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 Washington Post** is reporting the President-elect Donald Trump will select retired Marine Gen. James N. Mattis to be his secretary of defense.

  Mattis, retired as the chief of U.S. Central Command 2013 after serving more than four decades in the Marine Corps. Since retiring, he has served as a consultant and as a visiting fellow with the Hoover Institution, a think tank at Stanford University.

  To be eligible for the position, Congress must pass legislation to override current law that prohibits anyone who has been on active duty within seven years to become the secretary of defense. Congress has granted a similar exception just once, when Gen. George C. Marshall was appointed to the job in 1950. A formal announcement is expected next week.

- **President-elect Donald Trump** has announced his intention to nominate Representative Tom Price (GA-6) to be the next Secretary of Health and Human Services.

  Price, a five-term congressman hailing from the Atlanta suburbs, is the chairman of the House Budget Committee. He’s an orthopedic surgeon by trade, and was an early supporter of Trump’s presidential candidacy.

  Price has also been a strong advocate of repealing Obamacare. Price favors expanding health savings accounts and providing tax credits for purchasing health coverage.
Trump selected Seema Verma, a health care consultant, to head the Centers for Medicare & Medicaid Services.

Verma worked closely with Indiana Gov. Mike Pence to design Indiana’s Medicaid expansion under the Affordable Care Act. The expansion, known as the Healthy Indiana Plan 2.0, went into effect early last year, and Verma’s involvement in it may prove important as Congress and the Trump administration, including the vice-president elect, make decisions on the future of Obamacare.

- **On Nov. 30, 2016, Representative Mac Thornberry (R-TX), chair of the House Armed Services Committee, introduced the Conference Report for the FY17 National Defense Authorization Act.**

The NDAA supports $619 billion for national defense. In addition to matching the President’s original Budget Request of $610 billion, the NDAA also authorizes the $5.8 billion supplemental request for operations in Iraq, Afghanistan, and Europe. It also provides an additional $3.2 billion for Readiness Stabilization Funding to stop the drawdown of the military, which is fueling the readiness crisis.

The bill gives troops a 2.1 percent pay raise, the largest increase in five years.

Health care-related provisions in the bill include:

- Make no changes to out-of-pocket costs for current force or retirees but adds premiums for active duty military families and retirees joining TRICARE after 2018.
- Provide two comprehensive TRICARE options for servicemembers, their families & retirees: managed care option and no-referral network option
- Eliminate referrals for urgent care and ensure urgent care access for military families
- Extend care at Military Treatment Facilities (MTF) primary care clinics beyond normal business hours
- Expand public-private partnerships to increase and complement MTF services provided to beneficiaries
- Enable retirees to purchase durable medical equipment at the DOD cost
- Standardize appointment scheduling and first-call resolution when contacting MTF clinics
- Increase the number of available appointments at MTFs.

To read the full text, please visit: [https://www.congress.gov/114/bills/hr4909/BILLS-114hr4909ih.pdf](https://www.congress.gov/114/bills/hr4909/BILLS-114hr4909ih.pdf)

- **On Nov. 29, Secretary of Defense Ash Carter sent a letter to Congress on Tuesday urging Congress to pass a short continuing resolution bill and complete work on full-year appropriations, including the defense budget.**

The letter, addressed to Speaker of the House Paul Ryan and Senate Majority Leader Mitch McConnell, notes that the government has “never” operated under a CR through a presidential transition, nor had one that lasts this long.

“I am particularly troubled by information that Congress may be considering a CR through May. A short-term CR is bad enough, but a CR through May means [the Department of Defense] would have to operate under its constraints for two-thirds of the fiscal year. This is unprecedented and unacceptable, especially when we have so many troops operating in harm’s way,” Carter wrote. “I strongly urge Congress to reject this approach.”
To read the letter, please visit: http://snagfilms.s3.amazonaws.com/d2/57/705200a64d11b61adb0300886b510/letter-from-secretary-of-defense-ash-carter-on-cr.pdf

- **On Nov. 29, 2016, the Senate passed S. 2873, the “Expanding Capacity for Health Outcomes Act” (ECHO Act).** This bill requires studies and reports examining the use of, and opportunities to use, technology-enabled collaborative learning and capacity building models to improve programs of the Department of Health and Human Services, and for other purposes.

