

Federal Health Update

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EXECUTIVE AND CONGRESSIONAL NEWS

- **On Nov. 14, 2013, President Obama announced that his administration will let health insurers extend existing health plans on the individual and small-group markets into 2014.**

The administrative policy change will let insurers reach out to the millions of Americans being dropped from their plans so that they can renew their insurance for another year while the market adjusts to new PPACA regulations.

Insurers that extend existing plans must also notify consumers of what protections these renewed plans do not include. They must also notify customers that there are more options available on the new PPACA marketplaces that offer better coverage, and that tax credits are available for many consumers. While insurers will be able to let customers keep their existing plans for another year, they will not be able to let new customers buy these existing plans that do not meet new PPACA standards.

There are an estimated 4.8 million who have lost their existing coverage because their policies didn't meet the health care law's 10 minimum standards, including maternity care, emergency visits, mental health treatment and pediatric dental care. The issue was exacerbated because of the problems with the healthcare.gov website, making it hard for Americans to shop at the federal market place.

- **House Appropriations Chairman Hal Rogers announced that Rep. Rodney Frelinghuysen (R-NJ), formerly Chairman of the Energy and Water Development Subcommittee, will take**

the helm of the Defense Appropriations Subcommittee in the 113th Congress.

MILITARY HEALTH CARE NEWS

- **The Department of Defense announced that Air Force Col. Josef F. Schmid III has been nominated for appointment to the rank of brigadier general.** Schmid is currently serving as the deputy joint staff surgeon and director of reserve medical readiness operations and affairs, Special Staff to the Chairman of the Joint Chiefs of Staff, Pentagon, Washington, D.C.
- **The Secretary of the Navy Ray Mabus and Chief of Naval Operations Adm. Jonathan W. Greenert announced that Rear Admiral (lower half) Bruce L. Gillingham, will be assigned as commander, Navy Medicine West/commander, Naval Medical Center, San Diego, Calif.** Gillingham is currently serving as fleet surgeon, U.S. Fleet Forces Command, Norfolk, Va.
- **The Defense Department will close its walk-in TRICARE Service Centers in the U.S., as part of the reorganization of the military medical system under the Defense Health Agency.**

After a year-long review, military health system leaders concluded that customers could be better served with a toll-free TRICARE telephone customer service center or online.

Many centers are located within military hospitals and clinics, but some are in freestanding buildings on military installations or in the nearby civilian community. They often are staffed with one or two individuals.

According to data provided by TRICARE, utilization rates at service centers have varied from eight to 3,000 customers per month. The cost of running a center ranges from \$30 to \$216 per walk-in customer.

Closing the centers will save a projected \$250 million over the next five years. To accommodate additional customers, Tricare's toll-free customer service call centers will be improved, to include adequate staff and technology upgrades.

Overseas TRICARE Service Centers will not be affected.

The changeover is likely to begin in spring 2014.

- **Effective Feb. 1, 2014, the TRICARE Dental Program (TDP) monthly premium rates will change.**

These rate changes are regular annual increases that are part of the TDP contract. Ongoing premiums can be paid via a member's payroll allotment/deduction. Members who are not able to pay using this method can opt for electronic funds transfer or credit card payments. Visit www.metlife.com/tricare for information regarding payment options. The following lists your new TDP monthly premium rates:

Single Premium (one family member): \$10.96

Family Premium (more than one family member): \$32.89

Selected Reserve of the Ready Reserve and Individual Ready Reserve (Special Mobilization Only) Sponsor-Only Premium: \$10.96

Single Premium1 (one family member, excluding sponsor): \$27.40

Family Premium (more than one family member, excluding sponsor): \$82.23

Sponsor and Family Premium: \$93.19

Individual Ready Reserve (Non-Special Mobilization) Sponsor-Only Premium: \$27.40

Single Premium¹ (one family member, excluding sponsor): \$27.40

Family Premium (more than one family member, excluding sponsor): \$82.23

Sponsor and Family Premium: \$109.63

Under the TRICARE Dental Program, there is a \$1,300 annual maximum benefit per beneficiary, per plan year for non-orthodontic services. Each plan year begins May 1 and ends April 30. Payments for certain diagnostic and preventive services are not applied against the annual maximum. There is an additional \$1,200 maximum for dental care necessitated by an accident.

