

# 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

- **On Nov. 9, 2015, the Senate passed H.R. 2029, the H.R.2029, the *Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2016*.** This bill provides appropriations for military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2016, and for other purposes. The bill has passed the House and awaits the President's signature.

## MILITARY HEALTH CARE NEWS

- **The Secretary of the Navy Ray Mabus and Chief of Naval Operations Adm. John M. Richardson announced that Rear Adm. (lower half) Brian S. Pecha will be assigned as command surgeon, U.S. Pacific Command, Camp H. M. Smith, Hawaii.** Pecha is currently serving as deputy to Medical Officer of the Marine Corps, Arlington, Virginia.
- **Secretary of Defense Ash Carter announced that the president has nominated Rear Adm. Clinton F. Faison III, senior health care executive, for appointment to the rank of**

**vice admiral and for assignment as chief of the Bureau of Medicine and Surgery; and surgeon general of the Navy, Falls Church, Virginia.** Faison is currently serving as deputy chief, Bureau of Medicine and Surgery; and deputy surgeon general of the Navy, Falls Church, Virginia.

▪ **The chief of staff, Army announced the following assignments:**

- **Maj. Gen. Barbara R. Holcomb to be deputy commanding general, operations, U.S. Army Medical Command; and chief, U.S. Army Nurse Corps, Joint Base San Antonio, Texas.** Holcomb current serves as commanding general, Regional Health Command, Central – Provisional; market manager, San Antonio Health System; and chief, U.S. Army Nurse Corps, Joint Base San Antonio, Texas, to deputy commanding general, operations, U.S. Army Medical Command; and chief, U.S. Army Nurse Corps, Joint Base San Antonio, Texas.
- **Maj. Gen. Thomas R. Tempel Jr., to be commanding general, Regional Health Command, Central – Provisional; market manager, San Antonio Health System; and chief, U.S. Army Dental Corps, Joint Base San Antonio, Texas.** Tempel currently serves as commanding general, Western Regional Medical Command; market manager, Puget Sound Enhanced Multi-Service Market; and chief, U.S. Army Dental Corps, Joint Base Lewis-McChord, Washington, to commanding general, Regional Health Command, Central – Provisional; market manager, San Antonio Health System; and chief, U.S. Army Dental Corps, Joint Base San Antonio, Texas.
- **Brig. Gen. Patrick D. Sargent to be commanding general, Regional Health Command, Pacific – Provisional; command surgeon, U.S. Army Pacific; senior market manager, Hawaii Enhanced Multi-Service Market; and chief, U.S. Army Medical Service Corps, Honolulu, Hawaii.** Sargent current serves as commanding general, Pacific Regional Medical Command; command surgeon, U.S. Army Pacific; senior market manager, Hawaii Enhanced Multi-Service Market; and chief, U.S. Army Medical Service Corps, Honolulu, Hawaii.

▪ **The Defense Health Agency announced that Navy Vice Adm. Raquel Bono is the new director of the agency, succeeding Air Force Lt. Gen. Douglas Robb, who presided over the initial standup of the organization and led it to full operational capability status in October.**

Bono, who recently was promoted to vice admiral, served as director of the National Capitol Region Medical Directorate headquartered in Bethesda, Maryland. Shortly before the change of responsibility ceremony. Bono has served as a surgeon deployed in wartime, a hospital commander and chief of staff at the former TRICARE Management Activity.

“Thank you for honoring me,” said Bono. “With a team that we’ve got assembled here, we can’t go wrong.”

Robb moves on to retirement after a 36-year Air Force career. The U.S. Air Force Academy graduate practiced aerospace medicine in support of Air Force, joint and coalition aviation forces, and has maintained crewmember status in a variety of cargo, refueling and fighter aircraft.

▪ **TRICARE is hosting a webinar to educate TRICARE beneficiaries about benefits available to National Guard and Reserve service members. The webinar will take place on Wednesday, Nov. 18, 2015, from 12:00 pm – 1:00 pm ET.**

No prior registration is required. Participants are invited to join us using the following access link: <https://conference.apps.mil/webconf/TRICAREFORNGR>. For audio, dial 1-800-857-9816, pass code 38154.

Access is on a first-come, first-served basis and is limited due to system capacity. Participants must avoid sharing personal health information when asking a question. Questions will be answered immediately following the presentation.

