

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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Happy Thanksgiving!

The *Update* won't publish on Dec. 4, and 25, 2015.

EXECUTIVE AND CONGRESSIONAL NEWS

- **The House and Senate will be in recess for Thanksgiving from Nov. 20 and 21 respectively until Nov. 30, 2015.**

MILITARY HEALTH CARE NEWS

- **On Nov. 23, 2015, Secretary of Defense Ash Carter announced that the president has made the following nominations:**
 - Air Force Col. John J. Degoes has been nominated to the rank of brigadier general. Degoes is currently serving as the command surgeon, Headquarters U.S. Northern Command, Peterson Air Force Base, Colorado.

- Air Force Col. James H. Dienst has been nominated to the rank of brigadier general. Dienst is currently serving as the command surgeon, Headquarters Air Force Reserve Command, Robins Air Force Base, Georgia.
- Air Force Col. Mark A. Koeniger has been nominated to the rank of brigadier general. Koeniger is currently serving as deputy director, medical operations and research, Office of the Surgeon General, Falls Church, Virginia.
- Air Force Col. Christopher W. Lentz has been nominated for appointment to the rank of brigadier general. Lentz is currently serving as the mobilization assistant to the command surgeon, Headquarters Air Mobility Command, Scott Air Force Base, Illinois.

- **The Defense Department has met the interoperability requirements for electronic health records as called for in the National Defense Authorization Act of 2014, according to Department of Defense (DoD) officials.**

DoD and Veterans Affairs have two goals in integrating patients' records and making the information accessible by both agencies. The goals are to create a seamless health record, and modernize the software that clinicians and analysts in both agencies use.

By seeing a patient's combined record, doctors will have a complete picture of the patient's medical treatment, which will allow the clinicians to make the best choices for the patient. This saves doctors and analysts from having to sort through stacks of copies of files.

The Joint Legacy Viewer (JLV) is a secure, web-based, integrated system, requires government credentials to log in, and keeps track of who accessed a person's record. The JLV can be viewed by DoD and VA personnel. Benefit analysts use the information for disability evaluations.

JLV – still in a testing phase - integrates information from 300 data sources.

The NDAA required all data in DoD's Armed Forces Health Longitudinal Technology Application outpatient system be shared in compliance with existing national standards.

- **Navy Rear Admiral Bruce Doll, head of the Defense Health Agency (DHA) Research, Development and Acquisition Directorate (RDA), retired on Nov. 20.**

Under his leadership, RDA has been responsible for overseeing the design, prioritization and integration of medical research, development and acquisition programs across the continuum of care within the medical research community.

Doll expressed pride with what the RDA has been able to accomplish during his tenure.

“With the DHA’s growth to full operational capability, we have made noteworthy progress in our liaisons with the Department of Veterans Affairs, international groups through global engagement, and being able to heighten the visibility of our science and technology products, and projects that we intend to see become products,” he said. “We’ve been fortunate to be able to contribute to research into early in-theater management of traumatic brain injury and en route analgesic use for relieving pain in combat settings, which are helping to advance the state of combat casualty care in the Military Health System. RDA has always been focused on our operational forces, so we always ask ourselves, ‘What are we doing for first response care?’ when a Soldier, Sailor or Airman is injured.”

Doll’s military career began in 1982 as an assistant dental officer at the Naval Branch Dental Clinic, China Lake, California. A year later, Doll was assigned to 1st Force Service Support Group, Camp Pendleton, California, as the officer-in-charge, 1st Battalion Service Support Group. He served as dental department head on the USS Juneau from 1985 to 1987. His other

duty stops include Periodontics department head and training officer at the dental clinic, U S Naval Academy, Annapolis, Maryland; the Navy Reserve Bureau of Medicine and Surgery 106, Washington, D.C.; the 14th Dental Company, Fort Dix, New Jersey; the Navy Reserve OHSU National Naval Medical Center Bethesda; and the U.S. Army Medical Research and Material Command, Fort Detrick, Maryland.

