistic children.

This comes after TRICARE providers warned they would stop treating more than 1,100 autistic children because of the massive pay cuts.

On Oct. 8, 2014, TRICARE officials began informing key congressional staffers that they would delay the pay cuts until April 20, 2015, as they order an independent review of the changes.

Other changes to the program will go into effect as scheduled later this month.

As part of an effort to reduce its health care costs, DoD was planning reduce payments 50 percent to providers who work with autistic children under TRICARE. The latest TRICARE manual, released in September, cut their pay from $125 a hour to between $50 and $68 an hour.

Many healthcare providers balked at the cuts, saying they wouldn’t be able to provide the services without the additional money. If they go through, providers said the services will disappear.

A survey of TRICARE providers who work with autistic children found that 95 percent of these providers planned to cut back on the services they offer, while 22 percent intended to stop working with military children altogether, if the changes were to go through.

The study was conducted by Navigation Behavioral Consulting, a health care provider that works with autistic children.

According to TRICARE documents, more than 7,800 military children received autism benefits in 2013.

VETERANS AFFAIRS NEWS

- More than 1.3 million veterans received decisions on their Department of Veterans Affairs (VA) disability compensation and pension claims in fiscal year (FY) 2014 – the highest number in VA’s history, surpassing last year’s record-breaking production by more than 150,000 claims.

This second year of record-breaking production comes as VA continues to transform the way it provides benefits and services, to deliver faster and higher quality decisions, to veterans, their families and survivors. At the end of the year, the disability claims backlog (defined as any disability claim pending longer than 125 days) was reduced by 60-percent from the peak backlog in March 2013 and is at its lowest number in nearly 4 years. Veterans waited, on average, 119 fewer days for a decision on their claim than Veterans did in FY 2013. VA is on target to hit its 2015 goal.

These improvements were not made at the expense of quality. The accuracy of VA’s decisions continues to rise from an 83-percent accuracy level in 2011 to a 90-percent accuracy level
today. When focusing specifically at the medical issue level, accuracy is at 96 percent. VA’s move to a web-based electronic claims processing system has enabled a quicker, more accurate and integrated benefits delivery. VA once processed 5,000 tons of paper annually – today it processes 93 percent of veterans’ disability claims electronically. One in seven veterans who submit a claim to change the status of a family member now does so online and more than half of those are paid in one to two days.

In FY 2014, more than 4.5 million veterans and survivors received more than $72.7 billion in VA compensation and pension benefits. For more information on VA’s Transformation, benefits and programs visit: www.benefits.va.gov/, www.ebenefits.va.gov and www.benefits.va.gov/fdc.

- **On Oct. 8, 2014, Secretary of Veterans Affairs Robert A. McDonald has directed all Veterans Affairs (VA) health care and benefits facilities to continue to hold quarterly town-hall events to improve communication with, and hear directly from, veterans nationwide.**

  This follows the recent completion of town-halls at these facilities held between August and the end of September of this year.

  Details of events at each location will be forthcoming from local facilities. Additionally, VA is looking to continue to improve the town hall notification process, making sure we have the benefit of extensive local input. In addition to veterans and their families, the quarterly meetings are open to Congressional stakeholders, veterans service organizations, non-governmental organizations and other community partners.

- **A Department of Veterans Affairs (VA) initiative targeting potentially life-threatening staph infections in hospitalized patients has produced significant positive results, according to recent statistics released by VA.**

  VA’s success in substantially reducing rates of health care-associated infection with methicillin-resistant *Staphylococcus aureus* (MRSA) serves as important confirmation that multifaceted intervention strategies can achieve effective and sustained control of MRSA in U.S. hospitals.

  Among VA patients in intensive care units (ICU) between 2007 and 2012, health care-associated MRSA infection rates dropped 72 percent. Infection rates dropped 66 percent for patients treated in non-ICU hospital units.

  VA’s prevention practices consist of patient screening programs for MRSA, contact precautions for hospitalized patients found to have MRSA, and hand hygiene reminders with readily available hand sanitizer stations placed strategically in common areas, patient wards, and specialty clinics throughout medical centers. Computerized reminders, online training, frequent measurement and continual feedback to medical staff reinforce such practices.

  MRSA infections are a serious global health care issue and are difficult to treat because the bacterium is resistant to many antibiotics. According to the Centers for Disease Control and Prevention there were 75,309 cases of invasive MRSA infections and 9,670 deaths due to invasive MRSA in 2012.

**GENERAL HEALTH CARE NEWS**

- Health and Human Services Secretary Sylvia M. Burwell announced that $283 million has been invested in the National Health Service Corps (NHSC) in fiscal year 2014 to
increase access to primary care services in communities that need it most.

Today, more than 9,200 Corps clinicians are providing care to approximately 9.7 million patients across the country.

The NHSC provides financial, professional and educational resources to medical, dental and mental and behavioral health care providers who bring their skills to areas of the United States with limited access to health care.

Since 2008, the number of primary care providers in the National Health Service Corps has more than doubled and grants to states through the National Health Service Corps State Loan Repayment Program have increased nearly 50 percent.

In addition to Corps clinicians currently providing care, approximately 1,100 students, residents and health providers in the National Health Service Corps pipeline are in training and preparing to enter practice.

For more information about NHSC programs, please visit NHSC.hrsa.gov.

• The Department of Health and Human Services announced that next year's standard Medicare Part B monthly premium and deductible will remain the same as the last two years.