National Guard and Reservists experience various stages of activation throughout their military careers. This webinar will discuss those stages and its impact on health care eligibility, as well as programs available to them and their family members. We will also feature a brief presentation from Ms. Barbara Wilson, Director of Training & Outreach, Office of Warrior Care Policy in honor of Warrior Care Month.

The primary speaker for this event is Mr. Brian Smith, Policy Analyst in the Defense Health Agency. Mr. Smith served as a Health Services Management Specialist in the US Air Force from 1991-1996. He has served as the Program Manager for all Reserve Component health plans, policies, and benefit programs with the Defense Health Agency for over three years. He has over 22 years of experience with the Military Health System.

For more information about TRICARE for Guard and Reserve members, visit [www.tricare.mil/reserve](http://www.tricare.mil/reserve).

- **The Wall Street Journal reports that federal prosecutors in at least four states have launched investigations into compounding pharmacies' fraudulent claims to TRICARE's pharmacy program.**

According to the Wall Street Journal, four Florida pharmacies agreed to pay \$12.8 million to settle civil allegations that they falsely billed the insurance program TRICARE for expensive pharmaceutical creams and gels to treat pain, scars and other ailments, according to A. Lee Bentley III, the U.S. attorney for the Middle District of Florida.

Two of the compounding pharmacies, which make customized medicines by mixing pharmaceutical ingredients, employed salespeople who paid doctors to write prescriptions to TRICARE beneficiaries, prosecutors said. One of the pharmacies had paid commissions of up to 58 percent of the amount paid by TRICARE to marketers who promoted their drugs to physicians, prosecutors alleged in settlement agreements. The commissions amounted to improper kickbacks in exchange for referring business to a government agency, the prosecutors said.

The pharmacies aren't admitting civil liability in the settlement agreements, according to copies of the agreements reviewed by *The Wall Street Journal*.

TRICARE paid \$1.75 billion for compounded drugs during its 2015 fiscal year —18 times the amount paid in 2012, according to Defense Department data. Compounded drugs represented 19 percent of Tricare's estimated \$9.14 billion prescription drug budget in 2015, up from 1.3 percent in 2012, according to the data.

The sharp increase in spending on compounded drugs was the primary driver behind a \$1.3 billion shortfall in the military's health-care budget earlier this year, according to Mark Wright, a Defense Department spokesman. Defense officials redirected funds from other programs to compensate for the shortfall.

Separately, Justice Department prosecutors in several other states, including California, Mississippi and Texas, are working with investigators from the Defense Department and other federal agencies to pursue civil and criminal charges against other pharmacies that have billed TRICARE.

## VETERANS AFFAIRS NEWS

- **The Department of Veterans Affairs' (VA) announced a partnership with the Bob Woodruff Foundation (BWF) to advance VA's outreach to veterans through deeper and more innovative local and community partnerships.**

VA will capitalize on BWF's strength and contacts to find unique ways to connect veterans, transitioning service members and their families with resources right where they live. The partnership with BWF is one of many strategic alliances VA is forming and is an integral goal of the MyVA initiative, the largest reorganization in VA's history which reorients VA around the needs of Veterans.

The Bob Woodruff Foundation is a nonprofit organization working on behalf of injured service members, veterans and their families. Since 2006, BWF has invested nearly \$30 million in programs reaching more than 2 million injured service members, veterans and their families in three key areas: Education and Employment, Rehabilitation and Recovery, and Quality of Life.

For more information about the Foundation, visit [www.bobwoodrufffoundation.org](http://www.bobwoodrufffoundation.org). For more information about VA including the MyVA initiative, visit [www.va.gov](http://www.va.gov).

- **The Department of Veterans Affairs (VA) and YMCA of the USA (Y-USA) have refreshed and expanded their partnership to promote and enhance the health and well-being of veterans and their families.**

A new agreement will make it easier for Veterans Benefits Administration (VBA) Regional Offices and Veterans Health Administration (VHA) facilities to work with local YMCAs to ensure that Veterans are connected to needed resources and opportunities in their communities.

In communities where VA and the Y choose to work together, the partnership connects veterans to VA services and benefits in the areas of employment, homelessness, healthy lifestyle programming, and reintegration into the local community.