- **The Military Officers of America Association (MOAA) is seeking feedback from TRICARE beneficiaries about their military health benefits.**

Congress has signaled its intent to overhaul of the military health system next year. In response, MOAA is asking service members, spouses, retirees and family members who use Tricare to weigh in on its survey. MOAA's short Q&A asks beneficiaries a range of questions about how satisfied they are with access to appointments, their ability to choose doctors, their health care costs and more.

MOAA officials say they created the survey to prepare baseline data on military beneficiaries' satisfaction with their health care.

The survey is open to active-duty troops, reserve and National Guard members, working-age retirees, Medicare-eligible retirees, family members and survivors.

To take the quiz, please visit:

<http://survey.highroadsolution.com/votingmodule/VOTING3/f/998692/8b25/?msig=96325c1137ab3050923a2455cbcb4c7a>

VETERANS AFFAIRS NEWS

- **The *Military Times* reports that VA officials confirmed that they have reassigned two demoted regional directors Diana Rubens, director of the Veterans Benefits Administration's Philadelphia Regional Office, and Kimberly Graves, director of the St. Paul office in Minnesota.**

The moves are in response to a September report from the VA inspector general stating that the two officials abused the department's internal employee-relocation programs to gain promotions and collect thousands of dollars in questionable moving expenses.

For Rubens, that totaled almost \$275,000 for a move from Washington, D.C., to Philadelphia, including losses related to the sale of her home. For Graves, it was nearly \$130,000.

In both cases, investigators found that the women created vacancies within the department to give themselves opportunities for less work with comparable pay. Lawmakers have called for their firings and possible criminal charges.

Department leaders — who conduct their own reviews, separate from the IG report — responded by demoting the officials to assistant director posts at other locations.

The moves from senior executive positions to General Schedule jobs will cost them potentially tens of thousands of dollars in salary and benefits.

But some lawmakers say that's not enough. In a letter to VA Secretary Bob McDonald on Monday, House Veterans' Affairs Committee Chairman Jeff Miller, R-Fla., called the decision not to fire the pair "disappointing" and the decision not to try and recoup the relocation funds "flabbergasting."

"VA aggressively pursues the recoupment of overpayment of benefits made to veterans ... even

when the overpayments are due to VA's own errors," Miller wrote. "I am sure you appreciate the lunacy of a policy that is stricter on veteran beneficiaries of earned benefits as compared to corrupt government employees."

In fact, the Rubens and Graves are eligible for even more relocation money.

Since the new positions will involve involuntary cross-country moves, both women can apply for a series of department relocation reimbursements, VA officials confirmed. Although the home-sale program has been suspended during a department-wide review, the employees' other moving costs can be paid for with taxpayer dollars.

GENERAL HEALTH CARE NEWS

- **The Centers for Medicare & Medicaid Services (CMS) today issued the proposed annual Notice of Benefit and Payment Parameters for 2017, governing participation in the Health Insurance Marketplaces.**

The proposed rule seeks comment on proposals that will provide continued choice and competition for consumers, and a vibrant and growing market for affordable, quality health plans. The proposed rule seeks to improve the consumer experience, both when individuals shop for health insurance and when they use it.

To protect consumer access to health care providers and delivery organizations, the proposal asks states to establish a provider network adequacy standard for health plans in the federal Marketplace, subject to minimum criteria that CMS will establish at a later date..

CMS is evaluating additional efforts to support transparency and informed consumer decision-making as it relates to provider network adequacy, and is requesting comment on whether designating network strength – for instance, indicating whether a plan has a broad number of doctors or health facilities in their network to choose from or not -- could improve the consumer experience in future years.

To make it easier for consumers to compare plans based on key provisions, CMS is proposing to give issuers the choice of offering plans with standardized options such as cost-sharing. Health plans would not be required to issue such plans and could continue to offer other plans with more variable plan designs, as well as the proposed optional standardized plans, so consumers can choose the plan that's right for them.

In an effort to reduce surprises consumers may face after buying a policy, CMS is seeking comment on a requirement that health plans in the federal Marketplace count certain out-of-pocket expenses on unexpected out-of-network services towards a policy holder's annual out-of-pocket maximum, if the service was performed at an in-network facility and advance notice was not provided. Currently, these types of out-of-network cost-sharing charges are generally not counted towards the out-of-pocket maximum.