VETERANS AFFAIRS NEWS

- **The Department of Veteran Affairs has pledged nearly \$14 million in its ongoing effort to end veteran homelessness by 2015.**

The VA announced that it will allocate \$8.8 million in grants to rehabilitate current housing projects and buy new vans. The vehicles will be used for outreach and to transport homeless vets to medical appointments and to job opportunities. The department also approved an additional \$4.9 million to provide better services for homeless vet.

The VA has committed to spending more than \$1 billion in 2014 on preventative and rehabilitative programs for homeless vets.

GENERAL HEALTH CARE NEWS

- **The Department of Health and Human Services (HHS) announced that 106,185 individuals have selected plans from the Marketplace, and another 975,407 have made it through the process by applying and receiving an eligibility determination, but have not yet selected a plan.**

An additional 396,261 have been determined or assessed eligible for Medicaid or the Children's Health Insurance Program (CHIP).

The following key findings are among many newly available data reported today in an issue brief from HHS that highlights national and state-level enrollment-related information:

502,466 Americans, in just the first month of implementation, are positioned to have health coverage in 2014;

- Of those, 106,185 Americans have selected plans from the state and federal Marketplaces; and
- 396,261 Americans have been determined or assessed eligible for Medicaid or CHIP;

975,407 have made it through the process by applying and receiving an eligibility determination and have not yet selected a plan.

The report includes breakouts of enrollment-related data by state, including each of the 50 states

and the District of Columbia. The report groups the states into the federally-facilitated Marketplace (FFM) (defined as those states where HHS is running the Marketplace or states where HHS is doing so in partnership), and state-based Marketplaces (SBMs). In some cases only a partial SBM dataset was available.

In total, 106,185 Americans selected a Qualified Health Plan (QHP) through the Marketplace during the first reporting period of Open Enrollment. Enrollment figures include those who have selected a plan and have or have not yet paid the first month's premium. Of the people who have selected a plan, 79,391 (74.8 percent) enrolled through a SBM, while the other 26,794 people (25.2 percent) enrolled through the FFM. Additionally, 396,261 Americans have been assessed or determined eligible for Medicaid or CHIP. SBMs that provided data for the report accounted for 212,865 (53.7 percent) of those determinations, while the FFM accounted for 183,396 (46.3 percent) of them. Forthcoming data will enumerate those who applied directly to a state Medicaid/CHIP office.

The report characterizes past experiences in health insurance enrollment patterns, noting typical low initial enrollment in, for example, the Federal Employees Health Benefits Program Medicare Part D, Massachusetts' Commonwealth Care, the Children's Health Insurance Program and the Pre-existing Condition Insurance Plan created under the Affordable Care Act.

The report also addresses Marketplace customer service, outreach and web traffic. It found that there have been an estimated 26,876,527 visitors on the SBM and FFM websites. There have also been an estimated 3,158,436 calls to the SBM and FFM call centers.

For the full text of the report, "Health Insurance Marketplace: November Enrollment Report," please visit: http://aspe.hhs.gov/health/reports/2013/MarketPlaceEnrollment/rpt_enrollment.pdf.

- **The Centers for Disease Control and Prevention received accreditation from the Emergency Management Accreditation Program (EMAP) for its excellence in emergency management.**

CDC is the first federal agency to attain full accreditation of its emergency management program.

Accreditation means a program has completed the six step EMAP process, including a self-assessment, an on-site appraisal, and a committee review. The on-site assessment and follow up report includes a summary of compliance against 64 EMAP standards set out in the Emergency Management Standard. Included in the EMAP standards are program management; administration and finance; laws and authorities; operational planning; exercises, evaluations and corrective action; and crisis communication, public education and information.

Since 1997, EMAP's independent assessors and program review committee evaluates local, state and national emergency management programs to ensure they meet nationally set standards for emergency management and promote consistent quality of in emergency management programs. The cost of accreditation is \$50,000 and is valid for five years. Thirty one states, the District of Columbia, and 14 cities and counties in the United States are accredited.

For more information, please visit <http://www.cdc.gov/about/newsevents/events.htm>.

- **The Food and Drug Administration (FDA) approved a device to help reduce the frequency of seizures in epilepsy patients who have not responded well to medications.**

The RNS Stimulator consists of a small neuro-stimulator implanted within the skull under the scalp. The neuro-stimulator is connected to one or two wires (called electrodes) that are placed where the seizures are suspected to originate within the brain or on the surface of the brain.