- **The House passed H.R. 34, the 21st Century Cures Act, on Nov. 30, 2016.**
  The legislation would appropriate nearly $4.8 billion over the next decade to the National Institutes of Health for cutting-edge research on everything from Alzheimer’s disease to cancer to traumatic brain injury. It also would increase funding for the Food and Drug Administration, speed up approval for new drugs and medical devices, and provide $1 billion in new funding over the next two years for opioid addiction prevention and treatment programs.

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**MILITARY HEALTH CARE NEWS**

- **Effective early December, it will expand TRICARE coverage to include the care and treatment of beneficiaries requiring an auditory osseo-integrated implant (AOI) to non-active duty family members.**

  In addition, TRICARE announced it will also cover the services and supplies needed to diagnose and treat illness or injury of the urinary system.

  AOI is a prosthetic device implanted in the skull to transmit sounds to the inner ear. They are used when needed for significant hearing conditions resulting from trauma, birth defects or disease.

  Injuries to the urinary system can include a blunt force, e.g., most commonly motor vehicle crashes, falls, or sports injuries or a penetrating force, e.g., most commonly gunshot or stab wounds, or surgery. Injuries to the urinary tract often occur together with injuries to other organs, especially abdominal organs. Illnesses can include bladder disease or cancer, urinary tract infections and chronic kidney disease.

  These additions to coverage are on the heels of our recently expanded preventive services and care for congestive heart failure under the TRICARE cardiac rehabilitation benefit.

  For questions about all covered services, visit the TRICARE website.

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**VETERANS AFFAIRS NEWS**

- **The Department of Veterans Affairs (VA) announced it is partnering with the Prostate Cancer Foundation (PCF) to prevent, screen and promote research to speed the development of treatments and cures for prostate cancer among veterans.**

  The announcement was made during Launch Pad: Pathways to Cancer InnoVAtion, a joint VA/PCF summit that brings together world-class oncology experts, corporate and nonprofit partners to discuss research, big data, technology and clinical solutions to advance screening,
diagnostics and care coordination for cancer and to promote the implementation of best practices across the VA health care system.

As part of the summit, PCF announced a $50-million precision oncology initiative to expand prostate cancer clinical research among veterans to speed the development of new treatment options and cures for prostate cancer patients. The agreement is the first partnership between PCF and VA, and it comes at a time when an estimated 12,000 veterans each year are diagnosed with prostate cancer, making it the most frequently diagnosed cancer among Veterans. In particular, African-Americans are 64 percent more likely to develop prostate cancer compared to any other race or ethnicity and 2.4 times more likely to die from the disease.

The goals of the PCF partnership are to increase the number of Veterans Health Administration (VHA) investigators applying to PCF for funding; increase the number of VHA facilities involved in precision medicine/prostate cancer clinical trials; increase the number of veterans enrolled in studies, providing veteran specimens or data used in studies as well as increase the number of minorities enrolled in PCF studies; and increase the number of early career scientists working on prostate cancer research.


For more information about VA research, including cancer innovations, visit [http://www.research.va.gov/](http://www.research.va.gov/).

- **The Department of Veterans Affairs (VA) has received Hall of Fame recognition by the National Colorectal Cancer Roundtable (NCCR) for achieving an 82 percent colorectal cancer screening rate.**

The NCCR goal for screenings is 80 percent and the national average is in the 60 percent range.

NCCR was established in 1997 by the American Cancer Society and the Centers for Disease Control and Prevention as a national coalition of public, private and voluntary organizations along with invited individuals.