VA is committed to working closely with nongovernmental organizations, such as Y-USA to identify new and innovative ways to support VA's commitment to care for those who "have borne the battle" and their families. Strengthening collaborations within communities and with community-based organizations helps to achieve VA's goal of improving the lives of Veterans, service members, their families, caregivers, and survivors.

While the collaboration might look different in each participating community, the mutual goals of improving the lives of veterans and their families will remain consistent nationwide.

## GENERAL HEALTH CARE NEWS

- **The Centers for Medicare & Medicaid Services (CMS) announced the 2016 premiums and deductibles for the Medicare inpatient hospital (Part A) and physician and outpatient hospital services (Part B) programs.**

As the Social Security Administration previously announced, there will no Social Security cost of living increase for 2016. As a result, by law, most people with Medicare Part B will be "held harmless" from any increase in premiums in 2016 and will pay the same monthly premium as last year, which is \$104.90.

Beneficiaries not subject to the "hold harmless" provision will pay \$121.80, as calculated reflecting the provisions of the Bipartisan Budget Act signed into law by President Obama last week. Medicare Part B beneficiaries not subject to the "hold-harmless" provision are those not

collecting Social Security benefits, those who will enroll in Part B for the first time in 2016, dual eligible beneficiaries who have their premiums paid by Medicaid, and beneficiaries who pay an additional income-related premium. These groups account for about 30 percent of the 52 million Americans expected to be enrolled in Medicare Part B in 2016.

Because of slow growth in medical costs and inflation, Medicare Part B premiums were unchanged for the 2013, 2014, and 2015 calendar years. The “hold harmless” provision would have required the approximately 30 percent of beneficiaries not held harmless in 2016 to pay an estimated base monthly Part B premium of \$159.30 in part to make up for lost contingency reserves, according to the 2015 Trustees Report. However, the Bipartisan Budget Act of 2015 mitigated the Part B premium increase for these beneficiaries and states, which have programs that pay some or all of the premiums and cost-sharing for certain people who have Medicare and limited incomes. The CMS Office of the Actuary estimates that states will save \$1.8 billion as a result of this premium mitigation.

CMS also announced that the annual deductible for all Part B beneficiaries will be \$166.00 in 2016. Premiums for Medicare Advantage and Medicare Prescription Drug plans already finalized are unaffected by this announcement.

To get more information about state-by-state savings, visit the CMS website at <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2015-Fact-sheets-items/2015-11-10.html>.

- **A New Centers for Disease Control and Prevention report finds that more Americans are obese and for the first time ever, more women are obese than men.**

The report found that nearly 38 percent of adults, up from 32 percent about a decade earlier. Experts said they had no explanation for why the obesity rate appears to be rising.

Obesity rates for men and women had been roughly the same for about a decade. But in the new report, the rate significantly was higher for women, at 38 percent, compared with 34 percent for men.

Obesity — which means not merely overweight, but seriously overweight (with a BMI of more than 30 percent) — is considered one of the nation's leading public health problems. Until the early 1980s, only about 1 in 6 adults were obese, but the rate climbed dramatically until it hit about 1 in 3 around a decade ago.

The new figures come from a regular government survey that involves not only interviewing people about their girth but also actually weighing them. Because of that, it is considered the gold standard for measuring the nation's waistline.

The widening gap between men and women seems to be driven by what's happening among blacks and Hispanics, said the study's lead author, the CDC's Cynthia Ogden.

Obesity rates for white men and white women remain very close. But for blacks, the female obesity rate has soared to 57 percent, far above the male rate of 38 percent. The gender gap is widening among Hispanics, too — 46 percent for women, 39 percent for men.

The report also looked at obesity in children but did not see much change. For young people ages 2 to 19, the rate has been holding at about 17 percent over the past decade or so. In addition, the study found the obesity rate among toddlers was 9 percent.