Recognizing that once consumers enroll in coverage, many still need assistance in understanding and using their coverage, the proposed rule seeks comment on expanding the required duties of Navigators. The expanded duties would include specific post-enrollment assistance activities such as Marketplace eligibility appeals, applying for exemptions through the Marketplace, and navigating the transition from coverage to care. This proposal is a step forward in engaging and empowering consumers with the resources they need to understand how to use their coverage.

The proposed rule would also increase options for employees in the federal Small Business Health Options Program (SHOP) for plan years beginning in 2017 and beyond. Under current regulations, employers participating in the federal SHOP Marketplace can offer their employees either one health plan and/or one dental plan, or all health and dental plans across one metal level (or actuarial value, for dental plans). Under the proposal, employers would be able to offer all plans across all levels of coverage from one insurance company. This would give employers

more choices as they look for coverage that best suits their employees.

The rule proposes changes and solicits comments on a number of proposals as well as improvements to the premium stabilization programs in an ongoing effort to build the Marketplace in a way that supports a vibrant and competitive environment for issuers and consumers. Those include:

- Streamlining direct enrollment so that customers can more easily use websites of agents and brokers, decreasing administrative costs for issuers;
- Keeping the federal Marketplace user fee stable for 2017, the 4th year of predictability for issuers;
- Discussing options on transitioning consumers more smoothly from Marketplace coverage to Medicare, so that elderly, often higher-risk consumers, move from the Marketplace risk pool to Medicare;
- Recalibrating the risk adjustment formula using most recent data to provide greater accuracy of payments;
- Seeking comment on improvements to the child age rating curve to reflect risk more accurately, so that premiums can be more accurately priced; and
- Seeking comment on the Open Enrollment period for 2018 and beyond. Under the proposal the Open Enrollment period for 2017 would remain November 1 – January 31.

For a more detailed list of proposals in the rule, visit:

<https://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/index.html>.

The proposed rule was published on the *Federal Register* at:

<https://www.federalregister.gov/public-inspection>.

- **The U.S. Food and Drug Administration approved a new indication for BioThrax (Anthrax Vaccine Adsorbed) to prevent disease following suspected or confirmed exposure to *Bacillus anthracis*, the bacterium that causes anthrax disease.**

The vaccine's new use is approved for people 18 through 65 years of age in conjunction with recommended antibiotic treatment. BioThrax was initially approved by the FDA in 1970 for the prevention of anthrax disease in persons at high risk of exposure.

Anthrax disease, especially the inhalation form, is often fatal if not promptly treated. Anthrax is considered one of the more likely agents to be used in a biological attack, primarily because its spores are very stable and easy to disperse. Although it is rare, people may contract anthrax disease through natural exposures, such as contact with infected animals or contaminated animal products.

BioThrax is the first vaccine to receive approval based on the [Animal Rule](#). The Animal Rule allows animal efficacy data to be used as a basis for approval when human efficacy studies are not ethical or feasible.

BioThrax is manufactured by Emergent BioDefense Operations Lansing LLC, based in Lansing, Michigan.

REPORTS/POLICIES

- **The GAO Published “*Medicare Part B: Expenditures for New Drugs Concentrated among a Few Drugs, and Most Were Costly for Beneficiaries,*” (GAO-16-12) on Nov. 20, 2015. This**

report describes drugs newly approved by FDA and paid for by Medicare Part B and compares them to drugs newly approved and not paid for by Part B; and analyzes spending and utilization patterns for new Part B drugs. <http://www.gao.gov/assets/680/673304.pdf>

HILL HEARINGS

- The Senate Armed Services Committee will hold a hearing on **Dec. 2, 2015**, to examine Department of Defense personnel reform and strengthening the all-volunteer force.
- The House Veterans Affairs Committee will hold a hearing on **Dec. 9, 2015**, to review the accountability at the Department of Veterans Affairs.

LEGISLATION

- No legislation was proposed this week.

MEETINGS

- 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/heroes-dinner>

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.