VA has been an early leader in fully embracing the value of colorectal cancer screening and in employing a comprehensive approach to its screening program by developing policies and guidance about screening. VA also monitors and reports system-wide screening rates, increased access to screening, developed systems of care to facilitate screening using clinical reminders, clinician toolkits, patient and staff education.

Information about VA’s efforts to prevent and treat colorectal cancer may be found at [http://www.va.gov/QUALITYOPCARE/initiatives/compare/Prevention_Colorectal_Cancer_Screening.asp](http://www.va.gov/QUALITYOPCARE/initiatives/compare/Prevention_Colorectal_Cancer_Screening.asp).

- **The Centers for Medicare & Medicaid Services (CMS) released a tool to share automatically electronic data for the Medicare Quality Payment Program.**

This new release is the first in a series that will be part of CMS’s ongoing efforts to spur the creation of innovative, customizable tools to reduce burden for clinicians, while also supporting high-quality care for patients.
In October, CMS released the **Quality Payment Program website**, an interactive site to help clinicians understand the program and successfully participate. This release, commonly referred to as an Application Program Interface (API), builds on that site by making it easier for other organizations to retrieve and maintain the Quality Payment Program's measures and enable them to build applications for clinicians and their practices.

The API, available at qpp.cms.gov/education, will allow developers to write software using the information described on the Explore Measures section of www.QPP.cms.gov. Based on interviews with clinicians, CMS created the Explores Measures tool, which enables clinicians and practice managers to select measures that likely fit their practice, assemble them into a group, and print or save them for reference. Already, tens of thousands of people are using this tool.

Through streamlined policy and improved technology and operations, the Quality Payment Program is modernizing Medicare to pay smarter for better care. The Quality Payment Program is designed to reduce reporting burden on clinicians so that they can focus on their patients, while also providing useful information to clinicians and other stakeholders, so that overall care quality improves. As the program and its supporting website mature, CMS will continue to release data and APIs to spur innovation and keep participants up-to-date.

- **Lack of sleep costs the U.S. economy up to $411 billion, according to a new report.**

  According to the **RAND Corporation study**, *"Why Sleep Matters,"* lack of sleep also increases the risk of death by 13 percent and leads to the loss of 1.2 million working days every year.

  Making sure to get at least six or seven hours of sleep per night could add $226.4 billion to the economy.

  Sleep deprivation not only influences an individual’s health and well-being but has a significant impact on a nation's economy, with lower productivity levels and a higher mortality risk among workers, according to the study’s authors.

  The study also looked at how sleep or lack thereof affects the economies of the UK, Canada, Germany and Japan. The U.S. had the biggest financial losses, followed by Japan, which loses an estimated $138 billion and 600,000 working days. Canada was the least affected, losing only $21.4 billion and 80,000 working days.

  Researchers recommend set bedtimes, avoiding the use of electronic items before bed and daily physical exercise.

### Reports/Policies

- There were no relevant reports published this week.

### Hill Hearings

- There are no hearings scheduled next week.

### Legislation
- **H.R.6407** (introduced Nov. 30, 2016): VA Management Alignment Act of 2016 was referred to the House Committee on Veterans’ Affairs. Sponsor: Representative Derek Kilmer [D-WA-6]

- **H.R.6404** (introduced Nov. 30, 2016): Medicare Home Health Flexibility Act of 2016 was referred to the House Ways and Means, Energy and Commerce. Sponsor: Representative Charles W. Boustany, Jr. [R-LA-3]

- **H.R.6399** (introduced Nov. 29, 2016): Fixing Medicare Hospital Payments Act of 2016 was referred to the House Committee on Ways and Means. Sponsor: Representative Mike. Kelly [R-PA-3]

- **H.R.6396** (introduced Nov. 30, 2016): Improving Broadband Access for Veterans Act of 2016 was referred to the House Committee on Energy and Commerce. Sponsor: Representative Jerry McNerney [D-CA-9]

### MEETINGS


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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.