- **The Institute of Medicine published “Food Literacy: How Do Communications and Marketing Impact Consumer Knowledge, Skills, and Behavior?— Workshop in Brief,” on Nov. 6, 2015.** This report describe the current state of the science concerning the role that consumer education, health communications and marketing, and other forms of communication play in affecting consumer knowledge, skills, and behavior with respect to food safety, nutrition, and other health matters. It also explores how scientific information is communicated, including the credibility of the source and of the communicator, the clarity and usability of information, misconceptions/misinformation, and the role of policy; and explore the current state of the science concerning how food literacy can be strengthened through communications tools and strategies. - See more at: <http://iom.nationalacademies.org/Reports/2015/Food-Literacy-Communications-Marketing-Impact-on-Consumers-WIB.aspx#sthash.mDxv5548.dpuf>

## HILL HEARINGS

- The House Veterans Affairs Health Subcommittee will hold a legislative hearing on **Nov. 17, 2015**, to examine H.R. 1319; H.R. 1603; H.R. 1904; H.R. 2639; H.R. 3234; H.R. 3471; H.R. 3549; Draft legislation, the Promoting Responsible Opioid Management and Incorporating Medical Expertise Act; and, a VA legislative proposal, the VA Purchased Health Care Streamlining and Modernization Act.
- The House Veterans Affairs Committee will hold a hearing on **Nov. 18, 2015**, to assess VA’s plan to improve care in the community.

## LEGISLATION

- **S.2261** (introduced Nov. 9, 2015): A bill to amend title XVIII of the Social Security Act to improve the way beneficiaries are assigned under the Medicare shared savings program by also basing such assignment on services furnished by Federally qualified health centers and rural health clinics was referred to the Committee on Finance.  
Sponsor: Senator John Thune (SD)
- **S.2263** (introduced Nov. 10, 2015): A bill to encourage effective, voluntary private sector investments to recruit, employ, and retain men and women who have served in the United States military with annual federal awards to private sector employers recognizing such investments, and for other purposes was referred to the Committee on Health, Education, Labor, and Pensions.  
Sponsor: Senator Roy Blunt [MO]
- **S.2265** (introduced Nov. 10, 2015): A bill to improve the provision of health care by the Department of Veterans Affairs to veterans in rural and highly rural areas, and for other purposes was referred to the Committee on Veterans' Affairs.  
Sponsor: Senator Tom Udall [NM]
- **S.2279** (introduced Nov. 10, 2015): A bill to require the Secretary of Veterans Affairs to carry out a program to increase efficiency in the recruitment and hiring by the Department of Veterans Affairs of health care workers that are undergoing separation from the Armed Forces, to create uniform credentialing standards for certain health care professionals of the Department, and for other purposes was referred to the Committee on Veterans' Affairs.  
Sponsor: Senator Jeff Merkley [OR]
- **S.AMDT.2772 to H.R.2029** ((introduced Nov. 9, 2015): To require the Comptroller General of the United States to conduct audits relating to the timely access of veterans to hospital care, medical services, and other health care from the Department of Veterans Affairs was agreed to by Voice Vote.  
Sponsor: Senator Jeanne Shaheen [NH].

- **S.AMDT.2776 to H.R.2029** (introduced Nov. 9, 2015): To require the Secretary of Veterans Affairs to submit to Congress a report on the provision of health care to veterans in Alaska through the use of non-Department of Veterans Affairs health care providers was agreed to by Voice Vote.  
Sponsor: Senator Lisa Murkowski [AK]
- **S.AMDT.2786 to H.R.2029** (introduced Nov. 9, 2015): To require the Comptroller General of the United States to submit to Congress a report on the recruitment and retention of health care providers by the Department of Veterans Affairs was agreed to by Voice Vote.  
Sponsor: Senator Dan Sullivan [AK]
- **S.AMDT.2789 to H.R.2029** (introduced Nov. 9, 2015): To require the Secretary of Veterans Affairs to submit to Congress a report on wait times for medical appointments at the South Texas Veterans Health Care System of the Department of Veterans Affairs was agreed to by Voice Vote.  
Sponsor: Senator John Cornyn [TX]
- **S.AMDT.2795 to H.R.2029** (introduced Nov. 9, 2015): To require the Secretary of Veterans Affairs to conduct a study on the impact of combat service on suicide rates and other mental health issues among members of the Armed Forces and veterans was agreed to by Voice Vote.  
Sponsor: Senator Michael F. Bennet [CO]

## MEETINGS

- The AMIA 2015 Annual Symposium will be held on **Nov. 14-16, 2015**, in San Francisco, Calif. <https://www.amia.org/amia2015>
- 2015 AMSUS Annual Continuing Education Meeting will be held **Dec. 1-4, 2015**, in San Antonio, Texas <http://amsusmeetings.org>
- The Heroes of Military Medicine Awards will be held on May 5, 2016, in Washington D.C. <http://www.hjfc3.org>

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