Epilepsy produces seizures affecting varied mental and physical functions. Seizures happen when clusters of nerve cells in the brain signal abnormally, which may briefly alter a person's consciousness, movements or actions. According to the Epilepsy Foundation, epilepsy affects nearly 3 million people in the United States and is the third most common neurological disorder, after Alzheimer's disease and stroke. Approximately 40 percent of people with epilepsy are severely affected and continue to have seizures despite treatment.

The FDA's approval is supported by a three-month randomized control trial of 191 patients with drug-resistant epilepsy.

The study showed that by three months after the implanted device was turned on (active use) patients experienced a nearly 38 percent reduction in the average number of seizures per month, compared to an approximately 17 percent reduction in the average number of seizures per month in patients who had the implanted device turned off. At the end of three months, the median reduction in seizures, which reflects a more typical patient experience, was 34 percent with active use and about 19 percent with the device turned off. During the trial, 29 percent of patients with an active device experienced at least a 50 percent reduction in the overall number of seizures, compared to 27 percent for those with the implanted device turned off.

During a two-year follow-up phase (unblinded), data demonstrated a persistent reduction in seizure frequency.

The RNS Stimulator is manufactured by Neuropace, Inc. of Mountain View, Calif.

REPORTS/POLICIES

- **The Congressional Budget Office (CBO) published “Options for Reducing the Deficit: 2014 to 2023,” on Nov. 14, 2013.** The report includes a section examining federal spending on major health care programs. <http://www.cbo.gov/sites/default/files/cbofiles/attachments/44715-OptionsForReducingDeficit.pdf>

HILL HEARINGS

- There are no hearings scheduled this week..

LEGISLATION

- **S.1642** (introduced Nov. 4, 2013): A bill to permit the continuation of certain health plans was referred to the Committee on Finance.
Sponsor: Senator Mary L. Landrieu [LA]
- **H.R.3450** (introduced Nov. 12, 2013): Health Insurance Freedom Act of 2013 was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means.
Sponsor: Representative Renee L. Ellmers [NC-2]
- **H.R.3462** (introduced Nov. 13, 2013): To amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to exclude from the definition of health insurance coverage certain medical stop-loss insurance obtained by certain plan sponsors of group health plans was referred to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means.
Sponsor: Representative Bill Cassidy [LA-6]

- **H.R.3474** (introduced Nov. 13, 2013): To amend the Internal Revenue Code of 1986 to allow employers to exempt employees with health coverage under TRICARE or the Veterans Administration from being taken into account for purposes of the employer mandate under the Patient Protection and Affordable Care Act was referred to the House Committee on Ways and Means.
Sponsor: Representative Rodney Davis [IL-13]
- **S.1685** (introduced Nov. 12, 2013): A bill to amend the Public Health Service Act and the Social Security Act to extend health information technology assistance eligibility to behavioral health, mental health, and substance abuse professionals and facilities, and for other purposes was referred to the Committee on Finance.
Sponsor: Senator Rob Portman [OH]
- **S.1687** (introduced Nov. 12, 2013): A bill to amend the Fair Labor Standards Act of 1938 to ensure that employees are not misclassified as non-employees, and for other purposes was referred to the Committee on Health, Education, Labor, and Pensions.
Sponsor: Senator Robert P. Casey, Jr. [PA]
- **S.1699** (introduced Nov. 13, 2013): A bill to permit individuals to renew certain health insurance coverage offered in the individual or small group markets and to provide that such individuals would not be subject to the individual mandate penalty was referred to the Committee on Finance.
Sponsor: Senator Mark Udall [CO]

MEETINGS

- The AMIA 2013 Annual Symposium will be held on **Nov. 16-20, 2013**, in Washington DC.
<http://www.amia.org/amia2013>
- The Radiological Society of North America (RSNA) 2013 will be held **Dec. 1-3, 2013**, in Chicago, Ill. http://www.rsna.org/Annual_Meeting.aspx
- The 2013 Special Operations Medical Association (SOMA) Conference will be held on **Dec. 14-17, 2013**, in Tampa, Fla. <http://www.specialoperationsmedicine.org/>
- The AAMA 2014 Conference will be held on **Feb. 25-28, 2014**, in Las Vegas Nev.
<http://aameda.org/p/cm/ld/fid=98>
- ACHE's Congress on Administration will be held on **March 24-27, 2014**, in Chicago Ill.
<http://www.ache.org/congress/>.
- The Heroes of Military Medicine Awards will be held on **May 1, 2014**, in Washington, DC.
<http://www.hjfc3.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.