Medicare Part B covers physicians’ services, outpatient hospital services, certain home health services, durable medical equipment, and other items. For the approximately 49 million Americans enrolled in Medicare Part B, premiums and deductibles will remain unchanged in 2015 at $104.90 and $147, respectively.

According to the HHS Office of the Assistant Secretary for Planning and Evaluation, as compared to Congressional Budget Office (CBO) projections for 2015 made in 2009, premiums will be more than $125 lower over the course of a year.

Over the past four years, per capita Medicare spending growth has averaged 0.8 percent annually, much lower than the 3.1 percent annual increase in per capita GDP over the same period.

The Centers for Medicare & Medicaid Services also announced that for the small number of beneficiaries who pay Medicare Part A monthly premiums, their monthly bill will drop $19 in 2015 to $407. Medicare Part A covers inpatient hospital, skilled nursing facility, and some home health care services. Although about 99 percent of Medicare beneficiaries do not pay a Part A premium since they have at least 40 quarters of Medicare-covered employment, enrollees age 65 and over and certain persons with disabilities who have fewer than 30 quarters of coverage pay a monthly premium in order to receive coverage under Part A. Beneficiaries who have between 30 and 39 quarters of coverage may buy into Part A at a reduced monthly premium rate which is $224 for 2015, a decrease of $10 from 2014.

The Medicare Part A deductible that beneficiaries pay when admitted to the hospital will be $1,260 in 2015, a modest increase of $44 from this year's $1,216 deductible. The Part A deductible covers beneficiaries’ share of costs for the first 60 days of Medicare-covered inpatient hospital care in a benefit period. Beneficiaries must pay an additional $315 per day for days 61 through 90 in 2015, and $630 per day for hospital stays beyond the 90th day.

For beneficiaries in skilled nursing facilities, the daily co-insurance for days 21 through 100 in a benefit period will be $157.50 in 2015, compared to $152.00 in 2014.

• The Centers for Disease Control and Prevention (CDC) and the Department of
Homeland Security’s Customs & Border Protection (CBP) this week began new layers of entry screening at five U.S. airports that receive over 94 percent of travelers from the Ebola-affected nations of Guinea, Liberia, and Sierra Leone.

New York’s JFK International Airport will begin the new screening on Oct. 4. In the 12 months ending July 2014, JFK received nearly half of travelers from the three West African nations. The enhanced entry screening at Washington-Dulles, Newark, Chicago-O’Hare, and Atlanta international airports will be implemented next week.

CDC is sending additional staff to each of the five airports. After passport review:

- Travelers from Guinea, Liberia, and Sierra Leone will be escorted by CBP to an area of the airport set aside for screening.
- Trained CBP staff will observe them for signs of illness, ask them a series of health and exposure questions and provide health information for Ebola and reminders to monitor themselves for symptoms. Trained medical staff will take their temperature with a non-contact thermometer.
- If the travelers have fever, symptoms or the health questionnaire reveals possible Ebola exposure, they will be evaluated by a CDC quarantine station public health officer. The public health officer will again take a temperature reading and make a public health assessment. Travelers, who after this assessment, are determined to require further evaluation or monitoring will be referred to the appropriate public health authority.
- Travelers from these countries who have neither symptoms/fever nor a known history of exposure will receive health information for self-monitoring.

Entry screening is part of a layered process that includes exit screening and standard public health practices such as patient isolation and contact tracing in countries with Ebola outbreaks. Successful containment of the recent Ebola outbreak in Nigeria demonstrates the effectiveness of this approach.

These measures complement the exit screening protocols that have already been implemented in the affected West African countries, and CDC experts have worked closely with local authorities to implement these measures. Since the beginning of August, CDC has been working with airlines, airports, ministries of health, and other partners to provide technical assistance for the development of exit screening and travel restrictions in countries affected by Ebola.

Today, all outbound passengers are screened for Ebola symptoms in the affected countries. Such primary exit screening involves travelers responding to a travel health questionnaire, being visually assessed for potential illness, and having their body temperature measured. In the last two months since exit screening began in the three countries, of 36,000 people screened, 77 people were denied boarding a flight because of the health screening process. None of the 77 passengers were diagnosed with Ebola and many were diagnosed as ill with malaria, a disease common in West Africa, transmitted by mosquitoes and not contagious from one person to another.

Exit screening at airports in countries affected by Ebola remains the principal means of keeping travelers from spreading Ebola to other nations. All three of these nations have asked for, and continue to receive, CDC assistance in strengthening exit screening.

**REPORTS/POLICIES**

- The GAO published “Private Health Insurance: The Range of Base Premiums in the
This report examines the range of premiums offered to different categories of consumers in the individual market in the month of January 2013. [http://www.gao.gov/assets/670/665550.pdf](http://www.gao.gov/assets/670/665550.pdf)

### HILL HEARINGS

- There are no hearings scheduled.

### LEGISLATION

- There was no legislation published this week.

### MEETINGS

- 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](http://www.istss.org/MeetingsEvents.htm)
- AMSUS Annual Continuing Education Meeting will be held **Dec. 2-5, 2014**, in Washington, DC [http://amsusmeetings.org](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](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/l/d=159](http://aameda.org/p/cm/l/d=159)
- The Heroes of Military Medicine Awards will be held on **May 7, 2015** in Washington, DC. [http://www.hjfcp3.org](http://www.hjfcp3.org)

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.